

Rockwell Automation

Company Overview

January 2017

Safe Harbor Statement

- This presentation includes statements related to the expected future results of the company and are therefore forward-looking statements. Actual results may differ materially from those projections due to a wide range of risks and uncertainties, including those that are listed in our SEC filings.
- This presentation also contains non-GAAP financial information and reconciliations to GAAP are included in the appendix. All information should be read in conjunction with our historical financial statements.

ROK Overview

**Rockwell
Automation**

Rockwell Automation at A *GLANCE*

\$5.9B
FISCAL 2016 SALES

22,000 
EMPLOYEES

80+
COUNTRIES

WORLD'S LARGEST COMPANY DEDICATED
TO INDUSTRIAL AUTOMATION AND INFORMATION



AUTOMATION SOLUTIONS
for a *broad range of industries*

SERVING
CUSTOMERS FOR
113 YRS

- Innovation
- Domain expertise
- Culture of integrity & corporate responsibility



ABOVE-MARKET GROWTH | PRODUCTIVITY | INTELLECTUAL CAPITAL


VALUE CREATION

ROK Vision

**Rockwell
Automation**

BRINGING THE CONNECTED ENTERPRISE TO LIFE

With value described for a customer in their specific language

Delivered using all of our strengths and those of our partners to provide reliable results

ABOVE- MARKET REVENUE GROWTH

Share growth in our core platforms and industries

Double-digit growth in Information Solutions and Connected Services

Growth of a point or more per year from acquisitions

SUPERIOR RETURN ON YOUR INVESTMENT

EPS growth greater than revenue growth

Over 20% Return On Investment Capital (ROIC)

100% Free Cash Flow as a percentage of Adjusted Income

Consistent return of cash to shareowners

We Help Customers Achieve...

Business Value



*Faster
Time to
Market*



*Lower Total
Cost of
Ownership*



*Improved
Asset
Utilization*



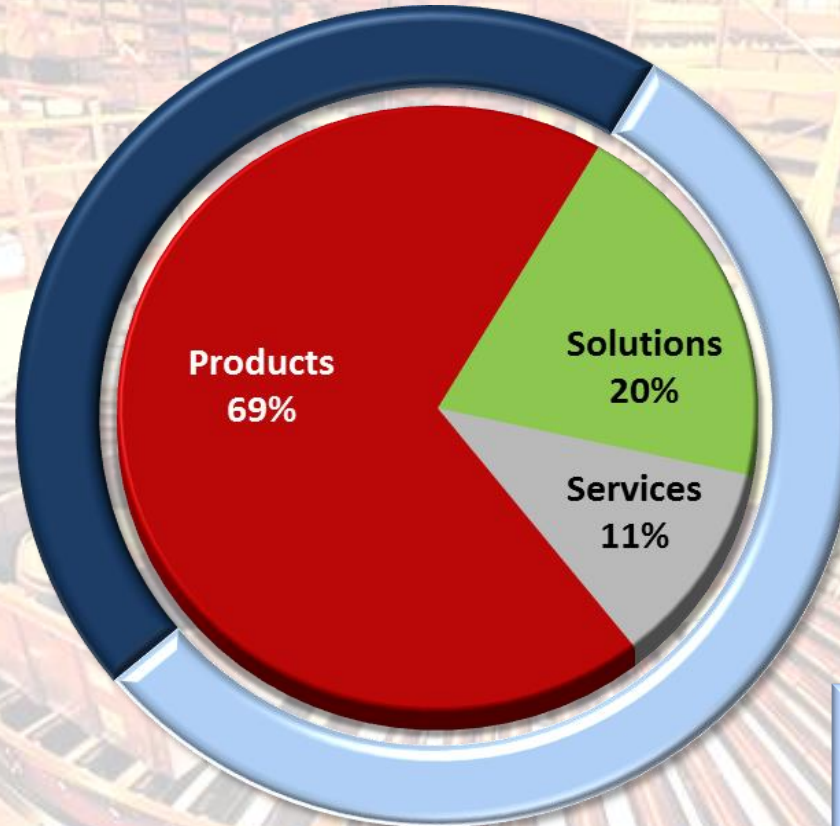
*Enterprise
Risk
Management*

Continually expanding the value we provide to customers

Two Segments – One Business

Fiscal 2016 Total Sales - \$5.9B

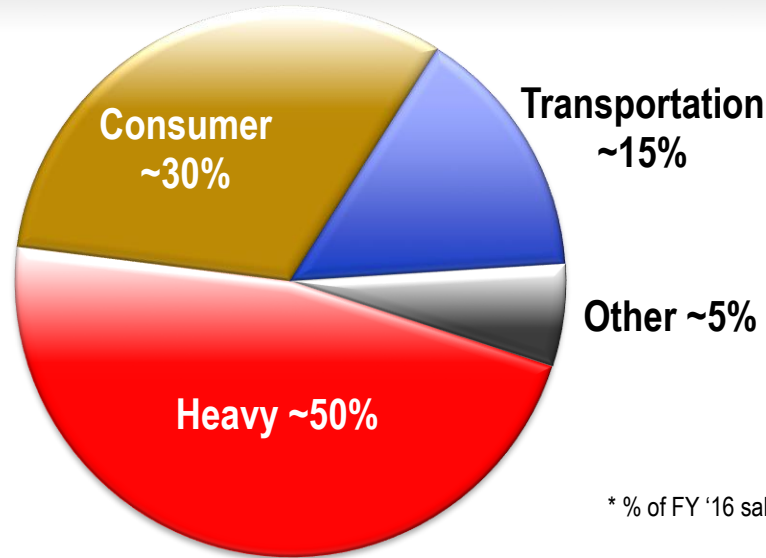
**Architecture &
Software
\$2.6B**



**Control Products
& Solutions
\$3.2B**

Broad portfolio of products, solutions and services

Our Industry Footprint



Heavy

- Oil & Gas
- Metals
- Mining
- Pulp & Paper
- Semi-conductor
- Water/Waste Water
- Chemicals

Consumer

- Food & Beverage
- Home & Personal Care
- Life Sciences

Transportation

- Automotive
- Tire
- Off-road vehicles

Other

- Marine
- Textiles
- Entertainment
- Other

Our Focus In Automation is ...

Architecture & Software



Control Systems



**Visualization &
Software**



**Industrial
Networks**



Safety

Control Products and Solutions



Intelligent Motor Control



**Control
Components**



**Value-add
Services**



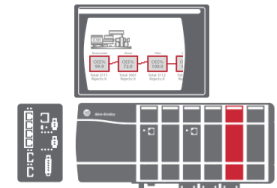
**Engineered Systems
and Solutions**

...where technology differentiation and domain expertise matter!

Strong Foundation of Differentiation

■ Technology Innovation & Broad Portfolio

- The only scalable, multidiscipline, information-enabled control platform – Logix, including a Modern DCS
- Secure EtherNet/IP network infrastructure
- Leading market position in safety
- Intelligent motor control products and systems



Integrated Architecture



Intelligent Motor Control

■ Domain Expertise & Global Support

- Application know-how
- Lifecycle support for customers in all industries



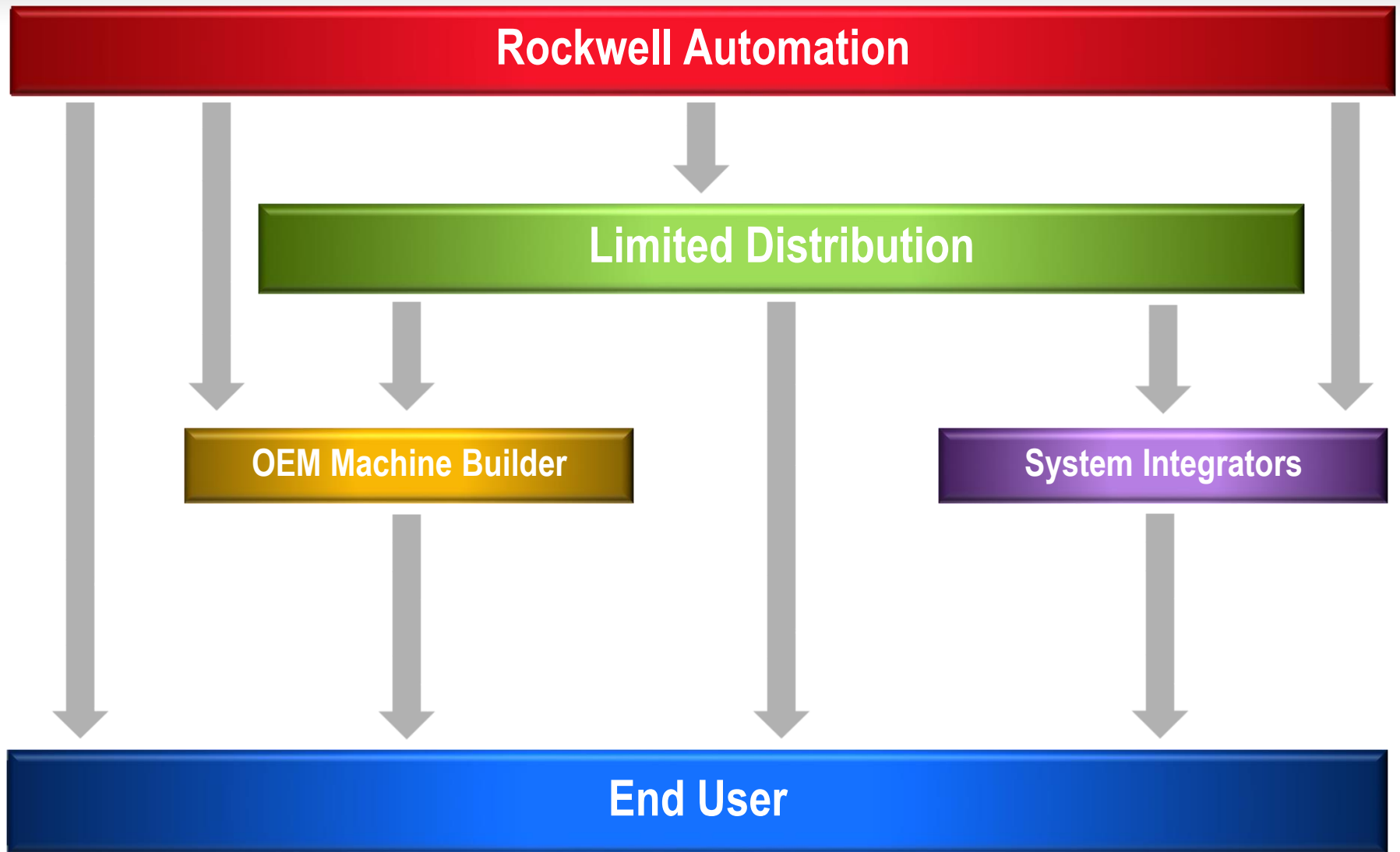
Solutions & Services

■ Trusted Partners & Unique Market Access Model

- Channel partners, strategic alliances, technology partners

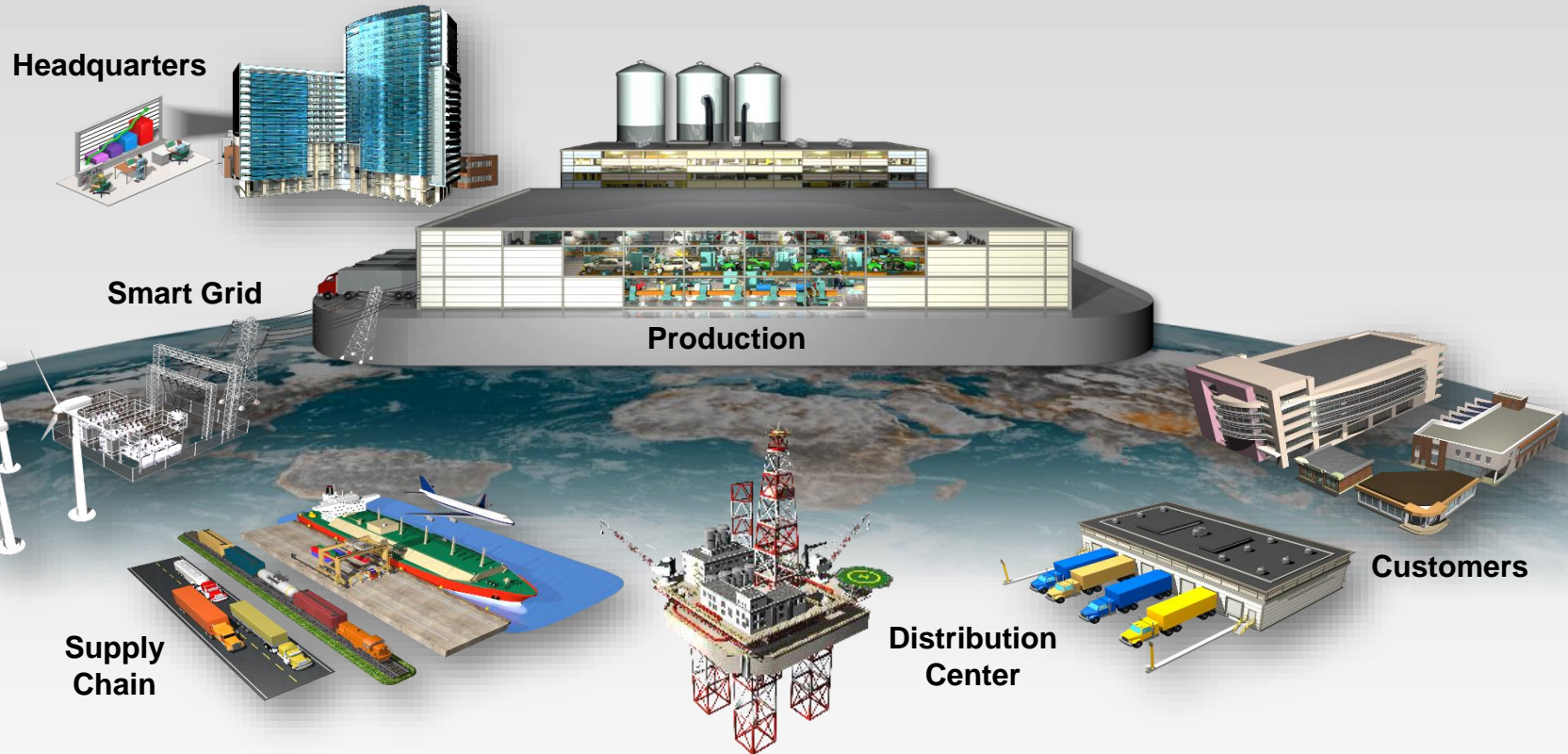
Rockwell Automation
PartnerNetwork™

Differentiated Market Access Model



The Connected Enterprise

**Rockwell
Automation**



Enterprise optimization for rapid value creation

Bringing The Connected Enterprise To Life

Our Approach

**Rockwell
Automation**

Understanding

our customers' best opportunities for productivity;
understanding fosters loyalty

Combining

our differentiated technology and domain expertise to deliver positive business outcomes for our customers;
the combination increases customer share, preserves margins and reduces cyclical

Simplifying

our customers' experience;
simplification drives productivity



Why We Will Win

- Domain expertise
- Large installed base
- Global support
- Secure, standard, open Ethernet
- Step-by-step approach
- Successful world-class partnerships
- Wide portfolio of smart plant floor devices
- Multi-discipline, scalable architecture
- Integrated Control & Information

BEST PEOPLE, PARTNERS AND TECHNOLOGY IN THE INDUSTRY



Above-Market Revenue Growth

**Rockwell
Automation**

Gain share in
core platforms

Grow double-digit
in Information
Solutions &
Connected
Services

Grow a point or
more per year
from acquisitions



Superior Returns

**Rockwell
Automation**

EPS Growth Greater Than Revenue Growth

ROIC Above 20%

100% Free Cash Flow Conversion

Consistent Return of Cash to Shareowners



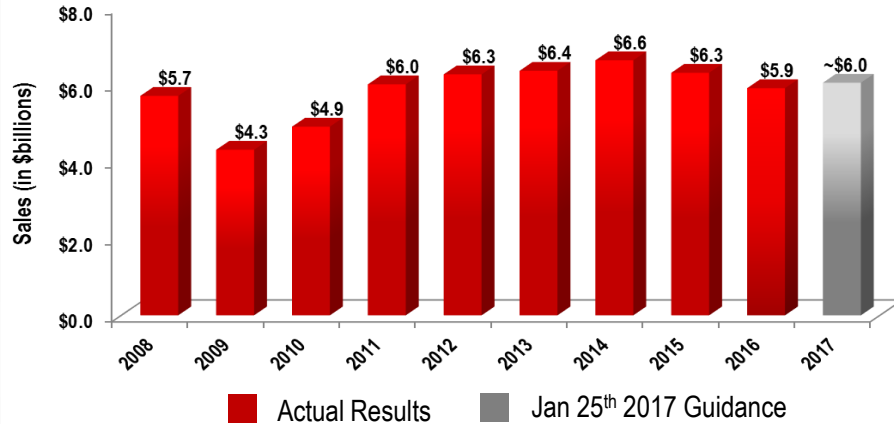
LISTEN.
THINK.
SOLVE.®

Rockwell Automation

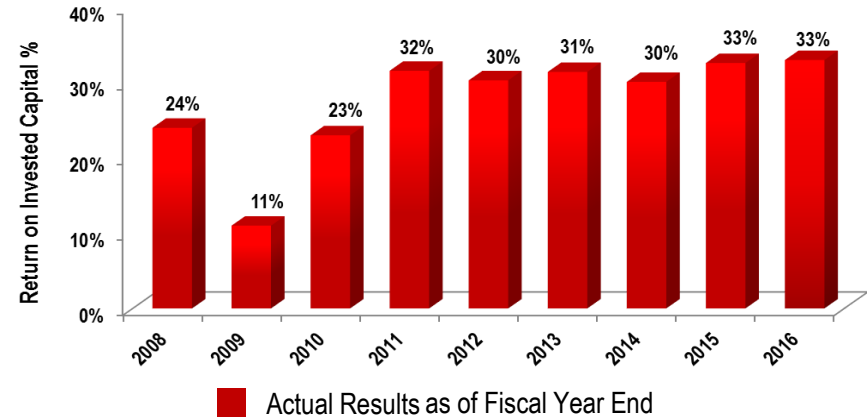
Financial Overview

Track Record of Execution

Sales



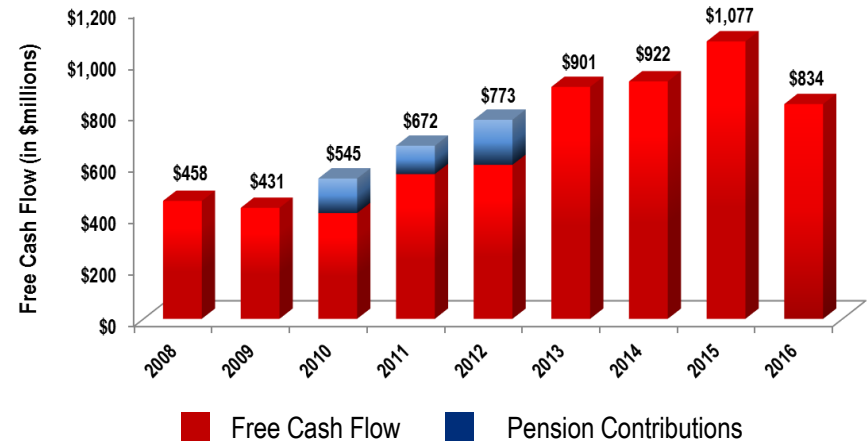
Return on Invested Capital



Adjusted EPS

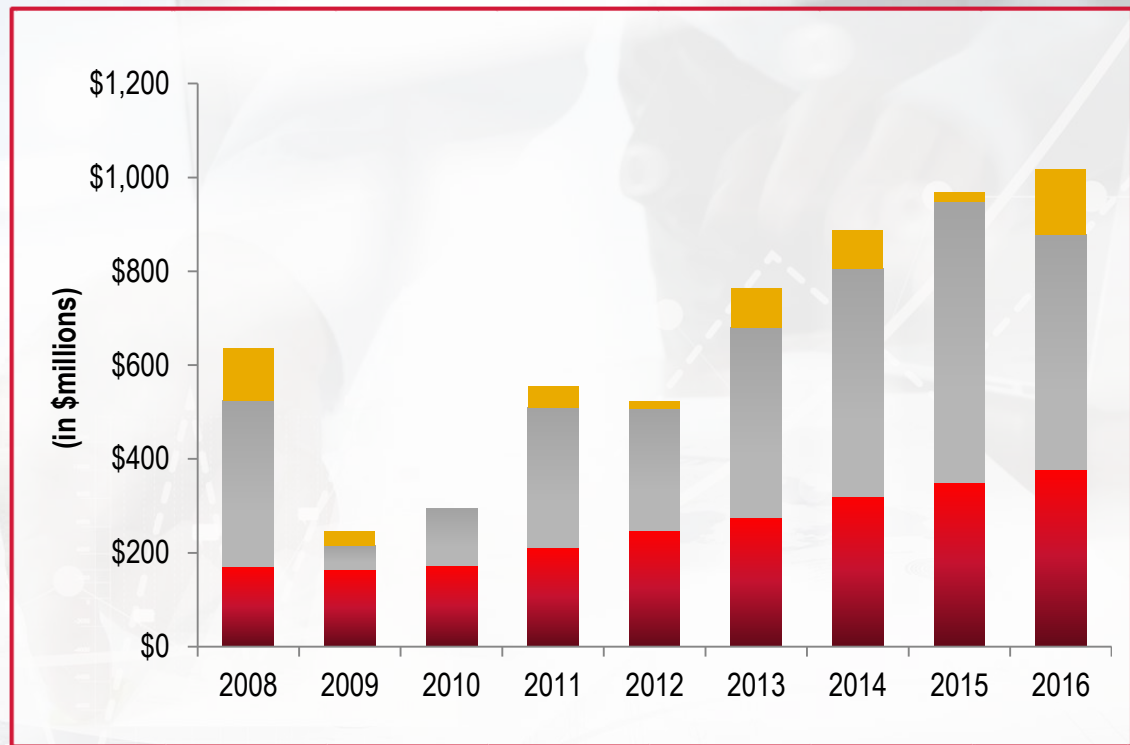


Free Cash Flow



Capital Deployment

Returned \$5.4B to Shareowners Since 2008



Automation remains an attractive market

- Productivity required to remain globally competitive
- Aging installed base
- Growing consumer demand in emerging markets

Integrated Control and Information

- Enables The Connected Enterprise
- Only scalable, multidiscipline, information-enabled control platform
- Provides real-time insights
- Increases the business value we provide to customers

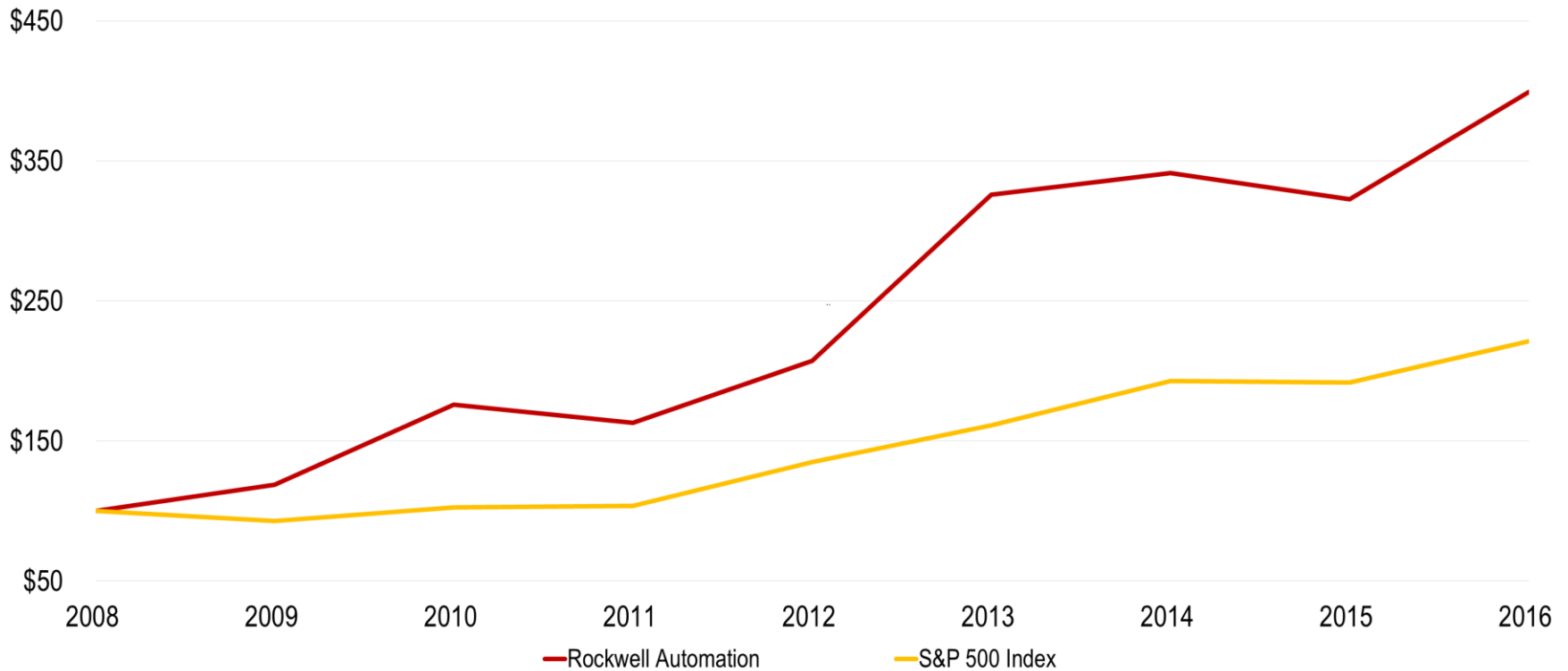
Competitive Differentiation

- Technology leader...focused on innovation
- Domain expertise
- Unique market access model
- Singular focus on automation

Financial Strength Disciplined Cash Deployment

- Strong balance sheet, cash flow generation and track record of returning cash to shareowners
- Best in class ROIC; an intellectual capital business

Total Shareowner Return



- Includes the reinvestment of all dividends in our common stock

2008-2016 annualized total return of 20% vs. 16% for the S&P 500

Appendix

Reconciliation to Non-GAAP Measures

Reconciliation to Non-GAAP Measures

Return On Invested Capital

(in millions, except percentages)

	Twelve Months Ended September 30,								
	2016	2015	2014	2013	2012	2011	2010	2009	2008
(a) Return									
Income from continuing operations	\$ 729.7	\$ 827.6	\$ 826.8	\$ 756.3	\$ 737.0	\$ 697.1	\$ 440.4	\$ 217.9	\$ 577.6
Interest expense	71.3	63.7	59.3	60.9	60.1	59.5	60.5	60.9	68.2
Income tax provision	213.4	299.9	307.4	224.6	228.9	170.5	103.8	56.0	231.3
Purchase accounting depreciation and amortization	18.4	21.0	21.6	19.3	19.8	19.8	18.9	18.6	24.2
Special charges	—	—	—	—	—	—	—	(4.0)	46.7
Return	<u>1,032.8</u>	<u>1,212.2</u>	<u>1,215.1</u>	<u>1,061.1</u>	<u>1,045.8</u>	<u>946.9</u>	<u>623.6</u>	<u>349.4</u>	<u>948.0</u>
(b) Average Invested Capital									
Short-term debt	248.2	166.6	275.5	209.0	207.2	—	—	70.1	325.1
Long-term debt	1,509.0	1,261.9	905.3	905.0	905.0	904.9	904.8	904.6	804.5
Shareowners' equity	2,164.1	2,521.3	2,680.7	2,086.7	1,881.5	1,709.7	1,387.9	1,563.5	1,798.5
Accumulated amortization of goodwill and intangibles	811.8	792.6	772.7	775.2	751.0	716.7	679.4	648.3	619.0
Cash and cash equivalents	(1,461.7)	(1,376.1)	(1,210.6)	(1,010.2)	(878.8)	(922.7)	(763.3)	(576.0)	(728.0)
Short-term investments	(846.5)	(639.3)	(485.2)	(361.7)	(232.5)	—	—	—	—
Average invested capital	<u>2,424.9</u>	<u>2,727.0</u>	<u>2,938.4</u>	<u>2,604.0</u>	<u>2,633.4</u>	<u>2,408.6</u>	<u>2,208.8</u>	<u>2,610.5</u>	<u>2,819.1</u>
(c) Effective Tax Rate									
Income tax provision	213.4	299.9	307.4	224.6	228.9	170.5	103.8	56.0	231.3
Income from continuing operations before income taxes	\$ 943.1	\$ 1,127.5	\$ 1,134.2	\$ 980.9	\$ 965.9	\$ 867.6	\$ 544.2	\$ 273.9	\$ 808.9
Effective tax rate	<u>22.6%</u>	<u>26.6%</u>	<u>27.1%</u>	<u>22.9%</u>	<u>23.7%</u>	<u>19.7%</u>	<u>19.1%</u>	<u>20.4%</u>	<u>28.6%</u>
(a) / (b) * (1-c) Return on Invested Capital	<u>33.0%</u>	<u>32.6%</u>	<u>30.1%</u>	<u>31.4%</u>	<u>30.3%</u>	<u>31.6%</u>	<u>22.8%</u>	<u>10.7%</u>	<u>24.0%</u>

Reconciliation to Non-GAAP Measures

Adjusted EPS

	Fiscal 2017 Guidance	Twelve Months Ended September 30,								
		2016	2015	2014	2013	2012	2011	2010	2009	2008
Diluted EPS from continuing operations	\$5.56 - \$5.96	\$ 5.56	\$ 6.09	\$ 5.91	\$ 5.36	\$ 5.13	\$ 4.79	\$ 3.05	\$ 1.53	\$ 3.89
Non-operating pension costs per diluted share	0.61	0.58	0.46	0.40	0.55	0.25	0.16	0.07	(0.14)	(0.17)
Tax effect of non-operating pension costs per diluted share	(0.22)	(0.21)	(0.15)	(0.14)	(0.20)	(0.09)	(0.06)	(0.02)	0.05	0.07
Adjusted EPS	\$5.95 - \$6.35	\$ 5.93	\$ 6.40	\$ 6.17	\$ 5.71	\$ 5.29	\$ 4.89	\$ 3.10	\$ 1.44	\$ 3.79

Free Cash Flow

(in millions)

	Twelve Months Ended September 30,								
	2016	2015	2014	2013	2012	2011	2010	2009	2008
Cash provided by continuing operating activities	\$ 947.3	\$ 1,187.7	\$ 1,033.3	\$ 1,014.8	\$ 718.7	\$ 643.7	\$ 494.0	\$ 526.4	\$ 596.8
Capital expenditures	(116.9)	(122.9)	(141.0)	(146.2)	(139.6)	(120.1)	(99.4)	(98.0)	(151.0)
Tax payments related to the gain on divestiture of Power Systems	—	—	—	—	—	—	—	—	7.9
Excess income tax benefit from share-based compensation	3.3	12.4	29.9	31.9	18.5	38.1	16.1	2.4	4.6
Free cash flow	\$ 833.7	\$ 1,077.2	\$ 922.2	\$ 900.5	\$ 597.6	\$ 561.7	\$ 410.7	\$ 430.8	\$ 458.3