

Rockwell Automation

Fiscal Year 2019

Third Quarter Conference Call

July 25, 2019



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SAFE HARBOR STATEMENT

THIS PRESENTATION INCLUDES STATEMENTS RELATED TO THE EXPECTED FUTURE RESULTS OF THE COMPANY AND ARE THEREFORE FORWARD-LOOKING STATEMENTS. ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE PROJECTIONS DUE TO A WIDE RANGE OF RISKS AND UNCERTAINTIES, INCLUDING THOSE THAT ARE LISTED IN OUR SEC FILINGS.

THIS PRESENTATION ALSO CONTAINS NON-GAAP FINANCIAL INFORMATION AND RECONCILIATIONS TO GAAP ARE INCLUDED IN THE APPENDIX. ALL INFORMATION SHOULD BE READ IN CONJUNCTION WITH OUR HISTORICAL FINANCIAL STATEMENTS.



Fiscal 2019 Third Quarter Results and Full Year Outlook



Q3 Results

- Organic sales up 0.5% YOY
 - Double-digit growth in oil and gas, pulp and paper, mining, and life sciences
 - Shorter-cycle weakness: automotive, semiconductor, food and beverage
 - Logix decline of (3)%; Process growth of 3%
 - Continued strong double-digit growth in Information Solutions and Connected Services
- Segment operating margin of 23.8%, up 130 bps YOY
 - Includes impact of lower incentive compensation expense
- Adjusted EPS of \$2.40, up 11% YOY

Macro Environment and Full Year Outlook

- Uncertainty with respect to global trade is impacting some customers' investment decisions, particularly those related to the timing of capital investments
- Organic sales growth now expected to be about 1.5%

Updating fiscal 2019 Adjusted EPS guidance range to \$8.50 to \$8.70

Key Financial Information: Third Quarter

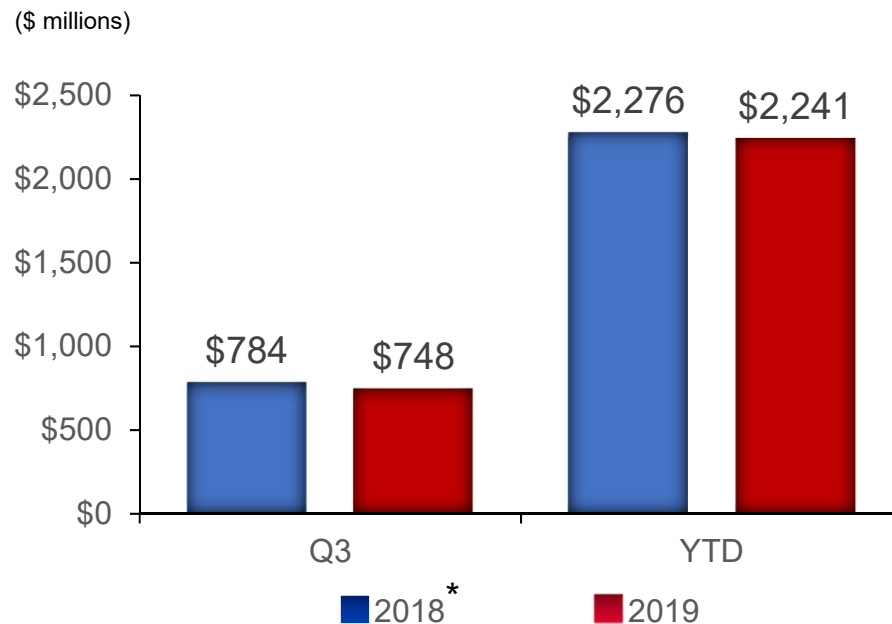
(in millions, except per share amounts)

	<u>Q3 2019</u>	<u>Q3 2018[*]</u>	<u>YOY B/(W)</u>
Sales	\$ 1,665	\$ 1,699	(2.0) %
Segment Operating Earnings	\$ 396	\$ 383	3.4 %
Segment Operating Margin	23.8 %	22.5 %	130 bps
General Corporate - Net	\$ 24	\$ 33	\$ 9
Adjusted EPS	\$ 2.40	\$ 2.16	11.1 %
Adjusted Effective Tax Rate	17.3 %	18.7 %	140 bps
Free Cash Flow	\$ 323	\$ 321	\$ 2
ROIC	39.0 %	43.8 %	(480) bps

* Comparable numbers in fiscal 2018 were recast to conform to fiscal 2019 reporting, except for ASC 606, which was adopted using the modified retrospective transition method. See pages 11-13.

Architecture & Software

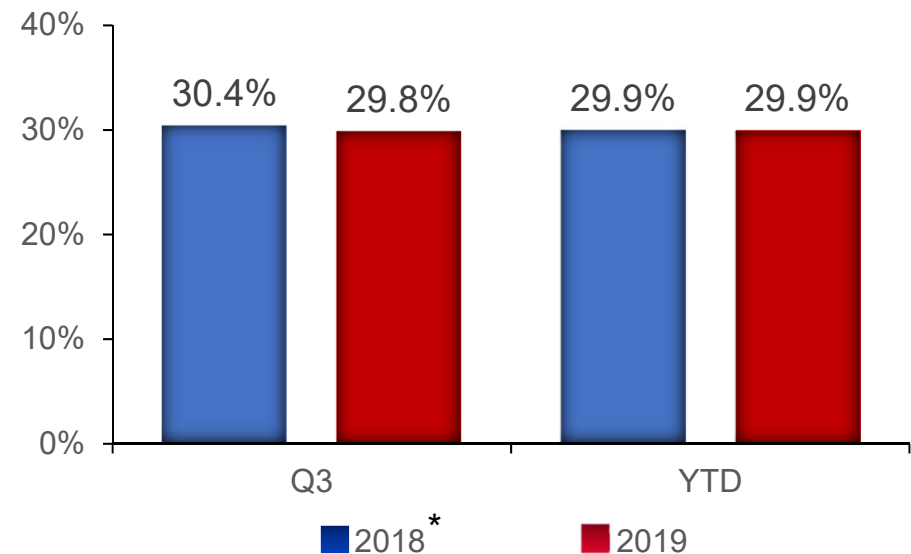
Sales



YOY Sales % Change

	Q3 2019	YTD
Organic	(1.9)%	1.2%
FX	(2.8)%	(2.8)%
Acquisition	0.1%	0.1%
Reported	(4.6)%	(1.5)%

Segment Operating Margin

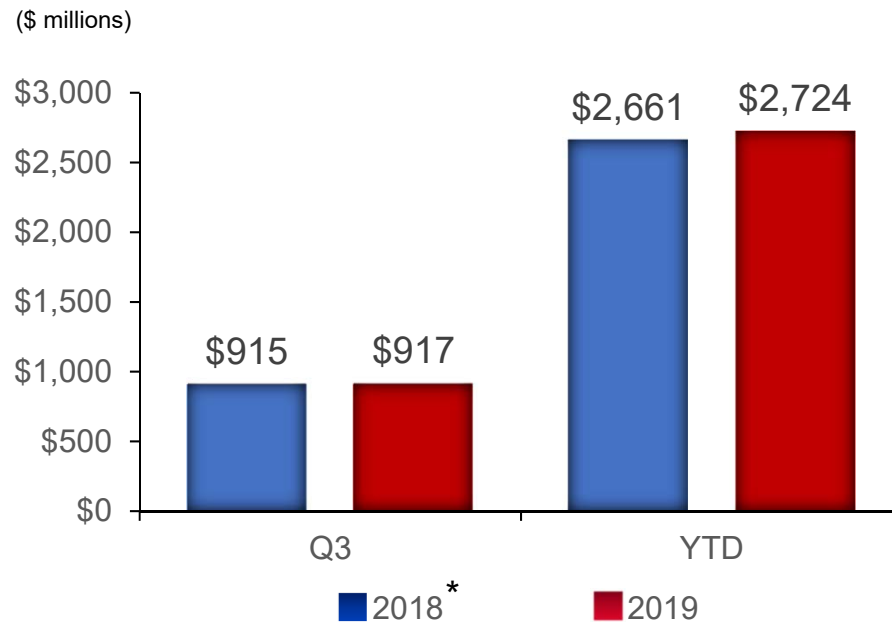


- Segment operating margin contracted (60) bps in Q3.

* Comparable numbers in fiscal 2018 were recast to conform to fiscal 2019 reporting, except for ASC 606, which was adopted using the modified retrospective transition method. See pages 11-13.

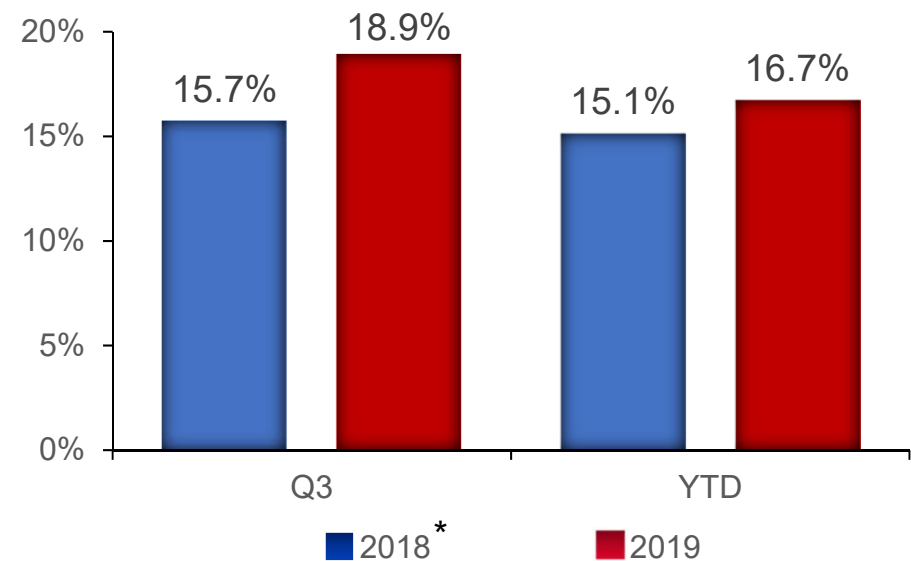
Control Products & Solutions

Sales



	YOY Sales % Change	
	Q3 2019	YTD
Organic	2.7%	4.9%
FX	(2.5)%	(2.5)%
Reported	0.2%	2.4%

Segment Operating Margin



- Segment operating margin expanded 320 bps in Q3, primarily due to lower incentive compensation expense and higher organic sales, partially offset by higher investment spending.

* Comparable numbers in fiscal 2018 were recast to conform to fiscal 2019 reporting, except for ASC 606, which was adopted using the modified retrospective transition method. See pages 11-13.

Regional Sales

(in millions, except percentages)

<u>Region</u>	<u>Q3 2019</u>		<u>YTD</u>	
	<u>Sales</u>	<u>Organic % Change</u>	<u>Sales</u>	<u>Organic % Change</u>
North America	\$ 1,008	(0.2)%	\$ 2,994	2.5%
EMEA	308	2.2%	933	2.5%
Asia Pacific	233	(1.1)%	662	2.1%
Latin America	116	6.3%	376	13.1%
TOTAL	<u>\$ 1,665</u>	0.5%	<u>\$ 4,965</u>	3.2%

Third Quarter *

- In North America, pulp and paper and oil and gas grew double-digits; automotive, semiconductor, food and beverage declined
- EMEA growth led by life sciences, oil and gas, and tire
- Within Asia Pacific, China grew low-single digits
- Latin America growth led by mining and oil and gas
- Emerging markets up low single-digits

* All growth comments refer to organic growth

Revised Fiscal 2019 Guidance

Guidance does not include impacts of Sensia joint venture

	July Guidance	April Guidance
Sales	~ \$6.6B	~ \$6.8B
Organic Growth	~ 1.5%	3.7% to 5.3%
Currency Translation	~ (2)%	~ (2)%
Segment Operating Margin	~ 22%	~ 22%
Adjusted Effective Tax Rate	~ 18.5%	~ 19.0%
Adjusted EPS	\$8.50 - \$8.70	\$8.85 - \$9.15
Free Cash Flow as a % of Adjusted Income	~ 100%	~ 100%

Note: As of July 25, 2019

Appendix

Supplemental Financial Information and Reconciliations to Non-GAAP Measures





Third Quarter Results: Summary

(in millions, except per share amounts)	<u>Q3 2019</u>	<u>Q3 2018</u>
Total sales	\$ 1,665.1	\$ 1,698.7
Total segment operating earnings	\$ 395.9	\$ 382.6
Purchase accounting depreciation and amortization	(4.1)	(4.3)
General corporate - net	(23.8)	(33.0)
Non-operating pension and postretirement benefit credit (cost)	2.6	(5.6)
Change in fair value of investments ¹	(25.6)	(76.8)
Interest (expense) income, net	(23.6)	(11.2)
Income tax provision	(60.0)	(53.1)
Net income	<u>\$ 261.4</u>	<u>\$ 198.6</u>
<u>Adjustments</u>		
Non-operating pension and postretirement benefit (credit) cost, net of tax	\$ (2.3)	\$ 3.8
Change in fair value of investments ¹	25.6	76.8
Effects of the Tax Act	—	(7.5)
Adjusted Income	<u>\$ 284.7</u>	<u>\$ 271.7</u>
Adjusted EPS	<u>\$ 2.40</u>	<u>\$ 2.16</u>
Average diluted shares	<u>118.6</u>	<u>125.8</u>

¹Includes loss on investments and valuation adjustment pending registration of PTC securities.

Fiscal 2019 Reporting Changes

Revenue Reporting

- Adopted ASC 606 (revenue recognition) in Q1
- U.S. & Canada revenues combined and reported as North America region

Segment Reporting

- Segment P&L: Realigned certain business activities between A&S and CP&S reporting segments
- \$48M of FY18 revenue moved from A&S to CP&S

Interest Income

- Statement of Operations: No change; remains in Other (expense) income
- Segment P&L: Removed from General corporate-net; now included in interest (expense) income, net

Operating vs. Non-Operating Pension/ Postretirement

- Adopting FASB definition of operating vs. non-operating; operating includes only service cost
- Statement of Operations: Non-operating amounts reclassified out of COS and SG&A into Other (expense) income
- Non-GAAP Measures: Conforming non-GAAP measures of Adjusted Income, Adjusted EPS and Adjusted ETR to FASB definition; impact immaterial
- Segment P&L: Conforming to FASB definition

Fiscal 2019 Reporting Changes: Statement of Operations Impact on Q3 FY18



(in millions, except per share amounts)

	Fiscal Year 2018 - Quarter 3		
	Originally Reported	Pension/ Postretirement	Recast
Sales	\$ 1,698.7	\$ —	\$ 1,698.7
Cost of sales	(957.0)	3.0	(954.0)
Gross profit	741.7	3.0	744.7
Selling, general and administrative	(402.2)	2.6	(399.6)
Other income (expense)	(71.3)	(5.6)	(76.9)
Interest expense	(16.5)	—	(16.5)
Income from continuing operations before income taxes	251.7	—	251.7
Income tax provision	(53.1)	—	(53.1)
Net income	\$ 198.6	\$ —	\$ 198.6
Diluted EPS	\$ 1.58	\$ —	\$ 1.58
Adjusted EPS⁽¹⁾	\$ 2.16	\$ —	\$ 2.16
Average diluted shares for EPS calculation	125.8		125.8

⁽¹⁾ Adjusted EPS is a non-GAAP measure

Fiscal 2019 Reporting Changes: Segment P&L Impact on Q3 FY18



(in millions, except per share amounts and percentages)

	Fiscal Year 2018 - Quarter 3				
	Originally Reported	Segment Realign.	Pension/ Postretirement	Interest Income	Recast
Sales					
Architecture & Software (a)	\$ 795.7	\$ (12.0)	\$ —	\$ —	\$ 783.7
Control Products & Solutions (b)	903.0	12.0	—	—	915.0
Total sales (c)	<u>\$ 1,698.7</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,698.7</u>
Segment operating earnings					
Architecture & Software (d)	\$ 239.0	\$ (0.3)	\$ (0.1)	\$ —	\$ 238.6
Control Products & Solutions (e)	143.9	0.3	(0.2)	—	144.0
Total segment operating earnings ⁽¹⁾ (f)	<u>382.9</u>	<u>—</u>	<u>(0.3)</u>	<u>—</u>	<u>382.6</u>
Purchase accounting depreciation and amortization	(4.3)	—	—	—	(4.3)
General corporate - net	(27.7)	—	—	(5.3)	(33.0)
Non-operating pension and postretirement benefit (cost) credit	(5.9)	—	0.3	—	(5.6)
Change in fair value of investments	(76.8)	—	—	—	(76.8)
Interest (expense) income, net	(16.5)	—	—	5.3	(11.2)
Income before income taxes	<u>251.7</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>251.7</u>
Income tax provision	(53.1)	—	—	—	(53.1)
Net income	<u>\$ 198.6</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 198.6</u>
Diluted EPS	<u>\$ 1.58</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1.58</u>
Adjusted EPS ⁽²⁾	<u>\$ 2.16</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2.16</u>
Segment operating margin					
Architecture & Software (d/a)	<u>30.0%</u>				<u>30.4%</u>
Control Products & Solutions (e/b)	<u>15.9%</u>				<u>15.7%</u>
Total segment operating margin (f/c)	<u>22.5%</u>				<u>22.5%</u>

⁽¹⁾ Total segment operating earnings and total segment operating margin are non-GAAP measures.

⁽²⁾ Adjusted EPS is a non-GAAP measure.

Free Cash Flow

(in millions)	<u>Q3 2019</u>	<u>YTD</u>
Net Income	\$ 261.4	\$ 687.7
Depreciation/Amortization	36.9	112.2
Retirement Benefits Expense	17.2	51.6
Receivables/Inventory/Payables	(10.0)	(149.6)
Compensation and Benefits	16.8	(73.7)
Pension Contributions	(6.9)	(22.0)
Income Taxes ¹	0.4	(66.3)
Change in fair value of investments ²	25.6	140.1
Other ³	9.8	27.0
Cash Flow from Operations	351.2	707.0
Capital Expenditures	(27.8)	(108.7)
Free Cash Flow	<u>\$ 323.4</u>	<u>\$ 598.3</u>
Adjusted Income	\$ 284.7	\$ 799.3
Free Cash Flow as a % of Adjusted Income	114%	75%

¹YTD Includes a payment of \$31.1 million for taxes due under the Tax Act related to deemed repatriation of foreign earnings.

²Includes loss on investments and valuation adjustments related to the registration of PTC securities.

³YTD Includes a payment of \$35.7 million to settle hedges executed in connection with our issuance of \$1.0 billion of long-term notes in the second quarter of fiscal 2019.



Reconciliation to Non-GAAP Measures

Organic Sales

(in millions, except percentages)

	Three Months Ended June 30,									
	2019					2018				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)	Effect of Divestitures	Sales Excluding Divestitures	Sales Growth (a)/(c)	Organic Growth (b)/(c)
North America	\$ 1,008.0	\$ 3.8	\$ 1,011.8	\$ (0.5)	\$ 1,011.3	\$ 1,013.7	\$ —	\$ 1,013.7	(0.6)%	(0.2)%
EMEA	307.9	21.7	329.6	(0.2)	329.4	322.2	—	322.2	(4.4)%	2.2%
Asia Pacific	232.7	13.1	245.8	(0.1)	245.7	248.5	—	248.5	(6.4)%	(1.1)%
Latin America	116.5	5.0	121.5	—	121.5	114.3	—	114.3	1.9%	6.3%
Total	\$ 1,665.1	\$ 43.6	\$ 1,708.7	\$ (0.8)	\$ 1,707.9	\$ 1,698.7	\$ —	\$ 1,698.7	(2.0)%	0.5%

	Nine Months Ended June 30,									
	2019					2018				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)	Effect of Divestitures	Sales Excluding Divestitures	Sales Growth (a)/(c)	Organic Growth (b)/(c)
North America	\$ 2,993.9	\$ 12.9	\$ 3,006.8	\$ (0.8)	\$ 3,006.0	\$ 2,931.4	\$ —	\$ 2,931.4	2.1%	2.5%
EMEA	933.4	61.0	994.4	(0.3)	994.1	970.2	—	970.2	(3.8)%	2.5%
Asia Pacific	661.8	34.5	696.3	(0.2)	696.1	681.9	—	681.9	(2.9)%	2.1%
Latin America	375.5	23.9	399.4	—	399.4	353.0	—	353.0	6.4%	13.1%
Total	\$ 4,964.6	\$ 132.3	\$ 5,096.9	\$ (1.3)	\$ 5,095.6	\$ 4,936.5	\$ —	\$ 4,936.5	0.6%	3.2%



Reconciliation to Non-GAAP Measures

Organic Sales

(in millions, except percentages)

Three Months Ended June 30,										
	2019					2018				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)	Effect of Divestitures	Sales Excluding Divestitures	Sales Growth (a)/(c)	Organic Growth (b)/(c)
Architecture & Software	\$ 747.9	\$ 21.5	\$ 769.4	\$ (0.8)	\$ 768.6	\$ 783.7	\$ —	\$ 783.7	(4.6)%	(1.9)%
Control Products & Solutions	917.2	22.1	939.3	—	939.3	915.0	—	915.0	0.2%	2.7%
Total	\$ 1,665.1	\$ 43.6	\$ 1,708.7	\$ (0.8)	\$ 1,707.9	\$ 1,698.7	\$ —	\$ 1,698.7	(2.0)%	0.5%

Nine Months Ended June 30,										
	2019					2018				
	Sales(a)	Effect of Changes in Currency	Sales Excluding Changes in Currency	Effect of Acquisitions	Organic Sales(b)	Sales(c)	Effect of Divestitures	Sales Excluding Divestitures	Sales Growth (a)/(c)	Organic Growth (b)/(c)
Architecture & Software	\$ 2,240.7	\$ 64.3	\$ 2,305.0	\$ (1.3)	\$ 2,303.7	\$ 2,275.8	\$ —	\$ 2,275.8	(1.5)%	1.2%
Control Products & Solutions	2,723.9	68.0	2,791.9	—	2,791.9	2,660.7	—	2,660.7	2.4%	4.9%
Total	\$ 4,964.6	\$ 132.3	\$ 5,096.9	\$ (1.3)	\$ 5,095.6	\$ 4,936.5	\$ —	\$ 4,936.5	0.6%	3.2%

Reconciliation to Non-GAAP Measures

Segment Operating Margin

(in millions, except percentages)

	Three Months Ended		Nine Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Sales				
Architecture & Software (a)	\$ 747.9	\$ 783.7	\$ 2,240.7	\$ 2,275.8
Control Products & Solutions (b)	917.2	915.0	2,723.9	2,660.7
Total sales (c)	<u>\$ 1,665.1</u>	<u>\$ 1,698.7</u>	<u>\$ 4,964.6</u>	<u>\$ 4,936.5</u>
Segment operating earnings				
Architecture & Software (d)	\$ 222.9	\$ 238.6	\$ 669.8	\$ 680.0
Control Products & Solutions (e)	173.0	144.0	454.8	402.9
Total segment operating earnings (f)	<u>395.9</u>	<u>382.6</u>	<u>1,124.6</u>	<u>1,082.9</u>
Purchase accounting depreciation and amortization	(4.1)	(4.3)	(12.5)	(13.2)
General corporate - net	(23.8)	(33.0)	(72.4)	(81.8)
Non-operating pension and postretirement benefit credit (cost)	2.6	(5.6)	7.8	(17.1)
Costs related to unsolicited Emerson proposals	—	—	—	(11.2)
Change in fair value of investments ¹	(25.6)	(76.8)	(140.1)	(76.8)
Interest (expense) income, net	(23.6)	(11.2)	(62.8)	(33.7)
Income before income taxes (g)	<u>\$ 321.4</u>	<u>\$ 251.7</u>	<u>\$ 844.6</u>	<u>\$ 849.1</u>
Segment operating margin:				
Architecture & Software (d/a)	29.8%	30.4%	29.9%	29.9%
Control Products & Solutions (e/b)	18.9%	15.7%	16.7%	15.1%
Total segment operating margin (f/c)	23.8%	22.5%	22.7%	21.9%
Pretax margin (g/c)	19.3%	14.8%	17.0%	17.2%

¹ Includes loss on investments and valuation adjustment pending registration of PTC securities



Reconciliation to Non-GAAP Measures

Adjusted Income, Adjusted EPS and Adjusted Effective Tax Rate

(in millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Net Income	\$ 261.4	\$ 198.6	\$ 687.7	\$ 189.6
Non-operating pension and postretirement benefit (credit) cost	(2.6)	5.6	(7.8)	17.1
Tax effect of non-operating pension and postretirement benefit (credit) cost	0.3	(1.8)	1.0	(5.4)
Costs related to unsolicited Emerson proposals	—	—	—	11.2
Tax effect of costs related to unsolicited Emerson proposals	—	—	—	(3.1)
Change in fair value of investments	25.6	76.8	140.1	76.8
Tax effect of the change in fair value of investments	—	—	(21.7)	—
Effects of the Tax Act	—	(7.5)	—	483.7
Adjusted Income	\$ 284.7	\$ 271.7	\$ 799.3	\$ 769.9
Diluted EPS	\$ 2.20	\$ 1.58	\$ 5.73	\$ 1.48
Non-operating pension and postretirement benefit (credit) cost	(0.02)	0.04	(0.07)	0.12
Tax effect of non-operating pension and postretirement benefit (credit) cost	—	(0.01)	0.01	(0.04)
Costs related to unsolicited Emerson proposals	—	—	—	0.09
Tax effect of costs related to unsolicited Emerson proposals	—	—	—	(0.03)
Change in fair value of investments	0.22	0.61	1.16	0.60
Tax effect of the change in fair value of investments	—	—	(0.18)	—
Effects of the Tax Act	—	(0.06)	—	3.78
Adjusted EPS	\$ 2.40	\$ 2.16	\$ 6.65	\$ 6.00
Effective tax rate	18.7%	21.1%	18.6%	77.7%
Tax effect of non-operating pension and postretirement benefit (credit) cost	—%	0.3%	0.1%	0.2%
Tax effect of costs related to unsolicited Emerson proposals	—%	—%	—%	0.1%
Tax effect of the change in fair value of investments	(1.4)%	(5.7)%	(0.5)%	(1.7)%
Effects of the Tax Act	—%	3.0%	—%	(57.0)%
Adjusted Effective Tax Rate	17.3%	18.7%	18.2%	19.3%

Non-operating pension and postretirement benefit (credit) cost

(in millions)

	Three Months Ended		Nine Months Ended	
	June 30, 2019	June 30, 2018	June 30, 2019	June 30, 2018
Interest cost	\$ 40.3	\$ 39.4	\$ 120.6	\$ 118.4
Expected return on plan assets	(61.2)	(61.2)	(183.6)	(183.9)
Amortization of prior service credit	(1.1)	(1.3)	(3.2)	(3.7)
Amortization of net actuarial loss	19.6	28.7	59.0	86.3
Settlements	(0.2)	—	(0.6)	—
Non-operating pension and postretirement benefit (credit) cost	\$ (2.6)	\$ 5.6	\$ (7.8)	\$ 17.1

Reconciliation to Non-GAAP Measures

Return On Invested Capital

(in millions, except percentages)

	Twelve Months Ended	
	June 30,	
	2019	2018
(a) Return		
Net income	\$ 1,033.6	\$ 394.2
Interest expense	90.4	73.3
Income tax provision	292.7	728.4
Purchase accounting depreciation and amortization	16.7	17.8
Return	<u>1,433.4</u>	<u>1,213.7</u>
(b) Average invested capital		
Short-term debt	356.2	469.6
Long-term debt	1,512.2	1,236.7
Shareowners' equity	1,365.8	2,077.8
Accumulated amortization of goodwill and intangibles	877.9	859.9
Cash and cash equivalents	(752.0)	(1,376.3)
Short-term and long-term investments	(348.4)	(1,099.7)
Average invested capital	<u>3,011.7</u>	<u>2,168.0</u>
(c) Effective tax rate		
Income tax provision ¹	238.1	244.7
Income before income taxes	\$ 1,326.3	\$ 1,122.6
Effective tax rate	<u>18.0%</u>	<u>21.8%</u>
(a) / (b) * (1-c) Return On Invested Capital	<u>39.0%</u>	<u>43.8%</u>

¹The income tax provision used to calculate the effective tax rate is adjusted to remove amounts associated with the enactment of the Tax Act. For the twelve months ended June 30, 2019 and June 30, 2018, these adjustments were \$54.6 million and \$483.7 million, respectively.

Reconciliation to Non-GAAP Measures

Logix and Process Sales Growth

	<u>Three Months Ended</u> <u>June 30, 2019</u>	<u>Nine Months Ended</u> <u>June 30, 2019</u>
<u>Logix</u>		
Logix reported growth	(6)%	(3)%
Effect of currency translation	3%	3%
Logix organic growth	<u>(3)%</u>	<u>—%</u>
<u>Process</u>		
Process reported growth	(1)%	3%
Effect of currency translation	4%	3%
Process organic growth	<u>3%</u>	<u>6%</u>

Control Products & Solutions Sales Growth

	<u>Three Months Ended</u> <u>June 30, 2019</u>	<u>Nine Months Ended</u> <u>June 30, 2019</u>
<u>Control Products</u>		
Control products reported growth	(5)%	(1)%
Effect of currency translation	(2)%	(2)%
Control products organic growth	<u>(3)%</u>	<u>1%</u>
<u>Solutions</u>		
Solutions reported growth	4%	5%
Effect of currency translation	(2)%	(2)%
Solutions organic growth	<u>6%</u>	<u>7%</u>



Reconciliation to Non-GAAP Measures

Fiscal 2019 Guidance

(in billions, except percentages and per share amounts)

Organic Sales

Organic sales growth
Foreign currency impact
Reported sales growth

July Guidance	April Guidance
~ 1.5%	3.7% to 5.3%
~ (2)%	~ (2)%
~ (0.5)%	1.7% to 3.3%

Segment Operating Margin

Total sales (a)
Total segment operating earnings (b)
Costs not allocated to segments
Income before income taxes (c)
Total segment operating margin (b/a)
Pretax margin (c/a)

July Guidance	April Guidance
\$ ~ \$6.6B	\$ ~ 6.8B
~ 1.5	~ 1.5
~ 0.1	~ 0.1
\$ ~ 1.3	\$ ~ 1.3
~ 22 %	~ 22 %
~ 20 %	~ 19 %

Adjusted Effective Tax Rate

Effective tax rate
Tax effect of non-operating pension and postretirement benefit credit
Tax effect of change in fair value of investments
Adjusted Effective Tax Rate

~ 18.5 %	~ 19.0 %
~ — %	~ — %
~ — %	~ — %
~ 18.5 %	~ 19.0 %

Adjusted EPS

Diluted EPS from continuing operations
Non-operating pension and postretirement benefit credit
Tax effect of non-operating pension and postretirement benefit credit
Change in fair value of investments
Tax effect of change in fair value of investments
Adjusted EPS

\$7.58 - \$7.78	\$8.15 - \$8.45
(0.09)	(0.09)
0.01	0.01
1.18	0.96
(0.18)	(0.18)
\$8.50 - \$8.70	\$8.85 - \$9.15