# Rockwell Automation (ROK)

*Updated August 26th, 2026 by Jonathan Weber*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $431 | **5 Year CAGR Estimate:** | -1.4% | **Market Cap:** | $48B |
| **Fair Value Price:** | $276 | **5 Year Growth Estimate:** | 6.0% | **Ex-Dividend Date:** | 10/18/26[1] |
| **% Fair Value:** | 156% | **5 Year Valuation Multiple Estimate:** | -8.5% | **Dividend Payment Date:** | 11/10/26[2] |
| **Dividend Yield:** | 1.3% | **5 Year Price Target** | $370 | **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 third quarter (fiscal 2026) earnings results on August 12th. Total revenue was $2.31 billion for the quarter, which was up 8% versus the previous year's quarter. Organic sales were up 10% year-over-year, which was slightly better than the growth rate during the previous quarter. Rockwell Automation beat the consensus revenue estimate easily, outperforming expectations by $60 million.

Rockwell Automation's fiscal third quarter earnings-per-share came in at $3.39 on an adjusted basis, which was 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 8% to 9% this year compared to last year. Management believes that earnings-per-share will be up nicely this year, with a guidance range of $13.00 to $13.30, implying a mid-point of $13.15, which would be up by a nice 25% 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 | ***$13.15*** | ***$17.60*** |
| **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*** |
| **Shares[3]** | 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.

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[1] Estimated date
[2] Estimated date
[3] In Millions

*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*

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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 | ***32.8*** | ***21.0*** |
| **Avg. Yld.** | 2.7% | 2.0% | 2.1% | 2.3% | 2.3% | 1.3% | 2.1% | 1.7% | 1.9% | 1.5% | ***1.3%*** | ***1.9%*** |

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% | ***42%*** | ***40%*** |

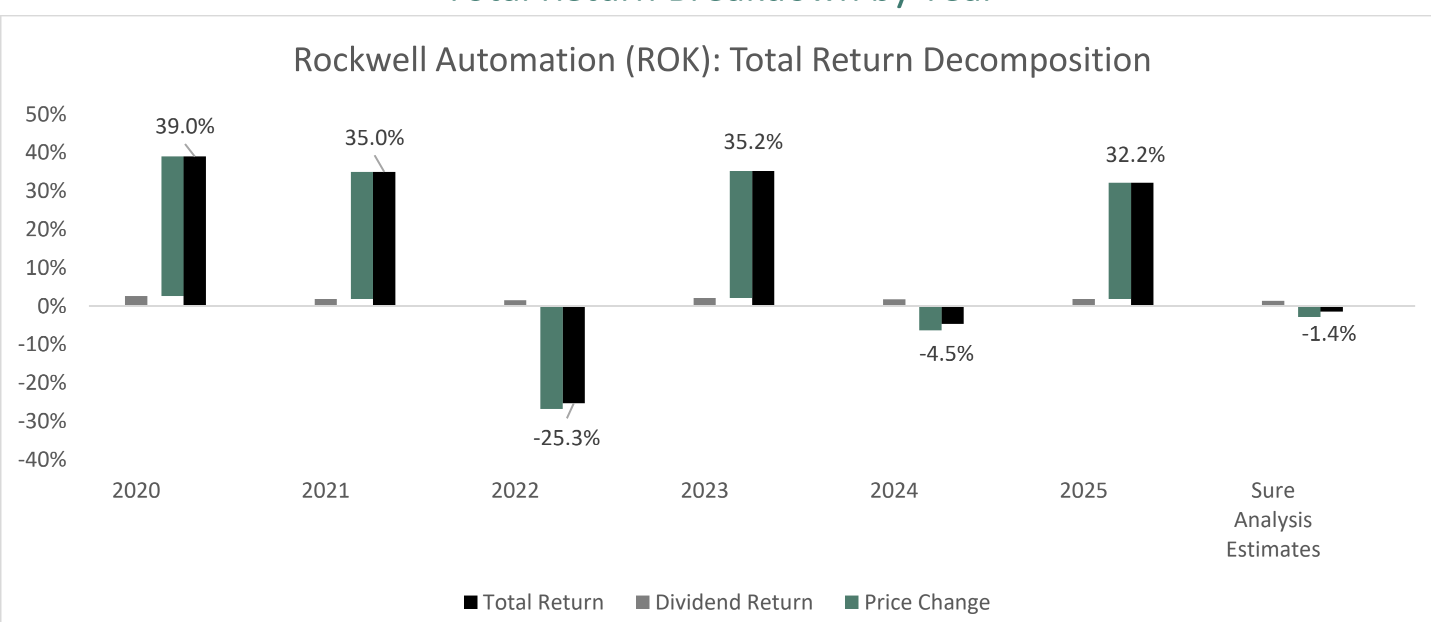
Rockwell's dividend payout ratio has been around 40%-50% throughout much of the last decade. The company did not have to cut its dividend during the Great Recession, which makes us believe that the company's dividend is reasonably safe, despite the cyclicality of Rockwell Automation's business.

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. 2024 and 2025 were two somewhat weaker years, but 2026 should see nice growth again, as profits will likely see a new record high this year. The total return outlook is far from appealing, though, 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. | 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.*