

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 10-Q**

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(Mark One)

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



**For the Quarterly Period Ended March 31, 2024**

**OR**

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



**For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 1-12383**

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**Rockwell Automation, Inc.**

**(Exact name of registrant as specified in its charter)**

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**Delaware**

**(State or other jurisdiction  
of incorporation or organization)**

**1201 South Second Street**

**Milwaukee, Wisconsin**

**(Address of principal executive  
offices)**

**25-1797617**

**(I.R.S. Employer  
Identification No.)**

**53204**

**(Zip Code)**

**+1 (414) 382-2000**

**(Registrant's telephone number, including area code)**

**Not Applicable**

**(Former name, former address and former fiscal year, if changed since last report)**

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Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol</b>	<b>Name of each exchange on which registered</b>
<b>Common Stock (\$1.00 par value)</b>	<b>ROK</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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.

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
	Emerging growth company <input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

114,003,176 shares of registrant’s Common Stock were outstanding on March 31, 2024.

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**PART I. FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**ROCKWELL AUTOMATION, INC.**  
**CONSOLIDATED BALANCE SHEET**  
**(Unaudited)**  
**(in millions, except per share amounts)**

	March 31, 2024	September 30, 2023
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 470.3	\$ 1,071.8
Receivables	1,960.2	2,167.4
Inventories	1,384.7	1,404.9
Other current assets	299.0	266.7
Total current assets	4,114.2	4,910.8
Property, net of accumulated depreciation of \$1,874.7 and \$1,828.3, respectively	715.4	684.2
Operating lease right-of-use assets	405.5	349.4
Goodwill	3,964.4	3,529.2
Other intangible assets, net	1,140.7	852.4
Deferred income taxes	477.8	459.3
Long-term investments	171.8	157.1
Other assets	377.5	361.6
Total	<u>\$ 11,367.3</u>	<u>\$ 11,304.0</u>
<b>LIABILITIES AND SHAREOWNERS' EQUITY</b>		
Current liabilities		
Short-term debt	\$ 777.4	\$ 94.7
Current portion of long-term debt	309.4	8.6
Accounts payable	903.2	1,150.2
Compensation and benefits	228.2	499.9
Contract liabilities	609.8	592.5
Customer returns, rebates and incentives	427.5	452.0
Other current liabilities	447.5	567.4
Total current liabilities	3,703.0	3,365.3
Long-term debt	2,584.5	2,862.9
Retirement benefits	512.8	503.6
Operating lease liabilities	333.2	285.3
Other liabilities	511.8	543.5
Commitments and contingent liabilities (Note 13)		
Shareowners' equity		
Common stock (\$1.00 par value, shares issued: 181.4)	181.4	181.4
Additional paid-in capital	2,141.9	2,102.5
Retained earnings	9,449.3	9,255.2
Accumulated other comprehensive loss	(762.0)	(790.1)
Common stock in treasury, at cost (shares held: 67.4 and 66.6, respectively)	(7,467.0)	(7,187.4)
Shareowners' equity attributable to Rockwell Automation, Inc.	3,543.6	3,561.6
Noncontrolling interests	178.4	181.8
Total shareowners' equity	3,722.0	3,743.4
Total	<u>\$ 11,367.3</u>	<u>\$ 11,304.0</u>

See Notes to Consolidated Financial Statements.

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
<b>Sales</b>				
Products and solutions	\$ 1,891.2	\$ 2,069.9	\$ 3,724.4	\$ 3,859.6
Services	234.8	205.5	453.7	396.8
	2,126.0	2,275.4	4,178.1	4,256.4
<b>Cost of sales</b>				
Products and solutions	(1,165.3)	(1,206.3)	(2,295.4)	(2,251.0)
Services	(127.3)	(136.6)	(254.7)	(259.3)
	(1,292.6)	(1,342.9)	(2,550.1)	(2,510.3)
<b>Gross profit</b>	833.4	932.5	1,628.0	1,746.1
Selling, general and administrative expenses	(501.4)	(501.2)	(1,015.1)	(970.7)
Change in fair value of investments	2.8	63.0	5.9	203.6
Other income (expense) (Note 11)	14.8	(107.1)	23.7	(89.8)
Interest expense	(39.2)	(35.8)	(72.5)	(69.9)
Income before income taxes	310.4	351.4	570.0	819.3
Income tax provision (Note 14)	(45.1)	(56.5)	(92.0)	(145.7)
<b>Net income</b>	265.3	294.9	478.0	673.6
Net loss attributable to noncontrolling interests	(0.9)	(5.4)	(3.4)	(10.7)
<b>Net income attributable to Rockwell Automation, Inc.</b>	\$ 266.2	\$ 300.3	\$ 481.4	\$ 684.3
<b>Earnings per share:</b>				
Basic	\$ 2.32	\$ 2.60	\$ 4.19	\$ 5.94
Diluted	\$ 2.31	\$ 2.59	\$ 4.17	\$ 5.90
<b>Weighted average outstanding shares:</b>				
Basic	114.3	114.8	114.4	114.8
Diluted	114.8	115.6	115.0	115.6

See Notes to Consolidated Financial Statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(Unaudited)**  
**(in millions)**

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income	\$ 265.3	\$ 294.9	\$ 478.0	\$ 673.6
Other comprehensive income (loss)				
Pension and other postretirement benefit plan adjustments (net of tax benefit (expense) of \$0.0, \$(10.2), \$0.0, and \$ (9.8))	0.6	31.1	0.7	30.7
Currency translation adjustments	(43.6)	25.3	40.6	111.1
Net change in cash flow hedges (net of tax (expense) benefit of \$(4.2), \$(0.4), \$4.8, and \$8.5)	10.7	0.3	(13.2)	(20.8)
Other comprehensive (loss) income	(32.3)	56.7	28.1	121.0
Comprehensive income	233.0	351.6	506.1	794.6
Comprehensive loss attributable to noncontrolling interests	(1.0)	(5.8)	(3.4)	(11.1)
Comprehensive income attributable to Rockwell Automation, Inc.	<u>\$ 234.0</u>	<u>\$ 357.4</u>	<u>\$ 509.5</u>	<u>\$ 805.7</u>

See Notes to Consolidated Financial Statements.



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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**(Unaudited)**  
**(in millions)**

	Six Months Ended March 31,	
	2024	2023
<b>Operating activities:</b>		
Net income	\$ 478.0	\$ 673.6
Adjustments to arrive at cash provided by operating activities		
Depreciation	80.2	61.9
Amortization of intangible assets	77.5	58.0
Change in fair value of investments	(5.9)	(203.6)
Share-based compensation expense	51.0	41.6
Retirement benefit expense	9.0	114.4
Net loss on disposition of property	0.4	0.7
Pension contributions	(12.0)	(13.4)
Changes in assets and liabilities, excluding effects of acquisitions and foreign currency adjustments		
Receivables	238.9	(211.1)
Inventories	58.2	(220.6)
Accounts payable	(220.2)	(75.5)
Contract liabilities	22.5	85.1
Compensation and benefits	(284.8)	14.1
Income taxes	(227.8)	(30.8)
Other assets and liabilities	(112.6)	(41.0)
<b>Cash provided by operating activities</b>	<b>152.4</b>	<b>253.4</b>
<b>Investing activities:</b>		
Capital expenditures	(119.1)	(55.7)
Acquisition of businesses, net of cash acquired	(748.7)	(168.0)
Purchases of investments	(7.9)	(5.2)
Proceeds from sale of investments	—	205.2
Other investing activities	(0.6)	4.2
<b>Cash used for investing activities</b>	<b>(876.3)</b>	<b>(19.5)</b>
<b>Financing activities:</b>		
Net issuance of short-term debt	705.9	162.2
Repayment of short-term debt	—	(18.8)
Cash dividends	(287.3)	(271.4)
Purchases of treasury stock	(313.7)	(195.2)
Proceeds from the exercise of stock options	26.7	48.7
Other financing activities	(23.0)	(22.0)
<b>Cash provided by (used for) financing activities</b>	<b>108.6</b>	<b>(296.5)</b>
Effect of exchange rate changes on cash	5.2	19.3
<b>Decrease in cash, cash equivalents, and restricted cash</b>	<b>(610.1)</b>	<b>(43.3)</b>
<b>Cash, cash equivalents, and restricted cash at beginning of period</b>	<b>1,080.4</b>	<b>507.9</b>
<b>Cash, cash equivalents, and restricted cash at end of period</b>	<b>\$ 470.3</b>	<b>\$ 464.6</b>
<b>Components of cash, cash equivalents, and restricted cash</b>		
Cash and cash equivalents	\$ 470.3	\$ 456.0
Restricted cash (Other non-current assets)	—	8.6

See Notes to Consolidated Financial Statements.

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

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Common stock in treasury, at cost	Total attributable to Rockwell Automation, Inc.	Noncontrolling interests	Total shareowners' equity
<b>Balance at December 31, 2023</b>	\$ 181.4	\$ 2,111.3	\$ 9,326.5	\$ (729.8)	\$(7,281.7)	\$ 3,607.7	\$ 179.4	\$ 3,787.1
Net income (loss)	—	—	266.2	—	—	266.2	(0.9)	265.3
Other comprehensive loss	—	—	—	(32.2)	—	(32.2)	(0.1)	(32.3)
Common stock issued (including share-based compensation impact)	—	30.6	—	—	11.3	41.9	—	41.9
Share repurchases	—	—	—	—	(196.6)	(196.6)	—	(196.6)
Cash dividends declared <sup>(1)</sup>	—	—	(143.4)	—	—	(143.4)	—	(143.4)
<b>Balance at March 31, 2024</b>	\$ 181.4	\$ 2,141.9	\$ 9,449.3	\$ (762.0)	\$(7,467.0)	\$ 3,543.6	\$ 178.4	\$ 3,722.0

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Common stock in treasury, at cost	Total attributable to Rockwell Automation, Inc.	Noncontrolling interests	Total shareowners' equity
<b>Balance at December 31, 2022</b>	\$ 181.4	\$ 2,015.7	\$ 8,659.9	\$ (853.2)	\$(7,089.0)	\$ 2,914.8	\$ 285.8	\$ 3,200.6
Net income (loss)	—	—	300.3	—	—	300.3	(5.4)	294.9
Other comprehensive income (loss)	—	—	—	57.1	—	57.1	(0.4)	56.7
Common stock issued (including share-based compensation impact)	—	33.3	—	—	24.5	57.8	—	57.8
Share repurchases	—	—	—	—	(38.5)	(38.5)	—	(38.5)
Cash dividends declared <sup>(1)</sup>	—	—	(136.0)	—	—	(136.0)	—	(136.0)
<b>Balance at March 31, 2023</b>	\$ 181.4	\$ 2,049.0	\$ 8,824.2	\$ (796.1)	\$(7,103.0)	\$ 3,155.5	\$ 280.0	\$ 3,435.5

<sup>(1)</sup> Cash dividends were \$1.25 per share and \$1.18 per share in the three months ended March 31, 2024 and 2023, respectively.

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

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Common stock in treasury, at cost	Total attributable to Rockwell Automation, Inc.	Noncontrolling interests	Total shareowners' equity
<b>Balance at September 30, 2023</b>	\$ 181.4	\$ 2,102.5	\$ 9,255.2	\$ (790.1)	\$(7,187.4)	\$ 3,561.6	\$ 181.8	\$ 3,743.4
Net income (loss)	—	—	481.4	—	—	481.4	(3.4)	478.0
Other comprehensive income	—	—	—	28.1	—	28.1	—	28.1
Common stock issued (including share-based compensation impact)	—	39.4	—	—	38.2	77.6	—	77.6
Share repurchases	—	—	—	—	(317.8)	(317.8)	—	(317.8)
Cash dividends declared <sup>(1)</sup>	—	—	(287.3)	—	—	(287.3)	—	(287.3)
<b>Balance at March 31, 2024</b>	\$ 181.4	\$ 2,141.9	\$ 9,449.3	\$ (762.0)	\$(7,467.0)	\$ 3,543.6	\$ 178.4	\$ 3,722.0

	Common stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Common stock in treasury, at cost	Total attributable to Rockwell Automation, Inc.	Noncontrolling interests	Total shareowners' equity
<b>Balance at September 30, 2022</b>	\$ 181.4	\$ 2,007.1	\$ 8,411.8	\$ (917.5)	\$(6,957.2)	\$ 2,725.6	\$ 291.1	\$ 3,016.7
Net income (loss)	—	—	684.3	—	—	684.3	(10.7)	673.6
Other comprehensive income (loss)	—	—	—	121.4	—	121.4	(0.4)	121.0
Common stock issued (including share-based compensation impact)	—	41.9	—	—	48.7	90.6	—	90.6
Share repurchases	—	—	—	—	(194.5)	(194.5)	—	(194.5)
Cash dividends declared <sup>(1)</sup>	—	—	(271.9)	—	—	(271.9)	—	(271.9)
<b>Balance at March 31, 2023</b>	\$ 181.4	\$ 2,049.0	\$ 8,824.2	\$ (796.1)	\$(7,103.0)	\$ 3,155.5	\$ 280.0	\$ 3,435.5

<sup>(1)</sup> Cash dividends were \$2.50 per share and \$2.36 per share in the six months ended March 31, 2024 and 2023, respectively.

See Notes to Consolidated Financial Statements.

**ROCKWELL AUTOMATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(Unaudited)**

**1. Basis of Presentation and Accounting Policies**

In the opinion of management of Rockwell Automation, Inc. (Rockwell Automation or the Company), the unaudited Consolidated Financial Statements contain all adjustments necessary to present fairly the financial position, results of operations, and cash flows for the periods presented and, except as otherwise indicated, such adjustments consist only of those of a normal, recurring nature. These statements should be read in conjunction with our Annual Report on Form 10-K for the fiscal year ended September 30, 2023. The results of operations for the three and six months ended March 31, 2024, are not necessarily indicative of the results for the full year. All date references to years and quarters herein refer to our fiscal year and fiscal quarter, unless otherwise stated.

**Receivables**

We record an allowance for doubtful accounts 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 \$20.1 million at March 31, 2024, and \$16.8 million at September 30, 2023. The changes to our allowance for doubtful accounts during the three and six months ended March 31, 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.

**Earnings Per Share**

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



	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Net income attributable to Rockwell Automation, Inc.	\$ 266.2	\$ 300.3	\$ 481.4	\$ 684.3
Less: Allocation to participating securities	(1.2)	(1.3)	(2.2)	(2.8)
Net income available to common shareowners	<u>\$ 265.0</u>	<u>\$ 299.0</u>	<u>\$ 479.2</u>	<u>\$ 681.5</u>
Basic weighted average outstanding shares	114.3	114.8	114.4	114.8
Effect of dilutive securities				
Stock options	0.5	0.7	0.6	0.7
Performance shares	—	0.1	—	0.1
Diluted weighted average outstanding shares	<u>114.8</u>	<u>115.6</u>	<u>115.0</u>	<u>115.6</u>
<b>Earnings per share:</b>				
Basic	<u>\$ 2.32</u>	<u>\$ 2.60</u>	<u>\$ 4.19</u>	<u>\$ 5.94</u>
Diluted	<u>\$ 2.31</u>	<u>\$ 2.59</u>	<u>\$ 4.17</u>	<u>\$ 5.90</u>

For the three and six months ended March 31, 2024, there were 0.5 million shares related to share-based compensation awards that were excluded from the diluted EPS calculation because they were antidilutive. For the three and six months ended March 31, 2023, there were 0.4 million and 0.5 million shares, respectively, related to share-based compensation awards that were excluded from the diluted EPS calculation because they were antidilutive.

#### Non-Cash Investing and Financing Activities

Capital expenditures of \$7.3 million and \$34.0 million were accrued within Accounts payable and Other current liabilities at March 31, 2024 and 2023, respectively. At March 31, 2024 and 2023, respectively, there were \$2.4 million and \$0.8 million of outstanding common stock share repurchases recorded in Accounts payable that did not settle until the next quarter. These non-cash investing and financing activities have been excluded from cash used for capital expenditures and treasury stock purchases in the Consolidated Statement of Cash Flows.

**ROCKWELL AUTOMATION, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)****Leases**

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

	<b>Six Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	\$ 91.0	\$ 17.4
Finance leases	5.2	—

In the six months ended March 31, 2024 and 2023, we realized changes in our right-of-use assets and lease liabilities, both as a result of new leases and existing leases for which we are reasonably certain to exercise future renewal options.

**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 \$91.0 million and \$126.7 million related to these agreements as of March 31, 2024, and September 30, 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.

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

**ROCKWELL AUTOMATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

**2. Revenue Recognition**

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 Services segment is predominantly comprised of solutions and services, which are primarily recognized over time. See Note 15 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.

**Unfulfilled Performance Obligations**

As of March 31, 2024, we expect to recognize approximately \$1,069 million of revenue in future periods from unfulfilled performance obligations from existing contracts with customers. We expect to recognize revenue of approximately \$669 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 March 31, 2024.

**ROCKWELL AUTOMATION, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**
**Disaggregation of Revenue**

The following tables present 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.

	<b>Three Months Ended March 31, 2024</b>				<b>Three Months Ended March 31, 2023</b>			
	<b>Software</b>				<b>Software</b>			
	<b>Intelligent Devices</b>	<b>&amp; Control</b>	<b>Lifecycle Services</b>	<b>Total</b>	<b>Intelligent Devices</b>	<b>&amp; Control</b>	<b>Lifecycle Services</b>	<b>Total</b>
North America	\$ 636.6	\$ 362.7	\$ 294.3	\$1,293.6	\$ 598.7	\$ 452.0	\$ 259.9	\$1,310.6
Europe, Middle East, and Africa	158.1	96.1	144.7	398.9	216.6	148.6	121.3	486.5
Asia Pacific	100.3	69.8	99.8	269.9	136.7	99.6	97.9	334.2
Latin America	78.5	41.4	43.7	163.6	71.2	40.9	32.0	144.1
Total Company Sales	<u>\$ 973.5</u>	<u>\$ 570.0</u>	<u>\$ 582.5</u>	<u>\$2,126.0</u>	<u>\$1,023.2</u>	<u>\$ 741.1</u>	<u>\$ 511.1</u>	<u>\$2,275.4</u>

	<b>Six Months Ended March 31, 2024</b>				<b>Six Months Ended March 31, 2023</b>			
	<b>Intelligent Devices</b>	<b>Software &amp; Control</b>	<b>Lifecycle Services</b>	<b>Total</b>	<b>Intelligent Devices</b>	<b>Software &amp; Control</b>	<b>Lifecycle Services</b>	<b>Total</b>
North America	\$1,240.9	\$ 749.3	\$ 550.5	\$2,540.7	\$1,166.1	\$ 836.1	\$ 487.3	\$2,489.5
Europe, Middle East, and Africa	324.7	195.9	266.6	787.2	387.8	234.4	237.1	859.3
Asia Pacific	198.2	148.8	198.5	545.5	268.0	168.0	194.7	630.7
Latin America	137.0	79.6	88.1	304.7	137.5	75.9	63.5	276.9
Total Company Sales	<u>\$1,900.8</u>	<u>\$1,173.6</u>	<u>\$1,103.7</u>	<u>\$4,178.1</u>	<u>\$1,959.4</u>	<u>\$1,314.4</u>	<u>\$ 982.6</u>	<u>\$4,256.4</u>

**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):

	<b>March 31, 2024</b>	<b>March 31, 2023</b>
Balance as of beginning of year	\$ 653.6	\$ 541.3
Balance as of end of period	678.4	636.9

The most significant changes in our Contract liabilities balance during the six months ended March 31, 2024, were due to amounts billed during the period, partially 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. The most significant changes in our Contract liabilities balance during the six months ended March 31, 2023, were due to amounts billed during the period, partially offset by revenue recognized that was included in the Contract liabilities balance at the beginning of the period and revenue recognized on amounts billed during the period.

In the six months ended March 31, 2024, we recognized revenue of approximately \$405.2 million that was included in the Contract liabilities balance at September 30, 2023. In the six months ended March 31, 2023, we recognized revenue of approximately \$312.1 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 six months ended March 31, 2024 and 2023, from performance obligations satisfied or partially satisfied in previous periods.

## ROCKWELL AUTOMATION, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued) (Unaudited)

#### 3. Share-Based Compensation

We recognized \$26.8 million and \$51.0 million of pre-tax share-based compensation expense during the three and six months ended March 31, 2024, respectively. We recognized \$23.2 million and \$41.6 million of pre-tax share-based compensation expense during the three and six months ended March 31, 2023, respectively. Our annual grant of share-based compensation takes place during first quarter of each year. The number of shares granted to employees and non-employee directors and the weighted average fair value per share during the periods presented were (in thousands, except per share amounts):

	Six Months Ended March 31,			
	2024		2023	
	Grants	Wtd. Avg. Share Fair Value	Grants	Wtd. Avg. Share Fair Value
Stock options	217	\$ 85.91	233	\$ 77.62
Performance shares	79	295.06	66	340.77
Restricted stock units	238	276.36	228	261.59
Unrestricted stock	6	278.35	7	261.72

#### 4. Inventories

Inventories consist of (in millions):

	March 31, 2024	September 30, 2023
Finished goods	\$ 521.5	\$ 545.9
Work in process	345.6	395.7
Raw materials	517.6	463.3
Inventories	<u>\$ 1,384.7</u>	<u>\$ 1,404.9</u>

#### 5. Acquisitions

##### 2024 Acquisitions

In October 2023, we acquired Clearpath Robotics, Inc., including its industrial division OTTO Motors (Clearpath), a company that specializes in autonomous robotics for industrial applications, headquartered in Ontario, Canada. We recorded assets acquired and liabilities assumed in connection with this acquisition based on their estimated fair values as of the acquisition date of October 2, 2023. The preliminary aggregate purchase price allocation is as follows (in millions):

	<b>Purchase Price Allocation</b>
Receivables	\$ 8.1
Inventory	22.0
Goodwill	289.0
Intangible assets	313.4
All other assets	10.2
Total assets acquired	642.7
Less: Deferred tax liability	(21.9)
Less: Liabilities assumed	(12.3)
Net assets acquired	<u>\$ 608.5</u>

	<b>Purchase Consideration</b>
Cash consideration, net of cash acquired	\$ 565.5
Contingent consideration	43.0
Total purchase consideration, net of cash acquired	<u>\$ 608.5</u>



**ROCKWELL AUTOMATION, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**

Intangible assets identified include \$269.9 million of technology, \$41.6 million of trademarks, and \$1.9 million of customer relationships. We assigned the full amount of goodwill and all other assets acquired to our Intelligent Devices segment. The goodwill recorded represents intangible assets that do not qualify for separate recognition. This goodwill arises because the purchase price for Clearpath reflects a number of factors including the future earnings and cash flow potential for the business and resulting synergies from the business portfolio and industry expertise. We do not expect the goodwill to be deductible for tax purposes. The intangible assets were valued using an income approach, specifically the relief from royalty method and multi-period excess earnings method. The relief from royalty method calculates value based on hypothetical payments that would be saved by owning an asset rather than licensing it. The multi-period excess earnings method is the isolation of cash flows from a single intangible asset and measures fair value by discounting them to present value. These values are considered level 3 measurements under the U.S. GAAP fair value hierarchy. Refer to Note 9 for further information regarding levels in the fair value hierarchy. The key assumption requiring the use of judgement in the valuation of the technology asset was the obsolescence factor, where we estimated a phase out over 12 years; other assumptions included forecasted revenue growth rates and margin and the discount rate. The key assumption requiring the use of judgement in the valuation of the trademarks asset was the weighted average royalty rate of 2.05 percent; other assumptions included forecasted revenue growth rates and the discount rate.

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 and we updated the probability outcome model for the second performance period.

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

	<b>Period ended February 29, 2024</b>	<b>Period ended February 28, 2025</b>	<b>Total</b>
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	—	0.7	0.7
Contingent consideration as of March 31, 2024	<u>\$ 9.8</u>	<u>\$ 26.2</u>	<u>\$ 36.0</u>

The consideration for the amount earned for the first performance period will be paid during the third quarter of 2024 and is included in Other current liabilities at March 31, 2024. The contingent consideration for the second performance period is included in Other liabilities at March 31, 2024. Any amount earned for the second performance period will be paid during the third quarter of 2025. The \$7.0 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 three and six months ended March 31, 2024.

**ROCKWELL AUTOMATION, INC.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**

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 preliminary aggregate purchase price allocation is as follows (in millions):

	<b>Purchase Price Allocation</b>
Receivables	\$ 8.0
Goodwill	132.8
Intangible assets	47.2
All other assets	1.4
Total assets acquired	189.4
Less: Liabilities assumed	(6.2)
Net assets acquired	\$ 183.2

  

	<b>Purchase Consideration</b>
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.

The allocations of the purchase prices to identifiable assets above are based on the preliminary valuations performed to determine the fair value of the net assets as of the acquisition date. The measurement period for the valuation of net assets acquired ends as soon as information on the facts and circumstances that existed as of the acquisition date becomes available, but not to exceed 12 months following the acquisition date. Adjustments in purchase price allocations may require a change in the amounts allocated to net assets acquired during the periods in which the adjustments are determined.

Pro forma consolidated sales for the three and six months ended March 31, 2024, were \$2.1 billion and \$4.2 billion, respectively, and the impact on earnings was not material. Pro forma consolidated sales for the three and six months ended March 31, 2023, were \$2.3 billion and \$4.3 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 three and six months ended March 31, 2024, were \$29.6 million and \$46.8 million, respectively. Total acquisition-related

costs and earnings from all of the above 2024 acquisitions in the three and six months ended March 31, 2024, were not material.

## ROCKWELL AUTOMATION, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued) (Unaudited)

#### 2023 Acquisitions

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):

	<b>Purchase Price Allocation</b>
Receivables	\$ 23.8
Inventories	17.7
Property	27.5
Goodwill	111.3
Other intangible assets	54.1
All other assets	21.0
<b>Total assets acquired</b>	<b>255.4</b>
Less: Liabilities assumed	(12.6)
Less: Deferred income taxes	(56.6)
<b>Net assets acquired, excluding cash</b>	<b>\$ 186.2</b>
	<b>Purchase Consideration</b>
<b>Total purchase consideration, net of cash acquired</b>	<b>\$ 186.2</b>

Pro forma consolidated sales for the three and six months ended March 31, 2023, were \$2.3 billion and \$4.3 billion, respectively, and the impact on earnings was not material. The preceding pro forma consolidated financial results of operations are as if the preceding 2023 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 2023 acquisitions in the three and six months ended March 31, 2024, were \$29.7 million and \$56.5 million, respectively. Total sales from all of the above 2023 acquisitions in the three and six months ended March 31, 2023, were \$21.9 million and \$35.6 million, respectively. Total acquisition-related costs from all of the

above 2023 acquisitions in the three and six months ended March 31, 2023, were not material.

**ROCKWELL AUTOMATION, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**
**6. Goodwill and Other Intangible Assets**

Changes in the carrying amount of Goodwill for the six months ended March 31, 2024, were (in millions):

	<b>Intelligent Devices</b>	<b>Software &amp; Control</b>	<b>Lifecycle Services</b>	<b>Total</b>
Balance as of September 30, 2023	\$ 595.8	\$ 2,420.1	\$ 513.3	\$ 3,529.2
Acquisition of businesses	289.0	—	132.8	421.8
Translation	6.0	4.8	2.6	13.4
Balance as of March 31, 2024	<u>\$ 890.8</u>	<u>\$ 2,424.9</u>	<u>\$ 648.7</u>	<u>\$ 3,964.4</u>
Gross carrying value of goodwill	890.8	2,424.9	806.2	4,121.9
Accumulated impairment losses	—	—	(157.5)	(157.5)
Goodwill	<u>\$ 890.8</u>	<u>\$ 2,424.9</u>	<u>\$ 648.7</u>	<u>\$ 3,964.4</u>

We performed our annual evaluation of goodwill and indefinite life intangible assets for impairment as of the beginning of the second quarter of fiscal 2024 and concluded that these assets are 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. We also assessed the changes in events and circumstances subsequent to our annual test and concluded that no triggering events, which would require interim quantitative testing, occurred.

Other intangible assets consist of (in millions):

	<b>March 31, 2024</b>		
	<b>Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net</b>
Amortized intangible assets			
Software products	\$ 103.4	\$ 70.0	\$ 33.4
Customer relationships	617.1	163.0	454.1
Technology	729.0	214.8	514.2
Trademarks	131.4	36.6	94.8
Other	5.7	5.2	0.5
Total amortized intangible assets	1,586.6	489.6	1,097.0
Allen-Bradley® trademark not subject to amortization	43.7	—	43.7
Other intangible assets	<u>\$ 1,630.3</u>	<u>\$ 489.6</u>	<u>\$ 1,140.7</u>

	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	<u>\$ 1,266.6</u>	<u>\$ 414.2</u>	<u>\$ 852.4</u>

Estimated total amortization expense for all amortized intangible assets is \$153.3 million in 2024, \$149.8 million in 2025, \$148.5 million in 2026, \$140.4 million in 2027, and \$127.8 million in 2028.



## ROCKWELL AUTOMATION, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued) (Unaudited)

#### 7. Short-Term and Long-Term Debt

Our Short-term debt as of March 31, 2024, includes commercial paper borrowings of \$707.0 million, with a weighted average interest rate of 5.38 percent, and a weighted average maturity period of 19 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 March 31, 2024, and September 30, 2023, included in Short-term debt was \$70.0 million borrowed against the line of credit with an interest rate of 6.21 percent and 6.29 percent, respectively. Also included in Short-term debt as of September 30, 2023, was \$23.5 million of interest-bearing loans from Schlumberger (SLB) to Sensia. The loans were extended to April 15, 2025, and are included in Long-term debt as of March 31, 2024. On April 25, 2024, \$18.8 million of new interest-bearing loans from SLB to Sensia were entered into and are due August 28, 2024.

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

	March 31, 2024		September 30, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Current portion of long-term debt	\$ 309.4	\$ 302.9	\$ 8.6	\$ 8.6
Long-term debt	2,584.5	2,275.9	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 9 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):

	March 31, 2024	September 30, 2023
Unrealized losses on foreign exchange contracts	\$ 13.0	\$ 10.8
Product warranty obligations	20.3	18.3
Taxes other than income taxes	54.9	56.9
Accrued interest	17.9	18.6
Income taxes payable	142.2	248.6
Operating lease liabilities	88.1	83.4
Other	111.1	130.8
Other current liabilities	<u>\$ 447.5</u>	<u>\$ 567.4</u>

#### 9. Investments

Our investments consist of (in millions):

	<b>March 31, 2024</b>	<b>September 30, 2023</b>
Fixed income securities	\$ 0.2	\$ 0.6
Equity securities (other)	108.8	96.0
Other	63.0	61.1
Total investments	172.0	157.7
Less: Short-term investments <sup>(1)</sup>	(0.2)	(0.6)
Long-term investments	<u>\$ 171.8</u>	<u>\$ 157.1</u>

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

**ROCKWELL AUTOMATION, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**
**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 below. The carrying values at March 31, 2024, and September 30, 2023, include cumulative upward adjustments from observed price changes of \$22.5 million and \$17.5 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):

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net gain on equity securities (level 1)	\$ —	\$ 63.0	\$ —	\$ 204.0
Net gain on equity securities (other)	2.5	—	5.0	—
Equity method gain (loss) on Other investments	0.3	—	0.9	(0.4)
Change in fair value of investments	2.8	63.0	5.9	203.6
Total net realized gain on equity securities	—	19.0	—	52.9
Total net unrealized gain on equity securities \$	2.5	\$ 44.0	\$ 5.0	\$ 151.1

Net gain on equity securities (level 1) in the prior year 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 have been sold.

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:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Unobservable inputs for the asset or liability.

The methods described above 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 did not have any transfers between levels of fair value measurements during the period presented.

**ROCKWELL AUTOMATION, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**
**10. Retirement Benefits**

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

	<b>Pension Benefits</b>			
	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Service cost	\$ 9.2	\$ 10.6	\$ 18.5	\$ 21.2
Interest cost	36.7	39.5	73.3	78.7
Expected return on plan assets	(42.5)	(51.7)	(84.7)	(103.0)
Amortization of net actuarial gain	(0.2)	(1.0)	(0.5)	(2.0)
Settlement charge	—	117.9	—	117.9
Net periodic pension benefit cost	<u>\$ 3.2</u>	<u>\$ 115.3</u>	<u>\$ 6.6</u>	<u>\$ 112.8</u>

  

	<b>Other Postretirement Benefits</b>			
	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Service cost	\$ 0.2	\$ 0.1	\$ 0.3	\$ 0.2
Interest cost	0.7	0.5	1.3	1.1
Amortization of net actuarial loss	0.4	0.2	0.8	0.3
Net periodic postretirement benefit cost	<u>\$ 1.3</u>	<u>\$ 0.8</u>	<u>\$ 2.4</u>	<u>\$ 1.6</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.

**11. Other Income (Expense)**

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

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Interest income	\$ 3.5	\$ 1.3	\$ 8.5	\$ 2.6
Royalty income	3.4	3.4	6.2	5.9
Legacy product liability and environmental charges	(2.7)	(3.1)	(7.7)	(5.9)
Non-operating pension and postretirement benefit credit (cost)	4.9	(105.4)	9.8	(93.0)
Other	5.7	(3.3)	6.9	0.6
Other income (expense)	<u>\$ 14.8</u>	<u>\$ (107.1)</u>	<u>\$ 23.7</u>	<u>\$ (89.8)</u>

**ROCKWELL AUTOMATION, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**
**12. Accumulated Other Comprehensive Loss**

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

	<b>Pension and other postretirement benefit plan adjustments, net of tax</b>	<b>Accumulated currency translation adjustments, net of tax</b>	<b>Net unrealized losses on cash flow hedges, net of tax</b>	<b>Total accumulated other comprehensive loss, net of tax</b>
Three Months Ended March 31, 2024				
Balance as of December 31, 2023	\$ (407.0)	\$ (280.8)	\$ (42.0)	\$ (729.8)
Other comprehensive income (loss) before reclassifications	0.3	(45.4)	14.2	(30.9)
Amounts reclassified from accumulated other comprehensive loss	0.2	2.0	(3.5)	(1.3)
Other comprehensive income (loss)	0.5	(43.4)	10.7	(32.2)
Balance as of March 31, 2024	<u>\$ (406.5)</u>	<u>\$ (324.2)</u>	<u>\$ (31.3)</u>	<u>\$ (762.0)</u>

	<b>Pension and other postretirement benefit plan adjustments, net of tax</b>	<b>Accumulated currency translation adjustments, net of tax</b>	<b>Net unrealized losses on cash flow hedges, net of tax</b>	<b>Total accumulated other comprehensive loss, net of tax</b>
Six Months Ended March 31, 2024				
Balance as of September 30, 2023	\$ (407.1)	\$ (364.9)	\$ (18.1)	\$ (790.1)
Other comprehensive income (loss) before reclassifications	0.3	38.7	(3.5)	35.5
Amounts reclassified from accumulated other comprehensive loss	0.3	2.0	(9.7)	(7.4)
Other comprehensive income (loss)	0.6	40.7	(13.2)	28.1
Balance as of March 31, 2024	<u>\$ (406.5)</u>	<u>\$ (324.2)</u>	<u>\$ (31.3)</u>	<u>\$ (762.0)</u>

	<b>Pension and other postretirement benefit plan adjustments, net of tax</b>	<b>Accumulated currency translation adjustments, net of tax</b>	<b>Net unrealized losses on cash flow hedges, net of tax</b>	<b>Total accumulated other comprehensive loss, net of tax</b>
Three Months Ended March 31, 2023				
Balance as of December 31, 2022	\$ (448.3)	\$ (379.1)	\$ (25.8)	\$ (853.2)
Other comprehensive (loss) income before reclassifications	(57.4)	25.7	6.1	(25.6)
Amounts reclassified from accumulated other comprehensive loss	88.5	—	(5.8)	82.7
Other comprehensive income	31.1	25.7	0.3	57.1
Balance as of March 31, 2023	<u>\$ (417.2)</u>	<u>\$ (353.4)</u>	<u>\$ (25.5)</u>	<u>\$ (796.1)</u>

	<b>Pension and other postretirement benefit plan adjustments, net of tax</b>	<b>Accumulated currency translation adjustments, net of tax</b>	<b>Net unrealized losses on cash flow hedges, net of tax</b>	<b>Total accumulated other comprehensive loss, net of tax</b>
Six Months Ended March 31, 2023				
Balance at September 30, 2022	\$ (447.8)	\$ (465.0)	\$ (4.7)	\$ (917.5)
Other comprehensive (loss) income before reclassifications	(57.4)	111.6	(5.9)	48.3
Amounts reclassified from accumulated other comprehensive loss	88.0	—	(14.9)	73.1
Other comprehensive income (loss)	30.6	111.6	(20.8)	121.4
Balance as of March 31, 2023	<u>\$ (417.2)</u>	<u>\$ (353.4)</u>	<u>\$ (25.5)</u>	<u>\$ (796.1)</u>



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**ROCKWELL AUTOMATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**

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

	Three Months Ended March 31,		Six Months Ended March 31,		Affected Line in the Consolidated Statement of Operations
	2024	2023	2024	2023	
Pension and other postretirement benefit plan adjustments <sup>(1)</sup>					
Amortization of net actuarial loss (gain)	\$ 0.2	\$ (0.8)	\$ 0.3	\$ (1.7)	Other income (expense)
Settlement charge	—	117.9	—	117.9	Other income (expense)
	0.2	117.1	0.3	116.2	Income before income taxes
	—	(28.6)	—	(28.2)	Income tax provision
	\$ 0.2	\$ 88.5	\$ 0.3	\$ 88.0	Net income attributable to Rockwell Automation, Inc.
Net unrealized (gains) losses on cash flow hedges					
Forward exchange contracts	\$ (1.0)	\$ (1.7)	\$ (2.3)	\$ (2.7)	Sales
Forward exchange contracts	(4.8)	(6.5)	(12.9)	(19.4)	Cost of sales
Forward exchange contracts	—	(0.4)	—	(0.1)	Selling, general and administrative expenses
Treasury locks related to 2019 and 2021 debt issuances	0.9	0.9	1.8	1.8	Interest expense
	(4.9)	(7.7)	(13.4)	(20.4)	Income before income taxes
	1.4	1.9	3.7	5.5	Income tax provision
	\$ (3.5)	\$ (5.8)	\$ (9.7)	\$ (14.9)	Net income attributable to Rockwell Automation, Inc.
Accumulated currency translation adjustments	\$ 2.0	\$ —	\$ 2.0	\$ —	Other income (expense)
Total reclassifications	\$ (1.3)	\$ 82.7	\$ (7.4)	\$ 73.1	Net income attributable to Rockwell Automation, Inc.

<sup>(1)</sup> These components are included in the computation of net periodic benefit cost. See Note 10 for further information.



**ROCKWELL AUTOMATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

**13. Commitments and Contingent Liabilities**

Various 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. Historically, we have been dismissed from the vast majority of these 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, financial condition, or results of operations.

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 March 31, 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.

**ROCKWELL AUTOMATION, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)  
(Unaudited)**

**14. Income Taxes**

At the end of each interim period, we estimate a base effective tax rate that we expect for the full year based on our most recent forecast of pre-tax income, permanent book and tax differences, and global tax planning strategies. We use this base rate to provide for income taxes on a year-to-date basis, excluding the effect of significant unusual items and items that are reported net of their related tax effects in the period in which they occur.

The effective tax rate was 14.5 percent and 16.1 percent for the three and six months ended March 31, 2024, respectively, compared to 16.1 percent and 17.8 percent for the three and six months ended March 31, 2023, respectively. The effective tax rate was lower than the U.S. statutory rate of 21 percent for the three months ended March 31, 2024, and March 31, 2023, primarily due to the geographical mix of pre-tax income and discrete tax benefits. The effective rate was lower than the U.S. statutory rate of 21 percent in the six months ended March 31, 2024, primarily due to the geographical mix of pre-tax income and discrete tax benefits. The effective rate was lower than the U.S. statutory rate of 21 percent in the six months ended March 31, 2023, primarily due to the geographical mix of pre-tax income.

An income tax liability of \$97.4 million and \$175.3 million related to the U.S. transition tax under the Tax Cuts and Jobs Act of 2017 (the Tax Act) that is payable greater than 12 months after March 31, 2024, and September 30, 2023, respectively, is recorded in Other liabilities in the Consolidated Balance Sheet.

**Unrecognized Tax Benefits**

The amount of gross unrecognized tax benefits was \$17.0 million at March 31, 2024, and \$9.8 million at September 30, 2023, of which the entire amount would reduce our effective tax rate if recognized.

Accrued interest and penalties related to unrecognized tax benefits were \$1.2 million at March 31, 2024, and \$0.9 million at September 30, 2023. We recognize interest and penalties related to unrecognized tax benefits in the income tax provision.

We believe it is reasonably possible that the amount of gross unrecognized tax benefits could be reduced by up to \$2.3 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, state and local income tax examinations for years before 2014, and foreign income tax examinations for years before 2008.

**ROCKWELL AUTOMATION, INC.**
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**(Unaudited)**
**15. Business Segment Information**

Sales and operating results of our reportable segments were (in millions):

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>March 31,</b>		<b>March 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Sales</b>				
Intelligent Devices	\$ 973.5	\$ 1,023.2	\$ 1,900.8	\$ 1,959.4
Software & Control	570.0	741.1	1,173.6	1,314.4
Lifecycle Services	582.5	511.1	1,103.7	982.6
<b>Total</b>	<b>\$ 2,126.0</b>	<b>\$ 2,275.4</b>	<b>\$ 4,178.1</b>	<b>\$ 4,256.4</b>
<b>Segment operating earnings</b>				
Intelligent Devices	\$ 161.0	\$ 206.9	\$ 311.2	\$ 416.3
Software & Control	146.3	249.3	297.3	416.6
Lifecycle Services	96.9	27.9	151.2	52.2
<b>Total</b>	<b>404.2</b>	<b>484.1</b>	<b>759.7</b>	<b>885.1</b>
Purchase accounting depreciation and amortization	(37.1)	(26.6)	(72.7)	(52.6)
Corporate and other	(28.2)	(29.2)	(68.2)	(56.5)
Non-operating pension and postretirement benefit credit (cost)	4.9	(105.4)	9.8	(93.0)
Change in fair value of investments	2.8	63.0	5.9	203.6
Interest expense, net	(36.2)	(34.5)	(64.5)	(67.3)
<b>Income before income taxes</b>	<b>\$ 310.4</b>	<b>\$ 351.4</b>	<b>\$ 570.0</b>	<b>\$ 819.3</b>

Among other considerations, we evaluate performance and allocate resources based upon segment operating earnings before purchase accounting depreciation and amortization, corporate and other, non-operating pension and postretirement benefit credit (cost), change in fair value of investments, interest expense, net, and income tax provision. Depending on the product, intersegment sales within a single legal entity are either at cost or cost plus a mark-up, which does not necessarily represent a market price. Sales between legal entities are at an appropriate transfer price. We allocate costs related to shared segment operating activities to the segments consistent with the methodology used by management to assess segment performance.

## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

### **Results of Review of Interim Financial Information**

We have reviewed the accompanying consolidated balance sheet of Rockwell Automation, Inc. and subsidiaries (the "Company") as of March 31, 2024, the related consolidated statements of operations, comprehensive income, and shareowners' equity for the three-month and six-month periods ended March 31, 2024, and 2023, and of cash flows for the six-month periods ended March 31, 2024, and 2023, and the related notes (collectively referred to as the "interim financial information"). Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of September 30, 2023, and the related consolidated statements of operations, comprehensive income, cash flows, and shareowners' equity for the year then ended (not presented herein); and in our report dated November 8, 2023, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of September 30, 2023, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

### **Basis for Review Results**

This interim financial information is the responsibility of the Company's management. We are a public accounting firm registered with the 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 reviews in accordance with standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ DELOITTE & TOUCHE LLP

Milwaukee, Wisconsin  
May 7, 2024





## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Results of Operations**

#### **Forward-Looking Statements**

This Quarterly Report on Form 10-Q 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 pandemics, natural disasters (including those as a result of climate change), acts of war, strikes, terrorism, social unrest or other causes, liquidity and financial markets, demand for our hardware and software products, solutions, and services, our supply chain, our work force, our liquidity and the value of the assets we own;
- the availability and price of components and materials;
- the availability, effectiveness, and security of our information technology systems;
- our ability to attract, develop, and retain qualified employees;
- 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 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;
- the successful execution of our cost productivity initiatives;
- 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**, of our Annual Report on Form 10-K for the year ended September 30, 2023, for more information.

### **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.

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### **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**

Our strategy is to expand human possibility. Our vision is to create the future of industrial operations. 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;
- accelerate growth in annual recurring revenue;
- add an average of 1% growth from acquisitions over time; and

- deliver profitable growth within a disciplined financial framework.

**Outlook**

To adjust our cost structure in line with lower than expected orders and revenue this fiscal year, we intend to implement actions, including restructuring, in the second half of 2024. We are anticipating savings of approximately \$100 million from lower headcount and discretionary spend, which is partially offset by estimated restructuring costs of about \$60 million.

Our supply chain has largely recovered to pre-pandemic lead times and service levels to our customers. We continue to closely manage our end-to-end supply chain, from sourcing to production to customer delivery, with a continued focus on building resilience across the end-to-end supply chain.

## U.S. Economic Trends

In the second quarter of 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 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 trends in these indicators since the quarter ended September 2022. These figures are as of May 7, 2024, and are subject to revision by the issuing organizations. The IP index increased in the second quarter of 2024 versus the first quarter of 2024 and the fourth quarter of 2023. Manufacturing PMI results improved to above 50 in the second quarter of 2024 for the first time since the fourth quarter of 2022.

	IP Index	PMI
<b>Fiscal 2024 quarter ended:</b>		
March 2024	99.9	50.3
December 2023	99.0	47.4
<b>Fiscal 2023 quarter ended:</b>		
September 2023	99.6	49.0
June 2023	99.9	46.0
March 2023	99.5	46.3
December 2022	99.6	48.4
<b>Fiscal 2022 quarter ended:</b>		
September 2022	100.4	50.9

Inflation in the U.S. has also had an impact on our input costs and pricing. The Producer Price Index (PPI), published by the Bureau of Labor Statistics, measures the average change over time in the selling prices received by domestic producers for their output. PPI growth has remained in the low single digits during the second quarter, consistent with the first quarter of 2024 and most of 2023. Producer prices continue to remain elevated.

## Non-U.S. Economic Trends

In the second quarter of 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 was mostly higher outside the U.S. in the first and second quarter of 2024 versus the fourth quarter of 2023. Manufacturing PMI readings improved in many countries.

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## **Summary of Results of Operations**

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



	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
<b>Sales</b>				
Intelligent Devices (a)	\$ 973.5	\$ 1,023.2	\$ 1,900.8	\$ 1,959.4
Software & Control (b)	570.0	741.1	1,173.6	1,314.4
Lifecycle Services (c)	582.5	511.1	1,103.7	982.6
Total sales (d)	<u>\$ 2,126.0</u>	<u>\$ 2,275.4</u>	<u>\$ 4,178.1</u>	<u>\$ 4,256.4</u>
<b>Segment operating earnings <sup>(1)</sup></b>				
Intelligent Devices (e)	\$ 161.0	\$ 206.9	\$ 311.2	\$ 416.3
Software & Control (f)	146.3	249.3	297.3	416.6
Lifecycle Services (g)	96.9	27.9	151.2	52.2
Total segment operating earnings <sup>(2)</sup>				
(h)	404.2	484.1	759.7	885.1
Purchase accounting depreciation and amortization	(37.1)	(26.6)	(72.7)	(52.6)
Corporate and other	(28.2)	(29.2)	(68.2)	(56.5)
Non-operating pension and postretirement benefit credit (cost)	4.9	(105.4)	9.8	(93.0)
Change in fair value of investments	2.8	63.0	5.9	203.6
Interest expense, net	(36.2)	(34.5)	(64.5)	(67.3)
Income before income taxes (i)	310.4	351.4	570.0	819.3
Income tax provision	(45.1)	(56.5)	(92.0)	(145.7)
Net income	265.3	294.9	478.0	673.6
Net loss attributable to noncontrolling interests	(0.9)	(5.4)	(3.4)	(10.7)
Net income attributable to Rockwell Automation	<u>\$ 266.2</u>	<u>\$ 300.3</u>	<u>\$ 481.4</u>	<u>\$ 684.3</u>
Diluted EPS	<u>\$ 2.31</u>	<u>\$ 2.59</u>	<u>\$ 4.17</u>	<u>\$ 5.90</u>
Adjusted EPS <sup>(3)</sup>	<u>\$ 2.50</u>	<u>\$ 3.01</u>	<u>\$ 4.54</u>	<u>\$ 5.48</u>
Diluted weighted average outstanding shares	<u>114.8</u>	<u>115.6</u>	<u>115.0</u>	<u>115.6</u>
Pre-tax margin (i/d)	14.6 %	15.4 %	13.6 %	19.2 %
Intelligent Devices segment operating margin (e/a)	16.5 %	20.2 %	16.4 %	21.2 %
Software & Control segment operating margin (f/b)	25.7 %	33.6 %	25.3 %	31.7 %
Lifecycle Services segment operating margin (g/c)	16.6 %	5.5 %	13.7 %	5.3 %
Total segment operating margin <sup>(2)</sup> (h/d)	19.0 %	21.3 %	18.2 %	20.8 %

<sup>(1)</sup> See Note 15 in the Consolidated Financial Statements for the definition of segment operating earnings.

<sup>(2)</sup> Total segment operating earnings and total segment operating margin are non-GAAP financial measures. We exclude purchase accounting depreciation and amortization, corporate and other, non-operating pension and postretirement benefit credit (cost), change in fair value of investments, 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.

<sup>(3)</sup> 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.

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**Three and Six Months Ended March 31, 2024, Compared to Three and Six Months Ended March 31, 2023**

Sales

Sales decreased 6.6 percent and 1.8 percent year over year in the three and six months ended March 31, 2024, respectively. Organic sales decreased 8.1 percent and 3.9 percent year over year in the three and six months ended March 31, 2024, respectively. Currency translation increased sales by 0.1 percentage points and 0.7 percentage points year over year in the three and six months ended March 31, 2024, respectively. Acquisitions increased sales by 1.4 percentage points year over year in both the three and six months ended March 31, 2024. Pricing increased total company sales by approximately 1.5 percentage points and 2.0 percentage points year over year in the three and six months ended March 31, 2024, respectively, realized in the Intelligent Devices and Software & Control segments. Volume decreased total company sales by approximately 9.5 percentage points and 6.0 percentage points year over year in the three and six months ended March 31, 2024, respectively.

The tables below present our sales, attributed to the geographic regions based upon country of destination, and the percentage change from the same period a year ago (in millions, except percentages):

	Three Months Ended March 31, 2024	Change vs. Three Months Ended March 31, 2023	Change in Organic Sales <sup>(1)</sup> vs. Three Months Ended March 31, 2023
North America	\$ 1,293.6	(1.3)%	(3.6)%
Europe, Middle East, and Africa	398.9	(18.0)%	(19.0)%
Asia Pacific	269.9	(19.2)%	(17.0)%
Latin America	163.6	13.5 %	8.0 %
Total Company Sales	\$ 2,126.0	(6.6)%	(8.1)%

	Six Months Ended March 31, 2024	Change vs. Six Months Ended March 31, 2023	Change in Organic Sales <sup>(1)</sup> vs. Six Months Ended March 31, 2023
North America	\$ 2,540.7	2.1 %	0.1 %
Europe, Middle East and Africa	787.2	(8.4)%	(11.7)%
Asia Pacific	545.5	(13.5)%	(12.5)%
Latin America	304.7	10.0 %	3.9 %
Total Company Sales	\$ 4,178.1	(1.8)%	(3.9)%

<sup>(1)</sup> 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 \$28.2 million and \$68.2 million in the three and six months ended March 31, 2024, respectively, compared to \$29.2 million and \$56.5 million in the three and six months ended March 31, 2023, respectively. The increase in expense in the six months ended March 31, 2024, includes the year over year impact of costs associated with the acquisition of Clearpath.

## Income before Income Taxes

Income before income taxes was \$310.4 million and \$570.0 million in the three and six months ended March 31, 2024, respectively, compared to \$351.4 million and \$819.3 million in the three and six months ended March 31, 2023, respectively. The decrease in the three months ended March 31, 2024, was primarily due to lower segment operating earnings and the mark-to-market gains recognized in the second quarter of the prior year related to our previous investment in PTC, partially offset by the positive impact from lower non-operating pension expenses. The decrease in the six months ended March 31, 2024, was primarily due to the mark-to-market gains recognized in the first and second quarter of the prior year related to our previous investment in PTC and lower segment operating earnings, partially offset by the positive impact from lower non-operating pension expenses.

Total segment operating earnings decreased 16.5 percent and 14.2 percent in the three and six months ended March 31, 2024, respectively, primarily due to lower sales volume, partially offset by lower incentive compensation.

## Income Taxes

The effective tax rate for the three months ended March 31, 2024, was 14.5 percent compared to 16.1 percent for the three months ended March 31, 2023. Our adjusted effective tax rate for the three months ended March 31, 2024, was 14.8 percent compared to 17.4 percent for the three months ended March 31, 2023. The decrease in both the effective tax rate and the adjusted effective tax rate was primarily due to higher discrete tax benefits in the current year.

The effective tax rate for the six months ended March 31, 2024, was 16.1 percent compared to 17.8 percent for the six months ended March 31, 2023. Our adjusted effective tax rate for the six months ended March 31, 2024, was 16.2 percent compared to 17.3 percent for the six months ended March 31, 2023. The decrease in both the effective tax rate and the adjusted effective tax rate was primarily due to higher discrete tax benefits in the current year.

## Diluted EPS and Adjusted EPS

2024 second quarter Net income attributable to Rockwell Automation was \$266.2 million or \$2.31 per share, compared to \$300.3 million or \$2.59 per share in the second quarter of 2023. The decreases in Net income attributable to Rockwell Automation and diluted EPS were primarily due to lower pre-tax margin. Pre-tax margin was 14.6 percent in the second quarter of 2024 compared to 15.4 percent in the same period last year. The decrease in pre-tax margin was primarily due to lower sales and mark-to-market gains recognized in the prior year related to our previous investment in PTC, partially offset by lower non-operating pension expense. 2024 second quarter adjusted EPS was \$2.50, down 16.9 percent compared to \$3.01 in the second quarter of 2023, primarily due to lower segment operating margin. Total segment operating margin in the second quarter of 2024 was 19.0 percent compared to 21.3 percent a year ago, primarily due to lower sales volume, partially offset by lower incentive compensation.

Net income attributable to Rockwell Automation was \$481.4 million or \$4.17 per share in the six months ended March 31, 2024, compared to \$684.3 million or \$5.90 per share in the six months ended March 31, 2023. The decreases in Net income attributable to Rockwell Automation and diluted EPS were primarily due to lower pre-tax margin. Pre-tax margin was 13.6 percent in the six months ended March 31, 2024, compared to 19.2 percent in the same period last year. The decrease in pre-tax margin was primarily due to mark-to-market gains recognized in the prior year related to our previous investment in PTC and lower sales, partially offset by lower non-operating pension expense. Adjusted EPS was \$4.54 in the six months ended March 31, 2024, down 17.2 percent compared to \$5.48 in the six months ended March 31, 2023, primarily due to lower segment operating margin. Total segment operating margin in the six months ended March 31, 2024, was 18.2 percent compared to 20.8 percent in the same period a year ago, primarily due to lower sales volume and higher investment spend, partially offset by lower incentive compensation.

## **Intelligent Devices**

### **Sales**

Intelligent Devices sales decreased 4.9 percent and 3.0 percent year over year in the three and six months ended March 31, 2024, respectively. Organic sales decreased 7.4 percent and 6.0 percent year over year in the three and six months ended March 31, 2024, respectively. Currency translation increased sales by 0.2 percentage points and 0.7 percentage points year over year, in the three and six months ended March 31, 2024. Acquisitions increased sales by 2.3 percentage points year over year in both the three and six months ended March 31, 2024, respectively. For the three months ended March 31, 2024, reported and organic sales increased in North America and Latin America, but decreased in Europe, Middle East, and Africa and Asia Pacific. For the six months ended March 31, 2024, reported and organic sales decreased in all regions, except for North America.

### **Segment Operating Margin**

Intelligent Devices segment operating earnings decreased 22.2 percent year over year in the three months ended March 31, 2024. Segment operating margin decreased to 16.5 percent in the three months ended March 31, 2024, from 20.2 percent in the same period a year ago, primarily due to lower sales volume and unfavorable mix, partially offset by lower incentive compensation.

Intelligent Devices segment operating earnings decreased 25.2 percent year over year in the six months ended March 31, 2024. Segment operating margin decreased to 16.4 percent in the six months ended March 31, 2024, from 21.2 percent in the same period a year ago, primarily due to lower sales volume and supply chain utilization, partially offset by lower incentive compensation.

## **Software & Control**

### **Sales**

Software & Control sales decreased 23.1 percent and 10.7 percent year over year in the three and six months ended March 31, 2024, respectively. Organic sales decreased 23.2 percent and 11.4 percent year over year in the three and six months ended March 31, 2024, respectively. Currency translation increased sales by 0.1 percentage points and 0.7 percentage points year over year in the three and six months ended March 31, 2024, respectively. For the three months ended March 31, 2024, reported sales decreased in all regions, except for Latin America, and organic sales decreased in all regions. For the six months ended March 31, 2024, reported and organic sales decreased in all regions, except for Latin America.

### **Segment Operating Margin**

Software & Control segment operating earnings decreased 41.3 percent year over year in the three months ended March 31, 2024. Segment operating margin decreased to 25.7 percent in the three months ended March 31, 2024, from 33.6 percent in the same period a year ago, primarily due to lower sales volume, partially offset by lower incentive compensation, the positive impact of price realization exceeding input costs, and favorable mix.

Software & Control segment operating earnings decreased 28.6 percent year over year in the six months ended March 31, 2024. Segment operating margin decreased to 25.3 percent in

the six months ended March 31, 2024, from 31.7 percent in the same period a year ago, primarily due to lower sales volume and higher investment spend, partially offset by the positive impact of price realization exceeding input costs, lower incentive compensation, and favorable mix.

## **Lifecycle Services**

### **Sales**

Lifecycle Services sales increased 14.0 percent and 12.3 percent year over year in the three and six months ended March 31, 2024, respectively. Organic sales increased 12.4 percent and 10.3 percent year over year in the three and six months ended March 31, 2024, respectively. Currency translation increased sales by 0.5 percentage points year over year in the six months ended March 31, 2024. Acquisitions increased sales by 1.6 and 1.5 percentage points year over year in the three and six months ended March 31, 2024, respectively. For the three and six months ended March 31, 2024, reported sales increased in all regions, and organic sales increased in all regions, except for Asia Pacific.

### **Segment Operating Margin**

Lifecycle Services segment operating earnings increased 247 percent and 190 percent year over year in the three and six months ended March 31, 2024, respectively. Segment operating margin increased to 16.6 percent and 13.7 percent in the three and six months ended March 31, 2024, respectively, from 5.5 percent and 5.3 percent, respectively, in the same period a year ago, primarily due to higher sales volume, lower incentive compensation, and higher margins in Sensia.

## Supplemental Segment Information

Purchase accounting depreciation and amortization and non-operating pension and postretirement benefit (credit) cost 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):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Purchase accounting depreciation and amortization				
Intelligent Devices	\$ 10.4	\$ 1.2	\$ 19.7	\$ 2.2
Software & Control	16.9	17.2	33.9	34.1
Lifecycle Services	9.5	8.0	18.6	15.8
Non-operating pension and postretirement benefit (credit) cost				
Intelligent Devices	\$ (1.7)	\$ 28.8	\$ (3.5)	\$ 24.9
Software & Control	(1.7)	28.8	(3.5)	24.9
Lifecycle Services	(2.3)	38.6	(4.7)	33.3



### **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 attributable to Rockwell Automation, change in fair value of investments, and Net loss attributable to noncontrolling interests, including their respective tax effects. Non-operating pension and postretirement benefit (credit) cost is defined as all components of our net periodic pension and postretirement benefit (credit) cost except for service cost. See Note 10 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):

	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Net income attributable to Rockwell Automation	\$ 266.2	\$ 300.3	\$ 481.4	\$ 684.3
Non-operating pension and postretirement benefit (credit) cost	(4.9)	105.4	(9.8)	93.0
Tax effect of non-operating pension and postretirement benefit (credit) cost	1.0	(25.6)	2.0	(22.8)
Purchase accounting depreciation and amortization attributable to Rockwell Automation	34.4	23.6	67.1	46.6
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(6.0)	(5.8)	(11.5)	(11.4)
Change in fair value of investments <sup>(1)</sup>	(2.8)	(63.0)	(5.9)	(203.6)
Tax effect of change in fair value of investments <sup>(1)</sup>	0.1	15.2	0.7	49.3
Adjusted income	<u>\$ 288.0</u>	<u>\$ 350.1</u>	<u>\$ 524.0</u>	<u>\$ 635.4</u>
Diluted EPS	\$ 2.31	\$ 2.59	\$ 4.17	\$ 5.90
Non-operating pension and postretirement benefit (credit) cost	(0.04)	0.90	(0.09)	0.80
Tax effect of non-operating pension and postretirement benefit (credit) cost	0.01	(0.22)	0.02	(0.20)
Purchase accounting depreciation and amortization attributable to Rockwell Automation	0.29	0.20	0.58	0.40
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	(0.05)	(0.05)	(0.10)	(0.10)
Change in fair value of investments <sup>(1)</sup>	(0.02)	(0.54)	(0.05)	(1.75)
Tax effect of change in fair value of investments <sup>(1)</sup>	—	0.13	0.01	0.43
Adjusted EPS	<u>\$ 2.50</u>	<u>\$ 3.01</u>	<u>\$ 4.54</u>	<u>\$ 5.48</u>
Effective tax rate	14.5 %	16.1 %	16.1 %	17.8 %
Tax effect of non-operating pension and postretirement benefit (credit) cost	(0.1)%	1.9 %	— %	0.7 %
Tax effect of purchase accounting depreciation and amortization attributable to Rockwell Automation	0.3 %	0.4 %	0.1 %	0.5 %
Tax effect of change in fair value of investments <sup>(1)</sup>	0.1 %	(1.0)%	— %	(1.7)%
Adjusted effective tax rate	<u>14.8 %</u>	<u>17.4 %</u>	<u>16.2 %</u>	<u>17.3 %</u>

<sup>(1)</sup> Amounts in the three and six months ended March 31, 2023, primarily relate to the change in fair value of our previous investment in PTC.

## 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):

	Six Months Ended March 31,	
	2024	2023
Cash provided by (used for)		
Operating activities	\$ 152.4	\$ 253.4
Investing activities	(876.3)	(19.5)
Financing activities	108.6	(296.5)
Effect of exchange rate changes on cash	5.2	19.3
Decrease in cash, cash equivalents, and restricted cash	<u>\$ (610.1)</u>	<u>\$ (43.3)</u>

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

	Six Months Ended March 31,	
	2024	2023
Cash provided by operating activities	\$ 152.4	\$ 253.4
Capital expenditures	(119.1)	(55.7)
Free cash flow	<u>\$ 33.3</u>	<u>\$ 197.7</u>

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 \$152.4 million for the six months ended March 31, 2024, compared to \$253.4 million for the six months ended March 31, 2023. Free cash flow was \$33.3 million for the six months ended March 31, 2024, compared to \$197.7 million for the six months ended March 31, 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 related to fiscal 2023 performance, and higher tax payments in the first six months of 2024 compared to the first six months of 2023, partially offset by decreases in working capital. Free cash flow for the six months ended March 31,

2024, also includes \$63.4 million of higher capital expenditures. Taxes paid in the six months ended March 31, 2024, include \$58.4 million of U.S transition tax under the Tax Act and \$67.4 million for capital gains from the sale of PTC shares.

Our Short-term debt as of March 31, 2024, includes commercial paper borrowings of \$707.0 million with a weighted average interest rate of 5.38 percent, and a weighted average maturity period of 19 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 March 31, 2024, and September 30, 2023, included in Short-term debt was \$70.0 million borrowed against the line of credit with an interest rate of 6.21 percent and 6.29 percent, respectively. Also included in Short-term debt as of September 30, 2023, was \$23.5 million of interest-bearing loans from Schlumberger (SLB) to Sensia. The loans were extended to April 15, 2025, and are included in Long-term debt as of March 31, 2024. On April 25, 2024, \$18.8 million of new interest-bearing loans from SLB to Sensia were entered into and are due August 28, 2024.

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We repurchased approximately 1.1 million shares of our common stock under our share repurchase program in the first six months of 2024. The total cost of these shares was \$315.0 million, of which \$2.4 million was recorded in Accounts payable at March 31, 2024, related to shares that did not settle until April 2024. At September 30, 2023, there were \$1.1 million of outstanding common stock share repurchases recorded in Accounts payable. We repurchased approximately 0.8 million shares of our common stock under our share repurchase program in the first six months of 2023. The total cost of these shares was \$194.4 million, of which \$0.8 million was recorded in Accounts payable at March 31, 2023, related to shares that did not settle until April 2023. Our decision to repurchase shares in the remainder of 2024 will depend on business conditions, free cash flow generation, other cash requirements, and stock price. On May 2, 2022, the Board of Directors authorized us to expend an additional \$1.0 billion to repurchase shares of our common stock. At March 31, 2024, we had approximately \$625.3 million remaining for share repurchases under our existing board authorization. See Part II, Item 2. **Unregistered Sales of Equity Securities and Use of Proceeds**, 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, additional contributions to our retirement plans, repayments of debt, and acquisitions of businesses and other inorganic investments. We expect to fund future uses of cash with a combination of existing cash balances, cash generated by operating activities, commercial paper borrowings, or new issuances of debt or other securities. In addition, we have access to unsecured credit facilities with various banks.

At March 31, 2024, the majority of our Cash and cash equivalents were held by non-U.S. subsidiaries. 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 March 31, 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 \$226.8 million at March 31, 2024, were available to non-U.S. subsidiaries, of which, approximately \$34.0 million was committed under letters of credit. Borrowings under our non-U.S. credit facilities at March 31, 2024, and September 30, 2023, were not significant. We were in compliance with all covenants under our credit facilities at March 31, 2024, and September 30, 2023. There are no significant commitment fees or compensating balance requirements under our credit facilities.

The following is a summary of our credit ratings as of March 31, 2024:

<b>Credit Rating Agency</b>	<b>Short-Term Rating</b>	<b>Long-Term Rating</b>	<b>Outlook</b>
Standard & Poor's	A-1	A	Negative
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 among counterparties to minimize exposure to any one of these entities.

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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. There were no open net investment hedges for the six months ended March 31, 2024, or September 30, 2023. 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.

Net gains and losses related to derivative forward exchange contracts designated as cash flow hedges offset the related gains and losses on the hedged items during the periods in which the hedged items are recognized in earnings. During the three and six months ended March 31, 2024, we reclassified \$4.9 million and \$13.4 million, respectively, in pre-tax net gains related to cash flow hedges from Accumulated other comprehensive loss into the Consolidated Statement of Operations. During the three and six months ended March 31, 2023, we reclassified \$7.7 million and \$20.4 million in pre-tax net gains related to cash flow hedges from Accumulated other comprehensive loss into the Consolidated Statement of Operations. As of March 31, 2024, we expect that approximately \$3.8 million of pre-tax net unrealized gains on cash flow hedges will be reclassified into earnings during the next 12 months.

Information with respect to our contractual cash obligations is contained in Item 7. **Management's Discussion and Analysis of Financial Condition and Results of Operations**, of our Annual Report on Form 10-K for the year ended September 30, 2023. We believe that at March 31, 2024, there has been no material change to this information.



## 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):

	Three Months Ended March 31, 2024				Three Months Ended March 31, 2023
	Reported Sales	Less: Effect of Acquisitions	Effect of Changes in Currency	Organic Sales	Reported Sales
North America	\$ 1,293.6	\$ 28.8	\$ 0.9	\$ 1,263.9	\$ 1,310.6
Europe, Middle East, and Africa	398.9	1.3	3.7	393.9	486.5
Asia Pacific	269.9	1.4	(8.9)	277.4	334.2
Latin America	163.6	—	8.0	155.6	144.1
Total Company Sales	<u>\$ 2,126.0</u>	<u>\$ 31.5</u>	<u>\$ 3.7</u>	<u>\$ 2,090.8</u>	<u>\$ 2,275.4</u>

	Six Months Ended March 31, 2024				Six Months Ended March 31, 2023
	Reported Sales	Less: Effect of Acquisitions	Effect of Changes in Currency	Organic Sales	Reported Sales
North America	\$ 2,540.7	\$ 47.6	\$ 0.7	\$ 2,492.4	\$ 2,489.5
Europe, Middle East, and Africa	787.2	7.6	21.1	758.5	859.3
Asia Pacific	545.5	4.1	(10.6)	552.0	630.7
Latin America	304.7	—	16.9	287.8	276.9
Total Company Sales	<u>\$ 4,178.1</u>	<u>\$ 59.3</u>	<u>\$ 28.1</u>	<u>\$ 4,090.7</u>	<u>\$ 4,256.4</u>

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

	<b>Three Months Ended March 31, 2024</b>				<b>Three Months Ended March 31, 2023</b>
	<b>Reported Sales</b>	<b>Less: Effect of Acquisitions</b>	<b>Effect of Changes in Currency</b>	<b>Organic Sales</b>	<b>Reported Sales</b>
Intelligent Devices	\$ 973.5	\$ 23.4	\$ 2.7	\$ 947.4	\$ 1,023.2
Software & Control	570.0	—	1.2	568.8	741.1
Lifecycle Services	582.5	8.1	(0.2)	574.6	511.1
Total Company Sales	<u>\$ 2,126.0</u>	<u>\$ 31.5</u>	<u>\$ 3.7</u>	<u>\$ 2,090.8</u>	<u>\$ 2,275.4</u>

  

	<b>Six Months Ended March 31, 2024</b>				<b>Six Months Ended March 31, 2023</b>
	<b>Reported Sales</b>	<b>Less: Effect of Acquisitions</b>	<b>Effect of Changes in Currency</b>	<b>Organic Sales</b>	<b>Reported Sales</b>
Intelligent Devices	\$ 1,900.8	\$ 44.5	\$ 14.6	\$ 1,841.7	\$ 1,959.4
Software & Control	1,173.6	—	8.7	1,164.9	1,314.4
Lifecycle Services	1,103.7	14.8	4.8	1,084.1	982.6
Total Company Sales	<u>\$ 4,178.1</u>	<u>\$ 59.3</u>	<u>\$ 28.1</u>	<u>\$ 4,090.7</u>	<u>\$ 4,256.4</u>

## **Critical Accounting Estimates**

We have prepared the Consolidated Financial Statements in accordance with accounting principles generally accepted in the United States, which 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. Information with respect to accounting estimates that 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 is contained in Item 7. **Management's Discussion and Analysis of Financial Condition and Results of Operations**, of our Annual Report on Form 10-K for the year ended September 30, 2023. We believe that at March 31, 2024, there has been no material change to this information, except as noted below.

## **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 twelve 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 these business acquisitions is contained in Note 5 in the Consolidated Financial Statements.

## **Environmental Matters**

Information with respect to the effect of compliance with environmental protection requirements and resolution of environmental claims on us and our manufacturing operations is contained in Note 17 in the Consolidated Financial Statements in Item 8. **Financial Statements and Supplementary Data**, of our Annual Report on Form 10-K for the year ended September 30, 2023. We believe that at March 31, 2024, there has been no material change to this information.

## **Recent Accounting Pronouncements**

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

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Information with respect to our exposure to foreign currency risk and interest rate risk is contained in Item 7A. **Quantitative and Qualitative Disclosures About Market Risk**, of our Annual Report on Form 10-K for the year ended September 30, 2023. We believe that at March 31, 2024, there has been no material change to this information.

### **Item 4. Controls and Procedures**

**Disclosure Controls and Procedures:** We, with the participation of our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act)) as of the end of the quarter covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the quarter covered by this report, our disclosure controls and procedures were effective.

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

## PART II. OTHER INFORMATION

### Item 1. Legal Proceedings

Information with respect to our legal proceedings is contained in Item 3. **Legal Proceedings**, of our Annual Report on Form 10-K for the year ended September 30, 2023. We believe that at March 31, 2024, there has been no material change to this information.

### Item 1A. Risk Factors

Information about our most significant risk factors is contained in Item 1A. **Risk Factors**, of our Annual Report on Form 10-K for the year ended September 30, 2023. We believe that at March 31, 2024, there has been no material change to this information.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

#### Share Repurchases

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 March 31, 2024:

Period	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share <sup>(2)</sup>	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 <sup>(3)</sup>
January 1-31, 2024	139,490	\$ 301.06	139,490	\$ 777,975,353
February 1-29, 2024	467,350	275.30	467,350	649,313,134
March 1-31, 2024	84,006	285.63	84,006	625,318,917
Total	690,846	\$ 281.76	690,846	

<sup>(1)</sup> All of the shares purchased during the quarter ended March 31, 2024, were acquired pursuant to the repurchase program described in (3) below.

<sup>(2)</sup> Average price paid per share includes brokerage commissions.

<sup>(3)</sup> On May 2, 2022, 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.

## **Item 5. Other Information**

During the quarter ended March 31, 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:

- Nicholas C. Gangestad, Senior Vice President and Chief Financial Officer, adopted a Rule 10b5-1 trading arrangement on February 29, 2024, that will terminate on the earlier of December 31, 2024, or the execution of all trades in the trading arrangement. Mr. Gangestad's trading arrangement covers the sale of shares of the Company's common stock required to be sold to cover taxes on upcoming restricted stock unit and performance share vests.
- Veena M. Lakkundi, Senior Vice President, Strategy and Corporate Development, adopted a Rule 10b5-1 trading arrangement on February 28, 2024, that will terminate on the earlier of December 31, 2024, or the execution of all trades in the trading arrangement. Ms. Lakkundi's trading arrangement covers the 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.
- Tessa M. Myers, Senior Vice President, Intelligent Devices, adopted a Rule 10b5-1 trading arrangement on February 29, 2024, that will terminate on the earlier of December 31, 2024, or the execution of all trades in the trading arrangement. Ms. Myers' trading arrangement covers the sale of (i) the shares of the Company's common stock remaining following the sale to cover taxes on the vesting of 776 restricted stock units on June 6, 2024 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 and performance share vests.
- Cyril Perducat, Senior Vice President and Chief Technology Officer, adopted a Rule 10b5-1 trading arrangement on February 29, 2024, that will terminate on the earlier of December 31, 2024, or the execution of all trades in the trading arrangement. Mr. Perducat's trading arrangement covers the sale of (i) up to 1,079 long shares of the Company's common stock and (ii) 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.

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.

During the quarter ended March 31, 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 6. Exhibits**

(a) Exhibits:

- [Exhibit 15](#) — [Letter of Deloitte & Touche LLP regarding Unaudited Financial Information.](#)
- [Exhibit 31.1](#) — [Certification of Periodic Report by the Chief Executive Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934.](#)
- [Exhibit 31.2](#) — [Certification of Periodic Report by the Chief Financial Officer pursuant to Rule 13a-14\(a\) of the Securities Exchange Act of 1934.](#)
- [Exhibit 32.1](#) — [Certification of Periodic Report by the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- [Exhibit 32.2](#) — [Certification of Periodic Report by the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- Exhibit 101 — Interactive Data Files.
- Exhibit 104 — Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ROCKWELL AUTOMATION, INC.  
(Registrant)

Date: May 7, 2024

By /s/ NICHOLAS C. GANGESTAD  
Nicholas C. Gangestad  
Senior Vice President and  
Chief Financial Officer  
(Principal Financial Officer)

Date: May 7, 2024

By /s/ TERRY L. RIESTERER  
Terry L. Riesterer  
Vice President and Controller  
(Principal Accounting Officer)