



Rockwell Automation (ROK)

Updated December 3rd, 2025 by Jonathan Weber

Key Metrics

Current Price:	\$391	5 Year CAGR Estimate:	-1.6%	Market Cap:	\$44B
Fair Value Price:	\$246	5 Year Growth Estimate:	6.0%	Ex-Dividend Date:	02/18/26 ¹
% Fair Value:	159%	5 Year Valuation Multiple Estimate:	-8.9%	Dividend Payment Date:	03/10/26 ²
Dividend Yield:	1.4%	5 Year Price Target	\$329	Years Of Dividend Growth:	16
Dividend Risk Score:	C	Sector:	Information Technology	Rating:	Hold

Overview & Current Events

Rockwell Automation is a company that is active in the industrial automation and information segments. Its business units include Architecture & Software as well as Control Products & Solutions. The company was founded in 1928, is headquartered in Milwaukee, WI, and produces more than \$8 billion in annual revenue.

Rockwell reported its fourth quarter (fiscal 2025) earnings results in November. Total revenue was \$2.31 billion for the quarter, which was up 14% versus the previous year's quarter. Organic sales were up 13% year-over-year, which was better than the small increase seen during the previous quarter. Rockwell Automation beat the consensus revenue estimate easily, as a single-digit increase was expected.

Rockwell Automation's fourth quarter earnings-per-share came in at \$3.34 on an adjusted basis, which was way better than what the analyst community had expected. Management believes that business growth will be solid this year, fiscal 2026. Revenues are seen rising by around 5% this year compared to last year. Management believes that earnings-per-share will be up nicely this year, with a guidance range of \$11.20 to \$12.20, implying a mid-point of \$11.70, which would be up around 3% compared to one year earlier.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$5.56	\$6.35	\$8.11	\$8.67	\$7.68	\$9.43	\$9.49	\$12.12	\$9.71	\$10.53	\$11.70	\$15.66
DPS	\$2.90	\$3.04	\$3.68	\$3.88	\$4.13	\$4.28	\$4.48	\$4.72	\$5.00	\$5.24	\$5.52	\$7.05
Shares³	129	128	122	118	117	117	115	115	114	113	112	110

Between 2015 and 2025, Rockwell Automation grew its earnings-per-share at a solid pace of 5% to 6% a year on average. Profits declined substantially during the Great Recession, and they dipped during the pandemic in 2020. We can expect that results in future years will also be cyclical and dependent upon the global economy.

In the past, Rockwell Automation grew its earnings-per-share via a combination of several contributing factors. Higher sales, margin increases, and a decline in the company's share count explain how the company was able to grow its earnings-per-share in the long run. We believe that these growth drivers will likely remain in place in the future, too.

Overall, many of the markets Rockwell Automation is active in, will keep growing in the long run, which makes for a very solid organic growth outlook. The company has also grown via inorganic expansion, by making tuck-in acquisitions, in the past, and more of that could come in the future, when management is able to craft deals that are attractive for the company. Rockwell sees long-term tailwinds from emerging markets businesses, with exposure to countries like Brazil, Mexico, and other countries in Latin America, where the revenue growth outlook for Rockwell Automation is strong.

Between some organic revenue growth, the potential for takeovers and tuck-in acquisitions, and some buybacks, we believe that Rockwell Automation will grow its earnings-per-share at a mid-single-digits pace in the future.

¹ Estimated date

² Estimated date

³ In Millions

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	19.7	23.6	23.4	19.1	19.1	31.2	22.7	23.6	27.6	33.1	33.4	21.0
Avg. Yld.	2.7%	2.0%	2.1%	2.3%	2.3%	1.3%	2.1%	1.7%	1.9%	1.5%	1.4%	2.1%

Rockwell Automation trades at around 33 times this year's expected net profits right now, based on management's current guidance midpoint. This means that shares are trading well in excess of our estimate of fair value, which we see at 21 times earnings. We thus forecast substantial multiple compression headwinds to total returns in the coming years, as Rockwell Automation's valuation normalizes back towards a lower valuation.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	52%	48%	45%	45%	54%	45%	47%	39%	51%	50%	47%	45%

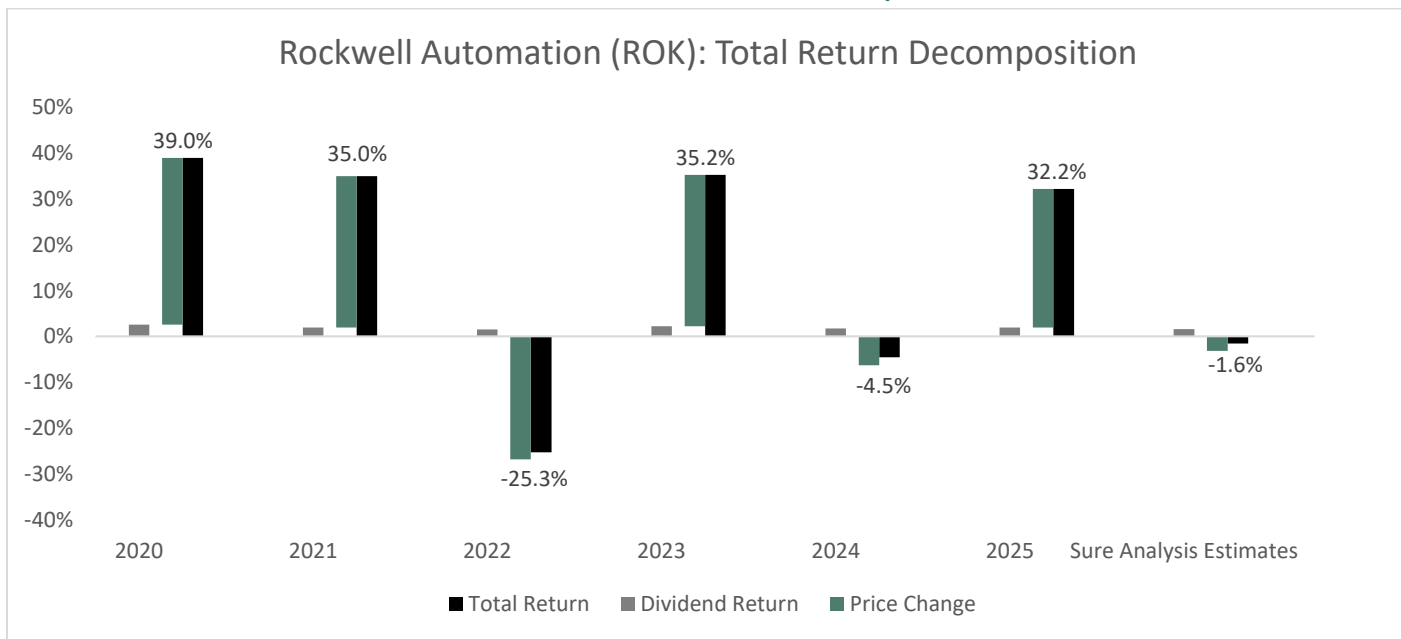
Rockwell's dividend payout ratio has been around 40%-50% throughout much of the last decade. The company did not have to cut its dividend during the Great Recession, which makes us believe that the company's dividend is reasonably safe, despite the cyclicity of Rockwell Automation's business.

Rockwell's earnings-per-share dropped by more than 50% from 2008 to 2009, which shows that the company can be relatively vulnerable to broad economic downturns. During the coronavirus pandemic, Rockwell Automation's profits did decline slightly, by around 10%. Rockwell is well positioned internationally, as it generates roughly half of its sales outside of the US. Rockwell's strong position in higher-growth emerging markets could provide a growth advantage versus peers that are more focused on lower-growth markets in industrial countries.

Final Thoughts & Recommendation

Rockwell Automation operates a business that can be quite cyclical, but the company nevertheless managed to generate solid earnings-per-share growth throughout much more than the last decade. The company hit new record profits in 2023, but 2024 and 2025 were weaker again. 2026 should see nice earnings growth, but profits will remain below the peak from 2023. The total return outlook is far from great, which is why we rate Rockwell Automation a hold right now.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5,885	6,311	6,664	6,694	6,331	6,996	7,760	9,052	8,262	8,343
Gross Profit	2,774	2,977	3,271	3,260	2,942	3,344	3,520	4,207	3,855	4,020
Gross Margin	47.1%	47.2%	49.1%	48.7%	46.5%	47.8%	45.4%	46.5%	46.7%	48.2%
SG&A Exp.	1,467	1,592	1,588	1,539	1,480	1,680	1,767	2,024	2,003	1,914
D&A Exp.	172	169	165	152	173	190	239	250	317	325
Operating Profit	988	1,038	1,310	1,344	1,092	1,240	1,313	1,654	1,271	1,422
Operating Margin	16.8%	16.4%	19.7%	20.1%	17.2%	17.7%	16.9%	18.3%	15.4%	17.0%
Net Profit	729	825	535	695	1,022	1,342	916	1,272	943	747
Net Margin	12.4%	13.1%	8.0%	10.4%	16.1%	19.2%	11.8%	14.1%	11.4%	9.0%
Free Cash Flow	830	892	1,175	1,049	1,007	1,141	682	1,214	639	1,358
Income Tax	213	212	795	205	113	182	155	331	152	168

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	7,228	7,284	6,391	6,220	7,367	11,014	10,759	11,304	11,232	11,219
Cash & Equivalents	2,429	2,536	910	1,058	705	663	512	1,081	471	468
Accounts Receivable	1,079	1,136	1,190	1,179	1,249	1,425	1,737	2,167	1,802	1,931
Inventories	527	559	582	576	584	798	1,054	1,405	1,293	1,247
Goodwill & Int. Ass.	1,329	1,316	1,291	1,265	2,130	4,648	4,426	4,382	5,059	4,703
Total Liabilities	5,238	4,621	4,774	5,816	6,021	8,320	7,742	7,561	7,557	7,508
Accounts Payable	543	623	713	695	688	890	1,028	1,150	860	930
Long-Term Debt	1,516	1,493	1,225	2,257	2,249	3,778	3,740	3,157	3,224	2,945
Shareholder's Equity	1,990	2,664	1,618	404	1,028	2,390	2,726	3,562	3,498	3,654
LTD/E Ratio	0.99	0.69	1.10	5.58	2.30	1.83	1.53	0.94	1.17	1.00

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	10.7%	11.4%	7.8%	11.0%	15.0%	14.6%	8.4%	11.5%	8.4%	6.7%
Return on Equity	34.3%	35.4%	25.0%	68.8%	117%	66.4%	32.1%	37.6%	25.4%	20.2%
ROIC	18.9%	19.5%	13.5%	23.0%	32.1%	24.9%	12.8%	17.8%	12.7%	9.9%
Shares Out.	129	128	122	118	117	117	115	115	114	113
Revenue/Share	44.89	48.58	52.51	56.11	54.29	59.74	66.49	78.30	72.16	73.77
FCF/Share	6.33	6.87	9.26	8.79	8.63	9.74	5.84	10.50	5.58	12.01

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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