

Form 10-K

[illegible]

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.:

[illegible]

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

The aggregate market value of registrant’s voting stock held by non-affiliates of registrant on March 29, 2024 was approximately \$33.2 billion. 112,896,809 shares of registrant’s Common Stock, par value \$1 per share, were outstanding on October 31, 2024.

Certain information contained in the Proxy Statement for the Annual Meeting of Shareowners of registrant to be held on February 4, 2025, is incorporated by reference into Part III hereof.

[Table of Contents](#)

PART I		Page
Item 1. Business		3
Item 1A. Risk Factors		5
Item 1B. Unresolved Staff Comments		12
Item 1C. Cybersecurity		12
Item 2. Properties		13
Item 3. Legal Proceedings		13
Item 4. Mine Safety Disclosures		14
Item 4A. Information about our Executive Officers		14
PART II		
Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities		15
Item 6. [Reserved]		17
Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations		17
Item 7A. Quantitative and Qualitative Disclosures About Market Risk		40
Item 8. Financial Statements and Supplementary Data		41
	CONSOLIDATED BALANCE SHEET	41
	CONSOLIDATED STATEMENT OF OPERATIONS	42
	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	43
	CONSOLIDATED STATEMENT OF CASH FLOWS	44
	CONSOLIDATED STATEMENT OF SHAREOWNERS’ EQUITY	45
	NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	46
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure		90
Item 9A. Controls and Procedures		90
Item 9B. Other Information		90
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections		91
PART III		
Item 10. Directors, Executive Officers and Corporate Governance		92
Item 11. Executive Compensation		92
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters		92
Item 13. Certain Relationships and Related Transactions, and Director Independence		93
Item 14. Principal Accountant Fees and Services		93
PART IV		
Item 15. Exhibits and Financial Statement Schedules		94
Item 16. Form 10-K Summary		97
SIGNATURES		

PART I

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains statements (including certain projections and business trends) that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Words such as “believe”, “estimate”, “project”, “plan”, “expect”, “anticipate”, “will”, “intend”, and other similar expressions may identify forward-looking statements. Actual results may differ materially from those projected as a result of certain risks and uncertainties, many of which are beyond our control, including but not limited to:

- macroeconomic factors, including inflation, global and regional business conditions (including adverse impacts in certain markets, such as Oil & Gas), commodity prices, currency exchange rates, the cyclical nature of our customers’ capital spending, and sovereign debt concerns;
- the severity and duration of disruptions to our business due to natural disasters (including those as a result of climate change), pandemics, acts of war, strikes, terrorism, social unrest or other causes;
- the availability and price of components and materials;
- the availability, effectiveness, and security of our information technology systems;
- our ability to manage and mitigate the risk related to security vulnerabilities and breaches of our hardware and software products, solutions, and services;
- the successful execution of our cost productivity and margin expansion initiatives;
- our ability to attract, develop, and retain qualified employees;
- the successful integration and management of strategic transactions and achievement of the expected benefits of these transactions;
- laws, regulations, and governmental policies affecting our activities in the countries where we do business, including those related to tariffs, taxation, trade controls, cybersecurity, and climate change;
- the successful development of advanced technologies and demand for and market acceptance of new and existing hardware and software products;
- our ability to manage and mitigate the risks associated with our solutions and services businesses;
- competitive hardware and software products, solutions, and services, pricing pressures, and our ability to provide high quality products, solutions, and services;
- the availability and cost of capital;
- disruptions to our distribution channels or the failure of distributors to develop and maintain capabilities to sell our products;
- intellectual property infringement claims by others and the ability to protect our intellectual property;
- the uncertainty of claims by taxing authorities in the various jurisdictions where we do business;
- the uncertainties of litigation, including liabilities related to the safety and security of the hardware and software products, solutions, and services we sell;
- our ability to manage costs related to employee retirement and health care benefits; and
- other risks and uncertainties, including but not limited to those detailed from time to time in our Securities and Exchange Commission (SEC) filings.

These forward-looking statements reflect our beliefs as of the date of filing this report. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise. See Item 1A. **Risk Factors** for more information.

Item 1. *Business*

General

Rockwell Automation, Inc. (Rockwell Automation or the Company) is the world's largest company dedicated to industrial automation and digital transformation. We understand and simplify our customers' complex production challenges and deliver the most valued solutions that combine technology and industry expertise. As a result, we make our customers more resilient, agile, and sustainable, creating more ways to win. See Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations*** (MD&A) for additional information on our business and long-term strategy.

The Company continues the business founded as the Allen-Bradley Company in 1903. The privately-owned Allen-Bradley Company was a leading North American manufacturer of industrial automation equipment when the former Rockwell International Corporation (RIC) purchased it in 1985.

The Company was incorporated in Delaware in connection with a tax-free reorganization completed on December 6, 1996, pursuant to which we divested our former aerospace and defense businesses (the A&D Business) to The Boeing Company (Boeing). In the reorganization, RIC contributed all of its businesses, other than the A&D Business, to the Company and distributed all capital stock of the Company to RIC's shareowners. Boeing then acquired RIC.

As used herein, the terms "we", "us", "our", "Rockwell Automation", or the "Company" include wholly-owned and controlled majority-owned subsidiaries and predecessors unless the context indicates otherwise. Information included in this Annual Report on Form 10-K refers to our continuing businesses unless otherwise indicated.

Whenever an Item of this Annual Report on Form 10-K refers to information in our Proxy Statement for our Annual Meeting of Shareowners to be held on February 4, 2025 (the Proxy Statement), or to information under specific captions in Item 7. ***MD&A***, or in Item 8. ***Financial Statements and Supplementary Data*** (the Consolidated Financial Statements), the information is incorporated in that Item by reference. All date references to years and quarters refer to our fiscal year and quarters, unless otherwise stated.

Operating Segments

We have three operating segments: Intelligent Devices, Software & Control, and Lifecycle Services. The Intelligent Devices segment includes drives, motion, advanced material handling, safety, sensing, industrial components, and configured-to-order products. The Software & Control segment includes control and visualization software and hardware, digital twin, simulation and information software, and network and security infrastructure. The Lifecycle Services segment includes digital consulting, professional services including engineered-to-order solutions, recurring services including cybersecurity, safety, remote monitoring, and asset management, and the Sensia joint venture.

Our operating segments share common sales, supply chain, and functional support organizations and conduct business globally. Major markets served by all segments consist of discrete end markets (e.g., Automotive including Electric Vehicle and Battery, Semiconductor, and e-Commerce & Warehouse Automation), hybrid end markets (e.g., Food & Beverage, Life Sciences, and Tire), and process end markets (e.g., Energy, Mining, and Chemicals). See Note 20 in the Consolidated Financial Statements for additional information on our operating segments.

Geographic Information

We do business in more than 100 countries around the world. The largest sales outside the United States on a country of destination basis are in Canada, China, Mexico, Italy, and the United Kingdom. See Item 1A. ***Risk Factors*** for a discussion of risks associated with our global operations.

Competition

Our competitors range from large, diversified corporations that may also have business interests outside of industrial automation to smaller companies that offer a limited portfolio of industrial automation products, solutions, and services. Factors that influence our competitive position include the breadth and performance of our product, solution and services portfolio, technology differentiation, industry and application expertise, installed base, partner ecosystem, global presence and price. Major competitors include Siemens AG, ABB Ltd, Schneider Electric SA, Emerson Electric Co., Mitsubishi Electric Corp., Honeywell International Inc., AVEVA Group plc, Dassault Systemes, and Aspen Technology, Inc.

Distribution

See Item 7. **MD&A** for information on our market access strategy, including distributor concentrations.

Employees

See Item 7. **MD&A** for information on our employees, including information related to attracting, developing, and retaining highly qualified employees.

Raw Materials

We purchase a wide range of equipment, components, finished products, and materials used in our business. The raw materials essential to the manufacture of our products generally are available at competitive prices. We have a broad base of suppliers and subcontractors. We depend upon the ability of our suppliers and subcontractors to meet performance and quality specifications and delivery schedules. See Item 1A. **Risk Factors** for a discussion of risks associated with our reliance on third-party suppliers.

Backlog

See Item 7. **MD&A** for information on our order backlog.

Environmental Protection Requirements

Information about the effect of compliance with environmental protection requirements and resolution of environmental claims is contained in Note 17 in the Consolidated Financial Statements. See Item 1A. **Risk Factors** for a discussion of risks associated with liabilities and costs related to environmental remediation.

Patents, Licenses, and Trademarks

We own or license numerous patents and patent applications related to our hardware and software products, solutions, and services. While in the aggregate our patents and licenses are important in the operation of our business, we do not believe that loss or termination of any one of them would materially affect our business or financial condition. We have received various claims of patent infringement and requests for patent indemnification. We believe that none of these claims or requests will have a material adverse effect on our financial condition. See Item 1A. **Risk Factors** for a discussion of risks associated with our intellectual property.

The Company's name and its registered trademark "Rockwell Automation®" and other trademarks such as "Allen-Bradley®", "A-B®", "PlantPAx® Process Automation System™", and "Connected Enterprise®" are important to all of our business segments. In addition, we own other important trademarks that we use, such as "ControlLogix®" and "CompactLogix®" for our control systems, "PowerFlex®" for our AC drives, "FactoryTalk®", "Plex Systems®", and "Fiix®" for our software and cloud offerings, "Clearpath®" and "Otto®" for our mobile robots, and "Verve®" for our asset inventory system and vulnerability management solution.

Seasonality

Our business segments are not subject to significant seasonality. However, the calendarization of our results can vary and may be affected by the seasonal spending patterns of our customers due to their annual budgeting processes and their working schedules.

Available Information

We maintain a website at <https://www.rockwellautomation.com>. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to such reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the Exchange Act), as well as our annual reports to shareowners and Section 16 reports on Forms 3, 4 and 5, are available free of charge on this site through the "Investors" link as soon as reasonably practicable after we file or furnish these reports with the SEC. All reports we file with the SEC are also available free of charge via EDGAR through the SEC's website at <https://www.sec.gov>. Our Guidelines on Corporate Governance and charters for our Board committees are also available on our website. The information contained on and linked from our website is not incorporated by reference into this Annual Report on Form 10-K.

Item 1A. Risk Factors

In the ordinary course of our business, we face various strategic, operating, compliance, cybersecurity, and financial risks. These risks could have an impact on our business, financial condition, operating results, and cash flows. Our most significant risks are set forth below and elsewhere in this Annual Report on Form 10-K.

Our Enterprise Risk Management (ERM) process seeks to identify and address significant risks. Our ERM process assesses, manages, and monitors risks consistent with the integrated risk framework in the *Enterprise Risk Management - Integrated Framework (2017)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). We believe that risk-taking is an inherent aspect of the pursuit of our strategy. Our goal is to manage risks prudently rather than avoid risks. We can mitigate risks and their impact on the Company only to a limited extent.

A team of senior executives prioritizes identified risks and assigns an executive to address each major identified risk area and lead action plans to manage risks. Our Board of Directors provides oversight of the ERM process and reviews significant identified risks. The Audit Committee of the Board of Directors also reviews significant financial risk exposures, and the steps management has taken to monitor and manage them. Our other Board committees also play a role in risk management, as set forth in their respective charters.

Our goal is to proactively manage risks using a structured approach in conjunction with strategic planning, with the intent to preserve and enhance shareowner value. However, the risks set forth below and elsewhere in this Annual Report on Form 10-K and other risks and uncertainties could adversely affect us and cause our results to vary materially from recent results or from our anticipated future results.

Industry and Economic Risks

Adverse changes in macroeconomic or industry conditions may result in decreases in our sales and profitability.

We are subject to macroeconomic cycles and when recessions occur, we may experience reduced, canceled or delayed orders, payment delays or defaults, supply chain disruptions, or other adverse events as a result of the economic challenges faced by our customers, prospective customers, and suppliers. As our distributor partners and customers work to manage working capital and inventory levels, we may experience volatility in orders.

Demand for our hardware and software products, solutions, and services is sensitive to changes in levels of production and the financial performance of major industries that we serve. As economic activity slows, credit markets tighten, or sovereign debt concerns arise, companies tend to reduce their levels of capital spending, which could result in decreased demand for our hardware and software products, solutions, and services.

As a global company operating in over 100 countries, we face risks related to foreign currency markets. A strengthening U.S. Dollar (USD) may adversely impact our sales and profitability related to business we do outside the U.S. Economic, political, regulatory, and compliance risks, particularly in emerging markets, can restrict our ability to exchange, transact, or pay dividends with foreign currencies we hold.

Oil & Gas is a major industry that we serve, including through our Sensia joint venture. When adverse Oil & Gas industry events arise, companies may reduce their levels of spending, which could result in decreased demand for our hardware and software products, solutions, and services. Demand for our hardware and software products, solutions, and services is sensitive to industry volatility and risks including those related to commodity prices, supply and demand dynamics, production costs, geological and political activities, and environmental regulations including those intended to reduce the impact of climate change.

We face the potential harms of natural disasters, including those as a result of climate change, pandemics, acts of war, terrorism, international conflicts, or other disruptions to our operations, the duration and severity of which are highly uncertain and difficult to predict.

Our business depends on the movement of people and goods around the world. Natural disasters (including but not limited to those as a result of climate change), pandemics, acts or threats of war or terrorism, international conflicts, power outages, fires, explosions, equipment failures, sabotage, political instability, and the actions taken by governments could cause damage to or disrupt our business operations, our distribution network, our suppliers or our customers, and could create economic instability. Disruptions to our information technology (IT) infrastructure from system failures, shutdowns, power outages, telecommunication or utility failures, and other events, including disruptions at third-party IT and other service providers, could also interfere with or disrupt our operations. Although it is not possible to predict such events or their consequences, these events could decrease demand for our hardware and software products, solutions, or services, increase our costs, or make it difficult or impossible for us to deliver products, solutions, or services.

Our industry is highly competitive.

We face strong competition in all of our market segments in several significant respects. We compete based on breadth and scope of our hardware and software product portfolio and solution and service offerings, technology differentiation, the domain expertise of our employees and partners, product performance, quality of our hardware and software products, solutions, and services, knowledge of integrated systems and applications that address our customers' business challenges, pricing, delivery, and customer service. The relative importance of these factors differs across the geographic markets and product areas that we serve and across our market segments. We seek to maintain competitive pricing levels across and within geographic markets by continually developing advanced technologies for new hardware and software products and product enhancements and offering complete solutions for our customers' business problems. If we fail to achieve our objectives, to keep pace with technological changes including the development of artificial intelligence and machine learning, or to provide high quality hardware and software products, solutions, and services, we may lose business or experience price erosion and correspondingly lower sales and margins. We expect the level of competition to remain high in the future, which could limit our ability to maintain or increase our market share or profitability.

Volatility and disruption of the capital and credit markets may result in increased costs to maintain our capital structure.

Our ability to access the credit markets and the costs of borrowing are affected by the strength of our credit rating and current market conditions. If our access to credit, including the commercial paper market, is adversely affected by a change in market conditions or otherwise, our cost of borrowings may increase or our ability to fund operations may be reduced.

Business and Operational Risks

We rely on suppliers to provide equipment, components, and services.

Our business requires that we buy equipment, components, and services including finished products, electronic components, and commodities. Our reliance on suppliers involves certain risks, including:

- shortages of components, commodities, or other materials, which could adversely affect our manufacturing efficiencies and ability to make timely delivery of our products, solutions, and services;
- changes in the cost of these purchases due to inflation, exchange rate fluctuations, taxes, tariffs, commodity market volatility, or other factors that affect our suppliers;
- poor quality or an insecure supply chain, which could adversely affect the reliability and reputation of our hardware and software products, solutions, and services;
- embargoes, sanctions, and other trade restrictions that may affect our ability to purchase from various suppliers; and
- intellectual property risks such as challenges to ownership of rights or alleged infringement by suppliers.

Any of these uncertainties could adversely affect our profitability and ability to compete. We also maintain several single-source supplier relationships because either alternative sources are not available, or the relationship is advantageous due to performance, quality, support, delivery, capacity, or price considerations. Unavailability of, or delivery delays for, single-source components or products could adversely affect our ability to ship the related products in a timely manner. The effect of unavailability or delivery delays would be more severe if associated with our higher volume and more profitable products. Even where substitute sources of

supply are available, qualifying alternative suppliers and establishing reliable supplies could cost more or result in delays and a loss of sales.

Failures or security breaches of our commercial product offerings (which includes hardware, software, services, and solutions), manufacturing environment, supply chain, or information and operational technology systems could have an adverse effect on our business.

We rely heavily on technology in our commercial product offerings for use in our customers' manufacturing environment, and in our enterprise infrastructure. Despite the implementation of security measures, our systems are vulnerable to unauthorized access by nation states, hackers, cyber-criminals, malicious insiders, and other actors who may engage in fraud, theft of confidential or proprietary information, or sabotage. Our systems could be compromised by malware (including ransomware), cyber-attacks, and other events, ranging from widespread, non-targeted, global cyber threats to targeted advanced persistent threats. Given our commercial product offerings can be used in critical infrastructure and critical manufacturing, these threats could indicate increased risk for our commercial product offerings, manufacturing, and IT infrastructure.

The current cyber threat environment indicates increased risk for all companies, including those in industrial automation and information technology. Like other global companies, we have experienced cyber threats and incidents, although none have been material or had a material adverse effect on our business or financial condition. Our information security efforts include programs designed to address security governance, compliance, risk management, secure development and engineering, data protection, insider risk, third-party risk, security awareness, access management, incident response, and security operations in support of enterprise security and product security. We believe these measures reduce, but cannot eliminate, the risk of a cybersecurity incident internally or externally. Any significant security incidents could have an adverse impact on sales, harm our reputation, and cause us to incur legal liability and increased costs to address such events and related security concerns.

Product and Services Security

Our hardware and software products, services and solutions are used by our direct and indirect customers in applications that may be subject to information theft, tampering, sabotage, or cyber-attacks. Careless or malicious actors could cause a customer's process to be disrupted or could cause equipment to operate in an improper manner, resulting in harm to people or property. To a significant extent, the security of our customers' systems depends on how those systems are designed, installed, protected, configured, updated, and monitored, and much of this is typically outside our control. In addition, both software and hardware supply chains can introduce security vulnerabilities into many technologies across the industry. Past global cyber-attacks have also been perpetuated by compromising software updates in widely used software products, posing the risk that vulnerabilities or malicious content could be inserted into our products. In some cases, it is possible that malware attacks could spread throughout the supply chain, moving from one company to the next via authorized network connections. We have designed a Secure Development Lifecycle Program that incorporates appropriate security activities into the necessary development and support practices for our commercial product offerings. The Secure Development Lifecycle Program is audited annually by third-party firms. Our Third-Party Risk Program manages risk posed by our suppliers used in the development of our commercial product offerings. While we continue to improve the security attributes of our commercial product offerings, we can reduce risk, but not eliminate it.

Enterprise Security

Our business uses technology resources across a dispersed, global basis for a variety of functions including development, engineering, manufacturing, sales, accounting and financial reporting, and human resources. Our vendors, partners, employees, and customers have access to, and share, information across multiple locations via various digital technologies. In addition, we rely on partners and vendors, including cloud providers, for a wide range of products and outsourced activities as part of our internal IT infrastructure and our commercial product offerings. Secure connectivity is important to these ongoing operations. Also, our partners and vendors frequently have access to our confidential information as well as confidential information about our customers, employees, and others. We design our security architecture to reduce the risk that a compromise of our partners' infrastructure, for example a cloud platform, could lead to a compromise of our internal systems or customer networks. In addition, our Third-Party Risk Program manages risk posed by our suppliers that have access to our confidential information, systems, or network, but this risk cannot be eliminated and vulnerabilities at third parties could result in unknown risk exposure to our business and information. In addition, cybersecurity threats may pose a significant risk to our third-party partners and could have a material adverse impact on their businesses, operations, products, and services that we use in our day-to-day operations.

An inability to successfully execute cost productivity and margin expansion initiatives.

Financial results depend on the successful execution of our business operating plans, including current and future cost productivity and margin expansion initiatives. We continuously pursue alignment of costs with business and economic conditions. Productivity projects include savings in the areas of product cost, indirect cost, administrative costs, purchased services, logistics, manufacturing workflows, make or buy decisions in manufacturing, product portfolio and price optimization. Our ongoing productivity initiatives target both cost reduction and improved asset utilization. Charges for workforce reduction and facility rationalization may be required in order to efficiently execute our productivity programs. There is a risk that these initiatives will not result in the projected savings that we anticipate and could negatively impact our business and financial results.

Our business success depends on attracting, developing, and retaining highly qualified employees.

Our success depends on the efforts and abilities of our leadership team and employees across the Company. The skills, experience, and industry knowledge of our employees significantly benefit our operations and performance. The market for employees and leaders with certain skills and experiences is very competitive, and difficulty attracting, developing, and retaining members of our leadership team and key employees could have a negative effect on our business, operating results, and financial condition. Maintaining a positive and inclusive culture and work environment, offering attractive compensation, benefits, and development opportunities, and effectively implementing processes and technology that enable our employees to work effectively and efficiently are important to our ability to attract and retain employees.

We sell to customers around the world and are subject to the risks of doing business in many countries.

We do business in more than 100 countries around the world. In addition, our manufacturing operations, suppliers, and employees are located in many places around the world. The future success of our business depends on growth in our sales in all global markets. Our global operations are subject to numerous financial, legal, and operating risks, such as political and economic instability; prevalence of corruption in certain countries; enforcement of contract and intellectual property rights; and compliance with existing and future laws, regulations, and policies, including those related to exports, imports, tariffs, embargoes and other trade restrictions, investments, taxation, product content and performance, employment, and repatriation of earnings. In addition, we are affected by changes in foreign currency exchange rates, inflation rates, and interest rates. The occurrence or consequences of these risks may make it more difficult to operate our business and may increase our costs, which could decrease our profitability and have an adverse effect on our financial condition.

An inability to respond to changes in customer preferences could result in decreased demand for our products.

Our success depends in part on our ability to anticipate and offer hardware and software products and services that appeal to the changing needs and preferences of our customers in the various markets we serve. Developing new hardware and software products and service offerings requires high levels of innovation, and the development process is often lengthy and costly. If we are not able to anticipate, identify, develop, and market products that respond to changes in customer preferences and emerging technological and broader industry trends, including the development of artificial intelligence and machine learning, demand for our products could decline.

There are inherent risks in our solutions and services businesses.

Risks inherent in the sale of solutions and services include assuming greater responsibility for successfully delivering projects that meet a particular customer specification, including defining and controlling contract scope, efficiently executing projects, and managing the performance and quality of our subcontractors and suppliers. If we are unable to manage and mitigate these risks, we could incur cost overruns, liabilities, and other losses that would adversely affect our results of operations.

We rely on our distribution channel for a substantial portion of our sales.

In North America, a large percentage of our sales are through distributors. In certain other countries, the majority of our sales are also through a limited number of distributors. We depend on the capabilities and competencies of our distributors to sell our hardware and software products, solutions, and services and deliver value to our customers. Disruptions to our existing distribution channel or the failure of distributors to maintain and develop the appropriate capabilities to sell our hardware and software products, solutions, and services could adversely affect our sales. A disruption could result from the sale of a distributor to a competitor, financial instability of a distributor, or other events.

Intellectual property infringement claims of others and the inability to protect our intellectual property rights could harm our business and our customers.

Others may assert intellectual property infringement claims against us or our customers. We frequently provide a limited intellectual property indemnity in connection with our terms and conditions of sale to our customers and in other types of contracts with third parties. Indemnification payments and legal expenses to defend claims could be costly.

In addition, we own the rights to many patents, trademarks, brand names, and trade names that are important to our business. The inability to secure or enforce our intellectual property rights may have an adverse effect on our results of operations. Unauthorized resellers and counterfeiters of Company-branded products of inferior quality or that may otherwise be materially different from genuine goods sold by the Company and its authorized distributors may harm the goodwill and reputation of the Company and could adversely affect our results of operations.

Increasing employee benefit costs and funding requirements could have a negative effect on our operating results and financial condition.

One important aspect of attracting and retaining qualified personnel is continuing to offer competitive employee retirement and health care benefits. The expenses we record for our pension and other postretirement benefit plans depend on factors such as changes in market interest rates, the value and investment performance of plan assets, mortality assumptions, and healthcare trend rates. Significant unfavorable changes in these factors would increase our expenses and funding requirements. Expenses and funding requirements related to employer-funded healthcare benefits depend on laws and regulations, which could change, as well as healthcare cost inflation. An inability to control costs and funding requirements related to employee and retiree benefits could negatively impact our operating results and financial condition.

Strategic Transactions and Investments Risks

Failure to identify, manage, complete, and integrate strategic transactions may adversely affect our business or we may not achieve the expected benefits of these transactions.

As part of our strategy, we pursue strategic transactions, including acquisitions, joint ventures, investments, and other business opportunities and purchases of technology from third parties. In order to be successful, we must identify attractive transaction opportunities, effectively complete the transaction, and manage post-closing matters, such as integration of the acquired business or technology (including related personnel) and cooperation with our joint venture and other strategic partners. We may not be able to identify, or complete beneficial transaction opportunities given the intense competition for them. Completing these transactions requires favorable environments and we may encounter difficulties in obtaining the necessary regulatory approvals in both domestic and foreign jurisdictions. Even if we successfully identify and complete such transactions, we may not achieve the expected benefits of such transactions and we may not be able to successfully address risks and uncertainties inherent in such transactions, including:

- difficulties in integrating the purchased or new operations, technologies, products or services, retaining customers, and achieving the expected benefits of the transaction, such as sales increases, access to technologies, cost savings, and increases in geographic or product presence, in the desired time frames;
- loss of key employees or difficulties integrating personnel;
- legal and compliance issues;
- unknown or undisclosed and unmitigated cybersecurity risks to purchased systems, products, and services;
- difficulties implementing and maintaining consistent standards, financial systems, internal and other controls, procedures, policies, and information systems;
- difficulties maintaining relationships with our joint venture and other strategic partners (including as a result of such joint venture and other strategic partners having differing business objectives) and managing disputes with such joint venture and other strategic partners that may arise in connection with our relationships with them; and
- difficulties in yielding the desired strategic or financial benefit from venture capital investments, including as a result of being a minority investor or macroeconomic conditions.

Strategic transactions and technology investments could result in debt, dilution, liabilities, increased interest expense, restructuring charges, and impairment and amortization expenses related to goodwill and identifiable intangible assets.

Legal, Tax, and Regulatory Risks

New legislative and regulatory actions could adversely affect our business.

Legislative and regulatory action, including those related to corporate income taxes, the environment, materials, products, certification, and labeling, privacy, cybersecurity, or climate change, may be taken in the jurisdictions where we operate that may affect our business activities or may otherwise increase our costs to do business.

In October 2021, the Organization for Economic Cooperation and Development (OECD) and G20 Finance Ministers reached an agreement, known as Base Erosion and Profit Shifting (BEPS) Pillar Two, that, among other things, ensures that income earned in each jurisdiction that qualifying multinational enterprises operate in is subject to a minimum corporate income tax rate of at least 15%. Discussions related to the formal implementation and enactment of this agreement, including within the tax law of each member jurisdiction including the United States, are ongoing. Certain countries have enacted the Pillar Two framework, including Singapore, which is expected to result in the greatest impact to the Company. Enactment of this regulation in its current form would generally apply to the Company beginning in fiscal year 2026, resulting in an increase in our effective tax rate as well as in the amount of global corporate income tax paid.

We are increasingly required to comply with various environmental and other material, product, certification, and labeling laws and regulations (including the emerging European Union Eco-design for Sustainable Products Regulation). Our customers may also be required to comply with such legislative and regulatory requirements. These requirements could increase our costs and could potentially have an adverse effect on our ability to do business in certain jurisdictions. Changes in these requirements could impact demand for our hardware and software products, solutions, and services.

The growing focus on environmental, social, and governance (ESG) factors by investors and other stakeholders and evolving compliance requirements by regulators may impact our business. Failure to comply with ESG reporting requirements, including inaccurate or incomplete disclosures, may lead to regulatory penalties, litigation, and reputational damage. While the Company has adopted certain voluntary targets, environmental laws, regulations, or standards may be changed, accelerated, or adopted and impose significant operational restrictions and compliance requirements upon the Company, its products, or customers, which could negatively impact the Company's business, capital expenditures, results of operations, and financial condition.

Compliance with privacy and cybersecurity laws and regulations (including the emerging European Union Cyber Resiliency Act) could increase our operating costs in managing product compliance and as part of our efforts to protect and safeguard our sensitive data, personal information, and IT infrastructure. These requirements could potentially have an adverse effect on our ability to do business in certain jurisdictions. Changes in these requirements could impact demand for our hardware and software products, solutions, and services. Failure to maintain information privacy and security could result in legal liability or reputational harm.

Claims from taxing authorities could have an adverse effect on our income tax expense and financial condition.

We conduct business in many countries, which requires us to interpret and comply with the income tax laws and rulings in each of those taxing jurisdictions. Due to the ambiguity of tax laws among those jurisdictions as well as the uncertainty of how underlying facts may be construed, our estimates of income tax liabilities may differ from actual payments or assessments. We must successfully defend any claims from taxing authorities to avoid an adverse effect on our operating results and financial condition.

Potential liabilities and costs from litigation (including asbestos claims and environmental remediation) could reduce our profitability.

Various lawsuits, claims, and proceedings have been or may be asserted against us relating to the conduct of our business or of our divested businesses, including those pertaining to the safety and security of the hardware and software products, solutions, and services we sell, employment, contract matters, and environmental remediation.

We have been named as a defendant in lawsuits alleging personal injury as a result of exposure to asbestos that was used in certain of our products many years ago. We estimate the future asbestos litigation-related costs that we expect to incur over the next several years. This process is not exact because it relies on a variety of assumptions and specific factors that could potentially change over time and therefore increase or decrease our future projected asbestos liabilities. Our products may also be used in hazardous industrial activities, which could result in product liability claims. The uncertainties of litigation

(including asbestos claims) and the uncertainties related to the collection of insurance proceeds make it difficult to predict the ultimate resolution of these lawsuits.

Our operations are subject to various environmental regulations concerning human health, the limitation and control of emissions and discharges into the air, ground, and water, the quality of air and bodies of water, and the handling, use, and disposal of specified substances. Our financial responsibility to clean up contaminated property or for natural resource damages may extend to previously owned or used properties, waterways and properties owned by unrelated companies or individuals, as well as properties that we currently own and use, regardless of whether the contamination is attributable to prior owners. We have been named as a potentially responsible party at cleanup sites and may be so named in the future, and the costs associated with these current and future sites may be significant.

We have, from time to time, divested certain businesses. In connection with these divestitures, certain lawsuits, claims, and proceedings may be instituted or asserted against us related to the period that we owned the businesses, either because we agreed to retain certain liabilities related to these periods or because such liabilities fall upon us by operation of law. In some instances, the divested business has assumed the liabilities; however, it is possible that we might be responsible for satisfying those liabilities if the divested business is unable to do so.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

The Company has a cybersecurity risk management program that is designed to assess, identify, manage, and govern risks from cybersecurity threats. Our cybersecurity risk management program is a key component of our overall enterprise risk management strategy. The Company's cybersecurity risk management program focuses on risk and threat identification, protection, detection, response, and recovery, designed to protect the confidentiality, integrity, and availability of critical systems and data. The Company's cybersecurity incident response and crisis management plans are components of the cybersecurity risk management program, focusing on effective response to cybersecurity incidents or attacks. We monitor our internal technology for cybersecurity threats, and we use various security capabilities to mitigate the risk of these threats. Additionally, the Company provides annual cybersecurity and information security awareness training for all employees and contractors. The Company maintains a robust, risk-based approach to identifying and overseeing cybersecurity risks presented by third parties, including vendors, service providers, and other external users of the Company's systems, as well as the systems of third parties that could adversely impact our business in the event of a cybersecurity incident affecting those third-party systems.

Governance

The Company's cybersecurity program is led by the Chief Information Security Officer (CISO). Our CISO has more than 30 years of technology and cybersecurity leadership experience and is a Certified Information System Security Professional (CISSP), and a Certified Information Systems Auditor (CISA). The CISO reports to the Chief Information Officer (CIO). The CISO leads a team that is responsible for executing cybersecurity strategy, to support risk management, and protection of Company systems, products, and employee and customer information. As the foundation of the cybersecurity program, the Company maintains cybersecurity policies and procedures that are informed by recognized security frameworks and applicable regulations, laws, and standards. We use various frameworks, standards, guidelines, and best practices as a guide to help us identify, assess, and manage cybersecurity risks relevant to our business. The Company engages third parties to assess our cybersecurity posture and program maturity.

We also consider cybersecurity, along with other top risks for the Company, within our ERM framework. The ERM framework includes internal reporting at the business and enterprise levels, with consideration of key risk indicators, trends, and countermeasures for cybersecurity and other types of significant risks. During the year ended September 30, 2024, the Company has not identified risks from cybersecurity threats, including as a result of prior cybersecurity incidents, that have materially affected or are reasonably likely to materially affect the Company, including its business strategy, results of operations, or financial condition. Nevertheless, the Company recognizes cybersecurity threats are ongoing and evolving, and we continue to remain vigilant. For more information on the Company's cybersecurity-related risks, see Item 1A. **Risk Factors**.

The Company's Disclosure Committee is a part of the cybersecurity risk program as it meets quarterly to review cyber incidents that have occurred during the quarter, and additionally, as needed, to discuss any potentially material cybersecurity incidents. The Disclosure Committee, which includes senior leaders from finance and accounting, legal, investor relations, and corporate communications, is responsible for determining if risks from cybersecurity threats have materially affected or are reasonably likely to materially affect the organization such that public disclosure is necessary. Additional management governance is provided by an Enterprise Security Council, comprised of key senior business leadership with diverse experiences and responsibilities. The Enterprise Security Council oversees key cybersecurity and product security matters and initiatives, including policy, standards, strategy, program metrics, and cybersecurity risk escalation.

Cybersecurity oversight by the Board of Directors is shared between the full Board and the Audit Committee. The full Board of Directors receives periodic updates on the cybersecurity threat landscape, recent cybersecurity events, our cybersecurity strategy, and cybersecurity program priorities. The Audit Committee receives updates on information security, including internal controls and external reporting processes. The Audit Committee also receives updates from the Disclosure Committee with respect to cybersecurity incidents reviewed by the Disclosure Committee.

Item 2. *Properties*

Our global headquarters in Milwaukee, Wisconsin, an owned facility, includes product development, sales, marketing, manufacturing, supply chain operations, finance, and other administrative and executive office functions. Most of our other facilities are leased and shared across our three operating segments. At September 30, 2024, the Company had two principal distribution locations, one in the U.S. and one in the Netherlands, and approximately ten principal manufacturing facilities worldwide, with the most significant of these located in the U.S., Mexico, Canada, and Singapore. We also have sales and administrative office space at over 200 locations in over 50 countries.

There are no major encumbrances (other than financing arrangements, which in the aggregate are not significant) on any of our properties or equipment. Our properties and equipment are in good operating condition and are adequate for our present needs. We do not anticipate difficulty in renewing existing leases as they expire or in finding alternative facilities.

Item 3. *Legal Proceedings*

The information required by this Item 3 is contained in Note 17 in the Consolidated Financial Statements within the section entitled ***Other Matters***.

Item 4. Mine Safety Disclosures

Not applicable.

Item 4A. Information about our Executive Officers

The name, age, office and position held with the Company, and principal occupations and employment during the past five years of each of the executive officers of the Company as of November 1, 2024 are:

Name, Office and Position, and Principal Occupations and Employment	Age
Blake D. Moret — Chairman of the Board and President and Chief Executive Officer	61
Matheus De A G Viera Bulho — Senior Vice President, Software and Control since April 1, 2024; previously Vice President and General Manager, Production Automation (April 2021 – April 2024) and Vice President, Embedded Software/Hardware Engineering (September 2019 – April 2021)	47
Robert L. Buttermore — Senior Vice President and Chief Supply Chain Officer since February 13, 2023; previously Vice President and General Manager, Power Control Business (July 2018 - February 2023)	51
Matthew W. Fordenwalt — Senior Vice President, Lifecycle Services since June 1, 2023; previously Vice President and General Manager, Systems and Solutions Business (April 2019 - June 2023)	48
Scott A. Genereux — Senior Vice President and Chief Revenue Officer since February 1, 2021; previously Executive Vice President of Worldwide Field Operations at Veritas (provider of information management services) (2017-2020)	61
Rebecca W. House — Senior Vice President, Chief People (since July 2020) and Legal Officer and Secretary	51
Veena M. Lakkundi — Senior Vice President, Strategy and Corporate Development since November 1, 2021; previously Senior Vice President, Strategy & Business Development (2020-2021), Vice President and General Manager, Industrial Adhesives and Tapes Division (2019-2020), and Vice President and Chief Ethics & Compliance Officer, Compliance and Business Conduct, Legal Affairs (2017-2019) at 3M Company (consumer goods, health care, and worker safety)	55
John M. Miller — Vice President and Chief Intellectual Property Counsel	57
Tessa M. Myers — Senior Vice President Intelligent Devices since June 6, 2022; previously Vice President and General Manager, Production Operations Management (from April 2021-June 2022), Vice President, Product Management (from October 2020-April 2021), and Regional President, North America	48
Christopher Nardecchia — Senior Vice President and Chief Information Officer	62
Cyril P. Perducet — Senior Vice President (since June 1, 2021) and Chief Technology Officer since July 1, 2021; previously Executive Vice President, Schneider Electric (energy and automation digital solutions)	55
Terry L. Riesterer — Vice President and Controller since November 29, 2019; previously Vice President, Corporate Financial Planning and Analysis and Corporate Development (from August 2016-November 2019)	56
Christian E. Rothe — Senior Vice President and Chief Financial Officer since August 19, 2024; previously President, Global Industrial Division (January 2022-August 2024) and President, Global Applied Fluid Technologies Division (June 2018 – December 2021) at Graco Inc. (provider of fluid handling systems and components)	50
Isaac R. Woods — Vice President and Treasurer since October 1, 2020; previously Director, Finance, Power Control Business (from March 2019-October 2020)	39

There are no family relationships, as defined by applicable SEC rules, between any of the above executive officers and any other executive officer or director of the Company. No officer of the Company was selected pursuant to any arrangement or understanding between the officer and any person other than the Company. All executive officers are elected annually.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

Our common stock, \$1 par value, is listed on the New York Stock Exchange and trades under the symbol "ROK". On October 31, 2024, there were 11,332 shareowners of record of our common stock.

Company Purchases

The table below sets forth information with respect to purchases made by or on behalf of us of shares of our common stock during the three months ended September 30, 2024:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Approx. Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (3)
July 1 – 31, 2024	32,230	\$ 272.95	32,230	\$ 455,330,732
August 1 – 31, 2024	384,201	263.40	384,201	354,133,262
September 1 – 30, 2024	30,547	261.80	30,547	1,346,135,915
Total	446,978	\$ 263.98	446,978	

(1) All of the shares purchased during the quarter ended September 30, 2024, were acquired pursuant to the repurchase program described in (3) below.

(2) Average price paid per share includes brokerage commissions.

(3) On both May 2, 2022 and September 11, 2024, the Board of Directors authorized us to expend an additional \$1.0 billion to repurchase shares of our common stock. Our repurchase program allows us to repurchase shares at management's discretion or at our broker's discretion pursuant to a share repurchase plan subject to price and volume parameters.

Performance Graph

The following information is not deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C under the Exchange Act or to the liabilities of Section 18 of the Exchange Act, and will not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent the Company specifically incorporates it by reference into such a filing.

The following line graph compares the cumulative total shareowner return on our common stock against the cumulative total return of the S&P Composite-500 Stock Index (S&P 500 Index) and the S&P 500 Selected GICS groups (Capital Goods, Software & Services, and Technology Hardware & Equipment) for the period of five fiscal years from October 1, 2019, to September 30, 2024, assuming in each case a fixed investment of \$100 at the respective closing prices on September 30, 2019, and reinvestment of all dividends.

Performance graph v3.jpg

The cumulative total returns on Rockwell Automation common stock and each index as of September 30, 2019 through 2024 plotted in the above graph are as follows:

	2019			2020			2021			2022			2023			2024
Rockwell Automation ⁽¹⁾	\$ 100.00			\$ 136.66			\$ 185.04			\$ 137.74			\$ 186.12			\$ 178.00
S&P 500 Index	100.00			115.13			149.66			126.48			153.79			209.00
S&P Selected GICS groups	100.00			138.10			176.23			149.59			194.96			261.00
Cash dividends per common share	3.88			4.08			4.28			4.48			4.72			5.00

⁽¹⁾ Includes the reinvestment of all dividends in our common stock.

Item 6. [Reserved]

Not required.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Non-GAAP Measures

The following discussion includes organic sales, total segment operating earnings and margin, adjusted income, adjusted EPS, adjusted effective tax rate, and free cash flow, which are non-GAAP measures. See **Supplemental Sales Information** for a reconciliation of reported sales to organic sales and a discussion of why we believe this non-GAAP measure is useful to investors. See **Summary of Results of Operations** for a reconciliation of Income before income taxes to total segment operating earnings and margin and a discussion of why we believe these non-GAAP measures are useful to investors. See **Adjusted Income, Adjusted EPS, and Adjusted Effective Tax Rate Reconciliation** for a reconciliation of Net income attributable to Rockwell Automation, diluted EPS, and effective tax rate to adjusted income, adjusted EPS, and adjusted effective tax rate, respectively, and a discussion of why we believe these non-GAAP measures are useful to investors. See **Financial Condition** for a reconciliation of Cash provided by operating activities to free cash flow and a discussion of why we believe this non-GAAP measure is useful to investors.

Overview

Rockwell Automation, Inc. is the world's largest company dedicated to industrial automation and digital transformation. Overall demand for our hardware and software products, solutions, and services is driven by:

- investments in manufacturing, including new facilities or production lines, upgrades, modifications and expansions of existing facilities or production lines;
- investments in basic materials production capacity, which may be related to commodity pricing levels;
- our customers' needs for faster time to market, agility to address evolving consumer preferences, operational productivity, asset management and reliability, and business resilience, including security and enterprise risk management;
- our customers' needs to continuously improve quality, safety, and sustainability;
- industry factors that include our customers' new product introductions, demand for our customers' products or services, and the regulatory and competitive environments in which our customers operate;
- levels of global industrial production and capacity utilization;
- regional factors that include local political, social, regulatory, and economic circumstances; and
- the spending patterns of our customers due to their annual budgeting processes and their working schedules.

Long-term Strategy

As the world's largest company dedicated to industrial automation and digital transformation, our strategy is to bring the Connected Enterprise® to life. We understand and simplify our customers' complex production challenges and deliver the most valued solutions that combine technology and industry expertise. As a result, we make our customers more resilient, agile, and sustainable, creating more ways to win. We deliver value by helping our customers optimize production, build resilience, empower people, become more sustainable, and accelerate transformation.

Rockwell Automation stands at the intersection of the technological and societal trends that are shaping the future of industrial operations. We see converging megatrends including digitization and artificial intelligence, energy transition and sustainability, shifting demographics, and an increased need for resiliency.

Our long-term profitable growth framework outlines how we will deliver accelerated growth while we continue to transform our company to meet stakeholder expectations over the longer term:

- achieve faster secular growth in traditional markets due to customer needs for resiliency (including cybersecurity), agility, sustainability, and mitigating impacts of labor shortages;
- grow share and create new ways to win through technology differentiation, industry focus, go to market acceleration, expanded offerings and new markets;
- continue double-digit growth in annual recurring revenue;
- add 1% average annual growth from acquisitions; and

- deliver profitable growth within a disciplined financial framework.

Sustainability

Our 2023 Sustainability Report highlights our sustainability strategy and outcomes. Our sustainability priorities are focused on three outcomes:

- Sustainable Customers - enable our customers to achieve their own sustainability goals, making a positive impact on the world;
- Sustainable Company - create innovative, sustainable products and solutions and foster a culture that empowers employees to operate safely, sustainably, and responsibly; and
- Sustainable Communities - support the communities in which we live and work, having an impact that extends beyond our own organization.

We will meet our customers where they are on their sustainability journey. Whether they are just starting or leading the way, we help them translate insights into impacts across energy, water, and waste. Our technologies provide data transparency across value chains and enable our partners to scale innovative and often industry-first sustainable solutions.

- Energy - contemporary industrial energy management software solutions that put energy data in context to production data, to reduce energy use across the value chain.
- Water - smart water solutions leverage modern software and analytics to improve operations visibility, system reliability, and worker productivity while supporting security needs and meeting regulatory obligations.
- Waste - enabling the circular economy for managing automation assets. Focus on developing solutions to automate industry-specific processes.

Differentiation through Technology Innovation and Domain Expertise

We have an industry leading portfolio of hardware, software, and services to give customers the flexibility to choose on-premises, edge, and cloud-native solutions.

Our integrated control and information architecture, with Logix at its core, is an important differentiator. We are the only automation provider that can support many production disciplines, including discrete, process, batch, safety, security, motion, robotics, and power control, in a single hardware and software environment, helping customers increase the speed of deployment and reduce their total cost of ownership.

Our open architecture and strong partner ecosystem allow customers to work with best-in-class partners across the technology stack and leverage existing infrastructure with new solutions.

Complementing our strong technology differentiation is our own domain expertise. Domain expertise refers to the industry and application knowledge required to deliver solutions and services that support customers through the entire lifecycle of their automation investment. The combination of industry-specific domain expertise of our people with our innovative technologies enables us to help our customers automate and transform their manufacturing processes and solve their business challenges. Our digital services business has a deep understanding of customers' biggest digital transformation challenges and opportunities for further productivity and growth.

Market Access and Expansion

Over the past decade, our investments in technology and globalization have enabled us to expand our addressed market to approximately \$130 billion. With our focus on innovation and growth, we expect to continue to expand our addressed market over our long-term planning horizon. All of our markets are expected to grow over our long-term planning horizon. Our domestic market projections reflect the opportunity to localize our customers' supply chain and production operations. Our international market projections reflect higher levels of infrastructure investment and the growing middle-class population. We believe that increased demand for consumer products in our addressed markets will lead to manufacturing investment and provide us with additional growth opportunities in the future.

We have developed a powerful partner ecosystem that acts as an amplifier to our internal capabilities and enables us to serve our customers' evolving needs around the world.

In most countries, our direct sales force works with Original Equipment Manufacturers (OEMs) or machine builders, system integrators, technology partners, and end users in conjunction with independent distributors. Approximately 65 percent of our global sales are transacted through independent distributors. Sales to our two largest distributors in 2024, 2023, and 2022, which are attributable to all three segments, were approximately 20 percent of our total sales.

Machine builders continue to represent an important growth opportunity. To remain competitive, machine builders need to find the optimal balance of machine cost and performance while reducing their time to market. Our scalable technology, leading design productivity tools, and recent acquisitions support machine builders in addressing these business needs.

Acquisitions and Investments

Our acquisition and investment strategy focuses on hardware and software products, solutions, and services that will be catalytic to the organic growth of our core offerings.

Our key priorities for inorganic investments include:

- annual recurring revenue;
- market expansion in Europe and Asia; and
- application-specific technology in focus industries.

In addition, we make venture investments that enable access to leading-edge and complementary technologies aligned with our strategic priorities, accelerate internal development efforts, reduce time to market, and provide insights into disruptive technologies.

We believe these acquisitions and venture investments will help our served market and deliver value to our customers. See Note 4 in the Consolidated Financial Statements for additional information on our recent acquisitions.

Attracting, Developing, and Retaining Highly Qualified Employees

Our talent management practices are focused on ensuring we can attract, develop, and retain the talent we need to deliver our business strategy. We work to deliver a cohesive and consistent experience throughout the employee lifecycle that aligns with our four culture principles:

- Strengthen our commitment to integrity, diversity and inclusion;
- Be willing to compare ourselves to the best alternatives;
- Increase the speed of decision making;
- Have a steady stream of fresh ideas.

Our programs and processes are designed to enable and inspire great employees to do their best work and to make Rockwell Automation a place where the best want to be.

There are several ways in which we attract, develop, and retain highly qualified employees, including:

- We make the safety and health of our employees a top priority. We strive for zero workplace injuries and illnesses and operate in a manner that recognizes safety as fundamental to Rockwell Automation being a great place to work. In fiscal 2024, we achieved 0.27 recordable cases per 100 employees.
- We capture and act upon employee feedback through our annual employee engagement survey. It measures several engagement indicators and drivers and provides an overall employee engagement index (EEI) with external benchmark comparison. The latest survey, conducted in February 2024, showed an EEI of 76, which was eight points higher than the industry norm of 68 for this index. Our global inclusion index score was 79, five points higher than the industry norm of 74.
- We invest in growth and development of our employees. As the pace of change increases, it is important we provide re-skilling and upskilling opportunities for our technical talent, along with soft skills and leadership development for all. We offer a portfolio of all employee, managerial, and leader training that spans on-demand, virtual, and live instructor-led formats. Our programs focus on basic as well as transformational skills. We take pride in our culture and in fiscal 2021 created an opportunity for our employees to participate in team-based culture workshops that have evolved into a standard during new employee onboarding. In fiscal 2024, the majority of our employees completed one or more of our training programs representing over 1.1 million learning hours.
- We offer employee assistance and work life benefits to all global employees. Our comprehensive benefits include healthcare benefits, disability and life insurance benefits, paid time off, and leave programs. Rockwell offers plans and resources to help employees meet future savings goals through defined benefit and retirement savings plans. We believe that face to face interaction is critical for our culture, innovation, people development, and engagement, and that flexible, virtual work arrangements help employees be more productive and engaged. During fiscal 2024, we updated our Hybrid Workplace Program, which combines the values of both physical workspaces and virtual work options, both of which are important for attracting, retaining, and developing employees and facilitating innovation, engagement, and productivity. We offer flextime, remote work, and part-time arrangements whenever business conditions permit.

We monitor employee retention and attrition rates by demographic factors including by gender, ethnicity, generation, years of service, career role, region, business, and function. We generally experienced flat attrition rates in fiscal 2024 as compared to fiscal 2023. We believe this is consistent with market trends experienced broadly across labor markets in fiscal 2024. We use attrition rate information to identify and address unfavorable trends to mitigate risk to our business. See Item 1A. **Risk Factors** for a discussion of risks relating to our inability to attract, develop, and retain highly qualified employees.

At September 30, 2024, our employees, including those employed by consolidated subsidiaries, by region were approximately:

North America				9,500	
Europe, Middle East and Africa				5,500	
Asia Pacific				7,000	
Latin America				5,000	
Total employees				27,000	

Our employees had the following global gender demographics based on voluntary disclosure:

Our U.S. employees had the following race and ethnicity demographics based on voluntary disclosure:

		September 30, 2024																	
		Black / African American	Asian	Hispanic / Latinx	White	Multiracial, Native American and Pacific Islander	Undisclosed												
All U.S. Employees		7%	10%	6%	70%	2%	5%												
Individual Contributors		8%	11%	5%	69%	2%	5%												
People Managers		6%	8%	6%	74%	1%	5%												
Technical Talent		5%	13%	6%	69%	2%	5%												
Manufacturing Associates		14%	16%	4%	55%	2%	9%												

U.S. Economic Trends

In 2024, sales in the U.S. accounted for over half of our total sales. The various indicators we use to gauge the direction and momentum of our served U.S. markets include:

- The Industrial Production (IP) Index, published by the Federal Reserve, which measures the real output of manufacturing, mining, and electric and gas utilities. The Manufacturing IP Index is expressed as a percentage of real output in a base year, currently 2017.
- The Manufacturing Purchasing Managers' Index (PMI), published by the Institute for Supply Management (ISM), which indicates the current and near-term state of manufacturing activity in the U.S. According to the ISM, a PMI measure above 50 indicates that the U.S. manufacturing economy is generally expanding while a measure below 50 indicates that it is generally contracting.

The table below depicts the trends in these indicators from fiscal 2022 to 2024. These figures are as of November 12, 2024, and are subject to revision by the issuing organizations. The IP Index declined in the fourth quarter of fiscal 2024 versus the third quarter of fiscal 2024. Manufacturing PMI results continued to soften in the fourth quarter of 2024. The Manufacturing PMI reading in the month of September was the highest of the quarter, however it still remains below 50.

		Manufacturing IP Index		PMI
Fiscal 2024 quarter ended:				
September 2024		99.1		47.2
June 2024		99.5		48.5
March 2024		99.5		50.3
December 2023		99.2		47.1
Fiscal 2023 quarter ended:				
September 2023		99.6		49.0
June 2023		99.2		46.0
March 2023		99.2		46.3
December 2022		98.1		48.4
Fiscal 2022 quarter ended:				
September 2022		100.6		50.9
June 2022		100.0		53.0
March 2022		100.6		57.1
December 2021		100.1		58.8

Inflation in the U.S. has also had an impact on our input costs and pricing. We used the Producer Price Index (PPI), published by the Bureau of Labor Statistics, which measures the average change over time in the selling prices received by domestic producers for their output. After observing double-digit PPI growth through most of 2022, we have now observed PPI growth in the low single digits for the last four quarters. Producer prices remain elevated, however, year over year increases continued to decelerate following the last two years' surges in prices.

Non-U.S. Economic Trends

In 2024, sales to customers outside the U.S. accounted for less than half of our total sales. These customers include both indigenous companies and multinational companies with a global presence. In addition to the global factors previously mentioned in the **Overview** section, international demand, particularly in emerging markets, has historically been driven by the strength of the industrial economy in each region, investments in infrastructure, and expanding consumer markets. We use changes in key countries' gross domestic product (GDP), IP, and PMI as indicators of the growth opportunities in each region where we do business. Industrial output outside the U.S. was mixed in the fourth quarter of fiscal 2024. Manufacturing PMI readings outside the

U.S were also mixed with results reported above and below 50 and readings improving in some countries during the quarter and softening in others.

Backlog

Our total order backlog consists of (in millions):

[illegible]

See Note 2 in the Consolidated Financial Statements for additional information on the nature of our products and services and revenue recognition.

Summary of Results of Operations

The following table reflects our sales and operating results (in millions, except per share amounts and percentages):

			Year Ended September 30,																
		2024				2023				2022									
Sales																			
Intelligent Devices (a)		\$	3,804.1			\$	4,098.2			\$	3,544.6								
Software & Control (b)		2,187.4				2,886.0				2,312.9									
Lifecycle Services (c)		2,272.7				2,073.8				1,902.9									
Total sales (d)		\$	8,264.2			\$	9,058.0			\$	7,760.4								
Segment operating earnings ⁽¹⁾																			
Intelligent Devices (e)		\$	700.0			\$	828.2			\$	717.6								
Software & Control (f)		529.7				953.2				666.7									
Lifecycle Services (g)		365.6				148.4				158.3									
Total segment operating earnings ⁽²⁾ (h)		1,595.3				1,929.8				1,542.6									
Purchase accounting depreciation and amortization, and impairment		(143.9)				(264.4)				(103.9)									
Corporate and other		(135.8)				(127.9)				(104.7)									
Non-operating pension and postretirement benefit credit (cost)		19.8				(82.7)				(4.7)									
Change in fair value of investments		0.1				279.3				(136.9)									
Restructuring charges		(97.4)				—				—									
Interest expense, net		(139.0)				(125.6)				(118.8)									
Income before income taxes (i)		1,099.1				1,608.5				1,073.6									
Income tax provision		(151.8)				(330.5)				(154.5)									
Net income		947.3				1,278.0				919.1									
Net loss attributable to noncontrolling interests		(5.2)				(109.4)				(13.1)									
Net income attributable to Rockwell Automation		\$	952.5			\$	1,387.4			\$	932.2								
Diluted EPS		\$	8.28			\$	11.95			\$	7.97								
Adjusted EPS ⁽³⁾		\$	9.71			\$	12.12			\$	9.49								
Diluted weighted average outstanding shares		114.5				115.6				116.7									
Pre-tax margin (i/d)		13.3 %				17.8 %				13.8 %									
Intelligent Devices segment operating margin (e/a)		18.4 %				20.2 %				20.2 %									
Software & Control segment operating margin (f/b)		24.2 %				33.0 %				28.8 %									
Lifecycle Services segment operating margin (g/c)		16.1 %				7.2 %				8.3 %									
Total segment operating margin ⁽²⁾ (h/d)		19.3 %				21.3 %				19.9 %									

⁽¹⁾ See Note 20 in the Consolidated Financial Statements for the definition of segment operating earnings.

⁽²⁾ Total segment operating earnings and total segment operating margin are non-GAAP financial measures. We exclude purchase accounting depreciation and amortization, impairment, corporate and other, non-operating pension and postretirement benefit credit (cost), change in fair value of investments, restructuring charges aligned with enterprise-wide strategic initiatives, interest expense, net, and income tax provision because we do not consider these items to be directly related to the operating performance of our segments. We believe total segment operating earnings and total segment operating margin are useful to investors as measures of operating performance. We use these measures to monitor and evaluate the profitability of our operating segments. Our measures of total segment operating earnings and total segment operating margin may be different from measures used by other companies.

⁽³⁾ Adjusted EPS is a non-GAAP earnings measure. See *Adjusted Income, Adjusted EPS, and Adjusted Effective Tax Rate Reconciliation* for more information on this non-GAAP measure.

2024 Compared to 2023

Sales

Sales in fiscal 2024 decreased 9 percent compared to 2023. Organic sales decreased 10 percent. Acquisitions increased sales by 1 percentage point. Total annual recurring revenue at September 30, 2024, grew approximately 16 percent compared to September 30, 2023. Organic annual recurring revenue at September 30, 2024 grew approximately 14 percent compared to September 30, 2023. See *Annual Recurring Revenue (ARR)* for information on this measure. Pricing increased total company sales by approximately 2 percentage points, realized in the Intelligent Devices and Software & Control segments. Volume decreased total company sales by approximately 12 percentage points year over year driven by the Software & Control and Intelligent Devices segments, partially offset by the Lifecycle Services segment.

The table below presents our sales for the year ended September 30, 2024, attributed to the geographic regions based upon country of destination, and the percentage change from the same period in 2023 (in millions, except percentages).

[illegible]

(1) Organic sales and organic sales growth exclude the effect of acquisitions, changes in currency exchange rates, and divestitures. See **Supplemental Sales Information** for information on these non-GAAP measures.

Corporate and Other

Corporate and other expenses were \$135.8 million in fiscal 2024 compared to \$127.9 million in fiscal 2023.

Restructuring Charges

Restructuring charges were \$97.4 million in fiscal 2024, which relate to actions in conjunction with an enterprise-wide comprehensive program to optimize cost structure and expand margins. See Note 18 in the Consolidated Financial Statements for more information on our restructuring charges.

Income before Income Taxes

Income before income taxes decreased to \$1,099.1 million in 2024 from \$1,608.5 million in 2023. The decrease was primarily due to lower segment operating earnings in the Software & Control and Intelligent Devices operating segments and the fair value adjustments recognized in the prior year in connection with our previous investment in PTC, Inc. (PTC), partially offset by a \$157.5 million accounting charge in 2023 for impairment of goodwill for our Sensia joint venture (goodwill impairment). Total segment operating earnings decreased to \$1,595.3 million from \$1,929.8 million in 2023, primarily due to lower sales volume and unfavorable mix, partially offset by lower incentive compensation and the positive impact of price realization exceeding input costs.

Income Taxes

The effective tax rate in 2024 was 13.8 percent compared to 20.5 percent in 2023. The decrease in the effective tax rate was primarily due to a valuation allowance established in 2023 on certain deferred tax assets of our Sensia joint venture and tax effects of the related goodwill impairment totaling \$33.1 million, and higher discrete tax benefits in 2024 compared to 2023. The adjusted

effective tax rate in 2024 was 15.1 percent compared to 16.4 percent in 2023. The decrease in the adjusted effective tax rate was primarily due to higher discrete tax benefits in 2024 compared to 2023.

See Note 16 in the Consolidated Financial Statements for a complete reconciliation of the United States statutory tax rate to the effective tax rate and additional information on tax events in 2024 and 2023 affecting each year's respective tax rates.

In October 2021, the Organization for Economic Cooperation and Development (OECD) and G20 Finance Ministers reached an agreement, known as Base Erosion and Profit Shifting (BEPS) Pillar Two, that, among other things, ensures that income earned in each jurisdiction that qualifying multinational enterprises operate in is subject to a minimum corporate income tax rate of at least 15%. Discussions related to the formal implementation and enactment of this agreement, including within the tax law of each member jurisdiction including the United States, are ongoing. Certain countries have enacted the Pillar Two framework, including Singapore, which is expected to result in the greatest impact to the Company. Enactment of this regulation in its current form would generally apply to the Company beginning in fiscal year 2026, resulting in an increase in our effective tax rate as well as in the amount of global corporate income tax paid.

Net Loss Attributable to Noncontrolling Interests

Net loss attributable to noncontrolling interests was \$5.2 million in 2024 compared to \$109.4 million in 2023. The decrease was driven by the prior year \$93.3 million goodwill impairment and related tax effects including tax asset valuation allowances that are attributable to noncontrolling interests.

Diluted EPS and Adjusted EPS

Fiscal 2024 Net income attributable to Rockwell Automation was \$952.5 million or \$8.28 per share, compared to \$1,387.4 million or \$11.95 per share in fiscal 2023. The decreases in Net income attributable to Rockwell Automation and diluted EPS were primarily due to lower sales and lower pre-tax margin. Pre-tax margin was 13.3% compared to 17.8% in fiscal 2023. The decrease in pre-tax margin was primarily due to lower sales volume, fair value adjustments recognized in the prior year in connection with our previous investment in PTC, and restructuring charges, partially offset by lower incentive compensation, the prior year goodwill impairment, and the benefits from cost reduction actions. Adjusted EPS was \$9.71 in fiscal 2024, down 20 percent compared to \$12.12 in fiscal 2023, primarily due to lower sales and lower segment operating margin. Total segment operating margin was 19.3% compared to 21.3% in fiscal 2023. The decrease in total segment operating margin was primarily due to lower sales volume and unfavorable mix, partially offset by lower incentive compensation and the benefits from cost reduction actions.

Intelligent Devices

Sales

Intelligent Devices sales decreased 7 percent in 2024 compared to 2023. Organic sales decreased 9 percent. Acquisitions increased sales by 2 percentage points. All regions except North America experienced reported and organic sales decreases.

Segment Operating Margin

Intelligent Devices segment operating earnings decreased 15 percent year over year. Segment operating margins decreased to 18.4 percent in 2024 from 20.2 percent in 2023, primarily due to lower sales volume, partially offset by lower incentive compensation, the positive impact of price realization exceeding input costs, and an adjustment to an earnout accrual tied to achievement of the seller's revenue target on our Clearpath Robotics, Inc. acquisition including its industrial division OTTO Motors (Clearpath).

Software & Control

Sales

Software & Control reported and organic sales decreased 24 percent in 2024 compared to 2023. All regions experienced reported and organic sales decreases.

Segment Operating Margin

Software & Control segment operating earnings decreased 44 percent year over year. Segment operating margin decreased to 24.2 percent in 2024 from 33.0 percent in 2023, primarily due to lower sales volume, partially offset by lower incentive compensation and the positive impact of price realization exceeding input costs.

Lifecycle Services

Sales

Lifecycle Services sales increased 10 percent in 2024 compared to 2023. Organic sales increased 8 percent. Acquisitions increased sales by 2 percentage points. All regions experienced reported sales increases. All regions except Asia Pacific experienced organic sales increases.

Segment Operating Margin

Lifecycle Services segment operating earnings increased 146 percent year over year. Segment operating margin increased to 16.1 percent in 2024 from 7.2 percent in 2023, primarily due to lower incentive compensation, higher sales volume, strong project execution, higher margins in Sensia, and ongoing savings from the prior year structural actions.

2023 Compared to 2022

For a discussion of the Company's fiscal 2023 results compared to fiscal 2022, see the Company's Annual Report on Form 10-K for the year ended September 30, 2023, filed on November 8, 2023.

Supplemental Segment Information

Purchase accounting depreciation and amortization, and impairment, non-operating pension and postretirement benefit (credit) cost, and restructuring charges are not allocated to our operating segments because these costs are excluded from our measurement of each segment's operating performance for internal purposes. If we were to allocate these costs, we would attribute them to each of our segments as follows (in millions):

		Year Ended September 30,					
		2024		2023		2022	
Purchase accounting depreciation and amortization, and impairment							
Intelligent Devices	\$	37.9		\$	4.7		\$ 2.5
Software & Control		67.4			68.5		69.0
Lifecycle Services		37.6			190.2		31.4
Non-operating pension and postretirement benefit (credit) cost							
Intelligent Devices	\$	(7.2)		\$	21.2		\$ (3.5)
Software & Control		(7.2)			21.2		(3.5)
Lifecycle Services		(9.5)			28.3		(4.8)
Restructuring Charges							
Intelligent Devices	\$	44.4		\$	—		\$ —
Software & Control		32.6			—		—
Lifecycle Services		19.4			—		—

Adjusted Income, Adjusted EPS, and Adjusted Effective Tax Rate Reconciliation

Adjusted Income, Adjusted EPS, and Adjusted Effective Tax Rate are non-GAAP earnings measures that exclude non-operating pension and postretirement benefit (credit) cost, purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation, change in fair value of investments, restructuring charges aligned with enterprise-wide strategic initiatives, and Net loss attributable to noncontrolling interests, including their respective tax effects. In 2024, we updated the definition of our non-GAAP earnings measures to exclude significant restructuring charges aligned with enterprise-wide strategic initiatives. In the year ended September 30, 2024, we recognized these restructuring charges in conjunction with an enterprise-wide comprehensive program to optimize cost structure and expand margins. We believe the change to our definition provides a more useful presentation of our operating performance to investors as these restructuring charges are significant and enterprise-wide severance actions and not reflective of our ongoing operations. We did not revise prior years because there were no similar restructuring actions with significant costs. See Note 18 in the Consolidated Financial Statements for more information on our restructuring charges.

Purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation includes an accounting charge related to goodwill impairment for our Sensia joint venture in the year ended September 30, 2023. The tax effect of the purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation includes the tax effects on the Sensia joint venture goodwill impairment and related Sensia tax asset valuation allowances. Non-operating pension and postretirement benefit (credit) cost is defined as all components of our net periodic pension and postretirement benefit cost except for service cost. See Note 14 in the Consolidated Financial Statements for more information on our net periodic pension and postretirement benefit cost.

We believe that Adjusted Income, Adjusted EPS, and Adjusted Effective Tax Rate provide useful information to our investors about our operating performance and allow management and investors to compare our operating performance period over period. Adjusted EPS is also used as a financial measure of performance for our annual incentive compensation. Our measures of Adjusted Income, Adjusted EPS, and Adjusted Effective Tax Rate may be different from measures used by other companies. These non-GAAP measures should not be considered a substitute for Net income attributable to Rockwell Automation, diluted EPS, and effective tax rate.

The following are reconciliations of Net income attributable to Rockwell Automation, diluted EPS, and effective tax rate to Adjusted Income, Adjusted EPS, and Adjusted Effective Tax Rate, respectively (in millions, except per share amounts and percentages):

		Year Ended September 30,									
		2024		2023		2022					
Net income attributable to Rockwell Automation	\$	952.5		\$	1,387.4		\$	932.2			
Non-operating pension and postretirement benefit (credit) cost		(19.8)			82.7			4.7			
Tax effect of non-operating pension and postretirement benefit (credit) cost		4.0			(20.6)			(1.9)			
Purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation ⁽¹⁾		132.8			178.3			91.9			
Tax effect of purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation ⁽¹⁾		(24.6)			(9.4)			(22.3)			
Change in fair value of investments ⁽²⁾		(0.1)			(279.3)			136.9			
Tax effect of change in fair value of investments ⁽²⁾		(0.7)			67.6			(30.8)			
Restructuring charges ⁽³⁾		97.4			—			—			
Tax effect of restructuring charges ⁽³⁾		(24.3)			—			—			
Adjusted Income	\$	1,117.2		\$	1,406.7		\$	1,110.7			
Diluted EPS	\$	8.28		\$	11.95		\$	7.97			
Non-operating pension and postretirement benefit (credit) cost		(0.17)			0.72			0.04			
Tax effect of non-operating pension and postretirement benefit (credit) cost		0.03			(0.18)			(0.02)			
Purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation		1.16			1.54			0.78			
Tax effect of purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation		(0.22)			(0.08)			(0.19)			
Change in fair value of investments ⁽²⁾		—			(2.42)			1.17			
Tax effect of change in fair value of investments ⁽²⁾		(0.01)			0.59			(0.26)			
Restructuring charges		0.85			—			—			
Tax effect of restructuring charges		(0.21)			—			—			
Adjusted EPS	\$	9.71		\$	12.12		\$	9.49			
Effective tax rate		13.8 %			20.5 %			14.4 %			
Tax effect of non-operating pension and postretirement benefit (credit) cost		(0.1) %			0.3 %			0.1 %			
Tax effect of purchase accounting depreciation and amortization, and impairment attributable to Rockwell Automation		0.4 %			(3.7) %			0.6 %			
Tax effect of change in fair value of investments ⁽²⁾		0.1 %			(0.7) %			0.9 %			
Tax effect of restructuring charges		0.9 %			— %			— %			
Adjusted Effective Tax Rate		15.1 %			16.4 %			16.0 %			

⁽¹⁾ 2023 includes \$97.3 million net expense from \$157.5 million goodwill impairment charge included in Income before income taxes, \$33.1 tax effect from goodwill impairment and related valuation allowances recorded in Income tax provision, and (\$93.3) million Net loss attributable to noncontrolling interests.

⁽²⁾ Primarily relates to the change in fair value of our previous investment in PTC.

⁽³⁾ Restructuring charges include \$92.3 million for severance benefits and \$5.1 million for strategic advisory services related to the enterprise-wide severance actions.

Annual Recurring Revenue (ARR)

Total ARR is a key metric that enables measurement of progress in growing our recurring revenue business. It represents the annual contract value of all active recurring revenue contracts at any point in time. Recurring revenue is defined as a revenue stream that is contractual, typically for a period of 12 months or more, and has a high probability of renewal. The probability of renewal is based on historical renewal experience of the individual revenue streams, or management's best estimates if historical renewal experience is not available. Total ARR growth is calculated as the dollar change in ARR, adjusted to exclude the effects of currency, divided by ARR as of the prior period. The effects of currency translation are excluded by calculating Total ARR on a constant currency basis. Total ARR includes acquisitions even if there was no comparable ARR in the prior period. We believe that Total ARR provides useful information to investors because it reflects our recurring revenue performance period over period including the effect of acquisitions. Our measure of ARR may be different from measures used by other companies. Because ARR is based on annual contract value, it does not represent revenue recognized during a particular reporting period or revenue to be recognized in future reporting periods and is not intended to be a substitute for revenue, contract liabilities, or backlog.

Organic ARR growth is calculated as the dollar change in ARR, adjusted to exclude the effects of currency translation and acquisitions, divided by ARR as of the prior period. The effects of currency translation are excluded by calculating Organic ARR on a constant currency basis. When we acquire businesses, we exclude the effect of ARR in the current period for which there was no comparable ARR in the prior period. We believe that Organic ARR provides useful information to investors because it reflects our recurring revenue performance period over period without the effect of acquisitions and changes in currency exchange rates. Organic ARR growth is also used as a financial measure of performance for our annual incentive compensation.

Financial Condition

The following is a summary of our cash flows from operating, investing, and financing activities, as reflected in the Consolidated Statement of Cash Flows (in millions):

	Year Ended September 30,					
	2024		2023		2022	
Cash provided by (used for)						
Operating activities	\$	863.8	\$	1,374.6	\$	823.1
Investing activities		(982.5)		854.3		(7.8)
Financing activities		(502.8)		(1,675.6)		(934.2)
Effect of exchange rate changes on cash		12.1		19.2		(52.6)
(Decrease) increase in cash, cash equivalents, and restricted cash	\$	(609.4)	\$	572.5	\$	(171.5)

The following table summarizes free cash flow, which is a non-GAAP financial measure (in millions):

	Year Ended September 30,					
	2024		2023		2022	
Cash provided by operating activities	\$	863.8	\$	1,374.6	\$	823.1
Capital expenditures		(224.7)		(160.5)		(141.1)
Free cash flow	\$	639.1	\$	1,214.1	\$	682.0

Our definition of free cash flow takes into consideration capital investments required to maintain the operations of our businesses and execute our strategy. Cash provided by operating activities adds back non-cash depreciation expense to earnings but does not reflect a charge for necessary capital expenditures. Our definition of free cash flow excludes the operating cash flows and capital expenditures related to our discontinued operations, if any. Operating, investing, and financing cash flows of our discontinued operations, if any, are presented separately in our Consolidated Statement of Cash Flows. In our opinion, free cash flow provides useful information to investors regarding our ability to generate cash from business operations that is available for acquisitions and other investments, service of debt principal, dividends, and share repurchases. We use free cash flow, as defined, as one measure to monitor and evaluate our performance, including as a financial measure for our annual incentive compensation. Our definition of free cash flow may be different from definitions used by other companies.

Cash provided by operating activities was \$863.8 million for the year ended September 30, 2024, compared to \$1,374.6 million for the year ended September 30, 2023. Free cash flow was \$639.1 million for the year ended September 30, 2024, compared to \$1,214.1 million for the year ended September 30, 2023. The year-over-year decreases in cash provided by operating activities and free cash flow were primarily due to lower pre-tax income, higher incentive compensation payments in 2024 related to fiscal 2023 performance, and higher tax payments, partially offset by decreases in working capital. Free cash flow for the year ended September 30, 2024, also includes \$64.2 million of higher capital expenditures. Taxes paid in the year ended September 30, 2024, include \$58.4 million of U.S. transition tax under the Tax Cuts and Jobs Act of 2017 (the Tax Act) and \$67.4 million for capital gains from the sale of shares of PTC common stock.

Our Short-term debt as of September 30, 2024, includes commercial paper borrowings of \$657.0 million with a weighted average interest rate of 5.14 percent and a weighted average maturity period of 24 days. We had no commercial paper borrowings as of September 30, 2023. In December 2022, Sensia entered into an unsecured \$75.0 million line of credit. As of September 30, 2024 and 2023, included in Short-term debt was \$70.0 million borrowed against the line of credit with an interest rate of 6.17 percent and 6.29 percent, respectively. Also included in Short-term debt as of September 30, 2024 and September 30, 2023 was \$23.5 million of interest-bearing loans from Schlumberger (SLB) to Sensia, due April 2025. In April 2024, \$18.8 million of new interest-bearing loans from SLB to Sensia were entered into and were due August 2024, extended to April 2025.

We repurchased approximately 2.2 million shares of our common stock under our share repurchase program in 2024 at a total cost of \$594.2 million and an average cost of \$272.97 per share. In 2023, we repurchased approximately 1.2 million shares of our common stock under our share repurchase program at a total cost of \$311.0 million and an average cost of \$265.48 per share. At September 30, 2024, there were \$0.4 million of outstanding common stock share repurchases recorded in Accounts payable that do not settle until 2025. At September 30, 2023, there were \$1.1 million of outstanding common stock share repurchases recorded in Accounts payable that did not settle until 2024. Our decision to repurchase shares in 2025 will depend on business conditions, free cash flow generation, other cash requirements, and stock price. At September 30, 2024, we had approximately \$1,346.1 million remaining for share repurchases under our existing board authorizations. See Item 5. **Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**, for additional information regarding share repurchases.

We expect future uses of cash to include working capital requirements, capital expenditures, dividends to shareowners, repurchases of common stock, repayments of debt, additional contributions to our retirement plans, and acquisitions of businesses and other inorganic investments. We expect capital expenditures in 2025 to be approximately \$250 million. Significant long-term uses of cash include the following (in millions):

		Payments by Period											
		Total			2025			2026			2027		
Long-term debt and interest ⁽¹⁾		\$ 5,119.4			\$ 407.8			\$ 102.3			\$ 102.3		
Minimum lease payments (Note 19)		518.6			111.0			97.2			80.6		
Postretirement benefits ⁽²⁾		44.6			6.7			6.3			5.7		
Pension funding contribution ⁽³⁾		19.0			19.0			—			—		
Transition tax ⁽⁴⁾		175.3			77.9			97.4			—		
Total		\$ 5,876.9			\$ 622.4			\$ 303.2			\$ 188.6		

⁽¹⁾ The amounts for Long-term debt assume that the respective debt instruments will be outstanding until their scheduled maturity dates and include interest but exclude unamortized discount. See Note 7 in the Consolidated Financial Statements for more information regarding our Long-term debt.

⁽²⁾ Our postretirement benefit plans are unfunded and are subject to change. Amounts reported are estimates of future benefit payments, to the extent estimable.

⁽³⁾ Amounts reported for pension funding contributions reflect current estimates. Contributions to our pension plans beyond 2025 will depend on future investment performance of our pension plan assets, changes in discount rate assumptions, and governmental regulations in effect at the time. Amounts subsequent to 2025 are excluded from the summary above, as we are unable to make a reasonably reliable estimate of these amounts. The minimum contribution for our U.S. pension plan as required by the Employee Retirement Income Security Act (ERISA) is currently zero. We may make additional contributions to this plan at the discretion of management.

⁽⁴⁾ Under the Tax Act, the Company may elect to pay the transition tax interest-free over eight years, with 8% due in each of the first five years, 15% in year six, 20% in year seven, and 25% in year eight.

We expect to fund future uses of cash with a combination of existing cash balances, cash generated by operating activities, commercial paper borrowings, or a new issuance of debt or other securities. In addition, we have access to unsecured credit facilities with various banks.

At September 30, 2024, the majority of our Cash and cash equivalents were held by non-U.S. subsidiaries. We use a global cash pooling arrangement to allocate capital resources among our entities. As a result of the broad changes to the U.S. international tax system under the Tax Act, the Company accounts for taxes on earnings of substantially all of its non-U.S. subsidiaries including both non-U.S. and U.S. taxes. The Company has concluded that earnings of a limited number of its non-U.S. subsidiaries are indefinitely reinvested.

In June 2022, we replaced our former \$1.25 billion unsecured revolving credit facility with a new five-year \$1.5 billion unsecured revolving credit facility, expiring in June 2027. This credit facility uses the secured overnight funding rate (SOFR) as the primary basis for determining interest payments. We can increase the aggregate amount of this credit facility by up to \$750.0 million, subject to the consent of the banks in the credit facility. We did not borrow against this credit facility during the periods ended September 30, 2024, or September 30, 2023. Borrowings under this credit facility bear interest based on short-term money market rates in effect during the period the borrowings are outstanding. The terms of this credit facility contain covenants under which we agree to maintain an EBITDA-to-interest ratio of at least 3.0 to 1.0. The EBITDA-to-interest ratio is defined in the credit facility as the ratio of consolidated EBITDA (as defined in the facility) for the preceding four quarters to consolidated interest expense for the same period.

Among other uses, we can draw on our credit facility as a standby liquidity facility to repay our outstanding commercial paper as it matures. This access to funds to repay maturing commercial paper is an important factor in maintaining the short-term credit ratings set forth in the table below. Under our current policy with respect to these ratings, we expect to limit our other borrowings under our credit facility, if any, to amounts that would leave enough credit available under the facility so that we could borrow, if needed, to repay all of our then outstanding commercial paper as it matures.

Separate short-term unsecured credit facilities of approximately \$248.5 million at September 30, 2024, were available to non-U.S. subsidiaries, of which approximately \$34.6 million was committed under letters of credit. Borrowings under our non-U.S. credit facilities at September 30, 2024 and 2023, were not significant. We were in compliance with all covenants under our credit facilities at September 30, 2024 and 2023. There are no significant commitment fees or compensating balance requirements under our credit facilities.

In July 2024, Standard & Poor's downgraded our short-term rating from A-1 to A-2 and our long-term rating from A to A- and also changed our outlook from negative to stable. No changes were made to existing ratings by Moody's or Fitch. The following is a summary of our credit ratings as of November 12, 2024:

Credit Rating Agency	Short Term Rating	Long Term Rating	Outlook
Standard & Poor's	A-2	A-	Stable
Moody's	P-2	A3	Stable
Fitch Ratings	F1	A	Stable

Our ability to access the commercial paper market, and the related costs of these borrowings, is affected by the strength of our credit ratings and market conditions. We have not experienced any difficulty in accessing the commercial paper market. If our access to the commercial paper market is adversely affected due to a change in market conditions or otherwise, we would expect to rely on a combination of available cash and our unsecured committed credit facility to provide short-term funding. In such event, the cost of borrowings under our unsecured committed credit facility could be higher than the cost of commercial paper borrowings.

We regularly monitor the third-party depository institutions that hold our cash and cash equivalents and short-term investments. We diversify our cash and cash equivalents and short-term investments among counterparties to minimize exposure to any one of these entities.

We use foreign currency forward exchange contracts to manage certain foreign currency risks. We enter into these contracts to hedge our exposure to foreign currency exchange rate variability in the expected future cash flows associated with certain third-party and intercompany transactions denominated in foreign currencies forecasted to occur within the next two years. We also may use these contracts to hedge portions of our net investments in certain non-U.S. subsidiaries against the effect of exchange rate fluctuations on the translation of foreign currency balances to the U.S. dollar. In addition, we use foreign currency forward exchange contracts that are not designated as hedges to offset transaction gains or losses associated with some of our assets and liabilities resulting from intercompany loans or other transactions with third parties that are denominated in currencies other than our entities' functional currencies. Our foreign currency forward exchange contracts are usually denominated in currencies of major industrial countries. We diversify our foreign currency forward exchange contracts among counterparties to minimize exposure to any one of these entities.

Cash dividends declared to shareowners were \$572.8 million in 2024 (\$5.00 per common share), \$544.0 million in 2023 (\$4.72 per common share), and \$520.8 million in 2022 (\$4.48 per common share). Our quarterly dividend rate as of September 30, 2024, is \$1.25 per common share (\$5.00 per common share annually), which is determined at the sole discretion of our Board of Directors.

Supplemental Sales Information

We translate sales of subsidiaries operating outside of the United States using exchange rates effective during the respective period. Therefore, changes in currency exchange rates affect our reported sales. Sales by acquired businesses also affect our reported sales. We believe that organic sales, defined as sales excluding the effects of acquisitions and changes in currency exchange rates, which is a non-GAAP financial measure, provides useful information to investors because it reflects regional and operating segment performance from the activities of our businesses without the effect of acquisitions and changes in currency exchange rates. We use organic sales as one measure to monitor and evaluate our regional and operating segment performance. When we acquire businesses, we exclude sales in the current period for which there are no comparable sales in the prior period. We determine the effect of changes in currency exchange rates by translating the respective period's sales using the same currency exchange rates that were in effect during the prior year. When we divest a business, we exclude sales in the prior period for which there are no comparable sales in the current period. Organic sales growth is calculated by comparing organic sales to reported sales in the prior year, excluding divestitures. We attribute sales to the geographic regions based on the country of destination.

The following is a reconciliation of reported sales to organic sales by geographic region (in millions):

																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																</
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	----

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

The following is a reconciliation of reported sales to organic sales by operating segment (in millions):

																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		</
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	----

																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			</
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	----

Critical Accounting Estimates

We believe the following accounting estimates are the most critical to the understanding of our financial statements as they could have the most significant effect on our reported results and require subjective or complex judgments by management. Accounting principles generally accepted in the United States require us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the periods reported. These estimates are based on our best judgment about current and future conditions, but actual results could differ from those estimates. Refer to Note 1 in the Consolidated Financial Statements for information regarding our significant accounting policies.

Goodwill - Sensia Reporting Unit

The quantitative test of goodwill for impairment requires us to estimate the fair value of our reporting units. During the second quarter of fiscal 2024, we performed our annual quantitative impairment test for our Sensia reporting unit. As a result of that quantitative test, we concluded that the second quarter Goodwill balance within the Sensia reporting unit of \$160.7 million was not impaired, as the fair value of the Sensia reporting unit was determined to exceed its carrying value by approximately 25 percent.

Critical assumptions used in this approach included management's estimated future revenue growth rates and margins, a discount rate, and a market multiple. Estimated future revenue growth and margins are based on management's best estimate about current and future conditions. The revenue growth rate assumption reflects above market growth over the next five years before moderating back to a growth rate approximating longer term average inflationary rates. The forecasted near-term growth rate projections take into account recent revenue performance and the orders backlog. Margin assumptions reflect volume and mix, productivity to offset cost inflation, and price used to fund investments. The assumptions and estimates made are based on a number of factors, including historical experience, reference to external product available market and industry growth publications, analysis of peer group projections, and information obtained from the management team, including backlog. Actual results and forecasts of revenue growth and margins for our Sensia reporting unit may be impacted by its concentration within the Oil & Gas industry and with its customer base. Demand for Sensia hardware and software products, solutions, and services is sensitive to industry volatility and risks, including those related to commodity prices, supply and demand dynamics, production costs, geological activity, and political activities. If such factors impact our ability to achieve forecasted revenue growth rates and margins, the fair value of the reporting unit could decrease, which may result in an impairment. We determined the discount rate using our weighted average cost of capital adjusted for risk factors including risk associated with our above market revenue growth assumptions, historical performance, and industry-specific and economic factors. Also, industry-specific and economic factors that increase the discount rate or decrease the market multiple can decrease the fair value of the Sensia reporting unit, which may result in an impairment.

More information regarding goodwill impairment testing is contained in Note 1 and Note 3 in the Consolidated Financial Statements.

Retirement Benefits - Pension

Pension costs and obligations are actuarially determined and are influenced by assumptions used to estimate these amounts, including the discount rate. Changes in any of the assumptions and the amortization of differences between the assumptions and actual experience will affect the amount of pension expense in future periods.

Our global pension expense in 2024 was \$13.2 million compared to \$122.0 million in 2023; global pension expense in 2023 included \$123.4 million of settlement charges. Approximately all of our 2024 global pension expense and 70 percent of our global projected benefit obligation relate to our U.S. pension plan. The discount rate used to determine our 2024 U.S. pension expense was 6.10 percent, compared to 5.65 percent for 2023.

For 2025, our U.S. discount rate will decrease to 5.10 percent from 6.10 percent in 2024. The discount rate was set as of our September 30 measurement date and was determined by modeling a portfolio of bonds that match the expected cash flow of our benefit plans.

The changes in our discount rate have an inverse relationship with our net periodic benefit cost and projected benefit obligation. The following chart illustrates the estimated change in projected benefit obligation and annual net periodic benefit cost assuming a change of 25 basis points in the discount rate for our U.S. pension plans (in millions):

[illegible]

⁽¹⁾ Change includes both operating and non-operating pension costs.

More information regarding pension benefits is contained in Note 14 in the Consolidated Financial Statements.

Revenue Recognition - Customer Incentives

We offer various incentive programs that provide distributors and direct sale customers with cash rebates, account credits, or additional hardware and software products, solutions, and services based on meeting specified program criteria. Customer incentives are recognized as a reduction of sales if distributed in cash or customer account credits. We record accruals at the time of revenue recognition as a current liability within Customer returns, rebates, and incentives in our Consolidated Balance Sheet or, where a right of setoff exists, as a reduction of Receivables. Customer incentives for additional hardware and software products, solutions, and services to be provided are considered distinct performance obligations. As such, we allocate revenue to them based on relative standalone selling price. Until the incentive is redeemed, the revenue is recorded as a contract liability.

Our primary incentive program provides distributors with cash rebates or account credits based on agreed amounts that vary depending on the customer to whom our distributor ultimately sells the product. A critical assumption used in estimating the accrual for this program is the time period from when revenue is recognized to when the rebate is processed. Our estimate is based primarily on historical experience. If the time period were to change by 10 percent, the effect would be an adjustment to the accrual of approximately \$20.7 million.

More information regarding our revenue recognition and returns, rebates, and incentives policies are contained in Note 1 and Note 2 in the Consolidated Financial Statements.

Acquisitions - Clearpath Intangible Assets Valuation

We account for business acquisitions by allocating the purchase price to tangible and intangible assets acquired and liabilities assumed at their fair values; the excess of the purchase price over the allocated amount is recorded as goodwill. We engaged an independent third-party valuation specialist to assist with the fair value allocation of the intangible assets assumed through the acquisition of Clearpath. The intangible assets were valued using income approaches, specifically the relief from royalty method and multi-period excess earnings method. This required the use of several assumptions and estimates including forecasted revenue growth rates, margin, and cash flows attributable to existing customers, obsolescence factor, royalty rate, contributory asset charges, customer attrition rate, and discount rates. Although we believe the assumptions and estimates made were reasonable and appropriate, these estimates require judgment and are based in part on historical experience and information obtained from Clearpath management.

The key assumption requiring the use of judgement in the valuation of the \$269.9 million technology asset was the obsolescence factor. The obsolescence factor of 12 years was calculated based on the depletion of existing technology using a variety of factors including research and development spend toward new product development and scheduled patent expiration. A two-year change in this assumption would result in a change of approximately \$82 million in intangible assets. The key assumption requiring the use of judgement in the valuation of the \$41.6 million trademark intangible asset was the weighted average royalty rate of 2.05 percent. This rate was based on royalty market data. A 100 basis point change in the royalty rate would result in a change of \$20 million in intangible assets.

More information regarding this business combination is contained in Note 4 in the Consolidated Financial Statements.

Recent Accounting Pronouncements

See Note 1 in the Consolidated Financial Statements regarding recent accounting pronouncements.

Item 7A. *Quantitative and Qualitative Disclosures About Market Risk*

We are exposed to market risk during the normal course of business from changes in foreign currency exchange rates and interest rates. We manage exposure to these risks through a combination of normal operating and financing activities as well as derivative financial instruments in the form of foreign currency forward exchange contracts.

Foreign Currency Risk

We are exposed to foreign currency risks that arise from normal business operations. These risks include the translation of local currency balances of foreign subsidiaries, transaction gains and losses associated with intercompany loans with foreign subsidiaries, and transactions denominated in currencies other than a location's functional currency. Our objective is to minimize our exposure to these risks through a combination of normal operating activities and the use of foreign currency forward exchange contracts. Contracts are usually denominated in currencies of major industrial countries. The fair value of our foreign currency forward exchange contracts is an asset of \$17.1 million and a liability of \$33.5 million at September 30, 2024. We enter into these contracts with major financial institutions that we believe to be creditworthy.

We do not enter into derivative financial instruments for speculative purposes. The strengthening of the U.S. dollar against foreign currencies has an unfavorable impact on our sales and results of operations. While future changes in foreign currency exchange rates are difficult to predict, our sales and profitability may be adversely affected if the U.S. dollar strengthens relative to current levels.

Certain of our locations have assets and liabilities denominated in currencies other than their functional currencies. We enter into foreign currency forward exchange contracts to offset the transaction gains or losses associated with some of these assets and liabilities. For such assets and liabilities without offsetting foreign currency forward exchange contracts, a 10 percent adverse change in the underlying foreign currency exchange rates would reduce our pre-tax income by approximately \$61.6 million.

We record all derivatives on the balance sheet at fair value regardless of the purpose for holding them. The use of foreign currency forward exchange contracts allows us to manage transactional exposure to exchange rate fluctuations as the gains or losses incurred on these contracts will offset, in whole or in part, losses or gains on the underlying foreign currency exposure. Derivatives that are not designated as hedges for accounting purposes are adjusted to fair value through earnings. For derivatives that are hedges, depending on the nature of the hedge, changes in fair value are either offset by changes in the fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in Other comprehensive income (loss) until the hedged item is recognized in earnings. We recognize the ineffective portion of a derivative's change in fair value in earnings immediately. There was no impact on earnings due to ineffective hedges in 2024, 2023, or 2022. A hypothetical 10 percent adverse change in underlying foreign currency exchange rates associated with the hedged exposures and related contracts would not be significant to our financial condition or results of operations.

Interest Rate Risk

In addition to existing cash balances and cash provided by normal operating activities, we use a combination of short-term and long-term debt to finance operations. We are exposed to interest rate risk on certain of these debt obligations.

Our Short-term debt as of September 30, 2024, includes commercial paper borrowings of \$657.0 million with a weighted average interest rate of 5.14 percent and a weighted average maturity period of 24 days. We had no commercial paper borrowings as of September 30, 2023. In December 2022, Sensia entered into an unsecured \$75.0 million line of credit. As of September 30, 2024 and 2023, included in Short-term debt was \$70.0 million borrowed against the line of credit with an interest rate of 6.17 percent and 6.29 percent, respectively. Also included in Short-term debt as of September 30, 2024 and September 30, 2023 was \$23.5 million of interest-bearing loans from SLB to Sensia, due April 2025. In April 2024, \$18.8 million of new interest-bearing loans from SLB to Sensia were entered into and were due August 2024, extended to April 2025. We have issued, and anticipate continuing to issue, short-term commercial paper obligations as needed. Changes in market interest rates on commercial paper borrowings affect our results of operations. A hypothetical 50 basis point increase in average market interest rates related to our short-term debt would not be significant to our results of operations or financial condition.

We had outstanding fixed rate long-term and current portion of long-term debt obligations with a carrying value of \$2,868.7 million at September 30, 2024, and \$2,871.5 million at September 30, 2023. The fair value of this debt was approximately \$2,638.5 million at September 30, 2024, and \$2,451.2 million at September 30, 2023. The potential increase in fair value on such fixed-rate debt obligations from a hypothetical 50 basis point decrease in market interest rates would not be significant to our results of operations or financial condition. We currently have no plans to repurchase our outstanding fixed-rate instruments

before their maturity and, therefore, fluctuations in market interest rates would not have an effect on our results of operations or shareowners' equity.

Item 8. *Financial Statements and Supplementary Data*

CONSOLIDATED BALANCE SHEET
(in millions, except per share amounts)

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF OPERATIONS
(in millions, except per share amounts)

	Year Ended September 30,											
	2024			2023			2022					
Sales												
Products and solutions	\$	7,330.7		\$	8,224.9		\$	6,993.4				
Services	933.5			833.1			767.0					
	8,264.2			9,058.0			7,760.4					
Cost of sales												
Products and solutions	(4,558.1)			(4,808.7)			(4,173.4)					
Services	(512.7)			(532.3)			(485.0)					
	(5,070.8)			(5,341.0)			(4,658.4)					
Gross profit	3,193.4			3,717.0			3,102.0					
Selling, general and administrative expenses	(2,002.6)			(2,023.7)			(1,766.7)					
Change in fair value of investments	0.1			279.3			(136.9)					
Other income (expense) (Note 15)	62.8			(71.3)			(1.6)					
Goodwill impairment	—			(157.5)			—					
Interest expense	(154.6)			(135.3)			(123.2)					
Income before income taxes	1,099.1			1,608.5			1,073.6					
Income tax provision (Note 16)	(151.8)			(330.5)			(154.5)					
Net income	947.3			1,278.0			919.1					
Net loss attributable to noncontrolling interests	(5.2)			(109.4)			(13.1)					
Net income attributable to Rockwell Automation, Inc.	\$	952.5		\$	1,387.4		\$	932.2				
Earnings per share:												
Basic	\$	8.32		\$	12.03		\$	8.02				
Diluted	\$	8.28		\$	11.95		\$	7.97				
Weighted average outstanding shares:												
Basic	114.0			114.8			115.9					
Diluted	114.5			115.6			116.7					

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(in millions)

	Year Ended September 30,											
	2024			2023			2022					
Net income	\$	947.3		\$	1,278.0		\$	919.1				
Other comprehensive income (loss)												
Pension and other postretirement benefit plan adjustments (net of tax benefit (expense) of \$7.4, (\$15.4), and (\$76.0))		(23.8)			41.5			246.5				
Currency translation adjustments		68.9			99.4			(185.4)				
Net change in cash flow hedges (net of tax benefit (expense) of \$11.2, \$5.3, and \$(14.3))		(27.1)			(13.4)			38.2				
Other comprehensive income		18.0			127.5			99.3				
Comprehensive income		965.3			1,405.5			1,018.4				
Comprehensive loss attributable to noncontrolling interests		(4.9)			(109.3)			(13.4)				
Comprehensive income attributable to Rockwell Automation, Inc.	\$	970.2		\$	1,514.8		\$	1,031.8				

See Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

(in millions)

CONSOLIDATED STATEMENT OF SHAREOWNERS' EQUITY
(in millions, except per share amounts)

[illegible]

⁽¹⁾ Cash dividends were \$5.00 per share in 2024; \$4.72 per share in 2023; and \$4.48 per share in 2022.

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation and Accounting Policies

Rockwell Automation, Inc. (Rockwell Automation or the Company) is the world's largest company dedicated to industrial automation and digital transformation. We understand and simplify our customers' complex production challenges and deliver the most valued solutions that combine technology and industry expertise.

Basis of Presentation

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned and controlled majority-owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation. Investments in affiliates over which we do not have control but exercise significant influence are accounted for using the equity method of accounting. These affiliated companies are not material individually or in the aggregate to our financial position, results of operations, or cash flows.

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the periods reported. Actual results could differ from those estimates. We use estimates in accounting for, among other items, customer returns, rebates, and incentives; allowance for doubtful accounts; excess and obsolete inventory; share-based compensation; acquisitions, including consolidation and intangible assets; goodwill impairment; product warranty obligations; capitalization of internal-use software; retirement benefits; litigation, claims, and contingencies, including environmental and asbestos matters, conditional asset retirement obligations, and contractual indemnifications; leases; and income taxes. We account for changes to estimates and assumptions prospectively when warranted by factually-based experience.

Revenue Recognition

See Note 2 for our revenue recognition policy under Accounting Standards Codification (ASC) 606.

Returns, Rebates, and Incentives

Our primary incentive program provides distributors with cash rebates or account credits based on agreed amounts that vary depending on the customer to whom our distributor ultimately sells the product. We also offer various other incentive programs that provide distributors and direct sale customers with cash rebates, account credits, or additional hardware and software products, solutions, and services based on meeting specified program criteria. Certain distributors are offered a right to return product, subject to contractual limitations.

We record accruals for customer returns, rebates, and incentives at the time of revenue recognition based primarily on historical trend experience and expected market conditions. Returns are presented on the Consolidated Balance Sheet as a right of return asset and refund liability. Incentives in the form of rebates are estimated at the individual customer level and are recorded as a reduction of sales. Customer incentives for additional hardware and software products, solutions, and services to be provided are considered distinct performance obligations. As such, we allocate revenue to them based on relative standalone selling price. Until the incentive is redeemed, the revenue is recorded as a contract liability.

Taxes on Revenue Producing Transactions

Taxes assessed by governmental authorities on revenue producing transactions, including sales, value added, excise, and use taxes, are recorded on a net basis (excluded from revenue).

Cash and Cash Equivalents

Cash, cash equivalents, and restricted cash include time deposits, certificates of deposit, and other fixed income securities with original maturities of three months or less at the time of purchase.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)*Receivables*

We record an allowance for doubtful accounts and expected credit losses based on customer-specific analysis and general matters such as current assessments of past due balances and economic conditions. Receivables are recorded net of an allowance for doubtful accounts of \$21.8 million at September 30, 2024, and \$16.8 million at September 30, 2023. The changes to our allowance for doubtful accounts during the years ended September 30, 2024 and 2023, were not material and primarily consisted of current-period provisions, write-offs charged against the allowance, recoveries collected, and foreign currency translation.

Inventories

Inventories are recorded at the lower of cost or market using the first-in, first-out (FIFO) or average cost methods. Market is determined on the basis of estimated realizable values.

Investments

Investments include time deposits, certificates of deposit, other fixed income securities, and equity securities. Investments with original maturities longer than three months at the time of purchase and less than one year from period end are classified as short-term. All other investments are classified as long-term. Fixed income securities meeting the definition of a security are accounted for as available-for-sale and recorded at fair value. Equity securities with a readily determinable fair value are recorded at fair value. Equity securities that do not have a readily determinable fair value, which we account for using the measurement alternative under U.S. GAAP, are recorded at the investment cost, less impairment, plus or minus observable price changes (in orderly transactions) of an identical or similar investment of the same issuer. All other investments are recorded at cost, which approximates fair value.

Property

Property, including internal-use software and software to provide a service (e.g. SaaS arrangements), is recorded at cost. Equipment under finance leases are stated at the present value of minimum lease payments. We calculate depreciation of property using the straight-line method over 3 to 40 years for buildings and improvements, 3 to 20 years for machinery and equipment, and 3 to 10 years for computer hardware and internal-use software. We capitalize significant renewals and enhancements and write off replaced units. Implementation costs incurred in a cloud computing arrangement that is a service contract are recorded in Other current assets and Other assets on the Consolidated Balance Sheet and are amortized over the expected service period. We expense maintenance and repairs, as well as renewals of minor amounts. Property acquired during the year that is accrued within Accounts payable or Other current liabilities at year end is considered to be a non-cash investing activity and is excluded from cash used for capital expenditures in the Consolidated Statement of Cash Flows. Capital expenditures of \$42.4 million, \$42.7 million, and \$23.0 million were accrued within Accounts payable and Other current liabilities at September 30, 2024, 2023, and 2022, respectively.

Goodwill and Other Intangible Assets

Goodwill and Other intangible assets generally result from business acquisitions. We account for business acquisitions by allocating the purchase price to tangible and intangible assets acquired and liabilities assumed at their fair values; the excess of the purchase price over the allocated amount is recorded as goodwill.

We perform our annual evaluation of goodwill and indefinite life intangible assets for impairment as required under U.S. GAAP during the second quarter of each year, or more frequently if events or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. Any excess in carrying value over the estimated fair value is charged to results of operations. For our annual evaluation of goodwill, we may perform a qualitative test to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount in order to determine whether it is necessary to perform a quantitative goodwill impairment test. Our reporting units for goodwill evaluation consist of the Intelligent Devices segment, the Software & Control segment, the Lifecycle Services segment (excluding Sensia), and Sensia. When performing the quantitative goodwill impairment test, we determine the fair value of each reporting unit under a combination of an income approach derived from discounted cash flows and a market multiples approach using selected comparable public companies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Significant assumptions used in the income approach include: management's forecasted cash flows, including estimated future revenue growth rates and margins, discount rate, and terminal value. Forecasts of future revenue growth and margins are based on management's best estimates. Actual results and forecasts of revenue growth and margins for our Sensia reporting unit may be impacted by its concentration within the Oil & Gas industry and with its customer base. Demand for Sensia hardware and software products, solutions, and services is sensitive to industry volatility and risks, including those related to commodity prices, supply and demand dynamics, production costs, geological activity, and political activities. The discount rate is determined using a weighted average cost of capital adjusted for risk factors specific to the reporting unit, including risks associated with our above market revenue growth assumptions, historical performance, and industry-specific and economic factors. The terminal value is estimated following the common methodology of calculating the present value of estimated perpetual cash flow beyond the last projected period assuming constant discount and long-term growth rates. Significant assumptions used in the market multiples approach include selection of the comparable public companies and calculation of the appropriate market multiples.

We amortize all intangible assets with finite useful lives on a straight-line basis over their estimated useful lives. Useful lives assigned range from 3 to 15 years for trademarks, 5 to 20 years for customer relationships, 4 to 17 years for technology, and 3 to 30 years for other intangible assets.

Intangible assets also include costs of on-premise software developed or purchased by our software business to be sold, leased, or otherwise marketed. Amortization of these computer software products is calculated on a product-by-product basis as the greater of (a) the unamortized cost at the beginning of the year times the ratio of the current year gross revenue for a product to the total of the current and anticipated future gross revenue for that product or (b) the straight-line amortization over the remaining estimated economic life of the product.

Impairment of Long-Lived Assets

We evaluate the recoverability of the recorded amount of long-lived assets, including property, operating lease right-of-use assets, capitalized implementation costs of a cloud computing arrangement, and other intangible assets, whenever events or changes in circumstances indicate that the recorded amount of an asset may not be fully recoverable. Impairment is assessed when the undiscounted expected future cash flows derived from an asset are less than its carrying amount. If we determine that an asset is impaired, we measure the impairment to be recognized as the amount by which the recorded amount of the asset exceeds its fair value. We report assets to be disposed of at the lower of the recorded amount or fair value less cost to sell. We determine fair value using a discounted future cash flow analysis.

Derivative Financial Instruments

We use derivative financial instruments in the form of foreign currency forward exchange contracts to manage certain foreign currency risks. We enter into these contracts to hedge our exposure to foreign currency exchange rate variability in the expected future cash flows associated with certain third-party and intercompany transactions denominated in foreign currencies forecasted to occur within the next two years. We also use these contracts to hedge portions of our net investments in certain non-U.S. subsidiaries against the effect of exchange rate fluctuations on the translation of foreign currency balances to the U.S. dollar. Additionally, we use derivative financial instruments in the form of interest rate swap contracts to manage our borrowing costs of certain long-term debt and use treasury locks to manage the potential change in interest rates in anticipation of issuance of fixed rate debt. We designate and account for these derivative financial instruments as hedges under U.S. GAAP.

Furthermore, we use foreign currency forward exchange contracts that are not designated as hedges to offset transaction gains or losses associated with some of our assets and liabilities resulting from intercompany loans or other transactions with third parties that are denominated in currencies other than our entities' functional currencies. It is our policy to execute such instruments with global financial institutions that we believe to be creditworthy and not to enter into derivative financial instruments for speculative purposes. Foreign currency forward exchange contracts are usually denominated in currencies of major industrial countries.

We record various financial instruments at fair value. U.S. GAAP defines fair value as the price that would be received for an asset or paid to transfer a liability (exit price) in an orderly transaction between market participants in the principal or most advantageous market for the asset or liability. U.S. GAAP also classifies the inputs used to measure fair value into the following hierarchy:

We hold financial instruments consisting of cash and short-term debt. The fair values of our cash and short-term debt approximate their carrying amounts as reported in our Consolidated Balance Sheet due to the short-term nature of these instruments. We also hold financial instruments consisting of long-term debt, investments, and derivatives. The valuation methodologies for these financial instruments are described in Notes 7, 10, 11, and 14.

We also determine fair value assessments in conjunction with intangible valuations of acquisitions, contingent consideration in the purchase price of acquisitions, and our annual impairment testing of goodwill and indefinite lived intangible assets. The valuation methodologies for these assets are described in Notes 3 and 4.

The methods described in these Notes may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while we believe our valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

We translate assets and liabilities of subsidiaries operating outside of the United States with a functional currency other than the U.S. dollar into U.S. dollars using exchange rates at the end of the respective period. We translate sales, costs, and expenses at average exchange rates effective during the respective period. We report foreign currency translation adjustments as a component of Other comprehensive income (loss). Currency transaction gains and losses are included in results of operations in the period incurred.

We expense research and development (R&D) costs as incurred; these costs were \$477.3 million in 2024, \$529.5 million in 2023, and \$440.9 million in 2022. We include R&D expenses in Cost of sales in the Consolidated Statement of Operations.

We account for uncertain tax positions by determining whether it is more likely than not that a tax position will be sustained upon examination based on the technical merits of the position. For tax positions that meet the more likely than not recognition threshold, we determine the amount of benefit to recognize in the Consolidated Financial Statements based on our assertion of the most likely outcome resulting from an examination, including the resolution of any related appeals or litigation processes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Earnings Per Share

We present basic and diluted earnings per share (EPS) amounts. Basic EPS is calculated by dividing earnings available to common shareowners, which is income excluding the allocation to participating securities, by the weighted average number of common shares outstanding during the year, excluding restricted stock. Diluted EPS amounts are based upon the weighted average number of common and common-equivalent shares outstanding during the year. We use the treasury stock method to calculate the effect of outstanding share-based compensation awards, which requires us to compute total employee proceeds as the sum of the amount the employee must pay upon exercise of the award and the amount of unearned share-based compensation costs attributed to future services. Share-based compensation awards for which the total employee proceeds of the award exceed the average market price of the same award over the period have an antidilutive effect on EPS, and accordingly, we exclude them from the calculation. Antidilutive share-based compensation awards for the years ended September 30, 2024 (0.5 million shares), 2023 (0.4 million shares), and 2022 (0.4 million shares), were excluded from the diluted EPS calculation. U.S. GAAP requires unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents, whether paid or unpaid, to be treated as participating securities and included in the computation of EPS pursuant to the two-class method. Our participating securities are composed of restricted stock and non-employee director restricted stock units.

The following table reconciles basic and diluted EPS amounts (in millions, except per share amounts):

		2024	2023	2022
Net income attributable to Rockwell Automation, Inc.	\$	952.5	\$ 1,387.4	\$ 932.2
Less: Allocation to participating securities		(4.3)	(5.9)	(2.9)
Net income available to common shareowners	\$	948.2	\$ 1,381.5	\$ 929.3
Basic weighted average outstanding shares		114.0	114.8	115.9
Effect of dilutive securities				
Stock options		0.5	0.7	0.7
Performance shares		—	0.1	0.1
Diluted weighted average outstanding shares		114.5	115.6	116.7
Earnings per share:				
Basic	\$	8.32	\$ 12.03	\$ 8.02
Diluted	\$	8.28	\$ 11.95	\$ 7.97

Share-Based Compensation

We recognize share-based compensation expense for equity awards on a straight-line basis over the service period of the award based on the fair value of the award as of the grant date.

Product and Workers' Compensation Liabilities

We record accruals for product and workers' compensation claims in the period in which they are probable and reasonably estimable. Our principal self-insurance programs include product liability and workers' compensation where we self-insure up to a specified dollar amount. Claims exceeding this amount up to specified limits are covered by insurance policies purchased from commercial insurers. We estimate the liability for the majority of the self-insured claims using our claims experience for the periods being valued.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)*Environmental and Asbestos Matters*

We record liabilities for environmental and asbestos matters in the period in which our responsibility is probable and the costs can be reasonably estimated. We make changes to the liabilities in the periods in which the estimated costs of remediation change. At third-party environmental sites where more than one potentially responsible party has been identified, we record a liability for our estimated allocable share of costs related to our involvement with the site, as well as an estimated allocable share of costs related to the involvement of insolvent or unidentified parties. If we determine that recovery from insurers or other third parties is probable and a right of set off exists, we record the liability net of the estimated recovery. If we determine that recovery from insurers or other third parties is probable but a right of set off does not exist, we record a liability for the total estimated costs of remediation and a receivable for the estimated recovery. At environmental sites where we are the sole responsible party, we record a liability for the total estimated costs of remediation. Ongoing operating and maintenance expenditures included in our environmental remediation obligations are discounted to present value over the probable future remediation period. Our remaining environmental remediation obligations are undiscounted due to subjectivity of timing and/or amount of future cash payments.

Conditional Asset Retirement Obligations

We record liabilities for costs related to legal obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development, or the normal operation of the long-lived asset. The obligation to perform the asset retirement activity is not conditional even though the timing or method may be conditional.

Leases

We have operating leases primarily for real estate, vehicles, and equipment. We have finance leases primarily for equipment. We determine if a contract is, or contains, a lease at contract inception. A right-of-use (ROU) asset and a corresponding lease liability are recognized at commencement for contracts that are, or contain, a lease with an original term greater than 12 months. We elect to not record lease ROU assets or lease liabilities for leases with an original term of 12 months or less. ROU assets represent our right to use an underlying asset during the lease term, including periods for which renewal options are reasonably certain to be exercised, and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease expense is recognized on a straight-line basis over the lease term for leases with an original term of 12 months or less. Amortization expense of the ROU asset for operating and finance leases is recognized on a straight-line basis over the lease term and interest expense for finance leases is recognized based on the incremental borrowing rate.

Some leasing arrangements require variable payments that are dependent on usage or may vary for other reasons, such as payments for insurance and tax payments. A portion of our real estate leases is generally subject to annual changes based upon an index. The changes based upon the index are treated as variable lease payments. The variable portion of lease payments is not included in our ROU assets or lease liabilities and is expensed when incurred. We elected to not separate lease and nonlease components of contracts for most underlying asset classes. Accordingly, all expenses associated with a lease contract are accounted for as lease expenses.

Lease liabilities are recognized at the contract commencement date based on the present value of remaining lease payments over the lease term. To calculate the lease liabilities we use our incremental borrowing rate. We determine our incremental borrowing rate at the commencement date using our unsecured borrowing rate, adjusted for collateralization and lease term. For leases denominated in a currency other than the U.S. dollar, the collateralized borrowing rate in the foreign currency is determined using the U.S. dollar and foreign currency swap spread. Long-term operating lease liabilities are presented as Operating lease liabilities and current operating lease liabilities are included in Other current liabilities in the Consolidated Balance Sheet. Long-term finance lease liabilities are presented as Long-term debt and current finance lease liabilities are included in Current portion of long-term debt in the Consolidated Balance Sheet.

ROU assets are recognized at the contract commencement date at the value of the related lease liability, adjusted for any prepayments, lease incentives received, and initial direct costs incurred. Operating lease ROU assets are presented as Operating lease right-of-use assets and finance lease ROU assets are presented as Property in the Consolidated Balance Sheet.

Lease expenses, including amortization of ROU assets, for operating and finance leases are recognized on a straight-line basis over the lease term and recorded in Cost of sales and Selling, general and administrative expenses in the Consolidated Statement of Operations. Interest expense for finance leases is recorded in Interest expense in the Consolidated Statement of Operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)*Supplier Financing Arrangements*

The Company maintains agreements with third-party financial institutions that offer voluntary supply chain financing (SCF) programs to suppliers. The SCF programs enable suppliers, at their sole discretion, to sell their receivables to third-party financial institutions in order to receive payment on receivables earlier than the negotiated commercial terms between suppliers and the Company. Supplier sale of receivables to third-party financial institutions is on terms negotiated between the supplier and the respective third-party financial institution. The Company agrees on commercial terms for the goods and services procured from suppliers, including prices, quantities, and payment terms, regardless of whether the supplier elects to participate in the SCF programs. A supplier's voluntary participation in the SCF programs has no bearing on the Company's payment terms and the Company has no economic interest in a supplier's decision to participate in the SCF programs. The Company agrees to pay participating third-party financial institutions the stated amount of confirmed invoices from suppliers on the original maturity dates of the invoices. Amounts outstanding related to SCF programs are included in Accounts payable in the Consolidated Balance Sheet and in changes in Accounts payable on the Consolidated Statement of Cash Flows. Accounts payable included approximately \$76.6 million and \$126.7 million related to these agreements as of September 30, 2024 and 2023, respectively. The impact of these programs is not material to the Company's overall liquidity.

Recently Adopted Accounting Pronouncements

In September 2022, the Financial Accounting Standards Board (FASB) issued a new standard that requires companies to apply Accounting Standards Codification (ASC) 405-50 to disclose supplier finance program obligations. We adopted the new standard as of October 1, 2023. The adoption of this standard did not have a material impact on our Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued Accounting Standards Update (ASU) 2023-07, which requires expanded interim and annual disclosures of segment information regularly provided to the chief operating decision maker (CODM), the title and position of the CODM, an explanation of how the CODM uses the information in assessing segment performance and deciding how to allocate resources, and an amount for other segment items by reportable segment and a description of its composition. We will expand our disclosures in our 2025 Annual Report on Form 10-K when the standard becomes effective for us.

In December 2023, the FASB issued ASU 2023-09, which requires expanded annual disclosures to the income tax rate reconciliation and the amount of income taxes paid. We will expand our disclosures in our 2026 Annual Report on Form 10-K when the standard becomes effective for us.

In November 2024, the FASB issued ASU 2024-03, which requires disclosure of certain expense amounts comprising Cost of sales and Selling, general and administrative expenses, as well as a qualitative description of the remaining expense amounts. We are currently assessing the impact of this ASU on our financial statement disclosures.

We do not expect any other recently issued accounting pronouncements to have a material impact on our Consolidated Financial Statements and related disclosures.

2. Revenue Recognition*Nature of Products and Services*

Substantially all of our revenue is from contracts with customers. We recognize revenue as promised products are transferred to, or services are performed for, customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those products and services. Our offerings consist of industrial automation and information products, solutions, and services.

Our products include hardware, software, and configured-to-order products. Our solutions include custom-engineered systems and software. Our services include customer technical support and repair, asset management and optimization consulting, and training. Also included in our services is a portion of revenue related to spare parts that are managed within our services offering.

Our operations are comprised of the Intelligent Devices segment, the Software & Control segment, and the Lifecycle Services segment. Revenue from the Intelligent Devices segment is predominantly comprised of product sales, which are recognized at a point in time. Revenue from the Software & Control segment is comprised of product sales, which are recognized at a point in time, and software products, which may be recognized over time if certain criteria are met. Revenue from the Lifecycle

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Services segment is predominantly comprised of solutions and services, which are primarily recognized over time. See Note 20 for more information.

In most countries, we sell primarily through independent distributors in conjunction with our direct sales force. We sell large systems and service offerings principally through our direct sales force, though opportunities are sometimes identified through distributors.

Performance Obligations

We use executed sales agreements and purchase orders to determine the existence of a customer contract.

For each customer contract, we determine if the products and services promised to the customer are distinct performance obligations. A product or service is distinct if both of the following criteria are met at contract inception: (i) the customer can benefit from the product or service on its own or together with other readily available resources, and (ii) our promise to transfer the product or perform the service is separately identifiable from other promises in the contract. The fact that we regularly sell a product or service separately is an indicator that the customer can benefit from a product or service on its own or with other readily available resources.

The objective when assessing whether our promises to transfer products or perform services are distinct within the context of the contract is to determine whether the nature of the promise is to transfer each of those products or perform those services individually, or whether the promise is to transfer a combined item or items to which the promised products or services are inputs. If a promised product or service is not distinct, we combine that product or service with other promised products or services until it comprises a bundle of products or services that is distinct, which may result in accounting for all the products or services in a contract as a single performance obligation.

For each performance obligation in a contract, we determine whether the performance obligation is satisfied over time. A performance obligation is satisfied over time if it meets any of the following criteria: (i) the customer simultaneously receives and consumes the benefits provided by our performance as we perform, or (ii) our performance creates or enhances an asset that the customer controls as the asset is created or enhanced, or (iii) our performance does not create an asset for which we have an alternative use and we have an enforceable right to payment for performance completed to date. If one or more of these criteria are met, then we recognize revenue over time using a method that depicts performance. If none of the criteria are met, then control transfers to the customer at a point in time and we recognize revenue at that point in time.

Our products represent standard, catalog products for which we have an alternative use, and therefore we recognize revenue at a point in time when control of the product transfers to the customer. For the majority of our products, control transfers upon shipment, though for some contracts control may transfer upon delivery. Product-type contracts are generally one year or less in length.

Revenue in our Software & Control segment also includes revenue from perpetual and subscription software licenses under on-premise and SaaS arrangements. When on-premise software licenses are determined to be distinct performance obligations, we recognize the related revenue at a point in time when the customer is provided the right to use the license, while revenue allocated to upgrades and support are recognized over the term of the contract. To the extent that the on-premise license is not considered distinct, revenue is recognized over time over the period the related services are performed. Revenue from SaaS arrangements, which allow customers to use hosted software over the contract period without taking possession of the software, are recognized over time during the period the customer is provided the right to use the software.

We offer a wide variety of solutions and services to our customers, for which we recognize revenue over time or at a point in time based on the contract as well as the type of solution or service. If one or more of the three criteria above for over time revenue recognition are met, we recognize revenue over time as cost is incurred, as work is performed, or based on time elapsed, depending on the type of customer contract. If none of these criteria are met, we recognize revenue at a point in time when control of the asset being created or enhanced transfers to the customer. More than half of our solutions and services revenue is from contracts that are one year or less in length. For certain solutions and services offerings, when we have the right to invoice our customers in an amount that corresponds to our performance completed to date, we apply the practical expedient to measure progress and recognize revenue based on the amount for which we have the right to invoice the customer.

When assessing whether we have an alternative use for an asset, we consider both contractual and practical limitations. These include: (i) the level and cost of customization of the asset that is required to meet a customer's needs, (ii) the activities, cost, and profit margin after any rework that would be required before the asset could be directed for another use, and (iii) the portion of the asset that could not be reworked for an alternative use.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

At times we provide products and services free of charge to our customers as incentives when the customers purchase other products or services. These represent distinct performance obligations. As such, we allocate revenue to them based on relative standalone selling price.

Most of our global warranties are assurance in nature and do not represent distinct performance obligations. See Note 9 for additional information and disclosures. We occasionally offer extended warranties to our customers that are considered a distinct performance obligation, to which we allocate revenue based on relative standalone selling price, which is recognized over the extended warranty period.

We account for shipping and handling activities performed after control of a product has been transferred to the customer as a fulfillment cost. As such, we have applied the practical expedient and we accrue for the costs of shipping and handling activities if revenue is recognized before contractually agreed shipping and handling activities occur.

Unfulfilled Performance Obligations

As of September 30, 2024, we expect to recognize approximately \$1,205 million of revenue in future periods from unfulfilled performance obligations from existing contracts with customers. We expect to recognize revenue of approximately \$680 million from our remaining performance obligations over the next 12 months with the remaining balance recognized thereafter.

We have applied the practical expedient to exclude the value of remaining performance obligations for (i) contracts with an original term of one year or less and (ii) contracts for which we recognize revenue in proportion to the amount we have the right to invoice for services performed. The amounts above also do not include the impact of contract renewal options that are unexercised as of September 30, 2024.

Transaction Price

The transaction price is the amount of consideration to which we expect to be entitled in exchange for transferring products to, or performing services for, a customer. We estimate the transaction price at contract inception, and update the estimate each reporting period for any changes in circumstances. In some cases a contract may involve variable consideration, including rebates, credits, allowances for returns, or other similar items that generally decrease the transaction price. We use historical trend experience and expected market conditions to estimate variable consideration, including any constraint.

The transaction price (including any discounts and variable consideration) is allocated between separate products and services based on their relative standalone selling prices. The standalone selling prices are determined based on the prices at which we separately sell each good or service. For items that are not sold separately, we estimate the standalone selling price using available information such as market reference points and other observable data.

We have elected the practical expedient to exclude sales taxes and other similar taxes from the measurement of the transaction price.

Significant Payment Terms

Our standard payment terms vary globally but do not result in a significant delay between the timing of invoice and payment. We occasionally negotiate other payment terms during the contracting process. We do not typically include significant financing components in our contracts with customers. We have elected the practical expedient to not adjust the transaction price for the period between transfer of products or performance of services and customer payment if expected to be one year or less.

For most of our products, we invoice at the time of shipment and we do not typically have significant contract balances. For our solutions and services as well as some of our products, timing may differ between revenue recognition and billing. Depending on the terms agreed to with the customer, we may invoice in advance of performance or we may invoice after performance. When revenue recognition exceeds billing we recognize a receivable, and when billing exceeds revenue recognition we recognize a contract liability.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Disaggregation of Revenue

The following table presents our revenue disaggregation by geographic region for our three operating segments (in millions). We attribute sales to the geographic regions based on the country of destination.

	Year Ended September 30, 2024							Year Ended September 30, 2023					
	Intelligent Devices		Software & Control		Lifecycle Services		Total	Intelligent Devices		Software & Control		Lifecycle Services	
North America	\$	2,503.1	\$	1,414.5	\$	1,135.2	\$ 5,052.8	\$	2,409.2	\$	1,794.5	\$	1,135.2
Europe, Middle East, and Africa		614.7		350.7		539.1	1,504.5		829.1		528.6		539.1
Asia Pacific		399.2		260.7		412.9	1,072.8		568.6		393.1		412.9
Latin America		287.1		161.5		185.5	634.1		291.3		169.8		185.5
Total Company Sales	\$	3,804.1	\$	2,187.4	\$	2,272.7	\$ 8,264.2	\$	4,098.2	\$	2,886.7	\$	2,272.7

Contract Liabilities

Contract liabilities primarily relate to consideration received in advance of performance under the contract.

Below is a summary of our Contract liabilities balance, the portion not expected to be recognized within twelve months is included within Other liabilities in the Consolidated Balance Sheet (in millions):

		September 30, 2024		September 30, 2023
Balance as of beginning of year	\$	653.6	\$	541.3
Balance as of end of period		652.7		653.6

The most significant changes in our Contract liabilities balance during both the twelve months ended September 30, 2024 and 2023, were due to amounts billed during the period, offset by revenue recognized on amounts billed during the period and revenue recognized that was included in the Contract liabilities balance at the beginning of the period.

In the twelve months ended September 30, 2024, we recognized revenue of approximately \$583.5 million that was included in the Contract liabilities balance at September 30, 2023. In the twelve months ended September 30, 2023, we recognized revenue of approximately \$423.9 million that was included in the Contract liabilities balance at September 30, 2022. We did not have a material amount of revenue recognized in the twelve months ended September 30, 2024 and 2023, from performance obligations satisfied or partially satisfied in previous periods.

Costs to Obtain and Fulfill a Contract

We capitalize and amortize certain incremental costs to obtain and fulfill contracts. These costs primarily consist of incentives paid to sales personnel, which are considered incremental costs to obtain customer contracts. We elected the practical expedient to expense incremental costs to obtain a contract when the contract has a duration of one year or less for most classes of contracts.

Our capitalized contract costs, which are included in Other assets in our Consolidated Balance Sheet, are not significant as of September 30, 2024 and 2023. There was no impairment loss in relation to capitalized costs during the years ended September 30, 2024, 2023, and 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Goodwill and Other Intangible Assets

Changes in the carrying amount of Goodwill were (in millions):

		Intelligent Devices		Software & Control		Lifecycle Services		Total
Balance as of October 1, 2022	\$	503.0		\$	2,398.7		\$	3,524.0
Acquisition of businesses		74.4		—		36.9		111.3
Impairment		—		—		(157.5)		(157.5)
Translation		18.4		21.4		11.6		51.4
Balance as of September 30, 2023	\$	595.8		\$	2,420.1		\$	3,529.2
Acquisition of businesses		283.1		—		133.5		416.6
Translation		21.6		17.0		8.9		47.5
Balance as of September 30, 2024	\$	900.5		\$	2,437.1		\$	3,993.3
Gross carrying value of Goodwill	\$	900.5		\$	2,437.1		\$	4,150.8
Accumulated impairment losses		—		—		(157.5)		(157.5)
Goodwill	\$	900.5		\$	2,437.1		\$	3,993.3

We performed our annual evaluation of goodwill and indefinite life intangible assets for impairment during the second quarter of fiscal 2024 and concluded that these assets were not impaired. For our annual evaluation, we performed qualitative tests for our Intelligent Devices, Software & Control, and Lifecycle Services (excluding Sensia) reporting units and a quantitative test for our Sensia reporting unit. Refer to Note 1 for additional information on our goodwill impairment evaluations.

2023 Impairment Assessment

Following formation in October 2019, our Sensia joint venture operations were challenged by the global pandemic, geopolitical activities, volatility in commodity prices and supply chain dynamics. The cumulative historical growth and profitability below plan had resulted in a declining cushion between carrying value and fair value in previous impairment tests. The joint venture partners appointed a new management team in 2023 and updated the strategy of Sensia, which included downward revisions to growth and profitability projections. Lower sales growth reflected historical performance and an updated outlook of market conditions. Lower profitability reflected an updated view of mix and volume. Based upon the update of Sensia's strategy and projections in the fourth quarter of 2023, we determined that it was more likely than not that the fair value of Sensia was below its carrying value. As a result of this triggering event, we performed an interim quantitative analysis, using a combination of an income approach derived from discounted cash flows and a market multiples approach using selected comparable public companies, consistent with our annual impairment testing. As of the fourth quarter 2023 testing date, the carrying value of our Sensia reporting unit of \$665.1 million was determined to be in excess of the reporting unit's fair value, resulting in a \$157.5 million goodwill impairment charge recorded in the Consolidated Statement of Operations. As of September 30, 2024, \$160.7 million of goodwill remains within the Sensia reporting unit.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other intangible assets consist of (in millions):

		September 30, 2024									
		Carrying Amount		Accumulated Amortization		Net					
Amortized intangible assets											
Software products		\$	104.5	\$	75.5	\$	29.0				
Customer relationships			619.4		186.5		432.9				
Technology			729.1		257.1		472.0				
Trademarks			132.0		43.8		88.2				
Other			5.9		5.4		0.5				
Total amortized intangible assets			1,590.9		568.3		1,022.6				
Allen-Bradley® trademark not subject to amortization			43.7		—		43.7				
Other intangible assets		\$	1,634.6	\$	568.3	\$	1,066.3				

		September 30, 2023									
		Carrying Amount		Accumulated Amortization		Net					
Amortized intangible assets											
Software products		\$	100.4	\$	65.1	\$	35.3				
Customer relationships			606.1		141.3		464.8				
Technology			424.1		173.1		251.0				
Trademarks			86.3		29.3		57.0				
Other			6.0		5.4		0.6				
Total amortized intangible assets			1,222.9		414.2		808.7				
Allen-Bradley® trademark not subject to amortization			43.7		—		43.7				
Other intangible assets		\$	1,266.6	\$	414.2	\$	852.4				

Software products represent costs of computer software to be sold, leased, or otherwise marketed. Software products amortization expense was \$11.6 million in 2024, \$11.3 million in 2023, and \$9.4 million in 2022. Estimated total amortization expense for all amortized intangible assets is \$151.4 million in 2025, \$148.9 million in 2026, \$140.7 million in 2027, \$128.4 million in 2028, and \$88.7 million in 2029.

2024 Acquisitions

[illegible]

The purchase price included up to \$50 million in contingent consideration that can be earned by sellers if Clearpath achieves revenue targets that it had established prior to the acquisition in two performance periods ending February 29, 2024, and February 28, 2025. We developed various risk-based scenarios and a probability outcome model to measure the fair value of the contingent consideration, which is considered a level 3 measurement under the U.S. GAAP fair value hierarchy. We determined the fair value to be \$43 million as of the acquisition date and as of December 31, 2023. We updated the fair value measures during the second quarter to reflect actual contingent consideration earned during the first performance period. In the fourth quarter of 2024, we assessed the probability outcome model for the second performance period and determined that the fair value was \$4.5 million as of September 30, 2024.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table presents the fair value of the contingent consideration in the Consolidated Balance Sheet (in millions):

	Period ended February 29, 2024		Period ended February 28, 2025		Total
Contingent consideration as of December 31, 2023	\$	17.5	\$	25.5	\$ 43.0
Adjustment for earnout achieved for first performance period		(7.7)		—	(7.7)
Adjustment to fair value		—		(21.0)	(21.0)
Payment of earnout achieved for first performance period		(9.8)		—	(9.8)
Contingent consideration as of September 30, 2024	\$	—	\$	4.5	\$ 4.5

The consideration for the amount earned for the first performance period was paid during the third quarter of 2024. The contingent consideration for the second performance period is included in Other current liabilities at September 30, 2024. Any amount earned for the second performance period will be paid during the third quarter of 2025. The \$28.7 million net reduction in the fair value of total contingent consideration is reported in Other income (expense) in the Consolidated Statement of Operations for the year ended September 30, 2024.

In November 2023, we acquired Verve Industrial Protection (Verve), a cybersecurity software and services company that focuses specifically on industrial environments. We recorded assets acquired and liabilities assumed in connection with this acquisition based on their estimated fair values as of the acquisition date of November 1, 2023. The aggregate purchase price allocation is as follows (in millions):

	Purchase Price Allocation
Receivables	\$ 8.0
Goodwill	133.5
Intangible assets	47.2
All other assets	0.7
Total assets acquired	189.4
Less: Liabilities assumed	(6.2)
Net assets acquired	\$ 183.2
	Purchase Consideration
Total purchase consideration, net of cash acquired	\$ 183.2

We assigned the full amount of goodwill to our Lifecycle Services segment. We expect the goodwill to be deductible for tax purposes. The goodwill recorded represents intangible assets that do not qualify for separate recognition.

Pro forma consolidated sales for the year ended September 30, 2024 and 2023, were \$8.3 billion and \$9.1 billion, respectively, and the impact on earnings was not material. The preceding pro forma consolidated financial results of operations are as if the preceding 2024 acquisitions occurred on October 1, 2022. The pro forma information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved had the transaction occurred as of that time.

Total sales from all of the above 2024 acquisitions in the year ended September 30, 2024, were \$83.5 million. Total acquisition-related costs from all of the above 2024 acquisitions in the year ended September 30, 2024, were not material. Net losses from all of the above 2024 acquisitions in the year ended September 30, 2024, were \$52.8 million.

In October 2022, we acquired CUBIC, a company that specializes in modular systems for the construction of electrical panels, headquartered in Brønderslev, Denmark. We assigned the full amount of goodwill related to this acquisition to our Intelligent Devices segment.

In February 2023, we acquired Knowledge Lens, a services and solutions provider headquartered in Bengaluru, India. We assigned the full amount of goodwill related to this acquisition to our Lifecycle Services segment.

We recorded assets acquired and liabilities assumed in connection with these acquisitions based on their estimated fair values as of the acquisition dates of October 31, 2022, and February 28, 2023, respectively. The aggregate purchase price allocation is as follows (in millions):

Pro forma consolidated sales for the year ended September 30, 2023 and 2022, were approximately \$9.1 billion and \$7.9 billion, respectively, and the impact on earnings is not material. The preceding pro forma consolidated financial results of operations are as if the preceding fiscal 2023 acquisitions occurred on October 1, 2021. The pro forma information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved had the transaction occurred as of that time. Acquisition-related costs recorded as expenses in the year ended September 30, 2023, were not material.

Total sales in 2023 from the 2023 acquisitions were \$88.3 million, and the impact on earnings was not material. Total acquisition costs from the 2023 acquisitions were not material.

In November 2021, we acquired AVATA, a services provider for supply chain management, enterprise resource planning, and enterprise performance management solutions. We assigned the full amount of goodwill related to this acquisition to our Lifecycle Services segment.

In March 2022, we, through our Sensia affiliate, acquired Swinton Technology, a provider of metering supervisory systems and measurement expertise in the Oil & Gas industry. We assigned the full amount of goodwill related to this acquisition to our Lifecycle Services segment.

Pro forma consolidated sales for the year ended September 30, 2022 and 2021, were approximately \$7.8 billion and \$7.0 billion, respectively, and the impact on earnings is not material. The preceding pro forma consolidated financial results of operations are as if the preceding fiscal 2022 acquisitions occurred on October 1, 2020. The pro forma information is presented for informational purposes only and is not indicative of the results of operations that would have been achieved had the transaction occurred as of that time. Acquisition-related costs recorded as expenses in the year ended September 30, 2022, were not material.

Inventories consist of (in millions):

6. Property, net

Property consists of (in millions):

61

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Long-term and Short-term Debt

Long-term debt consists of (in millions):

		September 30,	
		2024	2023
2.875% notes, payable in March 2025	\$	301.9	\$ 306.4
6.70% debentures, payable in January 2028		250.0	250.0
3.50% notes, payable in March 2029		425.0	425.0
1.75% notes, payable in August 2031		450.0	450.0
6.25% debentures, payable in December 2037		250.0	250.0
4.20% notes, payable in March 2049		575.0	575.0
2.80% notes, payable in August 2061		450.0	450.0
5.20% debentures, payable in January 2098		200.0	200.0
Unamortized discount, capitalized lease obligations and other		(33.2)	(34.9)
Total debt		2,868.7	2,871.5
Less: Current portion		(307.4)	(8.6)
Long-term debt	\$	2,561.3	\$ 2,862.9

Our long-term debt and notes payable maturities in the next five years include a \$300.0 million note that matures in fiscal year 2025, a \$250.0 million debt issuance that matures in fiscal year 2028, and a \$425.0 million note that matures in fiscal year 2029.

Our Short-term debt as of September 30, 2024, includes commercial paper borrowings of \$657.0 million with a weighted average interest rate of 5.14 percent and a weighted average maturity period of 24 days. We had no commercial paper borrowings as of September 30, 2023. In December 2022, Sensia entered into an unsecured \$75.0 million line of credit. As of September 30, 2024 and 2023, included in Short-term debt was \$70.0 million borrowed against the line of credit with an interest rate of 6.17 percent and 6.29 percent, respectively. Also included in Short-term debt as of September 30, 2024 and September 30, 2023 was \$23.5 million of interest-bearing loans from Schlumberger (SLB) to Sensia, due April 2025. In April 2024, \$18.8 million of new interest-bearing loans from SLB to Sensia were entered into and were due August 2024, extended to April 2025.

On June 29, 2022, we replaced our former \$1.25 billion unsecured revolving credit facility with a new five-year \$1.5 billion unsecured revolving credit facility, expiring in June 2027. We can increase the aggregate amount of this credit facility by up to \$750.0 million, subject to the consent of the banks in the credit facility. We did not borrow against this credit facility during the periods ended September 30, 2024, or 2023. Borrowings under this credit facility bear interest based on short-term money market rates in effect during the period the borrowings are outstanding. The terms of this credit facility contain covenants under which we agree to maintain an EBITDA-to-interest ratio of at least 3.0 to 1.0. The EBITDA-to-interest ratio is defined in the credit facility as the ratio of consolidated EBITDA (as defined in the facility) for the preceding four quarters to consolidated interest expense for the same period.

Among other uses, we can draw on our credit facility as a standby liquidity facility to repay our outstanding commercial paper as it matures. Under our current policy, we expect to limit our other borrowings under our credit facility, if any, to amounts that would leave enough credit available under the facility so that we could borrow, if needed, to repay all of our then outstanding commercial paper as it matures.

Separate short-term unsecured credit facilities of approximately \$248.5 million at September 30, 2024, were available to non-U.S. subsidiaries, of which approximately \$34.6 million was committed under letters of credit. Borrowings under our non-U.S. credit facilities at September 30, 2024 and 2023, were not significant. We were in compliance with financial covenants under our credit facilities at September 30, 2024 and 2023. There are no significant commitment fees or compensating balance requirements under our credit facilities.

Interest payments were \$153.2 million during 2024, \$133.2 million during 2023, and \$120.4 million during 2022.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table presents the carrying amounts and estimated fair values of Long-term debt in the Consolidated Balance Sheet (in millions):

	September 30, 2024				September 30, 2023			
	Carrying Value		Fair Value		Carrying Value		Fair Value	
Current portion of long-term debt	\$	307.4	\$	305.0	\$	8.6	\$	8.6
Long-term debt		2,561.3		2,333.5		2,862.9		2,442.6

We base the fair value of long-term debt upon quoted market prices for the same or similar issues and therefore consider this a Level 2 fair value measurement. The fair value of long-term debt considers the terms of the debt excluding the impact of derivative and hedging activity. Refer to Note 1 for further information regarding levels in the fair value hierarchy. The carrying value of our short-term debt approximates fair value.

8. Other Current Liabilities

Other current liabilities consist of (in millions):

	September 30,			
	2024		2023	
Unrealized losses on foreign exchange contracts (Note 11)	\$	28.9	\$	10.8
Product warranty obligations (Note 9)		23.7		18.3
Taxes other than income taxes		53.0		56.9
Accrued interest		18.4		18.6
Income taxes payable		138.8		248.6
Operating lease liabilities		89.9		83.4
Other		122.7		130.8
Other current liabilities	\$	475.4	\$	567.4

9. Product Warranty Obligations

We record a liability for product warranty obligations at the time of sale to a customer based upon historical warranty experience. Most of our products are covered under a warranty period that runs for twelve months from either the date of sale or installation. We also record a liability for specific warranty matters when they become known and reasonably estimable.

Changes in product warranty obligations were (in millions):

	September 30,			
	2024		2023	
Beginning balance	\$	18.3	\$	16.5
Warranties recorded at time of sale		17.0		14.8
Adjustments to pre-existing warranties		9.8		2.9
Settlements of warranty claims		(21.4)		(15.9)
Ending balance	\$	23.7	\$	18.3

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. Investments

Our investments consist of (in millions):

		September 30,	
		2024	2023
Fixed income securities	\$	0.3	\$ 0.6
Equity securities (other)		105.9	96.0
Other		62.8	61.1
Total investments		169.0	157.7
Less: Short-term investments ⁽¹⁾		(0.3)	(0.6)
Long-term investments	\$	168.7	\$ 157.1

⁽¹⁾ Short-term investments are included in Other current assets in the Consolidated Balance Sheet.

Equity Securities

Equity securities (other) consist of various securities that do not have a readily determinable fair value, which we account for using the measurement alternative under U.S. GAAP. These securities are recorded at the investment cost, less impairment, plus or minus observable price changes (in orderly transactions) of an identical or similar investment of the same issuer in the Consolidated Balance Sheet. Observable price changes are classified as level 2 in the fair value hierarchy, as described in Note 1. The carrying values at September 30, 2024 and 2023, include cumulative upward adjustments from observed price changes of \$22.5 million and \$17.5 million, respectively. The carrying values at September 30, 2024 and 2023, include cumulative downward adjustments from observed price changes of \$7.3 million and \$1.5 million, respectively.

We record gains and losses on investments within the Change in fair value of investments line in the Consolidated Statement of Operations. The gains and losses on investments we recorded for the following periods were (in millions):

	2024	2023	2022
Net gain (loss) on equity securities (level 1)	\$ —	\$ 281.7	\$ (136.4)
Net (loss) gain on equity securities (other)	(0.8)	(1.3)	15.1
Equity method gain (loss) on Other investments	0.9	(1.1)	(15.6)
Change in fair value of investments	0.1	279.3	(136.9)
Total net realized gain on equity securities	—	281.7	44.6
Total net unrealized loss on equity securities	\$ (0.8)	\$ (1.3)	\$ (165.9)

Net gain (loss) on equity securities (level 1) in 2023 and 2022 consisted of the change in fair value and gain on sale of shares of PTC Inc. (PTC) common stock (PTC Shares). As of September 30, 2023, all PTC Shares had been sold.

Refer to Note 1 for further information regarding levels in the fair value hierarchy. We did not have any transfers between levels of fair value measurements during the periods presented.

11. Derivative Instruments

We use foreign currency forward exchange contracts and foreign currency denominated debt obligations to manage certain foreign currency risks. We have also used treasury locks to manage risks associated with interest rate fluctuations. The following information explains how we use and value these types of derivative instruments and how they impact our consolidated financial statements.

Additional information related to the impacts of cash flow hedges on Other comprehensive income (loss) is included in Note 12.

Types of Derivative Instruments and Hedging Activities

Cash Flow Hedges

We enter into foreign currency forward exchange contracts to hedge our exposure to foreign currency exchange rate variability in the expected future cash flows associated with certain third-party and intercompany transactions denominated in foreign

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

currencies forecasted to occur within the next two years (cash flow hedges). We report in Other comprehensive income (loss) the effective portion of the gain or loss on derivative financial instruments that we designate and that qualify as cash flow hedges. We reclassify these gains or losses into earnings in the same periods when the hedged transactions affect earnings. To the extent forward exchange contracts designated as cash flow hedges are ineffective, changes in value are recorded in earnings through the maturity date. There was no impact on earnings due to ineffective cash flow hedges. At September 30, 2024, we had a U.S. dollar-equivalent gross notional amount of \$852.0 million of foreign currency forward exchange contracts designated as cash flow hedges.

The pre-tax amount of (losses) gains recorded in Other comprehensive income (loss) related to cash flow hedges that would have been recorded in the Consolidated Statement of Operations had they not been so designated was (in millions):

		2024		2023		2022
Forward exchange contracts	\$	(21.0)	\$	17.2	\$	70.5

The pre-tax amount of gains (losses) reclassified from Accumulated other comprehensive loss into the Consolidated Statement of Operations related to derivative forward exchange contracts designated as cash flow hedges, which offset the related gains and losses on the hedged items during the periods presented, was (in millions):

		2024		2023		2022
Sales	\$	2.1	\$	6.0	\$	0.7
Cost of sales		18.4		33.4		21.8
Selling, general and administrative expenses		0.1		—		(0.9)
Interest expense		(3.6)		(3.5)		(3.6)
Total	\$	17.0	\$	35.9	\$	18.0

Approximately \$11.6 million of pre-tax net unrealized losses on cash flow hedges as of September 30, 2024, will be reclassified into earnings during the next twelve months. We expect that these net unrealized losses will be offset when the hedged items are recognized in earnings.

Net Investment Hedges

We have also used foreign currency forward exchange contracts and foreign currency denominated debt obligations to hedge portions of our net investments in non-U.S. subsidiaries (net investment hedges) against the effect of exchange rate fluctuations on the translation of foreign currency balances to the U.S. dollar. For all instruments that are designated as net investment hedges and meet effectiveness requirements, the net changes in value of the designated hedging instruments are recorded in Accumulated other comprehensive loss within Shareowners' equity where they offset gains and losses recorded on our net investments globally. To the extent forward exchange contracts or foreign currency denominated debt designated as net investment hedges are ineffective, changes in value are recorded in earnings through the maturity date. There was no impact on earnings due to ineffective net investment hedges. At September 30, 2024 and 2023, we had no foreign currency forward exchange contracts designated as net investment hedges.

Certain of our locations have assets and liabilities denominated in currencies other than their functional currencies resulting from intercompany loans and other transactions with third parties denominated in foreign currencies. We enter into foreign currency forward exchange contracts that we do not designate as hedging instruments to offset the transaction gains or losses associated with some of these assets and liabilities. Gains and losses on derivative financial instruments for which we do not elect hedge accounting are recognized in the Consolidated Statement of Operations in each period, based on the change in the fair value of the derivative financial instruments. At September 30, 2024, we had a U.S. dollar-equivalent gross notional amount of \$1,254.1 million of foreign currency forward exchange contracts not designated as hedging instruments.

The pre-tax amount of gains (losses) from forward exchange contracts not designated as hedging instruments recognized in the Consolidated Statement of Operations was (in millions):

[illegible]

We recognize all derivative financial instruments as either assets or liabilities at fair value in the Consolidated Balance Sheet. We value our forward exchange contracts using a market approach. We use a valuation model based on inputs including forward and spot prices for currency and interest rate curves. We did not change our valuation techniques during fiscal 2024, 2023, or 2022. It is our policy to execute such instruments with major financial institutions that we believe to be creditworthy and not to enter into derivative financial instruments for speculative purposes. We diversify our foreign currency forward exchange contracts among counterparties to minimize exposure to any one of these entities. Our foreign currency forward exchange contracts are usually denominated in currencies of major industrial countries. The U.S. dollar-equivalent gross notional amount of our forward exchange contracts totaled \$2,106.1 million at September 30, 2024. Currency pairs (buy/sell) comprising the most significant contract notional values were Euro/United States dollar (USD), USD/Canadian dollar, USD/ Singapore dollar, USD/Swiss Franc, United Kingdom pound/USD, and USD/Mexican peso.

[illegible]

Common Stock

Changes in outstanding common shares are summarized as follows (in millions):

[illegible]

Accumulated Other Comprehensive Loss

Changes in Accumulated other comprehensive loss attributable to Rockwell Automation by component were (in millions):

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The reclassifications out of Accumulated other comprehensive loss to the Consolidated Statement of Operations were (in millions):

[illegible]

(1) These components are included in the computation of net periodic benefit costs. See Note 14 for further information.

During 2024, 2023, and 2022, we recognized \$99.8 million, \$88.3 million, and \$68.1 million of pre-tax share-based compensation expense, respectively. The total income tax benefit related to share-based compensation expense was \$15.9 million, \$14.9 million, and \$11.2 million during 2024, 2023, and 2022, respectively. As of September 30, 2024, total unrecognized compensation cost related to share-based compensation awards, net of estimated forfeitures, was \$101.1 million, which we expect to recognize over a weighted average period of approximately 1.7 years.

During 2020, we adopted, and our shareowners approved, our 2020 Long-Term Incentives Plan (2020 Plan), which replaced our 2012 Long-Term Incentives Plan, as amended (2012 Plan), and our 2003 Directors Stock Plan, as amended (Directors Plan). Our 2020 Plan authorizes us to deliver up to 13.0 million shares of our common stock upon exercise of stock options, upon grant, or in payment of stock appreciation rights, performance shares, performance units, restricted stock units, or restricted stock. Our Directors Plan authorized us to deliver up to 0.5 million shares of our common stock upon exercise of stock options, upon grant, or in payment of restricted stock units. Shares relating to awards under our 2012 Plan that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance or delivery of shares or that are settled in cash in lieu of shares will be available for further awards under the 2020 Plan. Approximately 6.9 million shares under our 2020 Plan remain available for future grant or payment at September 30, 2024. We use treasury stock to deliver shares of our common stock under these plans. Our 2020 Plan does not permit share-based compensation awards to be granted after February 4, 2030.

We have granted non-qualified and incentive stock options to purchase our common stock under various incentive plans at prices equal to the fair market value of the stock on the grant dates. The exercise price for stock options granted under the plans may be paid in cash, already-owned shares of common stock, or a combination of cash and such shares. Stock options expire ten years after the grant date and vest ratably over three years.

The per share weighted average fair value of stock options granted during the years ended September 30, 2024, 2023, and 2022, was \$85.63, \$77.62, and \$87.68, respectively. The total intrinsic value of stock options exercised was \$26.7 million, \$69.8 million, and \$52.8 million during 2024, 2023, and 2022, respectively. We estimated the fair value of each stock option on the date of grant using the Black-Scholes pricing model and the following assumptions:

[illegible]

The average risk-free interest rate is based on U.S. Treasury security rates corresponding to the expected term in effect as of the grant date. The expected dividend yield is based on the expected annual dividend as a percentage of the market value of our common stock as of the grant date. We determined expected volatility using daily historical volatility of our stock price over the most recent period corresponding to the expected term as of the grant date. We determined the expected term of the stock options using historical data adjusted for the estimated exercise dates of unexercised options.

A summary of stock option activity for the year ended September 30, 2024, is as follows:

		Shares (in thousands)		Wtd. Avg. Exercise Price		Wtd. Avg. Remaining Contractual Term (years)		Aggregate Intrinsic Value of In-The-Money Options (in millions)
Outstanding at October 1, 2023		1,924		\$ 200.03				
Granted		229		278.74				
Exercised		(230)		169.74				
Forfeited		(36)		278.42				
Canceled		(3)		315.46				
Outstanding at September 30, 2024		1,884		214.03		5.3	\$	105.8
Exercisable at September 30, 2024		1,490		194.26		4.4		110.5

The amount of options expected to vest is materially consistent with those outstanding and not yet exercisable.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Performance Share Awards

Certain officers and key employees are also eligible to receive shares of our common stock in payment of performance share awards granted to them. Grantees of performance shares will be eligible to receive shares of our common stock depending upon our total shareholder return, assuming reinvestment of all dividends, relative to the performance of companies in the S&P 500 Index over a three-year period for the awards granted in fiscal 2020. The number of shares actually earned for awards granted in fiscal 2020 will range from zero percent to 200 percent of the targeted number of performance shares for the three-year performance periods and will be paid, to the extent earned, in the fiscal quarter following the end of the applicable three-year performance period. Beginning with the awards granted in fiscal 2021, the total shareholder return is measured relative to the performance of companies in the following S&P 500 Selected GICS groups: Capital Goods, Software and Services, and Technology Hardware and Equipment. The number of shares actually earned for awards granted in fiscal 2024, 2023, and 2022 will range from zero percent to 200 percent of the targeted number of performance shares for the three-year performance periods and will be paid, to the extent earned, in the fiscal quarter following the end of the applicable three-year performance period.

A summary of performance share activity for the year ended September 30, 2024, is as follows:

	Shares (in thousands)	Wtd. Avg. Grant Date Share Fair Value
Outstanding at October 1, 2023	131	\$ 364.57
Granted ⁽¹⁾	79	295.06
Adjustment for performance results achieved ⁽²⁾	(3)	298.10
Vested and issued	(31)	298.10
Forfeited	(17)	330.84
Outstanding at September 30, 2024	159	347.92

⁽¹⁾ Performance shares granted assuming achievement of performance goals at target.

⁽²⁾ Adjustments were due to the number of shares vested under fiscal 2021 awards at the end of the three-year performance period ended September 30, 2023, being lower than the target number of shares.

The following table summarizes information about performance shares vested during the years ended September 30, 2024, 2023, and 2022:

	2024	2023	2022
Percent payout	92 %	177 %	144 %
Shares vested (in thousands)	31	48	68
Total fair value of shares vested (in millions)	\$ 9	\$ 13	\$ 23

For the three-year performance period ending September 30, 2024, the payout will be zero percent of the target number of shares, with no shares to be delivered in payment under the awards in December 2024.

The per share fair value of performance share awards granted during the years ended September 30, 2024, 2023, and 2022, was \$295.06, \$340.77, and \$481.28, respectively, which we determined using a Monte Carlo simulation and the following assumptions:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Restricted Stock Units

We grant restricted stock units to certain employees, and non-employee directors may elect to receive a portion of their compensation in restricted stock units. Restrictions on employee restricted stock and employee restricted stock units generally lapse over periods ranging from one to five years. Director restricted stock units generally are payable upon retirement. We value restricted stock and restricted stock units at the closing market value of our common stock on the date of grant. The weighted average fair value of restricted stock and restricted stock unit awards granted during the years ended September 30, 2024, 2023, and 2022, was \$276.34, \$263.67, and \$298.44, respectively. The total fair value of shares vested during the years ended September 30, 2024, 2023, and 2022, was \$59.7 million, \$54.4 million, and \$35.6 million, respectively.

A summary of restricted stock and restricted stock unit activity for the year ended September 30, 2024, is as follows:

		Shares (in thousands)		Wtd. Avg. Grant Date Share Fair Value
Outstanding at October 1, 2023		467	\$	273.28
Granted		265		276.34
Vested		(217)		274.55
Forfeited		(47)		272.10
Outstanding at September 30, 2024		468		274.55

We also granted approximately 5,700 shares of unrestricted common stock to non-employee directors during the year ended September 30, 2024. The weighted average grant date fair value of the unrestricted stock awards granted during the years ended September 30, 2024, 2023, and 2022, was \$278.35, \$261.56, and \$345.00, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Retirement Benefits

We sponsor funded and unfunded pension plans and other postretirement benefit plans for our employees. The pension plans provide for monthly pension payments to eligible employees after retirement. Pension benefits for salaried employees generally are based on years of credited service and average earnings. Pension benefits for hourly employees are primarily based on specified benefit amounts and years of service. Effective July 1, 2010, we closed participation in our U.S. and Canada pension plans to employees hired after June 30, 2010. Employees hired after June 30, 2010, are instead eligible to participate in defined contribution plans. Effective October 1, 2010, we also closed participation in our U.K. pension plan to employees hired after September 30, 2010, and these employees are now eligible for a defined contribution plan. Benefits to be provided to plan participants hired before July 1, 2010, or October 1, 2010, respectively, are not affected by these changes. Our policy with respect to funding our pension obligations is to fund at a minimum the amount required by applicable laws and governmental regulations. We were not required to make contributions to satisfy minimum funding requirements in our U.S. pension plans in 2024, 2023, or 2022. We did not make voluntary contributions to our U.S. qualified pension plan in 2024, 2023, and 2022.

We sponsor various defined contribution savings plans that allow eligible employees to contribute a portion of their income in accordance with plan specific guidelines. We contribute to savings plans and/or will match a percentage of the employee contributions up to certain limits. The Company contributions to defined contribution plans are based on age and years of service and range from 3% to 7% of eligible compensation. Expense related to these plans was \$91.7 million in 2024, \$76.9 million in 2023, and \$63.8 million in 2022.

Other postretirement benefits are primarily in the form of retirement medical plans that cover certain employees in the U.S. and Canada and provide for the payment of certain medical costs of eligible employees and dependents after retirement. The postretirement benefit plan was closed to employees hired after December 31, 2004.

Net Periodic Benefit Cost

The components of net periodic benefit cost were (in millions):

	Pension Benefits						Other Postretirement Benefits					
	2024	2023	2022	2024	2023	2022	2024	2023	2022	2024	2023	2022
Service cost	\$ 37.2	\$ 42.0	\$ 70.9	\$ 0.5	\$ 0.6	\$ 0.8						
Interest cost	146.5	149.7	135.6	2.6	2.2	1.3						
Expected return on plan assets	(169.5)	(190.6)	(230.7)	—	—	—						
Amortization of prior service cost (credit)	—	0.1	0.6	—	—	(0.8)						
Amortization of net actuarial (gain) loss	(1.1)	(2.6)	59.4	1.6	0.5	0.7						
Settlement and curtailment charges	0.1	123.4	38.6	—	—	—						
Net periodic benefit cost	<u>\$ 13.2</u>	<u>\$ 122.0</u>	<u>\$ 74.4</u>	<u>\$ 4.7</u>	<u>\$ 3.3</u>	<u>\$ 2.0</u>						

The service cost component is included in Cost of sales and Selling, general and administrative expenses in the Consolidated Statement of Operations. All other components are included in Other income (expense) in the Consolidated Statement of Operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Significant assumptions used in determining net periodic benefit cost were (in weighted averages):

		Pension Benefits						Other Postretirement Benefits					
		2024		2023		2022		2024		2023		2022	
<u>U.S. Plans</u>													
Discount rate		6.10	%	5.65	%	3.86	%	5.95	%	5.70	%	2.50	%
Expected return on plan assets		7.00	%	7.00	%	7.00	%	—		—		—	
Compensation increase rate		3.60	%	3.30	%	3.40	%	—		—		—	
<u>Non-U.S. Plans</u>													
Discount rate		4.65	%	4.35	%	2.01	%	5.75	%	5.10	%	2.90	%
Expected return on plan assets		5.13	%	4.93	%	4.59	%	—		—		—	
Compensation increase rate		3.24	%	3.03	%	3.00	%	—		—		—	

Net Benefit Obligation

Benefit obligation, plan assets, funded status, and net liability information is summarized as follows (in millions):

		Pension Benefits						Other Postretirement Benefits					
		2024			2023			2024			2023		
Benefit obligation at beginning of year		\$	2,750.8		\$	3,165.6		\$	46.4		\$	44.2	
Service cost			37.2			42.0			0.5			0.6	
Interest cost			146.5			149.7			2.6			2.2	
Actuarial losses			321.8			81.1			4.8			8.7	
Plan participant contributions			1.7			1.8			4.2			4.2	
Benefits paid			(213.2)			(151.1)			(13.0)			(13.3)	
Settlements			(4.8)			(585.6)			—			—	
Currency translation and other			37.6			47.3			(0.9)			(0.2)	
Benefit obligation at end of year			3,077.6			2,750.8			44.6			46.4	
Plan assets at beginning of year			2,457.4			2,903.9			—			—	
Actual return on plan assets			463.8			209.7			—			—	
Company contributions			27.3			26.6			8.8			9.1	
Plan participant contributions			1.7			1.8			4.2			4.2	
Benefits paid			(213.2)			(151.1)			(13.0)			(13.3)	
Settlements			(4.8)			(585.6)			—			—	
Currency translation and other			47.0			52.1			—			—	
Plan assets at end of year			2,779.2			2,457.4			—			—	
Funded status of plans		\$	(298.4)		\$	(293.4)		\$	(44.6)		\$	(46.4)	

Net amount on balance sheet consists of													
Other assets		\$	183.7		\$	150.4		\$	—		\$	—	
Compensation and benefits			(18.4)			(16.8)			(6.5)			(7.1)	
Retirement benefits			(463.7)			(427.0)			(38.1)			(39.3)	
Net amount on balance sheet		\$	(298.4)		\$	(293.4)		\$	(44.6)		\$	(46.4)	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The actuarial losses recorded within the benefit obligation in 2024 were primarily the result of a decrease in the discount rate for the U.S. Plans, which decreased from 6.10% in 2023 to 5.10% in 2024. The actuarial losses recorded in 2023 were primarily the result of significant lump sum payments made using a lower discount rate than our valuation rate. Approximately 70 percent of our 2024 global projected benefit obligation relates to our U.S. pension plan.

Amounts included in Accumulated other comprehensive loss, net of tax, which have not yet been recognized in net periodic benefit cost are as follows (in millions):

|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

During 2024, we recognized settlement charges of \$0.1 million (\$0.0 million net of tax) and net actuarial losses of \$0.5 million (\$0.4 million net of tax) in pension and other postretirement net periodic benefit cost, which were included in Accumulated other comprehensive loss at September 30, 2023.

The accumulated benefit obligation for our pension plans was \$2,895.0 million and \$2,584.6 million at September 30, 2024 and 2023, respectively.

Information regarding our pension plans with projected benefit obligations in excess of the fair value of plan assets (underfunded plans) are as follows (in millions):

						2024				2023					
Projected benefit obligation						\$	2,303.2			\$	2,082.7				
Fair value of plan assets							1,821.1				1,638.9				

Information regarding our pension plans with accumulated benefit obligations in excess of the fair value of plan assets (underfunded plans) are as follows (in millions):

						2024				2023					
Accumulated benefit obligation						\$	2,136.2			\$	1,926.2				
Fair value of plan assets							1,808.5				1,626.7				

Significant assumptions used in determining the benefit obligations were (in weighted averages):

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

⁽¹⁾ The health care cost trend rate reflects the estimated increase in gross medical claims costs. As a result of the plan amendment adopted effective October 1, 2002, our effective per person retiree medical cost increase is zero percent beginning in 2005 for the majority of our postretirement benefit plans. For our other plans, we assume the gross health care cost trend rate will increase to 14.35% in 2025 and decrease to 4.97% in 2026 for U.S. Plans and will not change in future periods for Non-U.S. Plans.

We expect to contribute \$19.0 million related to our global pension plans and \$6.7 million to our postretirement benefit plans in 2025.

The following benefit payments, which include employees' expected future service, as applicable, are expected to be paid (in millions):

[illegible]

In determining the expected long-term rate of return on assets assumption, we consider actual returns on plan assets over the long term, adjusted for forward-looking considerations, such as inflation, interest rates, equity performance, and the active management of the plan's invested assets. We also considered our current and expected mix of plan assets in setting this assumption. This resulted in the selection of the weighted average long-term rate of return on assets assumption. Our global weighted average targeted and actual asset allocations at September 30, by asset category, are:

				Target				September 30,									
Asset Category				Allocations				2024				2023					
Equity securities				39%				48%				50%					
Debt securities				50%				46%				43%					
Other				11%				6%				7%					

The investment objective for pension funds related to our defined benefit plans is to meet the plan's benefit obligations, while maximizing the long-term growth of assets without undue risk. We strive to achieve this objective by investing plan assets within target allocation ranges and diversification within asset categories. Target allocation ranges are guidelines that are adjusted periodically based on ongoing monitoring by plan fiduciaries. Investment risk is controlled by rebalancing to target allocations on a periodic basis and ongoing monitoring of investment manager performance relative to the investment guidelines established for each manager.

As of September 30, 2024 and 2023, our pension plans do not directly own our common stock.

In certain countries where we operate, there are no legal requirements or financial incentives provided to companies to pre-fund pension obligations. In these instances, we typically make benefit payments directly from cash as they become due, rather than by creating a separate pension fund.

The valuation methodologies used for our pension plans' investments measured at fair value are described as follows. There have been no changes in the methodologies used at September 30, 2024 and 2023.

Preferred and common stock — Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds — Valued at the closing price reported on the active market on which the individual funds are traded.

Preferred and corporate debt — Valued at either the yields currently available on comparable securities of issuers with similar credit ratings or valued under a discounted cash flow approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable such as credit and liquidity risks.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Government securities — Valued at the most recent closing price on the active market on which the individual securities are traded or, absent an active market, utilizing observable inputs such as closing prices in less frequently traded markets.

Common collective trusts — Valued at the net asset value (NAV) as determined by the custodian of the fund. The NAV is based on the fair value of the underlying assets owned by the fund, minus its liabilities then divided by the number of units outstanding.

Private equity and alternative equity — Valued at the estimated fair value, as determined by and subject to the judgment of, the respective fund manager based on the NAV of the investment units held at year end.

Real estate funds — Consists of the real estate funds, which provide an indirect investment into a diversified and multi-sector portfolio of property assets. Publicly-traded real estate funds are valued at the most recent closing price reported on the SIX Swiss Exchange. The remainder is valued at the estimated fair value, as determined by the respective fund manager, based on the NAV of the investment units held at year end, which is subject to judgment.

Insurance contracts — Valued at the aggregate amount of accumulated contribution and investment income, less amounts used to make benefit payments and administrative expenses, which approximates fair value.

Other — Consists of other fixed income investments and common collective trusts with a mix of equity and fixed income underlying assets. Other fixed income investments are valued at the most recent closing price reported in the markets in which the individual securities are traded, which may be infrequently.

Refer to Note 1 for further information regarding levels in the fair value hierarchy.

In accordance with ASC Subtopic 820-10, certain investments that are measured at fair value using the NAV (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table presents our pension plans' investments measured at fair value as of September 30, 2024 (in millions):

[illegible]

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table presents our pension plans' investments measured at fair value as of September 30, 2023 (in millions):

[illegible]

The table below sets forth a summary of changes in fair market value of our pension plans' Level 3 assets for the year ended September 30, 2024 (in millions):

[illegible]

[illegible]

The components of Other income (expense) were (in millions):

[illegible]

Selected income tax data (in millions):

[illegible]

Effective Tax Rate Reconciliation

The reconciliation between the U.S. federal statutory rate and our effective tax rate was:

[illegible]

(1) During fiscal year 2023, the effective tax rate increased by 4.1% resulting from a valuation allowance recorded on certain deferred tax assets of our Sensia joint venture and tax effects of the related goodwill impairment.

Deferred Taxes

[illegible]

We believe it is more likely than not that we will realize our deferred tax assets through the reduction of future taxable income, other than for the deferred tax assets reflected below.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Tax attributes and related valuation allowances at September 30, 2024 consists of (in millions):

Tax attributes and related valuation allowances	Tax Benefit Amount	Valuation Allowance	Carryforward Period Ends
Non-United States net operating loss carryforward	\$ 10.7	\$ 2.1	2025 - 9/30/2044
Non-United States net operating loss carryforward	51.8	47.9	Indefinite
Non-United States capital loss carryforward	15.4	15.4	Indefinite
Non-United States credit carryforward	1.9	—	2039 - 2044
United States credit carryforward	0.3	—	2030 - 2041
State and local net operating loss carryforward	7.1	2.8	2025 - 2040
State tax credit carryforward	12.0	—	2033 - 2038
Subtotal	99.2	68.2	
Other deferred tax assets	29.3	29.3	Indefinite
Total	\$ 128.5	\$ 97.5	

Unrecognized Tax Benefits

A reconciliation of our gross unrecognized tax benefits, excluding interest and penalties, is as follows (in millions):

	2024	2023	2022
Gross unrecognized tax benefits balance at beginning of year	\$ 9.8	\$ 3.9	\$ 4.3
Additions based on tax positions related to the current year	5.4	3.9	0.1
Additions based on tax positions related to prior years	10.0	3.2	—
Reductions related to settlements with taxing authorities	—	(1.0)	(0.5)
Reductions related to lapses of statute of limitations	(0.2)	(0.2)	—
Gross unrecognized tax benefits balance at end of year	\$ 25.0	\$ 9.8	\$ 3.9

The amount of gross unrecognized tax benefits that would reduce our effective tax rate if recognized was \$25.0 million, \$9.8 million, and \$3.9 million at September 30, 2024, 2023, and 2022, respectively.

Accrued interest and penalties related to unrecognized tax benefits were \$2.0 million, \$0.9 million, and \$1.4 million at September 30, 2024, 2023, and 2022, respectively. We recognize interest and penalties related to unrecognized tax benefits in the income tax provision. (Expenses) benefits recognized in 2024, 2023, and 2022, were (\$1.1) million, \$0.5 million, and \$0.0 million, respectively.

We believe it is reasonably possible that the amount of gross unrecognized tax benefits could be reduced by up to \$2.4 million in the next 12 months as a result of the resolution of tax matters in various global jurisdictions and the lapses of statutes of limitations.

If all of the unrecognized tax benefits were recognized, the net reduction to our income tax provision, including the recognition of interest and penalties and offsetting tax assets, could be up to \$3.1 million.

We conduct business globally and are routinely audited by the various tax jurisdictions in which we operate. We are no longer subject to U.S. federal income tax examinations for years before 2018, U.S. state and local income tax examinations for years before 2014, and non-U.S. income tax examinations for years before 2008.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**17. Commitments and Contingent Liabilities***Environmental Matters*

Federal, state, and local requirements relating to the discharge of substances into the environment, the disposal of hazardous wastes, and other activities affecting the environment have and will continue to have an effect on our manufacturing operations. Thus far, compliance with environmental requirements and resolution of environmental claims have been accomplished without material effect on our business, financial condition, or results of operations.

We have been designated as a potentially responsible party at 14 Superfund sites, excluding sites as to which our records disclose no involvement or as to which our potential liability has been finally determined and assumed by third parties. In addition, various other lawsuits, claims, and proceedings have been asserted against us seeking remediation of alleged environmental impairments, principally at previously owned properties.

Based on our assessment, we believe that our expenditures for environmental capital investment and remediation necessary to comply with present regulations governing environmental protection and other expenditures for the resolution of environmental claims will not have a material effect on our business, financial condition, or results of operations. We cannot assess the possible effect of compliance with future requirements. Environmental remediation cost liabilities, net of related expected recoveries, were \$47.8 million and \$44.5 million as of September 30, 2024 and 2023, respectively.

Conditional Asset Retirement Obligations

We accrue for costs related to a legal obligation associated with the retirement of a tangible long-lived asset that results from the acquisition, construction, development, or the normal operation of the long-lived asset. The obligation to perform the asset retirement activity is not conditional even though the timing or method may be conditional. Identified conditional asset retirement obligations include asbestos abatement and remediation of soil contamination beneath current and previously divested facilities and lease restoration costs. We estimate conditional asset retirement obligations using site-specific knowledge and historical industry expertise. There have been no significant changes in liabilities incurred, liabilities settled, accretion expense, or revisions in estimated cash flows for the years ended September 30, 2024, 2023, and 2022. Conditional asset retirement obligations, net of related expected recoveries, were \$51.0 million and \$38.8 million as of September 30, 2024 and 2023, respectively.

Other Matters

Various other lawsuits, claims, and proceedings have been or may be instituted or asserted against us relating to the conduct of our business, including those pertaining to product liability, environmental, safety and health, intellectual property, employment, and contract matters. Although the outcome of litigation cannot be predicted with certainty and some lawsuits, claims, or proceedings may be disposed of unfavorably to us, we believe the disposition of matters that are pending or have been asserted will not have a material effect on our business, financial condition, or results of operations. The following outlines additional background for obligations associated with asbestos, divested businesses, and intellectual property.

We (including our subsidiaries) have been named as a defendant in lawsuits alleging personal injury as a result of exposure to asbestos that was used in certain components of our products many years ago, including products from divested businesses for which we have agreed to defend and indemnify claims. Currently there are lawsuits that name us as defendants, together with hundreds of other companies. But in all cases, for those claimants who do show that they worked with our products or products of divested businesses for which we are responsible, we nevertheless believe we have meritorious defenses, in substantial part due to the integrity of the products, the encapsulated nature of any asbestos-containing components, and the lack of any impairing medical condition caused by our products. We defend those cases vigorously. However, in the case of claims involving a small number of our divested businesses, certain of our agreements relating to those divestitures do not provide us the ability to directly control management of those asbestos claims, and our ongoing reimbursement of outside counsel and other expenses relating to defense of such claims represent the vast majority of our annual asbestos net litigation spend. Historically, we have been dismissed from the vast majority of asbestos claims with no payment to claimants.

Additionally, we have maintained insurance coverage that includes indemnity and defense costs, over and above self-insured retentions, for many of these claims. We believe these arrangements will provide substantial coverage for future defense and indemnity costs for these asbestos claims for many years into the future. The uncertainties of asbestos claim litigation make it difficult to predict accurately the ultimate outcome of asbestos claims. That uncertainty is increased by the possibility of adverse

rulings or new legislation affecting asbestos claim litigation or the settlement process. Subject to these uncertainties and based on our experience defending asbestos claims, we do not believe these lawsuits will have a material effect on our business,

We have, from time to time, divested certain of our businesses. In connection with these divestitures, certain lawsuits, claims, and proceedings may be instituted or asserted against us related to the period that we owned the businesses, either because we agreed to retain certain liabilities related to these periods or because such liabilities fall upon us by operation of law. In some instances the divested business has assumed the liabilities; however, it is possible that we might be responsible to satisfy those liabilities if the divested business is unable to do so. We do not believe these liabilities will have a material effect on our business, financial condition, or results of operations.

In many countries we provide a limited intellectual property indemnity as part of our terms and conditions of sale and at times in other contracts with third parties. As of September 30, 2024, we were not aware of any material indemnification claims that were probable or reasonably possible of an unfavorable outcome. Historically, claims that have been made under the indemnification agreements have not had a material impact on our business, financial condition, or results of operations; however, to the extent that valid indemnification claims arise in the future, future payments by us could be significant and could have a material adverse effect on our business, financial condition, or results of operations in a particular period.

As of September 30, 2024, we recorded restructuring charges of \$97.4 million (\$73.1 million, net of tax or \$0.64 per diluted share) related to actions in conjunction with an enterprise-wide comprehensive program to optimize cost structure and expand margins. The charges include \$92.3 million for severance benefits and \$5.1 million for strategic advisory services related to the targeted severance actions. In the Consolidated Statement of Operations for the year ended September 30, 2024, \$31.5 million of the charges were recorded in Cost of sales, while \$65.9 million was recorded in Selling, general and administrative expenses. We expect the total cash expenditures associated with these restructuring actions to be \$97.4 million of which we paid \$27.7 million for the year ended September 30, 2024.

[illegible]

We have operating leases primarily for real estate, vehicles, and equipment. We have finance leases primarily for equipment. Our leases have remaining lease terms from less than one year to approximately 15 years.

[illegible]

⁽¹⁾ Operating lease expense includes short-term lease expense, which was not material.

⁽²⁾ Variable lease expense includes sublease income, which was not material.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Supplemental balance sheet information related to leases consists of:

	2024		2023
Weighted average remaining lease term			
Operating leases	6.4 years		5.8 years
Finance leases	3.7 years		1.6 years
Weighted average discount rate			
Operating leases	3.72 %		3.03 %
Finance leases	2.77 %		3.27 %

Undiscounted maturities of lease liabilities as of September 30, 2024, were (in millions):

	Finance Leases	Operating Leases
2025	\$ 6.5	\$ 104.5
2026	2.2	95.0
2027	2.2	78.4
2028	1.5	58.2
2029	—	41.3
Thereafter	—	128.8
Total undiscounted lease payments	\$ 12.4	\$ 506.2
Less: Imputed interest	(0.4)	(60.9)
Total lease liabilities	\$ 12.0	\$ 445.3

As of September 30, 2024, we have additional operating leases for facilities that have not yet commenced with undiscounted lease obligations of approximately \$13.7 million. These leases will commence in fiscal 2025.

Supplemental cash flow information related to leases consists of (in millions):

	2024	2023	2022
Cash paid for amounts included in the measurement of lease liabilities			
Operating cash flows from operating leases	\$ 110.2	\$ 101.7	\$ 102.9
Operating cash flows from finance leases	0.2	0.3	0.6
Financing cash flows from finance leases	10.0	5.5	8.8
Right-of-use assets obtained in exchange for lease obligations			
Operating leases	\$ 163.2	\$ 93.3	\$ 63.4
Financing leases	9.3	—	11.8

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**20. Business Segment Information**

We determine our operating segments based on the information used by our chief operating decision maker, our Chief Executive Officer, to allocate resources and assess performance. We organize our business into three operating segments: Intelligent Devices, Software & Control, and Lifecycle Services. This structure emphasizes our essential offerings, leverages our sharpened industry focus, and recognizes the growing importance of software in delivering value to our customers. The composition of our segments is as follows:

Intelligent Devices

The Intelligent Devices operating segment combines a comprehensive portfolio of smart products that create the foundation of an agile, resilient, and sustainable production system. This comprehensive portfolio includes:

- Power Control - Low and medium voltage variable frequency drives as well as low and medium voltage motor control;
- Motion Control - Servo drives, rotary servo motors, linear actuators, autonomous mobile robots, and independent cart technologies offering a comprehensive portfolio of servo control and production logistics technologies;
- Safety, Sensing, & Industrial Components - Safety devices, sensing devices, motor control and circuit protection devices, operator devices, signaling devices, relays, and electrical control accessories; and
- Micro Control & Distributed I/O - Micro programmable logic controllers and distributed input/output platforms.

Software & Control

The Software & Control operating segment contains a comprehensive portfolio of production automation and production operations platforms, including hardware and software. This integrated portfolio is merging information technology (IT) and operational technology (OT), bringing the benefits of the Connected Enterprise® to the production system.

Our production automation portfolio is multi-discipline and scalable with the ability to handle applications in discrete, batch/hybrid and continuous process, drives control, motion and robotics control, and machine and process safety. Our products include programmable automation controllers, design, visualization and simulation software, human machine interface products, industrial computers, machine and process safety products, industrial networks, and security products.

Our production operations portfolio helps industrial clients to plan, execute, manage, and optimize their production leveraging industrial data and software. Our software products include manufacturing execution systems, performance, quality, supply chain management, data management, edge, analytics, and machine learning software that enables customers to improve operational productivity and meet regulatory requirements. These solutions enable enterprise visibility, reduction of unplanned downtime, and optimization of processes.

Lifecycle Services

The Lifecycle Services operating segment contains a complete portfolio of professionally delivered services and annually recurring managed support contracts. This comprehensive portfolio combines technology and domain expertise to help maximize customers' investment and provide total lifecycle support as they innovate, design, operate, and sustain their business investments. This includes:

- consulting services including cybersecurity and digital transformation strategy and design;
- professional services including global automation and information program and project management and delivery capabilities;
- connected services including operational technology/plant network, cloud, predictive/prescriptive analytics, remote support, and managed services;
- field services including asset management, on-site support, and safety;
- workforce services including instructor-led and virtual training, learning, and enablement;
- industrial automation and information solutions and custom-engineered systems that incorporate our own and third-party hardware and software products; and
- Sensia Joint Venture, which exclusively serves the oil, gas, and petrochemical industry through a combination of connected products and digital automation services and solutions.

[illegible]

87

						2024				2023				2022					
Identifiable assets																			
Intelligent Devices						\$	2,798.1			\$	2,676.2			\$	2,070.0				
Software & Control						4,293.0				4,240.7				3,887.6					
Lifecycle Services						2,036.3				1,835.8				1,968.4					
Corporate						2,104.7				2,551.3				2,832.7					
Total						\$	11,232.1			\$	11,304.0			\$	10,758.7				
Depreciation and amortization																			
Intelligent Devices						\$	57.7			\$	49.7			\$	45.8				
Software & Control						68.4				55.8				47.0					
Lifecycle Services						43.2				35.5				40.5					
Corporate						4.2				2.5				1.7					
Total						173.5				143.5				135.0					
Purchase accounting depreciation and amortization						143.9				106.9				103.9					
Total						\$	317.4			\$	250.4			\$	238.9				
Capital expenditures for property																			
Intelligent Devices						\$	74.9			\$	60.7			\$	45.6				
Software & Control						67.5				40.2				29.7					
Lifecycle Services						52.7				23.7				32.9					
Corporate						29.6				35.9				32.9					
Total						\$	224.7			\$	160.5			\$	141.1				

We conduct a significant portion of our business activities outside the United States. The following tables present sales and property by geographic region (in millions):

		Sales						Property					
		2024		2023		2022		2024		2023			
North America		\$ 5,052.8		\$ 5,224.0		\$ 4,722.0		\$ 526.4		\$ 478.8		\$ 4	
Europe, Middle East and Africa		1,504.5		1,870.6		1,437.6		141.6		116.4			
Asia Pacific		1,072.8		1,358.0		1,088.0		91.3		66.2			
Latin America		634.1		605.4		512.8		17.4		22.8			
Total		\$ 8,264.2		\$ 9,058.0		\$ 7,760.4		\$ 776.7		\$ 684.2		\$	

We attribute sales to the geographic regions based on the country of destination. Sales in North America include \$4,611.9 million, \$4,773.2 million, and \$4,315.5 million related to the U.S. in 2024, 2023, and 2022, respectively.

In most countries, we sell primarily through independent distributors in conjunction with our direct sales force. We sell large systems and service offerings principally through our direct sales force, though opportunities are sometimes identified through distributors. Sales to our two largest distributors in 2024, 2023, and 2022, which are attributable to all three segments, were approximately 20 percent of our total sales.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareowners and the Board of Directors of
Rockwell Automation, Inc.
Milwaukee, Wisconsin

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Rockwell Automation, Inc. and subsidiaries (the “Company”) as of September 30, 2024 and 2023, the related consolidated statements of operations, comprehensive income, cash flows, and shareowners’ equity for each of the three years in the period ended September 30, 2024, and the related notes and the schedule listed in the Index at Item 15 (a)(2) (collectively referred to as the “financial statements”). We also have audited the Company’s internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of September 30, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended September 30, 2024, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

Basis for Opinions

The Company’s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Goodwill Valuation - Sensia Reporting Unit - Refer to Note 3 to the financial statements

Critical Audit Matter Description

The Company performed their annual quantitative test for goodwill impairment as of the beginning of the second quarter of fiscal 2024 using a combination of an income approach derived from discounted cash flows and a market multiples approach using selected comparable public companies. As of the annual measurement date, the Company determined that the fair value of the Sensia reporting unit exceeded its carrying value by approximately 25 percent and, therefore, no impairment was recognized.

The determination of the fair value using the income approach requires management to make significant estimates and assumptions related to the discount rate and forecasts of future revenues and Earnings Before Interest, Taxes, Depreciation, and Amortization (“EBITDA”) margins. The determination of fair value using the market multiples approach requires management to make significant assumptions related to the selection of the market multiple. The Company’s consolidated goodwill balance was \$3,993.3 million as of September 30, 2024, of which \$160.7 million related to the Sensia reporting unit. Changes in the critical assumptions outlined above could have a significant impact on the fair value of the reporting unit.

We identified the impairment evaluation of goodwill for the Sensia reporting unit as a critical audit matter because of the inherent subjectivity involved in management’s estimates and assumptions related to forecasts of future revenues and EBITDA margins, and selection of the discount rate and market multiple. The audit procedures to evaluate the reasonableness of management’s estimates and assumptions required a high degree of auditor judgment and an increased extent of effort, including the need to involve our fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to forecasts of future revenues and EBITDA margins, and selection of the discount rate and market multiple for the Sensia reporting unit included the following, among others:

- We tested the effectiveness of controls over management’s goodwill impairment evaluation, including those over management’s development of forecasts of future revenues and EBITDA margins as well as the selection of the discount rate and market multiple.
- We evaluated the reasonableness of management’s forecasts by comparing the forecasts to (1) historical results, (2) internal communications to management and those charged with governance of Sensia, and (3) forecasted information included in analyst and industry reports for the Company and its peer companies, including the impact of industry-specific and economic factors on Sensia’s Oil & Gas customers.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the discount rate by (1) testing the source information underlying the determination of the discount rate; (2) testing the mathematical accuracy of the calculations; and (3) developing a range of independent estimates and comparing those to the discount rate selected by management.
- With the assistance of our fair value specialists, we evaluated the reasonableness of the selected market multiple by (1) assessing the appropriateness of the selected comparable public companies; (2) testing the source information utilized; and (3) comparing the market multiple selected by management to such companies.

/s/ DELOITTE & TOUCHE LLP

Milwaukee, Wisconsin

November 12, 2024

We have served as the Company’s auditor since 1967.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9A. *Controls and Procedures*

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness, as of September 30, 2024, of our disclosure controls and procedures, as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2024.

Management's Report on Internal Control Over Financial Reporting

We are responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) under the Exchange Act. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our internal control over financial reporting based on the framework in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, management has concluded that our internal control over financial reporting was effective as of September 30, 2024.

The effectiveness of our internal control over financial reporting, as of September 30, 2024, has been audited by Deloitte & Touche LLP, as stated in their report that is included on the previous page.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Changes in Internal Control Over Financial Reporting

There has not been any change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. *Other Information*

During the quarter ended September 30, 2024, the following officers of the Company adopted Rule 10b5-1 trading arrangements that are each intended to satisfy the affirmative defense of Rule 10b5-1(c) promulgated under the Exchange Act, with such details of the arrangements as further follows:

- Blake D. Moret, President and Chief Executive Officer, adopted a Rule 10b5-1 trading arrangement on August 26, 2024, that will terminate on the earlier of August 28, 2025, or the execution of all trades in the trading arrangement. Mr. Moret's trading arrangement covers the (i) exercise of 26,700 stock options and the sale of the underlying shares of the Company's common stock, and (ii) sale of the number of shares of the Company's common stock required to be sold to cover taxes on upcoming restricted stock unit and performance share vests.
- Isaac R. Woods, Vice President and Treasurer, adopted a Rule 10b5-1 trading arrangement on August 26, 2024, that will terminate on the earlier of June 10, 2025, or the execution of all trades in the trading arrangement. Mr. Woods' trading arrangement covers the sale of (i) the number of long shares having a value of up to \$250,000 and (ii) the number of shares of the Company's common stock required to be sold to cover taxes on an upcoming restricted stock unit vest.

For the arrangements above referencing transactions to sell shares to cover taxes on vests, the aggregate number of shares to be sold pursuant to each trading arrangement described above is dependent on the taxes on the applicable restricted stock unit and performance share vests, and, therefore, is indeterminable at this time. Additionally, the number of shares to be sold pursuant to

clause (i) of Mr. Woods', arrangement described above is dependent on the stock price on the effective date of the order in the plan.

During the quarter ended September 30, 2024, no director or officer of the Company adopted or terminated a "non-Rule 10b5-1 trading arrangement," as defined in Item 408 of Regulation S-K, no director of the Company adopted or terminated a Rule 10b5-1 trading arrangement, and no officer of the Company terminated a Rule 10b5-1 trading arrangement.

Item 9C. *Disclosure Regarding Foreign Jurisdictions that Prevent Inspections*

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Other than the information below, the information required by this Item 10 is incorporated by reference to the sections entitled **Corporate Governance**, **Election of Directors**, and **Stock Ownership Information** in the Proxy Statement.

No nominee for director was selected pursuant to any arrangement or understanding between the nominee and any person other than the Company pursuant to which such person is or was to be selected as a director or nominee. See also the information about executive officers of the Company under Item 4A of Part I.

We have adopted a code of ethics that applies to our executive officers, including the principal executive officer, principal financial officer, and principal accounting officer. A copy of our Code of Conduct is posted on our Internet site at <https://www.rockwellautomation.com> under the “Investors” link. In the event that we amend or grant any waiver from a provision of the code of ethics that applies to the principal executive officer, principal financial officer, or principal accounting officer, and that requires disclosure under applicable SEC rules, we intend to disclose such amendment or waiver and the reasons therefor on our Internet site.

We have adopted insider trading policies and procedures governing the purchase, sale, and/or other disposition of Company securities by directors, officers, employees, and the Company that are reasonably designed to promote compliance with insider trading laws, rules and regulations, and the NYSE listing standards. A copy of our policies and procedures are attached to this Annual Report on Form 10-K as Exhibit 19.

Item 11. Executive Compensation

The information required by this Item 11 is incorporated by reference to the sections entitled **Executive Compensation**, **Election of Directors**, **Corporate Governance**, and **Compensation and Talent Management Committee Report** in the Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Other than the information below, the information required by this Item 12 is incorporated by reference to the section entitled **Stock Ownership Information** in the Proxy Statement.

The following table provides information, as of September 30, 2024, about our common stock that may be issued upon the exercise of options, warrants, and rights granted to employees, consultants, or directors under all of our existing equity compensation plans.

		Number of Securities to be issued upon Exercise of Outstanding Options, Warrants, and Rights		Weighted Average Exercise Price of Outstanding Options, Warrants, and Rights		Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities reflected in Column (a))	
Plan Category		(a)		(b)		(c)	
Equity compensation plans approved by shareowners		2,669,372	(1)	\$ 214.03	(2)	6,859,766	(3)
Equity compensation plans not approved by shareowners		—		n/a		—	
Total		2,669,372		\$ 214.03		6,859,766	

(1) Represents outstanding options, shares issuable in payment of outstanding performance shares (at maximum payout), and restricted stock units under our 2020 Long-Term Incentives Plan, 2012 Long-Term Incentives Plan, 2008 Long-Term Incentives Plan, and 2003 Directors Stock Plan.

(2) Represents the weighted average exercise price of outstanding options and does not take into account the performance shares and restricted stock units.

⁽³⁾ Represents shares available for future issuance under our 2020 Long-Term Incentives Plan.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this Item 13 is incorporated by reference to the sections entitled *Corporate Governance* and *Election of Directors* in the Proxy Statement.

Item 14. *Principal Accountant Fees and Services*

The information required by this Item 14 is incorporated by reference to the section entitled *Audit Matters* in the Proxy Statement.

PART IV**Item 15. Exhibits and Financial Statement Schedules****(a) Financial Statements, Financial Statement Schedule, and Exhibits****(1) Financial Statements (all financial statements listed below are those of the Company and its consolidated subsidiaries)**

	Page
Consolidated Balance Sheet, September 30, 2024 and 2023	41
Consolidated Statement of Operations, years ended September 30, 2024, 2023, and 2022	42
Consolidated Statement of Comprehensive Income, years ended September 30, 2024, 2023, and 2022	43
Consolidated Statement of Cash Flows, years ended September 30, 2024, 2023, and 2022	44
Consolidated Statement of Shareowners' Equity, years ended September 30, 2024, 2023, and 2022	45
Notes to Consolidated Financial Statements	46
Report of Independent Registered Public Accounting Firm (PCAOB ID No. 34)	89

(2) Financial Statement Schedule for the years ended September 30, 2024, 2023, and 2022

	Page
Schedule II—Valuation and Qualifying Accounts	99

Schedules not filed herewith are omitted because of the absence of conditions under which they are required or because the information called for is shown in the consolidated financial statements or notes thereto.

(3) Exhibits

<u>*10-b-10</u>	<u>Form of Stock Option Agreement for U.S. Employees under the Company's 2020 Long-Term Incentives Plan for options awarded to executive officers of the Company after December 9, 2020, filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2020, is hereby incorporated by reference.</u>
<u>*10-b-11</u>	<u>Form of Restricted Stock Unit Agreement for U.S. Employees under the Company's 2020 Long-Term Incentives Plan for restricted stock units awarded to executive officers of the Company after December 9, 2020, filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2020, is hereby incorporated by reference.</u>
<u>*10-b-12</u>	<u>Form of Performance Share Agreement for U.S. Employees under the Company's 2020 Long-Term Incentives Plan for performance shares awarded to executive officers of the Company after December 9, 2020, filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2020, is hereby incorporated by reference.</u>
<u>*10-c-1</u>	<u>Copy of the Company's Deferred Compensation Plan, as amended and restated September 6, 2006, filed as Exhibit 10-f to the Company's Annual Report on Form 10-K for the year ended September 30, 2006, is hereby incorporated by reference.</u>
<u>*10-c-2</u>	<u>Memorandum of Proposed Amendment and Restatement of the Company's Deferred Compensation Plan approved and adopted by the Board of Directors of the Company on November 7, 2007, filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2007, is hereby incorporated by reference.</u>
<u>*10-d-1</u>	<u>Copy of the Company's Incentive Compensation Plan effective October 1, 2020, filed as Exhibit 10-d-1 to the Company's Annual Report on Form 10-K for the year ended September 30, 2020, is hereby incorporated by reference.</u>
<u>*10-d-2</u>	<u>Copy of the Company's Annual Incentive Compensation Plan for Senior Executive Officers, as amended December 3, 2003, filed as Exhibit 10-i-1 to the Company's Annual Report for the year ended September 30, 2004, is hereby incorporated by reference.</u>
<u>*10-e-1</u>	<u>Change of Control Agreement dated as of September 30, 2022 between the Company and Blake D. Moret, filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated October 21, 2022, is hereby incorporated by reference.</u>
<u>*10-e-2</u>	<u>Form of Change of Control Agreement between the Company and each of Nicholas C. Gangestad, Scott A. Genereux, Rebecca W. House, Frank Kulaszewicz, and certain other officers filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated October 21, 2022, is hereby incorporated by reference.</u>
<u>*10-e-3</u>	<u>Letter Agreement dated July 1, 2016 between Registrant and Blake D. Moret, filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, is hereby incorporated by reference.</u>
<u>*10-e-4</u>	<u>Letter Agreement dated March 1, 2021 between Registrant and Nicholas C. Gangestad</u>
<u>10-g-1</u>	<u>Agreement and Plan of Distribution dated as of December 6, 1996, among Rockwell International Corporation (renamed Boeing North American, Inc.), the Company (formerly named New Rockwell International Corporation), Allen-Bradley Company, Inc., Rockwell Collins, Inc., Rockwell Semiconductor Systems, Inc., Rockwell Light Vehicle Systems, Inc. and Rockwell Heavy Vehicle Systems, Inc., filed as Exhibit 10-b to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1996, is hereby incorporated by reference.</u>
<u>10-g-2</u>	<u>Post-Closing Covenants Agreement dated as of December 6, 1996, among Rockwell International Corporation (renamed Boeing North American, Inc.), The Boeing Company, Boeing NA, Inc. and the Company (formerly named New Rockwell International Corporation), filed as Exhibit 10-c to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1996, is hereby incorporated by reference.</u>
<u>10-g-3</u>	<u>Tax Allocation Agreement dated as of December 6, 1996, among Rockwell International Corporation (renamed Boeing North American, Inc.), the Company (formerly named New Rockwell International Corporation) and The Boeing Company, filed as Exhibit 10-d to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1996, is hereby incorporated by reference.</u>
<u>10-h-1</u>	<u>Distribution Agreement dated as of September 30, 1997 by and between the Company and Meritor Automotive, Inc., filed as Exhibit 2.1 to the Company's Current Report on Form 8-K dated October 10, 1997, is hereby incorporated by reference.</u>
<u>10-h-2</u>	<u>Employee Matters Agreement dated as of September 30, 1997 by and between the Company and Meritor Automotive, Inc., filed as Exhibit 2.2 to the Company's Current Report on Form 8-K dated October 10, 1997, is hereby incorporated by reference.</u>

Page 168 of 176

<u>10-i-1</u>	<u>Distribution Agreement dated as of June 29, 2001 by and among the Company, Rockwell Collins, Inc. and Rockwell Scientific Company LLC, filed as Exhibit 2.1 to the Company's Current Report on Form 8-K dated July 11, 2001, is hereby incorporated by reference.</u>
<u>10-i-2</u>	<u>Employee Matters Agreement dated as of June 29, 2001 by and among the Company, Rockwell Collins, Inc. and Rockwell Scientific Company LLC, filed as Exhibit 2.2 to the Company's Current Report on Form 8-K dated July 11, 2001, is hereby incorporated by reference.</u>
<u>10-i-3</u>	<u>Tax Allocation Agreement dated as of June 29, 2001 by and between the Company and Rockwell Collins, Inc., filed as Exhibit 2.3 to the Company's Current Report on Form 8-K dated July 11, 2001, is hereby incorporated by reference.</u>
<u>10-j-1</u>	<u>\$1,500,000,000 Five-Year Credit Agreement dated as of June 29, 2022, among the Company, the Banks listed on the signature pages thereof and Bank of America, N.A., as Administrative Agent, filed as Exhibit 99 to the Company's Current Report on Form 8-K dated July 1, 2022, is hereby incorporated by reference.</u>
<u>10-k</u>	<u>Purchase and Sale Agreement dated as of August 24, 2005 by and between the Company and First Industrial Acquisitions, Inc., including the form of Lease Agreement attached as Exhibit I thereto, together with the First Amendment to Purchase and Sale Agreement dated as of September 30, 2005 and the Second Amendment to Purchase and Sale Agreement dated as of October 31, 2005, filed as Exhibit 10-p to the Company's Annual Report on Form 10-K for the year ended September 30, 2005, is hereby incorporated by reference.</u>
<u>10-l-1</u>	<u>Purchase Agreement, dated as of November 6, 2006, by and among Rockwell Automation, Inc., Rockwell Automation of Ohio, Inc., Rockwell Automation Canada Control Systems, Grupo Industrias Reliance S.A. de C.V., Rockwell Automation GmbH (formerly known as Rockwell International GmbH) and Baldor Electric Company, contained in the Company's Current Report on Form 8-K dated November 9, 2006, is hereby incorporated by reference.</u>
<u>10-l-2</u>	<u>First Amendment to Purchase Agreement dated as of January 24, 2007 by and among Rockwell Automation, Inc., Rockwell Automation of Ohio, Inc., Rockwell Automation Canada Control Systems, Grupo Industrias Reliance S.A. de C.V., Rockwell Automation GmbH and Baldor Electric Company, filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007, is hereby incorporated by reference.</u>
<u>19</u>	<u>Company Trading Policies and Procedures for Insiders.</u>
<u>21</u>	<u>List of Subsidiaries of the Company.</u>
<u>23</u>	<u>Consent of Independent Registered Public Accounting Firm.</u>
<u>24</u>	<u>Powers of Attorney authorizing certain persons to sign this Annual Report on Form 10-K on behalf of certain directors and officers of the Company.</u>
<u>31.1</u>	<u>Certification of Periodic Report by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
<u>31.2</u>	<u>Certification of Periodic Report by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
<u>32.1</u>	<u>Certification of Periodic Report by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>32.2</u>	<u>Certification of Periodic Report by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
<u>97</u>	<u>Rockwell Automation, Inc. Executive Compensation Recoupment Policy.</u>
<u>101</u>	<u>Interactive Data Files.</u>
<u>104</u>	<u>Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).</u>

SCHEDULE II
ROCKWELL AUTOMATION, INC.
VALUATION AND QUALIFYING ACCOUNTS
For the Years Ended September 30, 2024, 2023, and 2022
(in millions)

Description	Balance at Beginning of Year	Additions		Deductions ⁽²⁾	Balance at End of Year
		Charged to Costs and Expenses	Charged to Other Accounts		
Year ended September 30, 2024					
Allowance for doubtful accounts ⁽¹⁾	\$ 16.8	\$ 13.1	\$ —	\$ 8.1	\$ 21.8
Valuation allowance for deferred tax assets	89.1	11.4	1.1	4.1	97.5
Year ended September 30, 2023					
Allowance for doubtful accounts ⁽¹⁾	\$ 13.1	\$ 8.5	\$ 0.2	\$ 5.0	\$ 16.8
Valuation allowance for deferred tax assets ⁽³⁾	23.1	66.4	1.5	1.9	89.1
Year ended September 30, 2022					
Allowance for doubtful accounts ⁽¹⁾	\$ 13.2	\$ 4.7	\$ —	\$ 4.8	\$ 13.1
Valuation allowance for deferred tax assets	32.6	3.4	1.1	14.0	23.1

⁽¹⁾ Includes allowances for current and other long-term receivables.

⁽²⁾ Consists of amounts written off for the allowance for doubtful accounts and adjustments resulting from our ability to utilize foreign tax credits, capital losses, or net operating loss carryforwards for which a valuation allowance had previously been recorded.

⁽³⁾ Additions charged to costs and expenses includes \$30.2 million attributable to non-controlling interests.

INDEX TO EXHIBITS*

Exhibit No.	Exhibit
	<u>19 Company Trading Policies and Procedures for Insiders.</u>
	<u>21 List of Subsidiaries of the Company.</u>
	<u>23 Consent of Independent Registered Public Accounting Firm.</u>
	<u>24 Powers of Attorney authorizing certain persons to sign this Annual Report on Form 10-K on behalf of certain directors and officers of the Company.</u>
	<u>31.1 Certification of Periodic Report by the Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
	<u>31.2 Certification of Periodic Report by the Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.</u>
	<u>32.1 Certification of Periodic Report by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
	<u>32.2 Certification of Periodic Report by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101	Interactive Data Files.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

[illegible]