

Krause Fund Research

Fall 2025

November 17, 2025

Stock Rating
BUY

Target Price: \$445-455
Current Price: \$377

Investment Thesis

We recommend a **BUY** on Rockwell Automation (NYSE: ROK), with our \$445–\$455 target implying a 18-20% upside.

Drivers

- **Exposure to Long-Term Automation Megatrends**
Rockwell is directly positioned to benefit from structural drivers such as labor shortages, manufacturing reshoring, and accelerating adoption of AI-enabled automation.
- **Strong Free Cash Flow & Capital Deployment**
Rockwell's robust FCF profile and investment-grade balance sheet enable ongoing reinvestment in digital infrastructure, targeted M&A, and shareholder returns.
- **Strategic Manufacturing & Supply Chain Investments**
The company's \$2B U.S. manufacturing expansion reduces tariff exposure, shortens lead times, and strengthens supply resilience.

Risks

- **Industrial Sensitivity**
Rockwell's revenue is tied to customer investment cycles, making it vulnerable to downturns in manufacturing, data centers, or semiconductor capex. Prolonged macro weakness could slow growth and delay projects.
- **Rising Competition**
Global players such as Siemens, ABB, Schneider, and emerging low-cost Asian suppliers may intensify pricing pressure and accelerate innovation cycles.
- **Execution Risk**
Rockwell's multi-year, high-intensity capital expansion carries risks related to project delays, cost overruns, or slower-than-expected returns.



**Rockwell
Automation**

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Company Information

Sector: Industrials

Industry: Industrial Automation

Financial Snapshot

Valuations

DCF/EP	\$447.06
DDM	\$393.22
Relative P/E	\$283.76

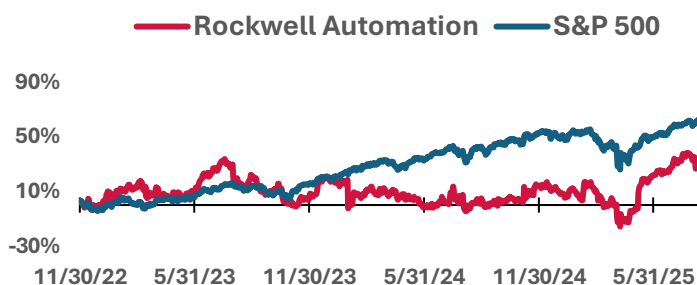
Stock Performance

52-week High	\$398.2
52-week Low	\$215
YTD Performance	31.76%
Market Cap.	41.55B
Shares Outstanding	112.4M
Dividend Yield	1.49%
P/E	46.02
EPS	8.32
Beta	1.12
WACC	7.9%

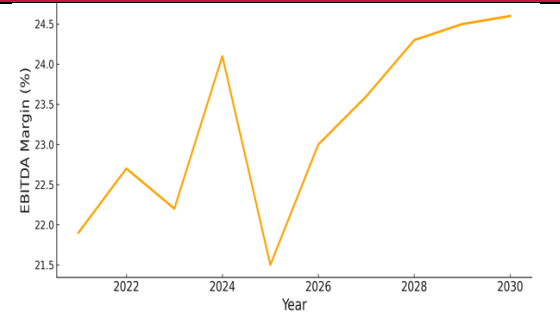
Profitability

ROA	8.49%
ROE	23.42%
ROIC	36.78%
Operating Margin	20.1%

3-YR Stock Performance vs. S&P 500



EBITDA Margins (2021-2030)



COMPANY OVERVIEW

Rockwell Automation Inc. is headquartered in Milwaukee, Wisconsin and operates as a global leader in industrial automation and digital transformation. Rockwell provides industrial automation services, including hardware and software for automation technologies. Rockwell helps manufacturers operate efficiently and optimize production through the use of their equipment. Rockwell serves customers in over 100 countries with over 27,000 employees. They provide integrated control and information solutions to manufacturers worldwide. Rockwell is the largest pure play company for industrial automation, unlike competitors such as Siemens, Honeywell and Schneider who participate in multiple markets. The company serves diverse end markets including automotive, semiconductor manufacturing, e-commerce and warehouse automation, food and beverage processing, life sciences, tire manufacturing, energy production, mining, and chemical processing.

REVENUES

Rockwell Automation generated \$8.42 billion in total revenue in FY2025, supported by a diversified global presence across North America, Europe, Asia Pacific, and Latin America. The company's operations span a broad set of industrial end markets in these regions, enabling resilient demand and a wide customer base. Revenue is driven by three core segments, Intelligent Devices, Software & Control, and Lifecycle Services, which together form an integrated automation ecosystem that covers hardware, software, and long-duration support offerings. Each segment contributes uniquely to Rockwell's strategy of expanding digital capability, deepening customer

relationships, and enabling end-to-end industrial automation.

Intelligent Devices

Rockwell's Intelligent Devices segment includes drives, motion systems, advanced material-handling technologies, safety and sensing equipment, industrial components, and configured-to-order products, the core hardware foundation of customer automation systems. The segment has grown from \$3.31B in FY2021 to \$3.79B in FY2025, with historical growth ranging from -7.2% to +15.6%. Looking ahead, Intelligent Devices is expected to continue expanding at a mid- to high-single-digit annual rate, ultimately reaching an estimated \$5.6B by FY2030. Over the full 2025–2030 forecast period, the segment is projected to grow at a CAGR of approximately 8%, supported by sustained investment in factory modernization and demand for advanced automation hardware.

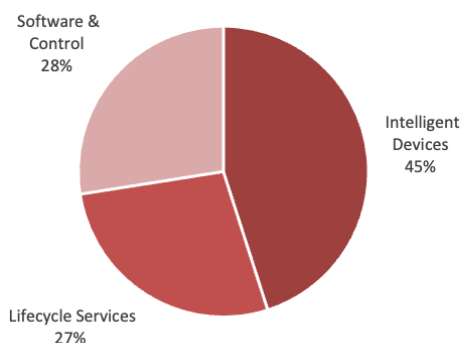
Software & Control

The Software & Control segment includes Rockwell's control and visualization software and hardware, digital-twin and simulation tools, information software, and network and security infrastructure. Revenue grew from \$1.95B in FY2021 to \$2.31B in FY2025, with historical volatility ranging from -24.2% to +24.8% due to the timing of major software deployments and customer project cycles. Looking ahead, the segment is projected to expand at a mid- to high-single-digit annual rate, reaching approximately \$3.4B by FY2030. Over the full 2025–2030 forecast period, Software & Control is expected to grow at a CAGR of roughly 7.9%, reinforcing its position as a high-margin digital growth engine within Rockwell's portfolio.

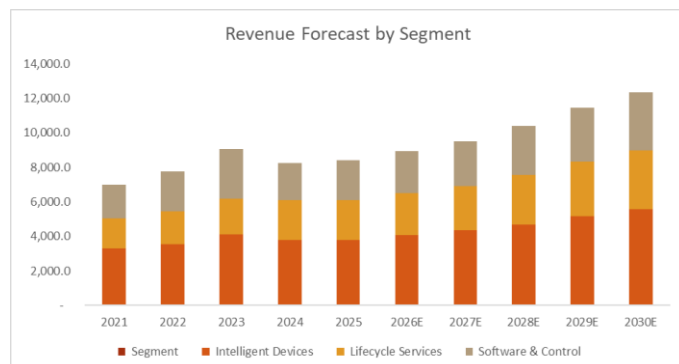
Lifecycle Services

The Lifecycle Services segment encompasses digital consulting, engineered-to-order professional services, and recurring support offerings such as cybersecurity, safety solutions, remote monitoring, and asset management programs. The segment historically also included revenue from the Sensia joint venture, which Rockwell announced it would exit during its Q4 2025 earnings call. Lifecycle Services increased from \$1.74B in FY2021 to \$2.31B in FY2025, with historical growth ranging from 1.7% to 9.6%. Looking forward, the segment is expected to grow at a mid- to high-single-digit annual rate, reaching approximately \$3.4B by FY2030. Over the 2025–2030 forecast horizon, Lifecycle Services is projected to deliver a CAGR of about 7.9%, supported by rising demand for modernization projects, digital transformation services, and long-duration customer support.

2025 Segment Revenue



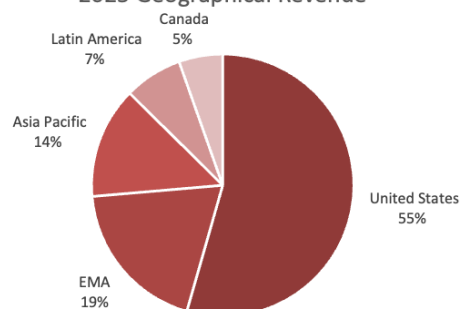
Revenue Forecast by Segment

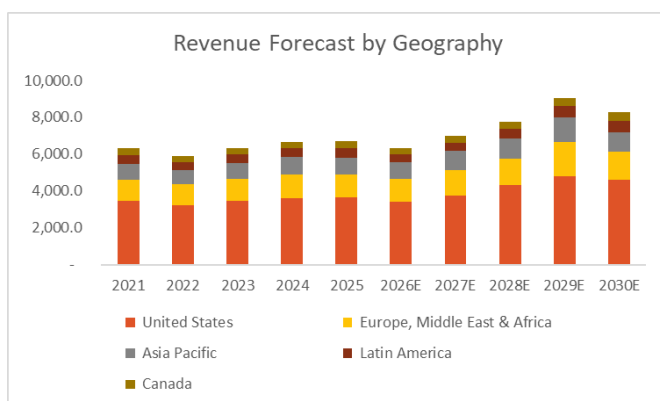


GEOGRAPHIC REVENUES

Geographically, Rockwell Automation generates revenue across the United States, Europe–Middle East–Africa (EMEA), Asia Pacific, Latin America, and Canada, providing a diversified global demand base. The United States remains the largest region, with sales rising from \$3.45B in 2021 to \$4.58B in 2025, supported by strong investment in automation and modernization. EMEA grew steadily from \$1.17B to \$1.62B over the same period, reflecting continued adoption of industrial automation across both Western Europe and the Middle East. Asia Pacific, a key long-term growth engine, expanded from \$0.84B to \$1.16B, driven by increasing automation in high-growth manufacturing economies. Latin America contributed incremental gains, increasing from \$0.49B to \$0.60B, supported by demand in energy, mining, and process industries, while Canada remained stable, rising from \$0.37B to \$0.46B. Across all regions, Rockwell is positioned for mid- to high-single-digit annual growth, with total global revenue expected to increase from \$8.42B in FY2025 to approximately \$12.33B by FY2030, reflecting broad-based global demand for digital transformation and intelligent automation.

2025 Geographical Revenue



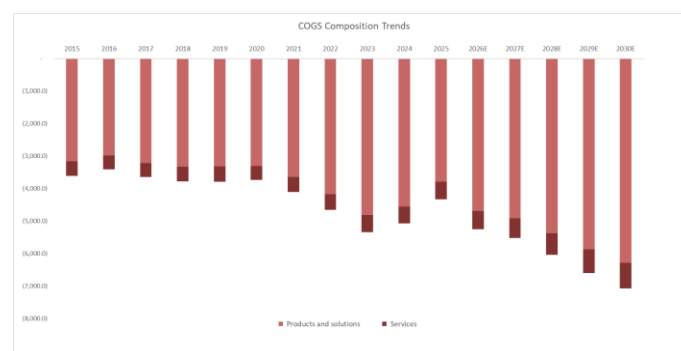


EXPENSES

Cost of Goods Sold (COGS)

Cost of sales totaled \$5 billion in FY2025, representing 59.99% of revenue, and has increased meaningfully from \$4.1 billion in FY2021, when COGS represented a materially larger share of sales. Historically, Rockwell's cost of sales is driven primarily by its Products & Solutions operations, which include raw materials (electrical components, power systems, sensors), manufacturing labor, global supply chain logistics, and production overhead tied to its Intelligent Devices and control platforms. Products & Solutions COGS increased from \$3.6 billion in FY2021 to \$4.64 billion in FY2025, reflecting higher production volumes and elevated material costs during the post-pandemic inflationary period. Services-related COGS, which include engineering labor, project execution costs, and third-party subcontracting, rose from \$0.46 billion to \$0.54 billion over the same period. The most notable historical trend is that COGS grew at a slower pace than revenue between FY2021 and FY2025, highlighting gains in pricing discipline, improved supply chain efficiency, and a gradual shift toward premium software and services. Forward-looking projections show COGS increasing to \$7.07

billion by FY2030E, but continuing to decline as a percentage of sales, supporting long-term margin expansion. It is significant to note that during Q4 FY2025, Rockwell changed their accounting for COGS and research & development. Previously, Rockwell had included R&D in COGS, however starting in Q4 FY2025, Rockwell started reporting R&D as a separate line item. Our model reflects the previous accounting rules, and COGS has been adjusted for FY2025 to properly include R&D.



Selling, General & Administrative Expenses (SG&A)

SG&A expenses totaled \$2.9 billion in FY2025, up from \$2 billion in FY2024, and reflect Rockwell's ongoing investment in its global commercial, engineering, and administrative infrastructure. The largest components of SG&A include personnel-related costs (salaries, incentives, technical support staff), sales and marketing expenses, IT and cybersecurity investments, and corporate overhead tied to finance, HR, and compliance. Historically, SG&A has risen from \$1.68 billion in FY2021 to \$2.9 billion in FY2025, increasing alongside Rockwell's expansion of its services organization, salesforce, and digital capabilities. However, the pace of SG&A growth trails revenue growth, resulting in SG&A declining as a percentage of sales over time. Looking forward, SG&A is projected to increase to \$2.83 billion by FY2030E, but represents a falling share of total revenue as Rockwell scales its operations,

demonstrating operating leverage and improved absorption of fixed administrative costs.

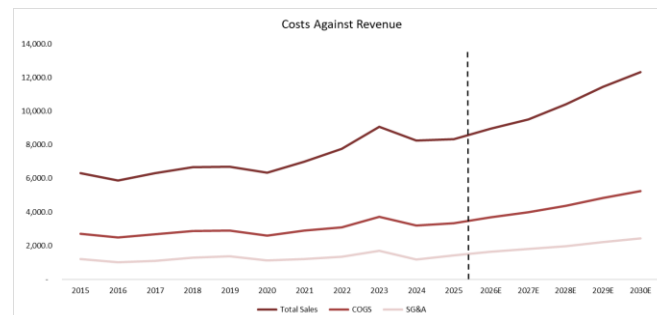
Margin Impacts

Gross profit increased from \$2.9 billion in FY2021 to \$4.02 billion in FY2025, lifting gross margin from 37% to 48% as Rockwell benefited from improved pricing, supply-chain normalization, and a growing mix of higher-margin software and services. Looking ahead, gross profit is projected to reach \$5.23 billion by FY2030E, with margins remaining structurally higher than earlier in the decade. These trends reflect a business shifting toward a more efficient, higher-value revenue mix that supports sustained margin expansion. Rockwell's segment operating margin of 20.4% in fiscal 2025 represents significant improvement from 19.3% in fiscal 2024. The company's Q4 fiscal 2025 segment operating margin reached 22.5%, up from 20.1% a year, demonstrating accelerating profitability improvement.

Other Costs Commentary

Rockwell's cost outlook reflects both targeted management initiatives and several non-operational items reported over the past year. Management delivered over \$325 million in productivity savings in FY2025 and plans further cost efficiencies through organizational streamlining, supply-chain optimization, and alternate sourcing. These actions are intended to offset external pressures, including roughly \$125 million in incremental tariff costs in H2 FY2025, which the company notes are largely neutralized through pricing but remain slightly dilutive to margins. Additional non-core cost items included a \$136 million increase in asbestos and environmental accruals, a \$110 million non-cash impairment from dissolving the Sensia joint venture, and a \$70 million voluntary pension contribution, all

of which impacted reported results but do not alter the underlying operational cost trajectory. Overall, management continues to guide toward cost growth running below the rate of revenue expansion.



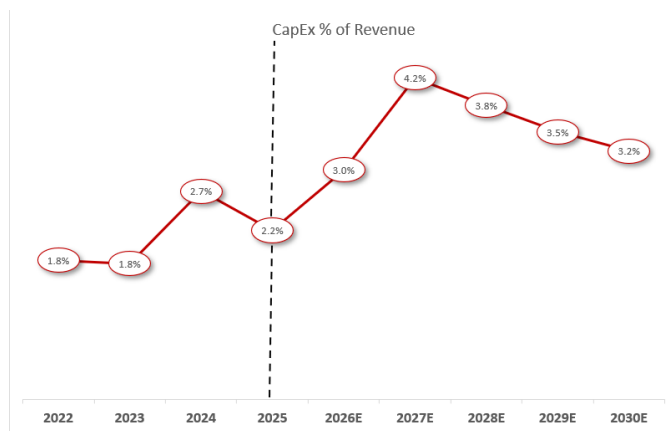
Capital Expenditures

Rockwell has historically had modest capital expenditures relative to their revenues. This can be explained largely by their heavy software and control involvement compared to other peers. Rockwell has an asset-light production model and relies on contract manufacturing. Capital expenditures in 2024 totaled \$141 million or 1.7% of revenues. 2023 and 2022 were similar with \$144 and \$128 million, respectively. However, management has had a strategic shift in recent quarters as they announced they will be investing \$2 billion into capital expenditures from 2025-2029, averaging \$400 million per year. Management also advised a guideline of 3% of sales for 2026. This substantial commitment focuses on three primary areas which are: expanding and modernizing US manufacturing and engineering facilities to reduce supply chain vulnerabilities and tariff exposure, developing talent and workforce capabilities to address skill shortages in automation engineering, and building digital infrastructure to support AI and cloud-based solutions that enhance competitive differentiation.

This shift reflects both defensive and offensive positions for the future. Defensively, investing in

increased domestic productions capacity reduces reliance on international suppliers who could be affected by tariffs or other export restrictions. Offensively, investing in digital infrastructure will allow for faster development and deployment of AI-powered solutions and possibly separating themselves from competitors in an emerging market. We believe this increase in Capex is a strong indicator from management that they are financially and strategically positioned to continue strong growth.

We have included the guided \$400 million annual Capex through 2029 in our financial projections, as well as the recommended 3% of sales for 2026. This sharp increase in Capex reduces free cash flow and in effect artificially lowers the intrinsic value of Rockwell. However, these strong developments should foster higher growth and returns in the future. This will come from lower cost margins, higher market share, reduced supply chain costs, and growth of products in new emerging markets.



Capital Structure

Rockwell maintains a conservative capital structure that allows for financial flexibility while benefiting from tax deductible interest expense. As of September 30, 2025, total long-term debt including current portions balance was \$2.6 billion. Short term

debt balance was \$608 million, and PV of operating leases was \$329 million. This represents a total market value of debt of \$3.55 billion, or 7.73% of the total market value of the firm. As of 6/30/2025, Rockwell had an EBIT/Interest Expense ratio of 9.2195. Although this number has declined in recent years, it is still very healthy in comparison to its peers. Rockwell is positioned to pay off all necessary debts and should not have to refinance debt in the foreseeable future. Rockwell has healthy free cash flow estimates. Our model projects free cash flow growing from \$1.15 billion in 2026 to ~\$1.95 billion in 2030. This will allow Rockwell to maintain financial flexibility and not be constrained by debt obligations.

	September 30,	
	2025	2024
Long-term debt consists of (in millions):		
2.875% notes, payable in March 2025	\$ —	\$ 302
6.70% debentures, payable in January 2028	250	250
3.50% notes, payable in March 2029	425	425
1.75% notes, payable in August 2031	450	450
6.25% debentures, payable in December 2037	250	250
4.20% notes, payable in March 2049	575	575
2.80% notes, payable in August 2061	450	450
5.20% debentures, payable in January 2098	200	200
Senior loans from S.L.B. payable in October 2026	42	—
Unamortized discount, capitalized lease obligations and other	(26)	(34)
Total debt	2,616	2,868
Less: Current portion	(2)	(307)
Long-term debt	\$ 2,614	\$ 2,561

Debt service capacity appears robust. Rockwell's EBIT to interest expense ratio stood at approximately 9.2 as of June 30, 2025, indicating operating earnings cover interest costs by a comfortable margin. While this ratio has declined somewhat as the company increased leverage, it remains healthy compared to peer benchmarks. Free cash flow to total debt of approximately 47% in fiscal 2025 suggests the company could theoretically repay all debt within roughly two years if allocating all free cash flow to debt reduction, though such an aggressive approach would not be optimal from a capital structure perspective. Rockwell's management does not give an exact capital structure target; however, recent trends show they remain around a 90-10 split between equity and debt.

Rockwell Automation holds a solid investment-grade credit profile, with ratings of A (Fitch) and A- / A3 (S&P and Moody’s), all with Stable Outlooks. The ratings reflect Rockwell’s strong cash flows and competitive position, though S&P’s recent downgrade to A- highlights rising leverage and some pressure on operating performance. Even so, the company’s balance sheet remains healthy, and credit agencies highlight its robust margins, resilient service revenue, and long customer relationships as key support pillars. A- rating is middle of pack in comparison to other firms within this industry.

Company	S&P Rating
Siemens	AA-
Emerson Electric	A
Honeywell	A
Rockwell	A-
Eaton	A-
AMETEK	BBB+
GE Verona	BBB-

INDUSTRY OUTLOOK

The industrial automation industry encompasses technologies and systems designed to automate manufacturing and industrial processes. Key product lines include programmable logic controllers (PLCs), supervisory control and data acquisition (SCADA) systems, human-machine interfaces (HMIs), sensors, industrial robots, distributed control systems (DCS), and control valves. Business segments are typically divided by component type (e.g., hardware like sensors and actuators, software for control and optimization, and services for installation and maintenance) and end-use industries such as manufacturing, automotive, energy & utilities, oil & gas, food & beverage, aerospace, and chemicals.

The global market was valued at approximately USD 206 billion in 2024 and is projected to reach \$379 billion by 2030, growing at a CAGR of 10.8% from 2025 onwardⁱⁱⁱ, driven by adoption of AI, IoT, edge computing, and digital twins for real-time monitoring and predictive maintenance. Companies generate revenue primarily through a mix of one-time sales and recurring streams. Initial revenue comes from selling hardware (e.g., robots, sensors) and software solutions for process automation. Recurring income is often 50-65% of total sales and stems from services like maintenance, upgrades, training, and software-as-a-service (SaaS) models, providing stable cash flows via long-term contracts

Recent Developments & Trends:

AI, machine learning, and IIoT are revolutionizing industrial automation, with a 15% rise in robotics installations in Q1 2025^{iv}, driven by swarm robotics, digital twins, and 5G-enabled cobots (collaborative robots). By 2030, 50% of manufacturing tasks could be automated^v, favoring Symbotic (growth from AI robotics). U.S. tariffs (up to 60% on Chinese imports)^{vi} and CHIPS Act incentives, drive compliance automation and reshoring, potentially cutting compliance costs 40% by 2025.

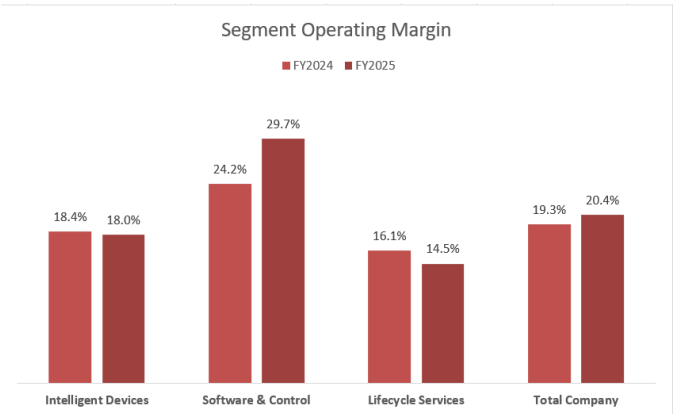
A projected 2.1 million U.S. labor gap by 2030 and 41% of manufacturers adopting automation^{vii} to counter aging workforces. There’s also a push for AI-driven upskilling (e.g., AR training), though 50% of workers fear AI errors. Hybrid human-AI models could potentially boost productivity by 30% by 2027. There is also an increasing disparity in workers' ethnicity/race. AI-robotics could displace 20 million jobs by 2030 without targeted policies.

78% of manufacturers allocate over 20% of improvement budgets to smart manufacturing^{viii}, with 88% planning continued or increased

investments in 2025. Hybrid human-AI models and physical AI are boosting productivity, with examples like 20-30% improved cycle times, 25% lower error rates, 40% reduced deployment times via digital twins, and 15% decreased operational expenses in manufacturing.

Recent Earnings

Rockwell reported FY2025 ending September 30th, 2025. The company reported a solid fiscal Q4 and FY2025 performance, with revenue growing 14% year over year to 2.32 billion and organic growth of 13%. Adjusted EPS increased 32% to 3.34, beating expectations, while reported GAAP EPS declined due to a non-cash impairment tied to the exit of the Sensia joint venture. The Sensia charge also contributed to elevated accruals in environmental and legal reserves, temporarily depressing reported profitability despite strong operational performance. Segment operating margin expanded to 22.5 % from 20.1%, driven primarily by Software and Control, which delivered 31% revenue growth and margin improvement to 31.2%. Free cash flow increased sharply to 1.36 billion, with conversions above 100% as inventory and working capital normalized.



Management provided FY2026 guidance of 2-6% organic growth and 11.20 to 12.20 adjusted EPS,

noting that Sensia’s removal simplifies the portfolio, reduces execution drag, and improves long-term margin potential. Sensia historically carried lower margins, longer project cycles, and higher volatility compared to Rockwell’s software and automation solutions. Its exit shifts revenue mix further toward higher-margin intelligent devices, software, and services, supporting the multiyear margin expansion trend embedded in our valuation. The quarter reinforces our view that Rockwell’s long-term growth and profitability drivers remain intact

Peer Comparison

The industrial automation market exhibits moderate concentration with several global players dominating, but significant opportunities remain for specialized regional firms. The major competitors in the industry include Siemens (foreign), Eaton, GE Vernova, Emerson Electric, Honeywell, and AMETEK. Competition is driven by brand reputation and technological capabilities. Key factors include product innovation, unique features, customization abilities, and integration to improve user experience. Rockwell is the largest and one of the only publicly traded pure plays within the automation industry, making comparisons challenging.

Market Capitalization

Siemens represents the largest competitor with market capitalization of \$214 billion and trailing twelve-month revenue of \$86.5 billion, dwarfing Rockwell's \$42 billion market cap and \$8.06 billion revenue. However, Siemens operates across a much broader industrial portfolio including power generation, building technologies, and digital industries. Emerson Electric at \$74.6 billion market cap and \$17.8 billion revenue is more comparable in scope, though Emerson also includes process

automation and climate technologies beyond pure factory automation. Honeywell International with \$134 billion market cap and \$39.2 billion revenue similarly spans aerospace, building technologies, and safety products alongside automation.

Operating Margin

Rockwell's profitability sits near the middle of the industrial automation peer set, with a GAAP operating margin of 15.3% in calendar year 2024. AMETEK leads with a 26.1% operating margin^{ix}, driven by highly specialized instrumentation and strong pricing power. Honeywell reports a 20.4% margin, though this is partially supported by aerospace operations that structurally differ from Rockwell's pure-play automation focus. Eaton follows with a 19.6%^x margin, supported by strong positions in mission-critical electrical systems. Meanwhile, Emerson operates at a nearly identical 15.2% margin, reflecting similar exposure to discrete manufacturing and automation technologies. Siemens reports a lower consolidated operating margin of 12.6%,^{xi} although its Digital Industries division likely operates closer to Rockwell's level, illustrating how diversification into lower-margin markets can dilute profitability.

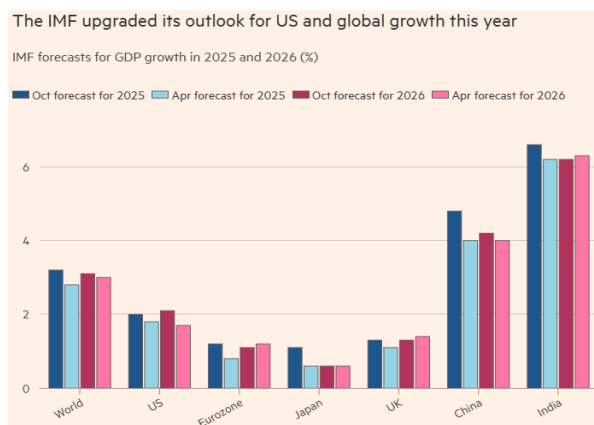
EBITDA Margin

EBITDA comparisons tell a similar story. Rockwell's margin of 19.1% trails AMETEK at 31.6%, Emerson at 24.8%, and Honeywell at 23.9%,^{xii} while remaining above Siemens and GE Vernova. The difference between Rockwell's EBITDA and operating margin suggests modest depreciation and amortization intensity, consistent with its asset-light business model. GE Vernova operates at structurally low margins due to capital intensity and restructuring.

ECONOMIC ANALYSIS

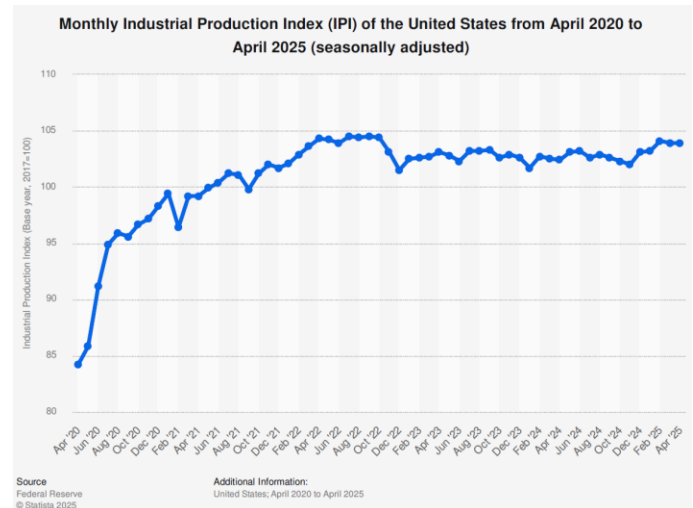
US GDP

Over the last five years, U.S. real GDP has proven remarkably resilient, averaging roughly 2.4% annual growth, even navigating the extreme volatility of the 2020 shutdowns and the subsequent reopening surge. Growth normalized back toward trend in 2022–2024, with the U.S. expanding about 2.8% in 2024^{xiii}, one of the strongest performances among developed economies. In 2025, the economy continued to show staying power, reflecting healthy consumer spending, large data-center investments, and ongoing industrial reshoring. Consensus forecasts from the CBO and IMF call for continued expansion of 1.5–2.2% annually through 2028^{xiv}, with tailwinds from AI-related capex and federal industrial-policy spending. For Rockwell, this is a constructive setup. ROK historically outperforms GDP due to its high-value automation, software, and lifecycle-service offerings; even a stable 1.5–2% GDP environment supports organic revenue growth. Ongoing U.S. economic strength (especially investment-led growth) keeps factory utilization, capital budgets, and modernization projects healthy. With the U.S. continuing to be one of the most robust global economies, Rockwell is positioned to benefit more than peers with heavier exposure to slower-growing regions.



Industrial Production (IP)

U.S. industrial production (IP) has remained broadly stable over the past five years: after the sharp 2020 contraction, IP recovered into late 2021 and then held a steady, low-variance trend with annual growth of roughly 0–2% from 2022 to 2024. In 2025, forward-looking indicators (ISM New Orders, factory construction pipelines, and manufacturing reshoring announcements) all point to a more constructive 2025–2027 cycle. Several industrial forecasters (ITR Economics, Fed SPF, and private-sector surveys) expect U.S. manufacturing output to grow 1–1.5% per year over the next five years, with significant outperformance in semiconductors, electrical equipment, battery production, automotive, and warehouse automation. Importantly, long-term scenarios tied to reshoring and the IIJA/IRA policies suggest manufacturing output could rise 9% cumulatively by 2027, representing one of the strongest multi-year industrials upcycle in decades. For Rockwell, this backdrop is meaningfully positive. Even with modest headline IP growth, automation demand is structurally outpacing manufacturing output. Rockwell’s large exposure to semiconductors, EVs, life sciences, and warehouse automation places it at the center of the fastest-growing manufacturing segments. As a result, ROK can continue to outgrow the industrial cycle (evidenced by recent earnings notes).

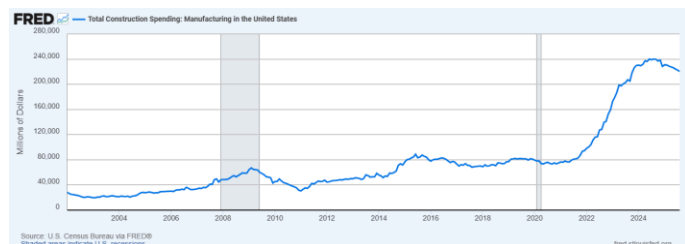


xv

Nonresidential Construction & Infrastructure Capex

U.S. construction spending has expanded since 2020, rising to roughly \$2.15–2.20 trillion in 2024^{xvi} as federal infrastructure legislation (IIJA, IRA, CHIPS Act) unlocked one of the largest public-private capex cycles in modern history. Manufacturing construction alone surged above \$220 billion, driven by semiconductor fabs, EV/battery plants, life sciences facilities, and large-scale data centers. While manufacturing capex is expected to normalize from extremely elevated 2023–2024 levels, the overall construction pipeline remains historically strong: total spending is forecast to rise to about \$2.24 trillion in 2025, with high levels of activity extending into 2026–2027. Data-center investment is especially robust, with forecasts calling for 30–40% growth in 2025 driven by AI infrastructure. Public infrastructure categories: transportation, grid modernization, power, water, and resilience will continue benefiting from IIJA funding through at least 2026 as allocations steadily convert into awarded projects. For Rockwell, this is one of the most important macro themes. Every new plant requires automation infrastructure; every data center requires power, controls, and monitoring;

every grid or transportation upgrade requires smart devices and controls. The multi-year nature of this wave creates visibility and reduces cyclical risk for ROK.

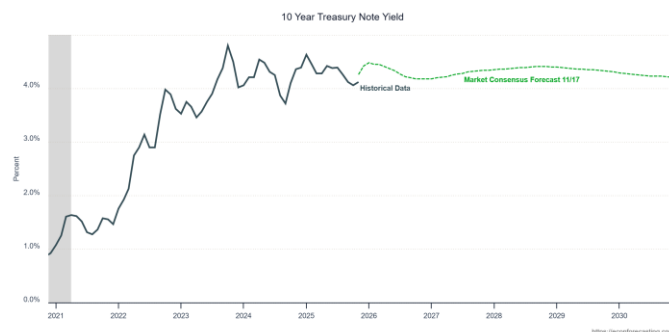


xvii

Long-Term Rates/Interest Rates

The interest rate environment has normalized dramatically compared to the ultra-low post-GFC era. The 10-year Treasury, which bottomed near 0.5% in 2020, has stabilized in the 4.0–4.3% range since 2023, a level that reflects healthier nominal growth, anchored inflation expectations, and investor confidence in U.S. fiscal resilience. The Federal Reserve’s policy rate, currently in the 3.75–4% range, is expected to remain stable or decline modestly as inflation cools. Forecasts from the CBO, Goldman Sachs, and major investment banks anticipate the 10-year trading around 3.8–4.5% through 2028, implying a stable cost-of-capital environment rather than further tightening. With inflation moderating and the Fed nearing the end of its tightening cycle, credit spreads have also remained well-contained, and investment-grade industrial issuers continue to secure financing at historically normal spreads. For Rockwell, this creates a constructive capital-spending environment. While higher rates increase hurdle rates at the margin, they also improve the relative ROI of automation (delivering immediate labor savings and efficiency improvements). Customers are increasingly seeking hard productivity wins, not speculative capacity. ROK’s value proposition

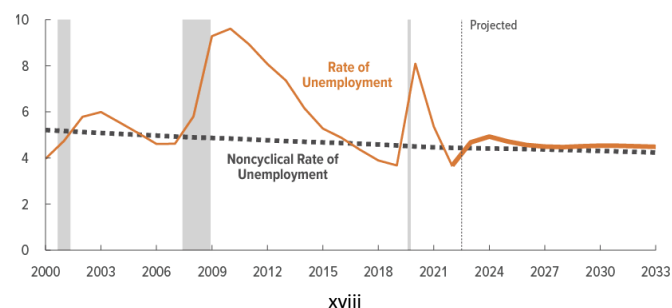
(productivity, cost reduction, uptime improvement, digital visibility) becomes more compelling when the cost of capital is stable but elevated. Additionally, Rockwell’s strong balance sheet and investment-grade rating give it a structural funding advantage, enabling continued R&D investment and M&A at attractive terms when smaller competitors face financing constraints.



Labor Market

The U.S. labor market has remained tight for skilled industrial workers over the past five years. Headline unemployment averaged 3.5–4.0%, manufacturing unemployment consistently sat below 4%, and wage growth for production and nonsupervisory workers ran in the 4–6% YoY range across 2022–2024. Even in 2025, as the economy cools slightly, unemployment remains highly favorable at 4.3%, with forecasts projecting a stable 4.2–4.5% (pending a spike from the government shutdown) range through 2028, well below historical norms for a pre-recession environment. Skilled labor shortages in manufacturing, construction, and utilities remain acute due to demographic gaps, reshoring, and sustained industrial activity. These dynamics are structural, not cyclical. For Rockwell, this is one of the strongest long-term bullish drivers. When labor is expensive and hard to find, automation is no longer optional; it is essential. Persistently high wages reduce automation payback periods and push companies to invest in robotics, controls, analytics,

and plant-wide digital systems to maintain output with fewer people. Rockwell directly enables customers to address these constraints through end-to-end automation platforms, AI-enabled analytics, and workforce-augmentation tools.



VALUATION

Weighted Average Cost of Capital (WACC)

Rockwell's WACC is estimated at 7.90%, driven primarily by its equity-weighted capital structure and strong credit standing. The firm's 8.19% cost of equity reflects a 4.01% risk-free rate, a 1.12 raw beta, and a 3.73% implied equity risk premium. Rockwell's investment-grade profile supports a low 5.33% pre-tax cost of debt, which declines to 4.53% after taxes under a 15.1% marginal tax rate. This calculated WACC was used as the discount factor in the DCF and EP valuation model.

Discounted Cash Flow & Economic Profit Model

Estimated Share Price: **\$447.06**

We view this framework as the most accurate reflection of the company's intrinsic value. The model forecasts free cash flows through 2030, rising from \$1.85B in 2025 to \$1.97B in 2030, before transitioning to a 5.0% NOPLAT continuing-value growth rate and discounting these cash flows using our 7.90% WACC. The EP component complements the DCF by capturing value created from the spread between ROIC and WACC, applying it to invested

capital each year and discounting the resulting economic profit to present value. After adjusting for non-operating items such as deferred taxes, long-term investments, operating leases, and total debt, we arrive at a total equity value of \$46.7B, or \$447.06 per share. While sensitive to long-term assumptions, particularly the 5.0% NOPLAT growth rate and Rockwell's 56.4% terminal ROIC, this blended approach provides a robust and well-supported view of Rockwell's long-term intrinsic value.

Discount Dividend Model (DDM)

Estimated Share Price: **\$393.22**

Our DDM produces an implied value of \$393.22 per share for Rockwell Automation. The model forecasts dividends through 2030, with payouts rising from \$5.31 in 2025 to \$6.55 by 2029 and discounts these payments and the terminal value using an 8.19% cost of equity. The terminal value is based on a 26.34x P/E multiple applied to 2030 EPS of \$19.27, resulting in a future stock price of \$507.64. After discounting all dividend streams and the terminal price, the model yields an intrinsic value of \$393.22. While informative, we place less weight on the DDM for Rockwell because the company's value creation is driven more by reinvestment efficiency than by its dividend policy.

Relative Valuation

Estimated Share Price: **\$283.76**

Our relative valuation analysis uses peer P/E and PEG multiples to estimate Rockwell Automation's implied value based on comparable industrial automation and multi-industry firms. Applying the peer group's 2025E average P/E of 23.6x to Rockwell's 2025 EPS of \$7.70 produces an implied value of \$182 per share, while using the 2026E

average P/E of 22.1x and Rockwell's 2026 EPS of \$12.84 yields an implied value of \$284 per share. PEG-based estimates produce a wider range, from \$296 to \$472, depending on the year and growth assumptions. Because Rockwell trades at a structurally higher premium than peers, peer multiples tend to undervalue the company relative to intrinsic models. As a result, we assign the least weight to the Relative P/E approach

Sensitivity Analysis

		Beta						
Risk Free Rate	\$ 447.06	0.97	1.02	1.07	1.12	1.17	1.22	1.27
	3.26%	785.84	710.88	648.55	595.92	550.88	511.89	477.82
	3.51%	688.37	629.63	579.78	536.95	499.75	467.14	438.31
	3.76%	611.73	564.45	523.67	488.14	456.89	429.21	404.50
	4.01%	549.87	511.00	477.02	447.06	420.45	396.65	375.25
	4.26%	498.89	466.37	437.62	412.02	389.08	368.40	349.67
	4.51%	456.15	428.54	403.89	381.76	361.78	343.65	327.12
	4.76%	419.80	396.06	374.70	355.38	337.82	321.79	307.09

We tested beta against the risk-free rate because these variables typically move together during periods of economic uncertainty, as well as changes being outside of the control of management. Consensus estimates currently have a rate cut as likely in the coming months, this would positively benefit Rockwell and would shift our target price up. Beta expansion would likely come from broader market concerns about industrial capital spending cycles, while compression closer to 1.0 could occur as Rockwell's revenue mix shifts toward more stable recurring software subscriptions. It is important to note that beta can be measured in drastically different ways. We used Bloomberg to run regressions on different measurement styles and came to a consensus average of 1.12. The risk-free rate was calculated by using the US 10-year treasury.

Depreciation Rate	CapEx each year (26-29)							
	447.06	250	300	350	400	450	500	550
	14.5896%	475.26	468.85	462.44	456.04	449.63	443.23	436.82
	17.0896%	473.11	466.24	459.37	452.50	445.63	438.76	431.88
	19.5896%	471.45	464.14	456.83	449.53	442.22	434.91	427.61
	22.09%	470.21	462.49	454.78	447.06	439.35	431.63	423.92
	24.590%	469.33	461.23	453.14	445.04	436.95	428.86	420.76
	27.090%	468.76	460.31	451.87	443.42	434.97	426.52	418.08
	29.590%	468.46	459.68	450.91	442.13	433.36	424.58	415.81

We analyzed depreciation rates alongside annual capital expenditures, as these factors together define Rockwell's net capital intensity and its capacity to generate unlevered free cash flow. While reducing Capex can theoretically increase a company's intrinsic value, such an approach does not fully account for the opportunity costs or the potential growth derived from reinvesting in the business. Capex effects are inherently difficult to quantify but remain critical to long-term growth. Depreciation is primarily determined by GAAP, though management retains discretion in selecting rates. The table indicates minimal sensitivity to depreciation and moderate sensitivity to Capex..

CV Growth of NOPLAT	WACC							
	447.06	7.15%	7.40%	7.65%	7.90%	8.15%	8.40%	8.65%
	4.25%	469.87	429.00	394.15	364.07	337.85	314.80	294.37
	4.50%	509.92	462.14	421.95	387.67	358.09	332.31	309.63
	4.75%	558.29	501.52	454.54	415.01	381.30	352.21	326.85
	5.00%	617.90	549.10	493.27	447.06	408.19	375.03	346.42
	5.25%	693.15	607.71	540.05	485.15	439.71	401.47	368.87
	5.50%	791.14	681.71	597.69	531.15	477.16	432.47	394.87
	5.75%	924.02	778.08	670.47	587.84	522.40	469.30	425.35

We analyzed Rockwell's sensitivity to WACC and continuing value growth of NOPLAT, two key drivers that often move inversely. Valuations range from \$294 on the downside to \$924 on the upside. WACC was calculated using a 3.73% equity risk premium based on Damodaran's methodology, 1.12 beta, and 4.01% risk-free rate, noting that ERP is forward-looking and challenging to estimate. WACC may decline if interest rates continue falling, while our CV growth forecast aligns with US GDP trends and could see potential gains from AI and other technological adoption. Downside risks include intensifying competition from lower-cost Asian manufacturers, market share losses to software-focused competitors, or rising WACC above 8.40% if rate cuts underperform or credit tightens. A very conservative scenario (WACC 8.40%, CV growth 4.50%) yields \$332, suggesting limited downside and establishing a reasonable floor for valuation.

ERP	Tax Rate							
	447.06	12.1%	13.1%	14.1%	15.1%	16.1%	17.1%	18.1%
	2.38%	915.10	905.60	896.06	886.46	876.81	867.10	857.34
	2.83%	694.32	686.60	678.84	671.05	663.23	655.38	647.48
	3.28%	557.25	550.77	544.26	537.73	531.18	524.60	518.00
	3.73%	463.85	458.27	452.68	447.06	441.43	435.78	430.12
	4.18%	396.11	391.21	386.31	381.39	376.46	371.51	366.55
	4.63%	344.71	340.36	335.99	331.61	327.23	322.83	318.42
	5.08%	304.38	300.45	296.52	292.58	288.63	284.67	280.71

We analyzed equity risk premium (ERP) alongside effective tax rate to assess their impact on valuation, ERP drives the discount rate, while tax rate affects after-tax cash flows. Our base case uses a 3.73% ERP (Damodaran) and 15.10% tax rate, producing \$447. ERP is especially difficult to estimate, with reasonable ranges from 2.83% to 5.08% depending on methodology and market conditions. Scenario analysis produces valuations from \$280 to \$896, highlighting ERP's outsized influence. Lower ERP (2.83%) yields \$915+ with minimal tax burden, while higher ERP (5.08%) drives values toward \$280–\$292. ERP may rise under elevated rates or geopolitical uncertainty or compress in low-volatility markets, making it a key driver of valuation sensitivity.

COGS % of Rev	Our Revenue Increase %							
	447.06	-0.50%	0.00%	0.50%	1.00%	1.50%	2.00%	2.50%
	-56.22%	291.68	303.29	315.16	327.32	339.76	352.49	365.52
	-54.22%	328.43	341.06	354.00	367.23	380.78	394.64	408.83
	-52.22%	365.17	378.84	392.83	407.15	421.80	436.80	452.14
	-50.22%	401.91	416.61	431.66	447.06	462.82	478.95	495.45
	-48.22%	438.65	454.39	470.49	486.98	503.84	521.10	538.76
	-46.22%	475.40	492.16	509.33	526.89	544.86	563.26	582.08
	-44.22%	512.14	529.94	548.16	566.80	585.89	605.41	625.39

We paired revenue growth with COGS percentage to evaluate the trade-off between top-line expansion and margin. Revenue assumptions reflect Rockwell's strong recent performance, growing adoption of industrial automation, and digital manufacturing solutions. Our estimates align with consensus, with an additional 1% premium for upside. COGS forecasts use the historical average excluding depreciation and amortization, the primary driver of total COGS, applied to projected revenues and adjusted downward with a 0.98 multiplier. Notably, COGS declined nearly 2% in 2025, and AI implementation is expected to drive further

efficiency gains. Our base case of 1.00% revenue growth with 48.22% COGS yields \$447, while 2.50% growth and 46.22% COGS produces \$625. Severe downside (-0.50% revenue, 54.22% COGS) results in \$328, suggesting limited extreme risk.

Receivables % of Sales	COGS % Decrease/Increase							
	447.06	95.00%	96.00%	97.00%	98.00%	99.00%	100.00%	101.00%
	14.14%	559.40	528.26	496.31	463.52	429.88	395.36	359.95
	16.64%	553.91	522.77	490.82	458.03	424.39	389.88	354.47
	19.14%	548.43	517.29	485.33	452.55	418.91	384.39	348.98
	21.64%	542.94	511.80	479.85	447.06	413.42	378.91	343.50
	24.14%	537.46	506.32	474.36	441.58	407.94	373.42	338.01
	26.64%	531.97	500.83	468.88	436.09	402.45	367.94	332.52
	29.14%	526.48	495.34	463.39	430.60	396.96	362.45	327.04

We analyzed COGS efficiency alongside receivables as a percentage of sales to capture operational efficiency and cash conversion, which are key metrics for capital-intensive industrial businesses. Our base case (.98 COGS multiplier, 21.64% receivables) produces a \$447 valuation, with outcomes ranging from \$327 to \$559, showing strong sensitivity to working capital management. Improvement to a .95 COGS multiplier and 14.14% receivables yields \$559, highlighting value creation potential through operational excellence. Receivables gains could come from enhanced credit screening, collections, or Rockwell's shift toward subscription-based software with more favorable payment terms. COGS improvement is supported by lean manufacturing, vendor consolidation, and a higher-margin product mix, while deterioration to a 1.01 COGS multiplier or 26.64% receivables could stem from wage inflation, logistics costs, extended payment terms, or customer stress. Even in a moderately adverse scenario (1.0 multiplier and 26.64% receivables), implied value of \$367 approximates current market levels, establishing a floor while upside illustrates the impact of working capital optimization.

SUMMARY

We recommend **BUY** on Rockwell Automation with a price target range of \$445–\$455, supported by strong intrinsic value generation, rising profitability, and exposure to powerful long-term automation trends. Our DCF and Economic Profit model, our most reliable indicator of valuation, shows Rockwell’s free cash flow and ROIC profile materially exceeding peers, with margin expansion and operating leverage strengthening through 2030. Rockwell’s recent cost efficiencies, improving mix toward software and recurring services, and disciplined capital allocation create a durable pathway for earnings growth. While the DDM (\$393) and relative valuation (\$284) provide useful reference points, they underappreciate the company’s reinvestment-driven value creation and structural premium in the automation market. With healthy free cash flow, a conservative balance sheet, and leverage to secular themes such as reshoring, labor scarcity, and AI-enabled manufacturing, Rockwell’s risk-reward profile remains attractive. Combined with limited downside across our sensitivity scenarios and meaningful upside potential if capital spending or margin gains outperform expectations, we believe the shares offer compelling upside from current levels.

DISCLAIMER

This report was created by students enrolled in the Applied Equity Valuation class at the University of Iowa. The report was originally created to offer an internal investment recommendation for the University of Iowa Krause Fund and its advisory board. The report also provides potential employers and other interested parties an example of the student’s skills, knowledge, and abilities. Members of the Krause Fund are not registered investment advisors, brokers, or officially licensed financial professionals. The investment advice contained in this report does not represent an offer or solicitation to buy or sell any of the securities mentioned. Unless otherwise noted, facts and figures included in this report are from publicly available sources. This report is not a complete compilation of data, and its accuracy is not guaranteed. From time to time, the University of Iowa, its faculty, staff, students, or the Krause Fund may hold a financial interest in the companies mentioned in this report.

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Rockwell Automation
Revenue Decomposition

Fiscal Years Ending Sept. 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Segment																
Intelligent Devices							3,312.0	3,545.0	4,098.0	3,804.0	3,794.0	4,084.5	4,353.7	4,664.9	5,165.6	5,578.9
Lifecycle Services							1,739.0	1,903.0	2,074.0	2,273.0	2,312.4	2,406.9	2,533.7	2,901.5	3,156.1	3,376.1
Software & Control							1,947.0	2,313.0	2,886.0	2,187.0	2,314.7	2,461.2	2,630.0	2,840.4	3,122.5	3,371.6
Control Products & Solutions*	3,558.0	3,244.0	3,412.0	3,568.0	3,673.0	3,497.0										
Architecture & Software*	2,750.0	2,635.0	2,899.0	3,098.0	3,022.0	2,833.0										
Total	6,308.0	5,880.0	6,311.0	6,666.0	6,695.0	6,330.0	6,997.0	7,760.0	9,058.0	8,264.0	8,421.1	8,952.6	9,517.4	10,406.7	11,444.2	12,326.6
Growth (%)																
Intelligent Devices								7.04%	15.60%	-7.17%	-0.26%	7.66%	6.59%	7.15%	10.73%	8.00%
Lifecycle Services								9.43%	8.99%	9.59%	1.73%	4.09%	5.27%	14.51%	8.78%	6.97%
Software & Control								18.80%	24.77%	-24.22%	5.84%	6.33%	6.86%	8.00%	9.93%	7.97%
Control Products & Solutions*		-8.83%	5.18%	4.57%	2.94%	-4.79%										
Architecture & Software*		-4.18%	10.02%	6.86%	-2.45%	-6.25%										
Total		-6.79%	7.33%	5.63%	0.44%	-5.45%	10.54%	10.90%	16.73%	-8.77%	1.90%	6.31%	6.31%	9.34%	9.97%	7.71%
Geography																
United States	3,447.0	3,213.0	3,458.0	3,603.0	3,640.0	3,425.0	3,740.0	4,316.0	4,773.0	4,612.0	4,582.6	4,871.8	5,179.2	5,663.1	6,227.7	6,707.9
Europe, Middle East & Africa	1,174.0	1,147.0	1,194.0	1,287.0	1,250.0	1,249.0	1,406.0	1,438.0	1,871.0	1,505.0	1,618.9	1,721.0	1,829.6	2,000.6	2,200.0	2,369.7
Asia Pacific	835.0	764.0	866.0	933.0	909.0	869.0	1,012.0	1,088.0	1,358.0	1,073.0	1,159.7	1,232.9	1,310.7	1,433.2	1,576.0	1,697.6
Latin America	486.0	438.0	449.0	482.0	522.0	452.0	447.0	513.0	605.0	634.0	604.5	642.7	683.2	747.1	821.5	884.9
Canada	367.0	316.0	343.0	362.0	374.0	335.0	393.0	407.0	451.0	441.0	455.7	484.5	515.0	563.1	619.3	667.0
Total	6,308.0	5,880.0	6,311.0	6,666.0	6,695.0	6,330.0	6,997.0	7,760.0	9,058.0	8,264.0	8,421.1	8,952.6	9,517.4	10,406.7	11,444.2	12,326.6
Growth (%)																
United States	0.9	-6.79%	7.63%	4.19%	1.03%	-5.91%	9.20%	15.40%	10.59%	-3.37%	-0.64%	6.31%	6.31%	9.34%	9.97%	7.71%
Europe, Middle East & Africa	(13.2)	-2.30%	4.10%	7.79%	-2.87%	-0.08%	12.57%	2.28%	30.11%	-19.56%	7.57%	6.31%	6.31%	9.34%	9.97%	7.71%
Asia Pacific	(5.6)	-8.50%	13.35%	7.74%	-2.57%	-4.40%	16.46%	7.51%	24.82%	-20.99%	8.08%	6.31%	6.31%	9.34%	9.97%	7.71%
Latin America	(9.3)	-9.88%	2.51%	7.35%	8.30%	-13.41%	-1.11%	14.77%	17.93%	4.79%	-4.65%	6.31%	6.31%	9.34%	9.97%	7.71%
Canada	(16.1)	-13.90%	8.54%	5.54%	3.31%	-10.43%	17.31%	3.56%	10.81%	-2.22%	3.33%	6.31%	6.31%	9.34%	9.97%	7.71%
Total	(4.8)	-6.79%	7.33%	5.63%	0.44%	-5.45%	10.54%	10.90%	16.73%	-8.77%	1.90%	6.31%	6.31%	9.34%	9.97%	7.71%

Rockwell Automation
Income Statement

<i>Fiscal Years Ending Sept. 30</i>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Total sales	6,308.0	5,880.0	6,311.0	6,666.0	6,695.0	6,330.0	6,997.0	7,760.0	9,058.0	8,264.0	8,343.0	8,952.6	9,517.4	10,406.7	11,444.2	12,326.6
Products and solutions	5,652.0	5,239.0	5,629.0	5,931.0	5,939.0	5,664.0	6,285.0	6,993.0	8,225.0	7,331.0	7,362.0	7,974.8	8,488.1	9,228.0	10,162.0	10,955.0
Services	656.0	640.0	682.0	736.0	756.0	666.0	712.0	767.0	833.0	934.0	978.0	977.8	1,029.3	1,178.7	1,282.2	1,371.6
Total cost of sales (Including Depreciation & Amortization)	(3,605.0)	(3,404.0)	(3,643.0)	(3,781.0)	(3,795.0)	(3,735.0)	(4,100.0)	(4,658.0)	(5,341.0)	(5,071.0)	(5,005.0)	(5,252.2)	(5,514.7)	(6,035.7)	(6,593.5)	(7,066.1)
Products and solutions	(3,157.0)	(2,982.0)	(3,216.0)	(3,328.0)	(3,314.0)	(3,306.0)	(3,639.0)	(4,173.0)	(4,809.0)	(4,558.0)	(4,464.0)	(4,684.6)	(4,911.4)	(5,376.0)	(5,868.0)	(6,284.6)
Other (Non Depreciation)	(2,994.5)	(2,809.8)	(3,047.1)	(3,163.4)	(3,161.8)	(3,133.3)	(3,449.2)	(3,934.1)	(4,558.6)	(4,240.6)	(4,185.6)	(4,402.9)	(4,616.1)	(4,998.9)	(5,460.7)	(5,854.8)
Depreciation & Ammortization)	(162.5)	(172.2)	(168.9)	(164.6)	(152.2)	(172.7)	(189.8)	(238.9)	(250.4)	(317.4)	(278.4)	(281.8)	(295.3)	(377.0)	(407.3)	(429.9)
Depreciation	(133.1)	(143.3)	(138.7)	(136.4)	(126.2)	(122.5)	(123.9)	(126.6)	(133.8)	(162.4)	(171.6)	(176.1)	(196.5)	(241.4)	(276.5)	(303.8)
Amortization	(29.4)	(28.9)	(30.2)	(28.2)	(26.0)	(50.2)	(65.9)	(112.3)	(116.6)	(155.0)	(106.8)	(105.7)	(98.8)	(135.6)	(130.8)	(126.1)
Services	(448.0)	(422.0)	(427.0)	(454.0)	(481.0)	(429.0)	(461.0)	(485.0)	(532.0)	(513.0)	(541.0)	(567.5)	(603.3)	(659.7)	(725.5)	(781.4)
Gross profit	2,703.0	2,476.0	2,668.0	2,885.0	2,900.0	2,595.0	2,898.0	3,102.0	3,717.0	3,193.0	4,016.0	3,700.4	4,002.7	4,371.0	4,850.7	5,260.5
Selling, general and administrative expenses	(1,506.0)	(1,467.0)	(1,558.0)	(1,588.0)	(1,539.0)	(1,480.0)	(1,680.0)	(1,767.0)	(2,024.0)	(2,003.0)	(1,914.0)	(2,053.8)	(2,183.4)	(2,387.4)	(2,625.5)	(2,827.9)
Other expense / income	(6.0)	6.0	3.0	107.0	(362.0)	124.0	403.0	(139.0)	208.0	63.0	(126.0)	134.3	142.8	156.1	171.7	184.9
Change in fair value of investments				90.0	(369.0)	154.0	397.0	(137.0)	279.0		(3.0)	89.5	95.2	104.1	114.4	123.3
Other income /expense excluding change in fair value of investments				17.0	6.0	(30.0)	6.0	(2.0)	(71.0)	63.0	(123.0)	44.8	47.6	52.0	57.2	61.6
Goodwill impairment								(158.0)			(224.0)					
Interest expense	(64.0)	(71.0)	(76.0)	(73.0)	(98.0)	(104.0)	(95.0)	(123.0)	(135.0)	(155.0)	(156.0)	(171.8)	(190.4)	(199.1)	(222.2)	(241.7)
Income before income taxes	1,128.0	943.0	1,037.0	1,331.0	901.0	1,136.0	1,526.0	1,074.0	1,609.0	1,099.0	917.0	1,609.0	1,771.6	1,940.6	2,174.7	2,375.9
Income tax provision / benefit	(300.0)	(213.0)	(212.0)	(795.0)	(205.0)	(113.0)	(182.0)	(155.0)	(331.0)	(152.0)	(168.0)	(243.0)	(267.5)	(293.0)	(328.4)	(358.8)
Net income	828.0	730.0	826.0	536.0	696.0	1,023.0	1,344.0	919.0	1,278.0	947.0	749.0	1,366.1	1,504.1	1,647.5	1,846.3	2,017.1
Net income attributable to noncontrolling interests							14.0	13.0	109.0	5.0	120.0	75.2	82.8	90.7	101.7	111.1
Net income attributable to Rockwell Automation, Inc.	828.0	730.0	826.0	536.0	696.0	1,023.0	1,358.0	932.0	1,387.0	953.0	869.0	1,441.3	1,586.9	1,738.3	1,948.0	2,128.2
<i>Basic Earnings Per Share (EPS)</i>	<i>6.15</i>	<i>5.60</i>	<i>6.42</i>	<i>4.27</i>	<i>5.88</i>	<i>8.83</i>	<i>11.69</i>	<i>8.02</i>	<i>12.03</i>	<i>8.32</i>	<i>7.70</i>	<i>12.84</i>	<i>14.20</i>	<i>15.62</i>	<i>17.56</i>	<i>19.27</i>
<i>Total Shares Outstanding</i>	<i>132.4</i>	<i>128.5</i>	<i>128.4</i>	<i>121.1</i>	<i>115.7</i>	<i>116.2</i>	<i>116.0</i>	<i>115.2</i>	<i>114.8</i>	<i>113.1</i>	<i>112.5</i>	<i>111.99</i>	<i>111.52</i>	<i>111.10</i>	<i>110.73</i>	<i>110.16</i>
<i>Weighted Average Shares Outstanding</i>	<i>134.5</i>	<i>130.2</i>	<i>128.5</i>	<i>125.3</i>	<i>118.1</i>	<i>115.9</i>	<i>116.1</i>	<i>115.9</i>	<i>114.8</i>	<i>114.0</i>	<i>112.8</i>	<i>112.25</i>	<i>111.76</i>	<i>111.31</i>	<i>110.92</i>	<i>110.44</i>
<i>Annual Dividend Per Share (DPS)</i>	<i>2.60</i>	<i>2.90</i>	<i>3.04</i>	<i>3.51</i>	<i>3.88</i>	<i>4.08</i>	<i>4.28</i>	<i>4.48</i>	<i>4.72</i>	<i>5.00</i>	<i>5.31</i>	<i>5.60</i>	<i>5.90</i>	<i>6.21</i>	<i>6.55</i>	<i>6.90</i>

Rockwell Automation
Balance Sheet

Fiscal Years Ending Sept. 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Total assets (Not Including Cash)	6,404.7	7,101.2	7,161.7	6,262.0	6,113.0	7,264.7	10,701.6	10,758.7	11,304.0	11,232.1	11,219.0	11,434.3	12,551.1	14,155.3	15,912.6	17,008.5
Total current assets	3,896.8	4,185.0	4,420.7	2,830.7	2,985.7	2,685.8	3,063.4	3,610.7	4,910.8	3,881.2	3,911.0	4,496.2	5,373.0	6,826.7	8,473.8	9,501.9
Cash and cash equivalents	1,427.3	1,526.4	1,410.9	618.8	1,018.4	704.6	662.2	490.7	1,071.8	471.0	468.0	1,103.7	1,766.5	2,883.2	4,137.1	4,830.8
Receivables	1,041.0	1,079.0	1,135.5	1,190.1	1,178.7	1,249.1	1,424.5	1,736.7	2,167.4	1,802.0	1,931.0	1,937.4	2,059.7	2,252.1	2,476.6	2,667.6
Inventories	535.6	526.6	558.7	581.6	575.7	584.0	798.1	1,054.2	1,404.9	1,293.1	1,247.0	1,170.5	1,244.4	1,360.7	1,496.3	1,611.7
Other current assets	892.9	1,053.0	1,315.6	440.2	212.9	148.1	178.6	329.1	266.7	315.1	265.0	284.5	302.5	330.7	363.7	391.7
Property, net of accumulated depreciation	605.6	578.3	583.9	576.8	571.9	574.4	581.9	586.5	684.2	776.7	797.0	889.5	1,093.0	1,251.6	1,375.1	1,471.4
Operating lease right-of-use assets						342.9	377.7	321.0	349.4	422.6	403.0	449.8	552.7	632.9	695.3	744.0
Goodwill and intangibles	1,258.3	1,329.2	1,315.7	1,290.7	1,265.2	2,129.6	4,647.7	4,426.0	4,381.6	5,059.6	4,703.0	4,597.3	4,498.5	4,362.9	4,232.1	4,106.0
Goodwill	1,028.8	1,073.9	1,077.7	1,075.5	1,071.1	1,650.3	3,625.9	3,524.0	3,529.2	3,993.3	3,839.0	3,839.0	3,839.0	3,839.0	3,839.0	3,839.0
Other intangible assets, net	229.5	255.3	238.0	215.2	194.1	479.3	1,021.8	902.0	852.4	1,066.3	864.0	758.3	659.5	523.9	393.1	267.0
Deferred income taxes	494.8	633.9	443.6	179.6	364.1	415.6	380.9	384.3	459.3	517.0	596.0	602.5	609.7	617.5	626.3	636.0
Long-term investments			325.7	1,288.0	793.9	953.5	1,363.5	1,056.0	157.1	168.7	-	-	-	-	-	-
Other assets	149.2	374.8	72.1	96.2	132.2	162.9	286.5	374.2	361.6	406.3	809.0	399.0	424.1	463.8	510.0	549.3
Total liabilities and shareowners' equity	6,404.7	7,101.2	7,161.7	6,262.0	6,113.0	7,264.7	10,701.6	10,758.7	11,304.0	11,232.1	11,219.0	11,434.3	12,551.1	14,155.3	15,912.6	17,008.5
Total current liabilities	1,327.7	1,975.9	2,145.8	2,236.9	1,936.8	1,810.8	2,992.2	3,572.2	3,365.3	3,603.9	3,445.0	3,576.7	3,795.9	4,382.6	4,944.5	4,783.8
Short-term debt (Total)			600.4	551.0	300.5	24.6	516.5	968.4	103.3	1,078.2	610.0	645.1	679.3	974.9	1,197.0	747.4
Short-term debt		448.6	350.4	551.0			509.7	359.3	94.7	770.8	608.0	542.8	577.0	631.0	693.9	747.4
Current portion of long-term debt			250.0		300.5		6.8	609.1	8.6	307.4	2.0	102.3	102.3	343.9	503.1	-
Accounts payable	521.7	543.1	623.2	713.4	694.6	687.8	889.8	1,028.0	1,150.2	860.4	930.0	1,073.2	1,140.9	1,247.6	1,371.9	1,477.7
Compensation and benefits	225.0	145.6	272.6	289.4	239.0	197.0	408.0	292.7	499.9	259.0	432.0	382.6	406.7	444.7	489.1	526.8
Advance payments from customers and deferred revenue	200.8	214.5	240.6	249.9	275.6	325.3	462.5	507.0	592.5	584.1	621.0	571.0	607.1	663.8	729.9	786.2
Customer returns, rebates and incentives	172.2	176.5	188.8	206.6	199.2	199.6	237.8	373.1	452.0	346.8	347.0	367.9	391.1	427.6	470.3	506.5
Other current liabilities	208.0	447.6	220.2	226.6	227.9	376.5	477.6	403.0	567.4	475.4	505.0	536.9	570.7	624.1	686.3	739.2
Long-term debt	1,500.9	1,516.3	1,243.4	1,225.2	1,956.4	1,974.7	3,464.6	2,867.8	2,862.9	2,561.3	2,614.0	2,927.8	3,056.5	3,194.6	3,337.3	3,451.3
Retirement benefits	1,116.6	1,430.2	892.5	605.1	1,231.9	1,284.0	720.6	471.2	503.6	549.1	406.0	355.3	310.8	272.0	238.0	208.2
Operating lease liabilities						274.7	313.6	263.5	285.3	355.6	329.0	369.7	454.3	520.2	571.6	611.6
Other liabilities	202.7	188.7	216.4	577.3	583.7	573.7	516.5	567.3	543.5	487.0	714.0					
Total shareowners' equity	2,256.8	1,990.1	2,663.6	1,617.5	404.2	1,346.8	2,694.1	3,016.7	3,743.4	3,675.2	3,711.0	4,204.8	4,933.5	5,785.8	6,821.3	7,953.6
Shareowners equity attributable to Rockwell Automation, Inc.	2,256.8	1,990.1	2,663.6	1,617.5	404.2	1,027.8	2,389.6	2,725.6	3,561.6	3,498.3	3,654.0	4,072.6	4,718.4	5,480.0	6,413.8	7,435.0
Common stock + Additional Paid in Capital	1,733.5	1,769.6	1,819.4	1,862.8	1,890.5	2,012.1	2,115.0	2,188.5	2,283.9	2,370.0	2,424.0	2,500.1	2,576.2	2,652.2	2,728.3	2,751.2
Retained earnings	5,316.9	5,668.4	6,103.4	6,198.1	6,440.2	7,139.8	8,000.4	8,411.8	9,255.2	9,634.9	5,422.0	6,234.2	7,158.3	8,198.1	9,410.2	10,762.9
Accumulated other comprehensive loss	(1,334.6)	(1,538.8)	(1,179.2)	(941.9)	(1,488.0)	(1,614.2)	(1,017.1)	(917.5)	(790.1)	(772.4)	(657.0)	(772.4)	(772.4)	(772.4)	(772.4)	(772.4)
Common stock in treasury, at cost	(3,459.0)	(3,909.1)	(4,080.0)	(5,501.5)	(6,438.5)	(6,509.9)	(6,708.7)	(6,957.2)	(7,187.4)	(7,734.2)	(3,535.0)	(3,889.3)	(4,243.6)	(4,598.0)	(4,952.3)	(5,306.6)
Noncontrolling Interests						319.0	304.5	291.1	181.8	176.9	57.0	132.2	215.1	305.8	407.5	518.5

Rockwell Automation
Historical Cash Flow Statement

Fiscal Years Ending Sept. 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cash provided by / used for operating activities	1,187.7	947.3	1,034.0	1,300.0	1,182.0	1,120.5	1,261.0	823.1	1,374.6	863.8
Income from continuing operations	827.6	729.7	825.7	535.5	695.8	1,023.2	1,344.3	919.1	1,278.0	947.3
Adjustments to arrive at cash provided by / used for operating activities	360.1	217.6	208.3	764.5	486.2	97.3	(83.3)	(96.0)	96.6	(83.5)
Depreciation and amortization	162.5	172.2	168.9	164.6	152.2	172.7	189.8	238.9	250.4	317.4
Depreciation	133.1	143.3	138.7	136.4	126.2	122.5	123.9	126.6	133.8	162.4
Amortization of intangible assets	29.4	28.9	30.2	28.2	26.0	50.2	65.9	112.3	116.6	155.0
Change in fair value of investments		-	-	(90.0)	368.5	(153.9)	(397.4)	136.9	(279.3)	(0.1)
Share-based compensation expense	41.5	40.5	38.5	38.5	43.1	46.1	51.7	68.1	88.3	99.8
Retirement benefits / expense	141.3	157.1	176.0	114.0	70.7	129.5	155.1	76.4	125.3	17.9
Pension contributions	(41.0)	(44.3)	(254.9)	(50.3)	(30.9)	(84.1)	(35.8)	(53.6)	(25.9)	(28.3)
Deferred income taxes	(29.3)	(70.5)	33.8	170.5	(29.0)	(65.7)	(184.1)	(33.6)	(100.1)	(68.1)
Gain on sale of business	-	-	(60.8)							
Net gain / loss on disposition of property	(0.1)	1.7	0.1	2.5	1.8	(12.4)	0.5	0.6	0.5	(0.4)
Excess income tax benefit from share-based compensation	(12.4)	(3.3)								
Settlement of treasury locks			-	-	(35.7)	22.0	(28.0)			
Impairment of goodwill							-	-	157.5	-
Changes in assets and liabilities, excluding effects of acquisitions and foreign currency adjustments	97.6	(35.8)	106.7	414.7	(54.5)	43.1	164.9	(529.7)	(120.1)	(421.7)
Receivables / inventories / payables	88.2	18.0	(2.3)	(61.9)	(0.8)	16.4	(155.1)	(536.4)	(594.4)	246.0
Receivables	73.4	(18.9)	(53.0)	(91.7)	(10.4)	(9.0)	(138.1)	(415.6)	(368.7)	405.2
Inventories	(2.5)	4.6	(30.4)	(37.4)	(4.9)	30.4	(202.8)	(292.8)	(295.9)	131.5
Accounts payable	17.3	32.3	81.1	67.2	14.5	(5.0)	184.8	172.0	70.2	(290.7)
Advance payments from customers and deferred revenue	20.7	11.7	21.3	12.9	12.1	43.3	104.4	102.0	106.8	(7.4)
Compensation and benefits	(33.9)	(81.1)	124.7	22.4	(45.2)	(44.6)	174.6	(78.2)	209.1	(254.9)
Income taxes	27.3	(8.9)	(22.2)	426.7	(18.8)	(11.8)	57.2	(129.3)	104.1	(236.6)
Other assets and liabilities	(4.7)	24.5	(14.8)	14.6	(1.8)	39.8	(15.2)	112.2	54.3	(168.8)
Cash used for / provided by investing activities	(246.9)	(440.0)	(516.7)	(170.4)	225.0	(618.0)	(2,626.6)	(7.8)	854.3	(982.5)
Capital expenditures	(122.9)	(116.9)	(141.7)	(125.5)	(132.8)	(113.9)	(120.3)	(141.1)	(160.5)	(224.7)
Acquisition of businesses, net of cash acquired	(21.2)	(139.1)	(1.1)	(9.9)	(20.7)	(550.9)	(2,488.5)	(16.6)	(168.4)	(749.2)
Purchases of short-term investments	(867.6)	(1,070.7)	(1,444.2)	(1,296.9)	(5.1)	(10.7)	(13.6)	(59.8)	(27.1)	(10.0)
Proceeds from sale of business	-	-	94.0							
Other investing activities	764.8	886.7	976.3	1,261.9	383.6	57.5	(4.2)	209.7	1,210.3	1.4
Proceeds from maturities of short-term investments	762.7	886.3	975.2	1,261.4	379.1	37.9	-	210.2	1,210.4	0.2
Proceeds from maturities of investments	762.7	886.3	912.6	1,106.1	312.8					
Proceeds from sale of investments	-	-	62.6	155.3	66.3	37.9	-	210.2	1,210.4	0.2
Proceeds from sale of property	2.1	0.4	1.1	0.5	4.5	14.9				
Payments for / proceeds from other investing activities				-	-	4.7	(4.2)	(0.5)	(0.1)	1.2
Cash used for / provided by financing activities	(608.1)	(397.7)	(649.6)	(1,888.9)	(985.9)	(798.9)	1,297.8	(934.2)	(1,675.6)	(502.8)
Net repayment / issuance of debt	269.3	448.6	(98.2)	(49.4)	436.6	(277.1)	1,970.4	(150.4)	(875.5)	674.0
Net issuance / repayment of short-term debt	(325.0)	448.6	(98.2)	200.6	(551.0)	-	275.9	40.8	(256.9)	655.2
Issuance of short-term debt, net of discount and issuance costs	594.3		-	-	-	423.6	211.4	18.8	-	18.8
Issuance of long-term debt, net of discount and issuance costs					987.6	-	1,485.6			
Repayment of debt		-	-	(250.0)	-	(700.7)	(2.5)	(210.0)	(618.6)	-
Repayment of short-term debt				-	-	(400.0)	(2.5)	(210.0)	(18.8)	-
Repayment of long-term debt				(250.0)	-	(300.7)	-	-	(599.8)	-
Cash dividends	(350.1)	(378.2)	(390.7)	(440.8)	(459.8)	(472.8)	(497.1)	(519.4)	(542.4)	(571.0)
Purchases of treasury stock	(598.4)	(507.6)	(342.6)	(1,482.3)	(1,009.0)	(264.2)	(299.7)	(301.3)	(311.5)	(594.9)
Proceeds from the exercise of stock options	60.3	36.2	181.9	81.8	47.4	214.4	154.6	57.9	88.5	39.4
Excess income tax benefit from share-based compensation	12.4	3.3								
Other financing activities	(1.6)	-	-	1.8	(1.1)	0.8	(30.4)	(21.0)	(34.7)	(50.3)
Effect of exchange rate changes on cash	(96.7)	(10.5)	16.8	(32.8)	(21.5)	8.4	16.8	(52.6)	19.2	12.1
Cash provided by / used for continuing operations	236.0	99.1	(115.5)	(792.1)	399.6	(288.0)	(51.0)	(171.5)	572.5	(609.4)
Decrease / increase in cash and cash equivalents	236.0	99.1	(115.5)	(792.1)	399.6	(288.0)	(51.0)	(171.5)	572.5	(609.4)
Cash and cash equivalents at beginning of period	1,191.3	1,427.3	1,526.4	1,410.9	618.8	1,018.4	730.4	679.4	507.9	1,080.4
Cash and cash equivalents at end of period	1,427.3	1,526.4	1,410.9	618.8	1,018.4	730.4	679.4	507.9	1,080.4	471.0

Rockwell Automation
Forecasted Cash Flow Statement

Fiscal Years Ending Sept. 30	2025E	2026E	2027E	2028E	2029E	2030E
Operating Cash Flows						
Net Income	869.00	1441.28	1586.94	1738.26	1947.96	2128.18
Depreciation	171.57	176.05	196.49	241.45	276.47	303.76
Amortization	106.80	105.70	98.80	135.60	130.80	126.10
Change in Receivables	-129.00	-6.44	-122.24	-192.45	-224.52	-190.96
Change in Inventory	46.10	76.45	-73.86	-116.27	-135.65	-115.37
Change in Short-term investments	0.00	0.00	0.00	0.00	0.00	0.00
Change in Other current assets excluding short-term investments	50.10	-19.52	-17.95	-28.26	-32.97	-28.04
Change in Accounts Payable	69.60	143.23	67.72	106.61	124.37	105.78
Change in Compensation and benefits	173.00	-49.40	24.14	38.00	44.34	37.71
Change in Advance payments from customers and deferred revenue	36.90	-49.97	36.03	56.72	66.17	56.28
Change in Customer returns, rebates and incentives	0.20	20.89	23.21	36.54	42.63	36.26
Change in Other current liabilities	29.60	31.86	33.87	53.33	62.21	52.92
Cash Provided or used from Operating Activities	1423.87	1870.14	1853.15	2069.53	2301.82	2512.61
Investing Cash Flows						
Change in Gross Property	-191.87	-268.58	-400.00	-400.00	-400.00	-400.00
Change in Operating lease right-of-use assets	19.60	-46.78	-102.90	-80.17	-62.46	-48.66
Change in Goodwill	154.30	0.00	0.00	0.00	0.00	0.00
Change in Other intangible assets, net	95.50	0.00	0.00	0.00	0.00	0.00
Change in Deferred income taxes	-79.00	-6.51	-7.17	-7.85	-8.80	-9.62
Change in Long-term investments	168.70	0.00	0.00	0.00	0.00	0.00
Change in Other assets	-402.70	410.04	-25.17	-39.63	-46.23	-39.32
Change in Retirement benefits	-143.10	-50.75	-44.41	-38.86	-34.00	-29.75
Cash Provided or used from Investing Activities	-378.57	37.42	-579.65	-566.51	-551.49	-527.35
Financing Cash Flows						
Change in Short-term debt	-162.80	-65.20	34.25	53.92	62.90	53.50
Change in Current portion of long-term debt	-305.40	100.30	0.00	241.60	159.20	-503.10
Change in Long-term debt	52.70	313.78	128.67	138.19	142.66	113.97
Change in Common stock + Additional Paid in Capital	54.00	76.08	76.08	76.08	76.08	22.82
Accumulated other comprehensive loss	115.40	-115.40	0.00	0.00	0.00	0.00
Common stock in treasury, at cost	4199.20	-354.32	-354.32	-354.32	-354.32	-354.32
Noncontrolling Interests	-119.90	75.23	82.83	90.73	101.67	111.08
Dividends Paid	(597.00)	(629.06)	(662.84)	(698.43)	(735.94)	(775.46)
Change in Operating lease liabilities	-26.60	40.75	84.59	65.91	51.35	40.01
Change in Other liabilities	227.00	-714.00	0.00	0.00	0.00	0.00
Cash Provided or used from Financing Activities	3436.60	-1271.84	-610.74	-386.33	-496.40	-1291.50
Change in Cash	4481.90	635.72	662.76	1116.68	1253.93	693.76
Cash at Beginning of Period	471.00	468.00	1103.72	1766.47	2883.16	4137.09
Cash at End of Period	4952.90	1103.72	1766.47	2883.16	4137.09	4830.85

Rockwell Automation

Common Size Income Statement

<i>Fiscal Years Ending Sept. 30</i>	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Total sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Products and solutions	89.60%	89.10%	89.19%	88.97%	88.71%	89.48%	89.82%	90.12%	90.80%	88.71%	88.24%	89.08%	89.18%	88.67%	88.80%	88.87%
Services	10.40%	10.88%	10.81%	11.04%	11.29%	10.52%	10.18%	9.88%	9.20%	11.30%	11.72%	10.92%	10.82%	11.33%	11.20%	11.13%
Total cost of sales	-57.15%	-57.89%	-57.72%	-56.72%	-56.68%	-59.00%	-58.60%	-60.03%	-58.96%	-61.36%	-59.99%	-58.67%	-57.94%	-58.00%	-57.61%	-57.32%
Products and solutions	-50.05%	-50.71%	-50.96%	-49.92%	-49.50%	-52.23%	-52.01%	-53.78%	-53.09%	-55.15%	-53.51%	-52.33%	-51.60%	-51.66%	-51.28%	-50.98%
Other (Non Depreciation)	-47.47%	-47.79%	-48.28%	-47.46%	-47.23%	-49.50%	-49.30%	-50.70%	-50.33%	-51.31%	-50.17%	-49.18%	-48.50%	-48.04%	-47.72%	-47.50%
Depreciation & Ammorization)	-2.58%	-2.93%	-2.68%	-2.47%	-2.27%	-2.73%	-2.71%	-3.08%	-2.76%	-3.84%	-3.34%	-3.15%	-3.10%	-3.62%	-3.56%	-3.49%
Depreciation	-2.11%	-2.44%	-2.20%	-2.05%	-1.88%	-1.94%	-1.77%	-1.63%	-1.48%	-1.97%	-2.06%	-1.97%	-2.06%	-2.32%	-2.42%	-2.46%
Ammorization	-0.47%	-0.49%	-0.48%	-0.42%	-0.39%	-0.79%	-0.94%	-1.45%	-1.29%	-1.88%	-1.28%	-1.18%	-1.04%	-1.30%	-1.14%	-1.02%
Services	-7.10%	-7.18%	-6.77%	-6.81%	-7.18%	-6.78%	-6.59%	-6.25%	-5.87%	-6.21%	-6.48%	-6.34%	-6.34%	-6.34%	-6.34%	-6.34%
Gross profit	42.85%	42.11%	42.28%	43.28%	43.32%	41.00%	41.42%	39.97%	41.04%	38.64%	48.14%	41.33%	42.06%	42.00%	42.39%	42.68%
Selling, general and administrative expenses	-23.87%	-24.95%	-24.69%	-23.82%	-22.99%	-23.38%	-24.01%	-22.77%	-22.34%	-24.24%	-22.94%	-22.94%	-22.94%	-22.94%	-22.94%	-22.94%
Other expense / income	-0.10%	0.10%	0.05%	1.61%	-5.41%	1.96%	5.76%	-1.79%	2.30%	0.76%	-1.51%	1.50%	1.50%	1.50%	1.50%	1.50%
Change in fair value of investments	0.00%	0.00%	0.00%	1.35%	-5.51%	2.43%	5.67%	-1.77%	3.08%	0.00%	-0.04%	1.00%	1.00%	1.00%	1.00%	1.00%
Other income /expense excluding change in fair value of investments	0.00%	0.00%	0.00%	0.26%	0.09%	-0.47%	0.09%	-0.03%	-0.78%	0.76%	-1.47%	0.50%	0.50%	0.50%	0.50%	0.50%
Goodwill impairment	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-1.74%	0.00%	-2.68%	0.00%	0.00%	0.00%	0.00%	0.00%
Interest expense	-1.01%	-1.21%	-1.20%	-1.10%	-1.46%	-1.64%	-1.36%	-1.59%	-1.49%	-1.88%	-1.87%	-1.92%	-2.00%	-1.91%	-1.94%	-1.96%
Income before income taxes	17.88%	16.04%	16.43%	19.97%	13.46%	17.95%	21.81%	13.84%	17.76%	13.30%	10.99%	17.97%	18.61%	18.65%	19.00%	19.27%
Income tax provision / benefit	-4.76%	-3.62%	-3.36%	-11.93%	-3.06%	-1.79%	-2.60%	-2.00%	-3.65%	-1.84%	-2.01%	-2.71%	-2.81%	-2.82%	-2.87%	-2.91%
Net income	13.13%	12.41%	13.09%	8.04%	10.40%	16.16%	19.21%	11.84%	14.11%	11.46%	8.98%	15.26%	15.80%	15.83%	16.13%	16.36%
Net income attributable to noncontrolling interests	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.20%	0.17%	1.20%	0.06%	1.44%	0.84%	0.87%	0.87%	0.89%	0.90%
Net income attributable to Rockwell Automation, Inc.	13.13%	12.41%	13.09%	8.04%	10.40%	16.16%	19.41%	12.01%	15.31%	11.53%	10.42%	16.10%	16.67%	16.70%	17.02%	17.26%

Rockwell Automation
Common Size Balance Sheet

Fiscal Years Ending Sept. 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Total assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total current assets	60.84%	58.93%	61.73%	45.20%	48.84%	36.97%	28.63%	33.56%	43.44%	34.55%	34.86%	39.32%	42.81%	48.23%	53.25%	55.87%
Cash and cash equivalents	22.29%	21.49%	19.70%	9.88%	16.66%	9.70%	6.19%	4.56%	9.48%	4.19%	4.17%	9.65%	14.07%	20.37%	26.00%	28.40%
Receivables	16.25%	15.19%	15.86%	19.01%	19.28%	17.19%	13.31%	16.14%	19.17%	16.04%	17.21%	16.94%	16.41%	15.91%	15.56%	15.68%
Inventories	8.36%	7.42%	7.80%	9.29%	9.42%	8.04%	7.46%	9.80%	12.43%	11.51%	11.12%	10.24%	9.91%	9.61%	9.40%	9.48%
Other current assets	13.94%	14.83%	18.37%	7.03%	3.48%	2.04%	1.67%	3.06%	2.36%	2.81%	2.36%	2.49%	2.41%	2.34%	2.29%	2.30%
Short-term investments	11.27%	12.71%	15.70%	4.65%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other current assets excluding short-term investments	2.67%	2.12%	2.67%	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Property, net of accumulated depreciation	9.46%	8.14%	8.15%	9.21%	9.36%	7.91%	5.44%	5.45%	6.05%	6.92%	7.10%	7.78%	8.71%	8.84%	8.64%	8.65%
Operating lease right-of-use assets	0.00%	0.00%	0.00%	0.00%	0.00%	4.72%	3.53%	2.98%	3.09%	3.76%	3.59%	3.93%	4.40%	4.47%	4.37%	4.37%
Goodwill and intangibles	19.65%	18.72%	18.37%	20.61%	20.70%	29.31%	43.43%	41.14%	38.76%	45.05%	41.92%	40.21%	35.84%	30.82%	26.60%	24.14%
Goodwill	16.06%	15.12%	15.05%	17.18%	17.52%	22.72%	33.88%	32.75%	31.22%	35.55%	34.22%	33.57%	30.59%	27.12%	24.13%	22.57%
Other intangible assets, net	3.58%	3.60%	3.32%	3.44%	3.18%	6.60%	9.55%	8.38%	7.54%	9.49%	7.70%	6.63%	5.25%	3.70%	2.47%	1.57%
Deferred income taxes	7.73%	8.93%	6.19%	2.87%	5.96%	5.72%	3.56%	3.57%	4.06%	4.60%	5.31%	5.27%	4.86%	4.36%	3.94%	3.74%
Long-term investments	0.00%	0.00%	4.55%	20.57%	12.99%	13.13%	12.74%	9.82%	1.39%	1.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other assets	2.33%	5.28%	1.01%	1.54%	2.16%	2.24%	2.68%	3.48%	3.20%	3.62%	7.21%	3.49%	3.38%	3.28%	3.20%	3.23%
Total liabilities and shareowners' equity	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total current liabilities	20.73%	27.82%	29.96%	35.72%	31.68%	24.93%	27.96%	33.20%	29.77%	32.09%	30.71%	31.28%	30.24%	30.96%	31.07%	28.13%
Short-term debt	0.00%	6.32%	8.38%	8.80%	4.92%	0.34%	4.83%	9.00%	0.91%	9.60%	5.44%	5.64%	5.41%	6.89%	7.52%	4.39%
Short-term debt	0.00%	6.32%	4.89%	8.80%	0.00%	0.00%	4.76%	3.34%	0.84%	6.86%	5.42%	4.75%	4.60%	4.46%	4.36%	4.39%
Current portion of long-term debt	0.00%	0.00%	3.49%	0.00%	4.92%	0.00%	0.06%	5.66%	0.08%	2.74%	0.02%	0.89%	0.82%	2.43%	3.16%	0.00%
Accounts payable	8.15%	7.65%	8.70%	11.39%	11.36%	9.47%	8.31%	9.56%	10.18%	7.66%	8.29%	9.39%	9.09%	8.81%	8.62%	8.69%
Compensation and benefits	3.51%	2.05%	3.81%	4.62%	3.91%	2.71%	3.81%	2.72%	4.42%	2.31%	3.85%	3.35%	3.24%	3.14%	3.07%	3.10%
Advance payments from customers and deferred revenue	3.14%	3.02%	3.36%	3.99%	4.51%	4.48%	4.32%	4.71%	5.24%	5.20%	5.54%	4.99%	4.84%	4.69%	4.59%	4.62%
Customer returns, rebates and incentives	2.69%	2.49%	2.64%	3.30%	3.26%	2.75%	2.22%	3.47%	4.00%	3.09%	3.09%	3.22%	3.12%	3.02%	2.96%	2.98%
Other current liabilities	3.25%	6.30%	3.07%	3.62%	3.73%	5.18%	4.46%	3.75%	5.02%	4.23%	4.50%	4.70%	4.55%	4.41%	4.31%	4.35%
Long-term debt	23.43%	21.35%	17.36%	19.57%	32.00%	27.18%	32.37%	26.66%	25.33%	22.80%	23.30%	25.61%	24.35%	22.57%	20.97%	20.29%
Retirement benefits	17.43%	20.14%	12.46%	9.66%	20.15%	17.67%	6.73%	4.38%	4.46%	4.89%	3.62%	3.11%	2.48%	1.92%	1.50%	1.22%
Operating lease liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	3.78%	2.93%	2.45%	2.52%	3.17%	2.93%	3.23%	3.62%	3.68%	3.59%	3.60%
Other liabilities	3.16%	2.66%	3.02%	9.22%	9.55%	7.90%	4.83%	5.27%	4.81%	4.34%	6.36%	0.00%	0.00%	0.00%	0.00%	0.00%
Total shareowners' equity	35.24%	28.02%	37.19%	25.83%	6.61%	18.54%	25.17%	28.04%	33.12%	32.72%	33.08%	36.77%	39.31%	40.87%	42.87%	46.76%
Shareowners equity attributable to Rockwell Automation, Inc.	35.24%	28.02%	37.19%	25.83%	6.61%	14.15%	22.33%	25.33%	31.51%	31.15%	32.57%	35.62%	37.59%	38.71%	40.31%	43.71%
Common stock (\$1.00 par value, shares issued: 141.4 and 181.4, respectively) + Addit	27.07%	24.92%	25.40%	29.75%	30.93%	27.70%	19.76%	20.34%	20.20%	21.10%	21.61%	21.86%	20.53%	18.74%	17.15%	16.18%
Retained earnings	83.02%	79.82%	85.22%	98.98%	105.35%	98.28%	74.76%	78.19%	81.88%	85.78%	48.33%	54.52%	57.03%	57.92%	59.14%	63.28%
Accumulated other comprehensive loss	-20.84%	-21.67%	-16.47%	-15.04%	-24.34%	-22.22%	-9.50%	-8.53%	-6.99%	-6.88%	-5.86%	-6.76%	-6.15%	-5.46%	-4.85%	-4.54%
Common stock in treasury, at cost	-54.01%	-55.05%	-56.97%	-87.86%	-105.32%	-89.61%	-62.69%	-64.67%	-63.58%	-68.86%	-31.51%	-34.01%	-33.81%	-32.48%	-31.12%	-31.20%
Noncontrolling Interests	0.00%	0.00%	0.00%	0.00%	0.00%	4.39%	2.85%	2.71%	1.61%	1.57%	0.51%	1.16%	1.71%	2.16%	2.56%	3.05%

Rockwell Automation
Common Size Balance Sheet

Fiscal Years Ending Sept. 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Total Assets	101.53%	120.77%	113.48%	93.94%	91.31%	114.77%	152.95%	138.64%	124.80%	135.92%	134.47%	127.72%	131.87%	136.02%	139.05%	137.98%
Total current assets	61.78%	71.17%	70.05%	42.46%	44.60%	42.43%	43.78%	46.53%	54.22%	46.97%	46.88%	50.22%	56.45%	65.60%	74.04%	77.08%
Cash and cash equivalents	22.63%	25.96%	22.36%	9.28%	15.21%	11.13%	9.46%	6.32%	11.83%	5.70%	5.61%	12.33%	18.56%	27.70%	36.15%	39.19%
Receivables	16.50%	18.35%	17.99%	17.85%	17.61%	19.73%	20.36%	22.38%	23.93%	21.81%	23.15%	21.64%	21.64%	21.64%	21.64%	21.64%
Inventories	8.49%	8.96%	8.85%	8.72%	8.60%	9.23%	11.41%	13.59%	15.51%	15.65%	14.95%	13.07%	13.07%	13.07%	13.07%	13.07%
Other current assets	14.16%	17.91%	20.85%	6.60%	3.18%	2.34%	2.55%	4.24%	2.94%	3.81%	3.18%	3.18%	3.18%	3.18%	3.18%	3.18%
Short-term investments	11.44%	15.35%	17.82%	4.36%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other current assets excluding short-term investments	2.71%	2.55%	3.03%	2.24%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Property, net of accumulated depreciation	9.60%	9.84%	9.25%	8.65%	8.54%	9.07%	8.32%	7.56%	7.55%	9.40%	9.55%	9.94%	11.48%	12.03%	12.02%	11.94%
Operating lease right-of-use assets	0.00%	0.00%	0.00%	0.00%	0.00%	5.42%	5.40%	4.14%	3.86%	5.11%	4.83%	5.02%	5.81%	6.08%	6.08%	6.04%
Goodwill and intangibles	19.95%	22.61%	20.85%	19.36%	18.90%	33.64%	66.42%	57.04%	48.37%	61.22%	56.37%	51.35%	47.27%	41.92%	36.98%	33.31%
Goodwill	16.31%	18.26%	17.08%	16.13%	16.00%	26.07%	51.82%	45.41%	38.96%	48.32%	46.01%	42.88%	40.34%	36.89%	33.55%	31.14%
Other intangible assets, net	3.64%	4.34%	3.77%	3.23%	2.90%	7.57%	14.60%	11.62%	9.41%	12.90%	10.36%	8.47%	6.93%	5.03%	3.43%	2.17%
Deferred income taxes	7.84%	10.78%	7.03%	2.69%	5.44%	6.57%	5.44%	4.95%	5.07%	6.26%	7.14%	6.73%	6.41%	5.93%	5.47%	5.16%
Long-term investments	0.00%	0.00%	5.16%	19.32%	11.86%	15.06%	19.49%	13.61%	1.73%	2.04%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other assets	2.37%	6.37%	1.14%	1.44%	1.97%	2.57%	4.09%	4.82%	3.99%	4.92%	9.70%	4.46%	4.46%	4.46%	4.46%	4.46%
Total liabilities and shareowners' equity	101.53%	120.77%	113.48%	93.94%	91.31%	114.77%	152.95%	138.64%	124.80%	135.92%	134.47%	127.72%	131.87%	136.02%	139.05%	137.98%
Total current liabilities	21.05%	33.60%	34.00%	33.56%	28.93%	28.61%	42.76%	46.03%	37.15%	43.61%	41.29%	39.95%	39.88%	42.11%	43.21%	38.81%
Short-term debt	0.00%	7.63%	9.51%	8.27%	4.49%	0.39%	7.38%	12.48%	1.14%	13.05%	7.31%	7.21%	7.14%	9.37%	10.46%	6.06%
Short-term debt	0.00%	7.63%	5.55%	8.27%	0.00%	0.00%	7.28%	4.63%	1.05%	9.33%	7.29%	6.06%	6.06%	6.06%	6.06%	6.06%
Current portion of long-term debt	0.00%	0.00%	3.96%	0.00%	4.49%	0.00%	0.10%	7.85%	0.09%	3.72%	0.02%	1.14%	1.07%	3.30%	4.40%	0.00%
Accounts payable	8.27%	9.24%	9.87%	10.70%	10.37%	10.87%	12.72%	13.25%	12.70%	10.41%	11.15%	11.99%	11.99%	11.99%	11.99%	11.99%
Compensation and benefits	3.57%	2.48%	4.32%	4.34%	3.57%	3.11%	5.83%	3.77%	5.52%	3.13%	5.18%	4.27%	4.27%	4.27%	4.27%	4.27%
Advance payments from customers and deferred revenue	3.18%	3.65%	3.81%	3.75%	4.12%	5.14%	6.61%	6.53%	6.54%	7.07%	7.44%	6.38%	6.38%	6.38%	6.38%	6.38%
Customer returns, rebates and incentives	2.73%	3.00%	2.99%	3.10%	2.98%	3.15%	3.40%	4.81%	4.99%	4.20%	4.16%	4.11%	4.11%	4.11%	4.11%	4.11%
Other current liabilities	3.30%	7.61%	3.49%	3.40%	3.40%	5.95%	6.83%	5.19%	6.26%	5.75%	6.05%	6.00%	6.00%	6.00%	6.00%	6.00%
Long-term debt	23.79%	25.79%	19.70%	18.38%	29.22%	31.20%	49.52%	36.96%	31.61%	30.99%	31.33%	32.70%	32.11%	30.70%	29.16%	28.00%
Retirement benefits	17.70%	24.32%	14.14%	9.08%	18.40%	20.28%	10.30%	6.07%	5.56%	6.64%	4.87%	3.97%	3.27%	2.61%	2.08%	1.69%
Operating lease liabilities	0.00%	0.00%	0.00%	0.00%	0.00%	4.34%	4.48%	3.40%	3.15%	4.30%	3.94%	4.13%	4.77%	5.00%	4.99%	4.96%
Other liabilities	3.21%	3.21%	3.43%	8.66%	8.72%	9.06%	7.38%	7.31%	6.00%	5.89%	8.56%	0.00%	0.00%	0.00%	0.00%	0.00%
Total shareowners' equity	35.78%	33.85%	42.21%	24.26%	6.04%	21.28%	38.50%	38.88%	41.33%	44.47%	44.48%	46.97%	51.84%	55.60%	59.60%	64.52%
Shareowners equity attributable to Rockwell Automation, Inc.	35.78%	33.85%	42.21%	24.26%	6.04%	16.24%	34.15%	35.12%	39.32%	42.33%	43.80%	45.49%	49.58%	52.66%	56.04%	60.32%
Common stock (\$1.00 par value, shares issued: 141.4 and 181.4, respectively) + Additional Paid in Capital	27.48%	30.10%	28.83%	27.94%	28.24%	31.79%	30.23%	28.20%	25.21%	28.68%	29.05%	27.93%	27.07%	25.49%	23.84%	22.32%
Retained earnings	84.29%	96.40%	96.71%	92.98%	96.19%	112.79%	114.34%	108.40%	102.18%	116.59%	64.99%	69.64%	75.21%	78.78%	82.23%	87.31%
Accumulated other comprehensive loss	-21.16%	-26.17%	-18.68%	-14.13%	-22.23%	-25.50%	-14.54%	-11.82%	-8.72%	-9.35%	-7.87%	-8.63%	-8.12%	-7.42%	-6.75%	-6.27%
Common stock in treasury, at cost	-54.84%	-66.48%	-64.65%	-82.53%	-96.17%	-102.84%	-95.88%	-89.65%	-79.35%	-93.59%	-42.37%	-43.44%	-44.59%	-44.18%	-43.27%	-43.05%
Noncontrolling Interests	0.00%	0.00%	0.00%	0.00%	0.00%	5.04%	4.35%	3.75%	2.01%	2.14%	0.68%	1.48%	2.26%	2.94%	3.56%	4.21%

Rockwell Automation
Value Driver Estimation

Fiscal Years Ending Sept. 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
NOPLAT:	848.1	708.0	912.5	679.7	1,052.0	954.9	924.6	1,118.6	1,290.2	973.0	1,152.7	1,411.8	1,562.4	1,704.8	1,911.9	2,089.4
Invested Capital (IC):	2,133.7	2,111.3	2,429.6	1,120.6	894.9	1,378.7	1,789.2	2,200.7	2,435.8	3,134.1	2,433.5	3,068.8	3,337.6	3,537.2	3,705.0	3,819.5
Free Cash Flow (FCF):																
NOPLAT	848.1	708.0	912.5	679.7	1,052.0	954.9	924.6	1,118.6	1,290.2	973.0	1,152.7	1,411.8	1,562.4	1,704.8	1,911.9	2,089.4
Change in IC (CapEx)		(22.4)	318.3	(1,309.0)	(225.7)	483.8	410.5	411.5	235.1	698.3	(700.6)	635.2	268.9	199.6	167.7	114.5
FCF	848.1	730.3	594.3	1,988.6	1,277.8	471.1	514.1	707.1	1,055.1	274.6	1,853.3	776.5	1,293.5	1,505.2	1,744.2	1,974.8
Return on Invested Capital (ROIC):																
NOPLAT	848.1	708.0	912.5	679.7	1,052.0	954.9	924.6	1,118.6	1,290.2	973.0	1,152.7	1,411.8	1,562.4	1,704.8	1,911.9	2,089.4
Beginning IC		2,133.7	2,111.3	2,429.6	1,120.6	894.9	1,378.7	1,789.2	2,200.7	2,435.8	3,134.1	2,433.5	3,068.8	3,337.6	3,537.2	3,705.0
ROIC		33.18%	43.22%	27.97%	93.88%	106.70%	67.06%	62.52%	58.63%	39.94%	36.78%	58.01%	50.91%	51.08%	54.05%	56.39%
Economic Profit (EP):																
Beginning IC		2,133.7	2,111.3	2,429.6	1,120.6	894.9	1,378.7	1,789.2	2,200.7	2,435.8	3,134.1	2,433.5	3,068.8	3,337.6	3,537.2	3,705.0
x (ROIC - WACC)	(0.1)	25.27%	35.32%	20.07%	85.97%	98.80%	59.16%	54.61%	50.72%	32.04%	28.87%	50.11%	43.01%	43.17%	46.15%	48.49%
EP	-	539.3	745.6	487.6	963.4	884.1	815.6	977.1	1,116.3	780.4	904.9	1,219.4	1,319.9	1,441.0	1,632.3	1,796.5
NOPLAT																
Revenue	6,308.0	5,880.0	6,311.0	6,666.0	6,695.0	6,330.0	6,997.0	7,760.0	9,058.0	8,264.0	8,343.0	8,952.6	9,517.4	10,406.7	11,444.2	12,326.6
Cost of Sales (Not Including Depreciation & Amortization)	(3,413.1)	(3,202.9)	(3,443.9)	(3,588.2)	(3,616.8)	(3,512.1)	(3,844.3)	(4,306.8)	(4,974.0)	(4,598.6)	(4,619.8)	(4,864.7)	(5,120.6)	(5,523.1)	(6,055.4)	(6,510.1)
SG&A	(1,506.0)	(1,467.0)	(1,558.0)	(1,588.0)	(1,539.0)	(1,480.0)	(1,680.0)	(1,767.0)	(2,024.0)	(2,003.0)	(1,914.0)	(2,053.8)	(2,183.4)	(2,387.4)	(2,625.5)	(2,827.9)
Depreciation	(162.5)	(172.2)	(168.9)	(164.6)	(152.2)	(172.7)	(189.8)	(238.9)	(250.4)	(317.4)	(278.4)	(281.8)	(295.3)	(377.0)	(407.3)	(429.9)
Amortization	(29.4)	(28.9)	(30.2)	(28.2)	(26.0)	(50.2)	(65.9)	(112.3)	(116.6)	(155.0)	(106.8)	(105.7)	(98.8)	(135.6)	(130.8)	(126.1)
Implied Interest on Leases	-	-	-	-	-	18.3	20.1	17.1	18.6	22.5	21.5	24.0	29.5	33.7	37.1	39.7
EBIT	1,197.0	1,009.0	1,110.0	1,297.0	1,361.0	1,133.3	1,237.1	1,352.1	1,711.6	1,212.5	1,445.5	1,670.5	1,848.8	2,017.3	2,262.3	2,472.3
Tax Rate:	28.0%	27.0%	26.4%	21.1%	16.3%	16.8%	18.6%	16.1%	17.8%	17.0%	15.1%	15.1%	15.1%	15.1%	15.1%	15.1%
Cost of Debt	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
Income Tax Provision	300.0	213.0	212.0	795.0	205.0	113.0	182.0	155.0	331.0	152.0	168.0	243.0	267.5	293.0	328.4	358.8
Tax Shield on Interest Expense	17.9	19.2	20.1	15.4	16.0	17.5	17.7	19.8	24.0	26.4	23.6	25.9	28.8	30.1	33.6	36.5
Tax on Lease Interest	-	-	-	-	-	3.1	3.7	2.8	3.3	3.8	3.2	3.6	4.4	5.1	5.6	6.0
(Tax on Other Income)	1.7	(1.6)	(0.8)	(22.6)	59.0	(20.8)	(75.0)	22.4	(37.0)	(10.7)	19.0	(20.3)	(21.6)	(23.6)	(25.9)	(27.9)
Less: Total Adjusted Taxes	319.6	230.6	231.3	787.8	280.0	112.7	128.5	199.9	321.3	171.5	213.8	252.3	279.2	304.6	341.6	373.3
Change in Deferred Taxes	(29.3)	(70.5)	33.8	170.5	(29.0)	(65.7)	(184.1)	(33.6)	(100.1)	(68.1)	(79.0)	(6.5)	(7.2)	(7.9)	(8.8)	(9.6)
NOPLAT	848.1	708.0	912.5	679.7	1,052.0	954.9	924.6	1,118.6	1,290.2	973.0	1,152.7	1,411.8	1,562.4	1,704.8	1,911.9	2,089.4
Invested Capital																
Cash and Equivalents	359.5	335.1	359.7	379.9	381.6	360.8	398.8	442.3	516.3	471.0	475.5	510.2	542.4	593.1	652.3	702.5
Receivables	1,041.0	1,079.0	1,135.5	1,190.1	1,178.7	1,249.1	1,424.5	1,736.7	2,167.4	1,802.0	1,931.0	1,937.4	2,059.7	2,252.1	2,476.6	2,667.6
Inventories	535.6	526.6	558.7	581.6	575.7	584.0	798.1	1,054.2	1,404.9	1,293.1	1,247.0	1,170.5	1,244.4	1,360.7	1,496.3	1,611.7
Prepaid Expenses and Other Assets	892.9	1,053.0	1,315.6	440.2	212.9	148.1	178.6	329.1	266.7	315.1	265.0	284.5	302.5	330.7	363.7	391.7
Operating Current Assets	2,829.0	2,993.7	3,369.5	2,591.8	2,348.9	2,342.0	2,800.0	3,562.3	4,355.3	3,881.2	3,918.5	3,902.7	4,149.0	4,536.7	4,988.9	5,373.6
Accounts Payable	521.7	543.1	623.2	713.4	694.6	687.8	889.8	1,028.0	1,150.2	860.4	930.0	1,073.2	1,140.9	1,247.6	1,371.9	1,477.7
Compensation and benefits	225.0	145.6	272.6	289.4	239.0	197.0	408.0	292.7	499.9	259.0	432.0	382.6	406.7	444.7	489.1	526.8
Customer returns, rebates and incentives	172.2	176.5	188.8	206.6	199.2	199.6	237.8	373.1	452.0	346.8	347.0	367.9	391.1	427.6	470.3	506.5
Other current liabilities	208.0	447.6	220.2	226.6	227.9	376.5	477.6	403.0	567.4	475.4	505.0	536.9	570.7	624.1	686.3	739.2
Less: Operating Current Liabilities	1,126.9	1,312.8	1,304.8	1,436.0	1,360.7	1,460.9	2,013.2	2,096.8	2,669.5	1,941.6	2,214.0	2,360.6	2,509.5	2,744.0	3,017.6	3,250.2
Net Operating Working Capital	1,702.1	1,680.9	2,064.7	1,155.8	988.2	881.1	786.8	1,465.5	1,685.8	1,939.6	1,704.5	1,542.2	1,639.5	1,792.7	1,971.4	2,123.4
Property, net of accumulated depreciation	605.6	578.3	583.9	576.8	571.9	574.4	581.9	586.5	684.2	776.7	797.0	889.5	1,093.0	1,251.6	1,375.1	1,471.4
Other intangible assets, net	229.5	255.3	238.0	215.2	194.1	479.3	1,021.8	902.0	852.4	1,066.3	864.0	758.3	659.5	523.9	393.1	267.0
Operating Lease Asset	-	-	-	-	-	342.9	377.7	321.0	349.4	422.6	403.0	449.8	552.7	632.9	695.3	744.0
Other Long-Term Assets																
Other Long-Term Operating Assets	229.5	255.3	238.0	215.2	194.1	822.2	1,399.5	1,223.0	1,201.8	1,488.9	1,267.0	1,208.1	1,212.2	1,156.8	1,088.4	1,011.0
Advance payments from customers and deferred revenue	200.8	214.5	240.6	249.9	275.6	325.3	462.5	507.0	592.5	584.1	621.0	571.0	607.1	663.8	729.9	786.2
Other liabilities	202.7	188.7	216.4	577.3	583.7	573.7	516.5	567.3	543.5	487.0	714.0	-	-	-	-	-
Less: Other Long-Term Operating Liabilities	403.5	403.2	457.0	827.2	859.3	899.0	979.0	1,074.3	1,136.0	1,071.1	1,335.0	571.0	607.1	663.8	729.9	786.2
Invested Capital (IC)	2,133.7	2,111.3	2,429.6	1,120.6	894.9	1,378.7	1,789.2	2,200.7	2,435.8	3,134.1	2,433.5	3,068.8	3,337.6	3,537.2	3,705.0	3,819.5

Rockwell Automation*Weighted Average Cost of Capital (WACC) Estimation***Cost of Equity:**

Risk-Free Rate	4.01%
Beta	1.12
Equity Risk Premium	3.73%
Cost of Equity	8.19%

ASSUMPTIONS:*10-year Treasury bond**Raw Beta**Damodaran Implied ERP***Cost of Debt:**

Risk-Free Rate	4.01%
Implied Default Premium	1.32%
Pre-Tax Cost of Debt	5.33%
Marginal Tax Rate	15.10%
After-Tax Cost of Debt	4.53%

*10-year Treasury bond**YTM on 30-year bond***Market Value of Common Equity:**

Total Shares Outstanding	112.43
Current Stock Price	\$377.13
MV of Equity	42,400.73

MV Weights

92.27%

Market Value of Debt:

Short-Term Debt	608
Current Portion of LTD	2
Long-Term Debt	2614
PV of Operating Leases	329
MV of Total Debt	3,553.00

7.73%

Market Value of the Firm**45,953.73****100.00%****Estimated WACC**

7.90%

Rockwell Automation

Discounted Cash Flow (DCF) and Economic Profit (EP) Valuation Models

Key Inputs:

CV Growth of NOPLAT	5.00%
CV Year ROIC	56.39%
WACC	7.90%
Cost of Equity	8.19%

Fiscal Years Ending Sept. 30	2025E	2026E	2027E	2028E	2029E	2030E
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DCF Model:

Free Cash Flow (FCF)	1853.3	776.5	1293.5	1505.2	1744.2	1974.8
Continuing Value (CV)						65558.8
PV of FCF	1717.5	666.9	1029.6	1110.3	1192.3	44816.2
Value of Operating Assets:	50532.8					
Non-Operating Adjustments						
Excess Cash	0.0					
Deferred Income Taxes	517.0					
Long-term investments	168.7					
Other assets	406.3					
Short-term debt	-770.8					
Current portion of long-term debt	-307.4					
Long-term debt	-2561.3					
Retirement benefits	-549.1					
Operating lease liabilities	-355.6					
ESOP	-335.4					
Value of Equity	46745.2					
Shares Outstanding	112.4					
Intrinsic Value of Last FYE	\$ 415.88					
Implied Price as of Today	\$ 447.06					

EP Model:

Economic Profit (EP)	904.9	1219.4	1319.9	1441.0	1632.3	1796.5
Continuing Value (CV)						61853.8
PV of EP	838.6	1047.3	1050.5	1062.9	1115.8	42283.4
Total PV of EP	47398.7					
Invested Capital (last FYE)	3134.1					
Value of Operating Assets:	50532.8					
Non-Operating Adjustments						
Excess Cash	0.0					
Deferred Income Taxes	517.0					
Long-term investments	168.7					
Other assets	406.3					
Short-term debt	-770.8					
Current portion of long-term debt	-307.4					
Long-term debt	-2561.3					
Retirement benefits	-549.1					
Operating lease liabilities	-355.6					
ESOP	-335.4					
Value of Equity	46745.2					
Shares Outstanding	112.4					
Intrinsic Value of Last FYE	\$ 415.88					
Implied Price as of Today	\$ 447.06					

Rockwell Automation

Dividend Discount Model (DDM) or Fundamental P/E Valuation Model

<i>Fiscal Years Ending</i>	2025E	2026E	2027E	2028E	2029E	2030E
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EPS	\$ 7.70	\$ 12.84	\$ 14.20	\$ 15.62	\$ 17.56	\$ 19.27
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Key Assumptions

CV growth of EPS	5.00%
CV Year ROE	31.20%
Cost of Equity	8.19%

Future Cash Flows

P/E Multiple (CV Year)							26.34
EPS (CV Year)							\$ 19.27
Future Stock Price							\$ 507.64
Dividends Per Share	\$ 5.31	\$ 5.60	\$ 5.90	\$ 6.21	\$ 6.55		
Discounted Cash Flows	\$ 4.91	\$ 4.78	\$ 4.66	\$ 4.53	\$ 4.42	\$ 342.50	

Intrinsic Value as of Last FYE \$ 365.80

Implied Price as of Today **\$ 393.22**

Rockwell Automation

Relative Valuation Models

Ticker	Company	Price	EPS	EPS	Forward PEG				EV/EBITDA		Enterprise Value	Net Debt	
			2025E	2026E	P/E 25	P/E 26	EPS gr.	PEG 25	PEG 26	25E EBITDA			26E EBDITA
AME	AMETEK Inc.	\$184.20	\$7.18	\$7.82	25.65	23.55	14.0	1.83	1.68	2307.6	2496.0	43801.1	1950.5
EMR	Emerson Electric Co.	\$136.40	\$6.00	\$6.56	22.73	20.79	10.1	2.25	2.06	5076.2	5504.9	73419.4	4768.0
ETN	Eaton Corp. Plc	\$387.80	\$12.10	\$13.79	32.06	28.13	23.4	1.37	1.20	6535.8	7439.5	140495.9	7904.0
FTV	Fortive Corp.	\$50.30	\$2.51	\$2.77	20.04	18.16	6.1	3.29	2.98	1213.8	1266.4	29530.6	3063.6
GEV	GE Vernova Inc.	\$578.00	\$7.31	\$12.53	79.10	46.11				3334.5	5277.4	84648.3	-7144.0
HON	Honeywell International Inc.	\$212.90	\$10.65	\$10.68	19.99	19.94	8.4	2.38	2.37	10377.0	10445.5	169839.7	21272.0
SIEGY	Siemens Aktiengesellschaft	\$245.80	\$11.74	\$11.16	20.95	22.03	6.50	3.22	3.39	13847.2	15357.7	187545.2	37703.0
Average					23.57	22.10		2.39	2.28	6098.9	6826.8	104182.9	9931.0
ROK	Rockwell Automation	\$377.13	7.70	12.84	49.0	29.4	16.1	3.0	1.8	1830.65	2058.00		

Implied Relative Value:

P/E (EPS25)	\$ 181.57
P/E (EPS26)	\$ 283.76
PEG (EPS25)	\$ 296.73
PEG (EPS26)	\$ 471.89
EV/EBITDA 25E	\$ 313.79
EV/EBITDA 26E	\$ 303.87

Rockwell Automation

Sensitivity Tables

Activity Tables				Change	0.05					
				0.97	1.02	1.07	1.12	1.17	1.22	1.27
				Beta						
Risk Free Rate	\$ 447.06	0.97	1.02	1.07	1.12	1.17	1.22	1.27		
	3.26%	785.84	710.88	648.55	595.92	550.88	511.89	477.82		
	3.51%	688.37	629.63	579.78	536.95	499.75	467.14	438.31		
	3.76%	611.73	564.45	523.67	488.14	456.89	429.21	404.50		
	4.01%	549.87	511.00	477.02	447.06	420.45	396.65	375.25	Change	
	4.26%	498.89	466.37	437.62	412.02	389.08	368.40	349.67		
	4.51%	456.15	428.54	403.89	381.76	361.78	343.65	327.12		
	4.76%	419.80	396.06	374.70	355.38	337.82	321.79	307.09		
				Change	50.000					
				250	300	350	400	450	500	550
				CapEx each year (26-29)						
Depreciation Rate	447.06	250	300	350	400	450	500	550		
	14.5896%	475.26	468.85	462.44	456.04	449.63	443.23	436.82		
	17.0896%	473.11	466.24	459.37	452.50	445.63	438.76	431.88		
	19.5896%	471.45	464.14	456.83	449.53	442.22	434.91	427.61		
	22.09%	470.21	462.49	454.78	447.06	439.35	431.63	423.92	Change	
	24.590%	469.33	461.23	453.14	445.04	436.95	428.86	420.76		
	27.090%	468.76	460.31	451.87	443.42	434.97	426.52	418.08		
	29.590%	468.46	459.68	450.91	442.13	433.36	424.58	415.81		
				Change	0.0025					
				7.15%	7.40%	7.65%	7.90%	8.15%	8.40%	8.65%
				WACC						
CV Growth of NOPLAT	447.06	7.15%	7.40%	7.65%	7.90%	8.15%	8.40%	8.65%		
	4.25%	469.87	429.00	394.15	364.07	337.85	314.80	294.37		
	4.50%	509.92	462.14	421.95	387.67	358.09	332.31	309.63		
	4.75%	558.29	501.52	454.54	415.01	381.30	352.21	326.85		
	5.00%	617.90	549.10	493.27	447.06	408.19	375.03	346.42	Change	
	5.25%	693.15	607.71	540.05	485.15	439.71	401.47	368.87		
	5.50%	791.14	681.71	597.69	531.15	477.16	432.47	394.87		
	5.75%	924.02	778.08	670.47	587.84	522.40	469.30	425.35		

-56.22%
-54.22%
-52.22%
-50.22%
-48.22%
-46.22%
-44.22%

2.38%
2.83%
3.28%
3.73%
4.18%
4.63%
5.08%

14.14%
16.64%
19.14%
21.64%
24.14%
26.64%
29.14%

	Change							
	-0.005	0	0.005	0.01	0.015	0.02	0.025	
	Our Revenue Increase %							
COGS % of Rev	447.06	-0.50%	0.00%	0.50%	1.00%	1.50%	2.00%	2.50%
	-56.22%	291.68	303.29	315.16	327.32	339.76	352.49	365.52
	-54.22%	328.43	341.06	354.00	367.23	380.78	394.64	408.83
	-52.22%	365.17	378.84	392.83	407.15	421.80	436.80	452.14
	-50.22%	401.91	416.61	431.66	447.06	462.82	478.95	495.45
	-48.22%	438.65	454.39	470.49	486.98	503.84	521.10	538.76
	-46.22%	475.40	492.16	509.33	526.89	544.86	563.26	582.08
	-44.22%	512.14	529.94	548.16	566.80	585.89	605.41	625.39
ERP	Change							
	0.121	0.131	0.141	0.151	0.161	0.171	0.181	
	Tax Rate							
	447.06	12.1%	13.1%	14.1%	15.1%	16.1%	17.1%	18.1%
	2.38%	915.10	905.60	896.06	886.46	876.81	867.10	857.34
	2.83%	694.32	686.60	678.84	671.05	663.23	655.38	647.48
	3.28%	557.25	550.77	544.26	537.73	531.18	524.60	518.00
	3.73%	463.85	458.27	452.68	447.06	441.43	435.78	430.12
4.18%	396.11	391.21	386.31	381.39	376.46	371.51	366.55	
4.63%	344.71	340.36	335.99	331.61	327.23	322.83	318.42	
5.08%	304.38	300.45	296.52	292.58	288.63	284.67	280.71	
Receivables % of Sales	Change							
	95.00%	96.00%	97.00%	98.00%	99.00%	100.00%	101.00%	
	COGS % Decrease/Increase							
	447.06	95.00%	96.00%	97.00%	98.00%	99.00%	100.00%	101.00%
	14.14%	559.40	528.26	496.31	463.52	429.88	395.36	359.95
	16.64%	553.91	522.77	490.82	458.03	424.39	389.88	354.47
	19.14%	548.43	517.29	485.33	452.55	418.91	384.39	348.98
	21.64%	542.94	511.80	479.85	447.06	413.42	378.91	343.50
24.14%	537.46	506.32	474.36	441.58	407.94	373.42	338.01	
26.64%	531.97	500.83	468.88	436.09	402.45	367.94	332.52	
29.14%	526.48	495.34	463.39	430.60	396.96	362.45	327.04	

14.14%
16.64%
19.14%
21.64%
24.14%
26.64%
29.14%

Rockwell Automation
Key Management Ratios

Fiscal Years Ending Sept. 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	2029E	2030E
Liquidity Ratios:																
Current Ratio (Current Assets/Current Liabilities)	2.94	2.12	2.06	1.27	1.54	1.48	1.02	1.01	1.46	1.08	1.14	1.26	1.42	1.56	1.71	1.99
Quick Ratio (Current Assets-Inventory/Current Liabilities)	2.53	1.85	1.80	1.01	1.24	1.16	0.76	0.72	1.04	0.72	0.77	0.93	1.09	1.25	1.41	1.65
Cash Ratio (Cash & Equivalents/Current Liabilities)	1.08	0.77	0.66	0.28	0.53	0.39	0.22	0.14	0.32	0.13	0.14	0.31	0.47	0.66	0.84	1.01
Operating Cash Flow Ratio (Operating Cash Flow/Current Liabilities)																
Asset-Management Ratios:																
Asset Turnover Ratio (Net Sales/Total Avg Assets)		0.87	0.88	0.99	1.08	0.95	0.78	0.72	0.82	0.73	0.74	0.79	0.79	0.78	0.76	0.75
Inventory Turnover (COGS/Avg Inventory)		6.79	6.27	6.39	6.53	6.54	5.40	4.43	3.79	3.96	3.99	4.14	4.35	4.23	4.23	4.24
Receivables Turnover (Net Sales/Avg AR)		2.55	2.24	2.29	2.44	2.39	1.94	1.83	1.59	1.87	1.71	2.08	1.85	1.86	1.85	1.89
Days Sales Outstanding (365/Receivables Turnover)		143.14	163.23	159.08	149.85	152.78	188.03	199.07	229.69	194.89	213.36	175.79	197.13	196.59	197.44	193.54
Financial Leverage Ratios:																
Debt to Equity (Total Debt/Total Shareholders Equity)	0.67	0.99	0.69	1.10	5.58	1.48	1.48	1.27	0.79	0.99	0.87	0.85	0.76	0.72	0.66	0.53
Debt to EBITDA (Total Debt/EBITDA)	1.08	1.62	1.41	1.19	1.47	1.47	2.67	2.25	1.43	2.16	1.76	1.74	1.67	1.65	1.62	1.39
Interest Coverage (EBIT/Interest Expense)	-18.70	-14.21	-14.61	-17.77	-13.89	-10.90	-13.02	-10.99	-12.68	-7.82	-9.27	-9.72	-9.71	-10.13	-10.18	-10.23
Debt to Capital (Total Debt/ Total Debt+Equity)	0.40	0.50	0.41	0.52	0.85	0.60	0.60	0.56	0.44	0.50	0.46	0.46	0.43	0.42	0.40	0.35
Profitability Ratios:																
Return on Equity (NI/Beg TSE)	36.69%	36.68%	31.01%	33.14%	172.19%	75.96%	50.41%	30.89%	37.05%	25.93%	23.42%	34.28%	32.17%	30.04%	28.56%	26.76%
Gross Profit (Gross Margin/Revenue)	42.85%	42.11%	42.28%	43.28%	43.32%	41.00%	41.42%	39.97%	41.04%	38.64%	48.14%	41.33%	42.06%	42.00%	42.39%	42.68%
EBIT Margin (EBIT/Revenue)	18.98%	17.16%	17.59%	19.46%	20.33%	17.90%	17.68%	17.42%	18.90%	14.67%	17.33%	18.66%	19.42%	19.38%	19.77%	20.06%
Return on Assets (NI/Total Avg Assets)		12.26%	10.24%	12.31%	8.66%	10.41%	11.39%	12.66%	8.45%	12.31%	8.49%	7.67%	12.02%	11.88%	11.56%	11.83%
Payout Policy Ratios:																
Dividend Payout Ratio (Dividend/EPS)	42.28%	51.79%	47.35%	82.20%	65.99%	46.21%	36.61%	55.86%	39.24%	60.10%	68.93%	43.58%	41.52%	39.78%	37.27%	35.79%
Total Payout Ratio ((Divs. + Repurchases)/NI)	114.55%	121.34%	88.78%	358.79%	211.03%	72.04%	58.67%	88.06%	61.56%	122.34%	414.52%	68.23%	64.10%	60.56%	55.97%	53.09%

Rockwell Automation*Present Value of Operating Lease Obligations*

Fiscal Years Ending Sept. 30	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Year 1	300.0	310.0	320.0	330.0	340.0	350.0	360.0	370.0	380.0	390.0	400.0
Year 2	250.0	260.0	270.0	280.0	290.0	300.0	310.0	320.0	330.0	340.0	350.0
Year 3	225.0	230.0	235.0	240.0	245.0	250.0	255.0	260.0	265.0	270.0	275.0
Year 4	175.0	180.0	185.0	190.0	195.0	200.0	205.0	210.0	215.0	220.0	225.0
Year 5	100.0	104.0	108.0	112.0	116.0	120.0	124.0	128.0	132.0	136.0	140.0
Thereafter	290.0	300.0	310.0	320.0	330.0	340.0	350.0	360.0	370.0	380.0	390.0
Total Minimum Payments	1340.0	1384.0	1428.0	1472.0	1516.0	1560.0	1604.0	1648.0	1692.0	1736.0	1780.0
Less: Cumulative Interest	215.7	222.7	229.7	236.7	243.7	250.7	257.7	264.7	271.8	278.8	285.8
PV of Minimum Payments	1124.3	1161.3	1198.3	1235.3	1272.3	1309.3	1346.3	1383.3	1420.2	1457.2	1494.2
Implied Interest in Year 1 Payment		59.9	61.9	63.9	65.8	67.8	69.8	71.8	73.7	75.7	77.7
Pre-Tax Cost of Debt	5.33%	5.33%	5.33%	5.33%	5.33%	5.33%	5.33%	5.33%	5.33%	5.33%	5.33%
Years Implied by Year 6 Payment	2.9	2.9	2.9	2.9	2.8	2.8	2.8	2.8	2.8	2.8	2.8
Expected Obligation in Year 6 & Beyond	100	104	108	112	116	120	124	128	132	136	140
Present Value of Lease Payments											
PV of Year 1	284.8	294.3	303.8	313.3	322.8	332.3	341.8	351.3	360.8	370.3	379.8
PV of Year 2	225.3	234.4	243.4	252.4	261.4	270.4	279.4	288.4	297.4	306.5	315.5
PV of Year 3	192.5	196.8	201.1	205.4	209.7	213.9	218.2	222.5	226.8	231.1	235.3
PV of Year 4	142.2	146.2	150.3	154.4	158.4	162.5	166.6	170.6	174.7	178.7	182.8
PV of Year 5	77.1	80.2	83.3	86.4	89.5	92.6	95.6	98.7	101.8	104.9	108.0
PV of 6 & beyond	202.3	209.4	216.4	223.5	230.5	237.6	244.6	251.7	258.8	265.8	272.9
Capitalized PV of Payments	1124.3	1161.3	1198.3	1235.3	1272.3	1309.3	1346.3	1383.3	1420.2	1457.2	1494.2

Rockwell Automation*Effects of ESOP Exercise and Share Repurchases on Common Stock Account and Number of Shares Outstanding*

Number of Options Outstanding (shares):	1.884
Average Time to Maturity (years):	5.30
Expected Annual Number of Options Exercised:	0.355

Current Average Strike Price:	\$ 214.03
Cost of Equity:	8.19%
Current Stock Price:	\$377.13

Fiscal Years Ending Sept. 30	2025E	2026E	2027E	2028E	2029E	2030E
Increase in Shares Outstanding:	0.36	0.36	0.36	0.36	0.36	0.11
Average Strike Price:	\$ 214.03	\$ 214.03	\$ 214.03	\$ 214.03	\$ 214.03	\$ 214.03
Increase in Common Stock Account:	76.08	76.08	76.08	76.08	76.08	22.82
Share Repurchases (\$)	354	354	354	354	354	354
Expected Price of Repurchased Shares:	\$ 377.13	\$ 402.20	\$ 428.94	\$ 457.45	\$ 487.86	\$ 520.29
Number of Shares Repurchased:	0.94	0.88	0.83	0.77	0.73	0.68
Shares Outstanding (beginning of the year)	113.10	112.52	111.99	111.52	111.10	110.73
Plus: Shares Issued Through ESOP	0.36	0.36	0.36	0.36	0.36	0.11
Less: Shares Repurchased in Treasury	0.94	0.88	0.83	0.77	0.73	0.68
Shares Outstanding (end of the year)	112.52	111.99	111.52	111.10	110.73	110.16

Rockwell Automation*Valuation of Options Granted under ESOP*

Current Stock Price	\$377.13
Risk Free Rate	4.01%
Current Dividend Yield	1.54%
Annualized St. Dev. of Stock Returns	20.50%

Range of Outstanding Options	Number of Shares	Average Exercise Price	Average Remaining Life (yrs)	B-S Option Price	Value of Options Granted
Range 1	1.884	214.03	5.30	\$ 178.02	\$ 335
Total	2	\$ 214.03	5.30	\$ 206.30	\$ 335