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SVP and Chief Financial Officer



Price Discipline

Driving higher underlying price through the cycle

Strong price realization

	UNDERLYING PRICE	TARIFF-BASED PRICE
FY25	Over ~2pts with ~4pts realization on products	60 bps
FY26	Expecting ~1pt with ~2pts realization on products	Expecting ~1pt

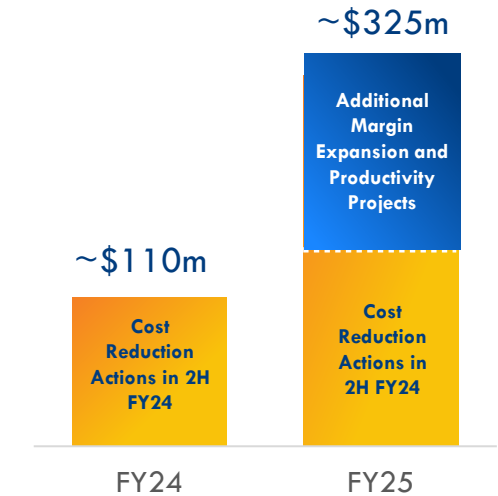
Price optimization

- Driving price agility through ongoing multi-year enhancement
- Leveraging AI-driven insights to inform strategic price decisions
- Executing productivity and cost-out initiatives to enable targeted price flexibility

Margin Expansion and Productivity

Enterprise Scale and Efficiency	SG&A Cost Reduction	<ul style="list-style-type: none"> • Drive synergies from recent acquisitions • Productivity in HQ functions • Streamline sales operations • Leverage CoEs in low-cost locations
	Process Efficiency	Leverage technology to redesign processes and reduce manual work
Product Cost Reductions	Direct Material Sourcing	Supplier consolidation and negotiation
	Product Redesign	Design changes to improve cost and manufacturability
Indirect and Supply Chain Optimization	Indirect Sourcing	Supplier negotiation and optimization of IT & outside engineering spend
	Logistics	Shift from air to ocean where applicable; logistic supplier negotiation
	Manufacturing Efficiency	Process improvement to increase yield and reduce manufacturing costs
	Real Estate Footprint	Space optimization and elimination of low utilization facilities
Portfolio Optimization	SKU Rationalization	Reduction of low volume/low margin SKUs
	Price Optimization	Increase price on low volume SKUs

Incremental YOY Benefit



ROK Operating Model
to continue driving
margin expansion
in FY26 and beyond

Capital Deployment Framework

ORGANIC INVESTMENTS

Operating Cash Flow

Capital Expenditures ~2.5 to 4% of Sales

Free Cash Flow ~100% of Adjusted Income

INORGANIC INVESTMENTS

Acquisitions Target ~1 pt of growth per year

EXCESS CASH RETURNED TO SHAREOWNERS

Dividends Maintain "A" credit rating
Share Repurchases

Prioritizing Investments in High-Growth Areas

Strategic growth investments

		R&D AS % OF SALES	ENGINEERING & DEVELOPMENT AS % OF SALES
Intelligent Devices <ul style="list-style-type: none"> • Next-gen Motor Control • Advanced Production Logistics • Next-gen CUBIC modular system 		Mid single digits	High single digits
Software & Control <ul style="list-style-type: none"> • Software-defined automation • Expand cloud-native software offerings • AI-powered productivity and autonomous control capabilities 		Low teens	High teens
Total ROK (incl Lifecycle Services) <ul style="list-style-type: none"> • Industry solutions for key verticals • AI CoE for autonomous capabilities across portfolio • Digital infrastructure to scale new business models • Cybersecurity software and services 		~6%	~8%

*Excludes impact of future acquisitions

R&D: Spending on investigation, experimentation, and innovation aimed at creating new products or significantly improving existing ones.

E&D: Includes R&D spending and ongoing maintenance of or minor enhancements to existing products.

New Metrics to Drive Operational Excellence

Precision in product & project costing

COST TO PRODUCE (CTP)

- Provides a holistic and detailed view of all costs of production beyond standard cost
- Real-time insights to improve decision-making
- Improves accuracy in new product development cost estimates
- Drives common metrics, transparency, and accountability across supply chain and business units

EXPECTED BENEFITS

Improved collaboration between Business Units and Plants

Efficient inventory reduction and SKU management with stronger product manufacturability

Data-driven prioritization of cost reduction projects

Strategic pricing actions driving long-term financial returns

Lower product cost and higher gross margins

Disciplined investment review process

ROI INVESTMENT MODEL

- Provides a consistent, risk-adjusted framework for investment evaluation
- Expands financial acumen to support strategic investment decisions
- Will complement metrics like payback and cash return

EXPECTED BENEFITS

Consistent, risk-adjusted evaluation of investment opportunities across the enterprise

Improved coordination and accountability to deliver expected returns

Accelerated prioritization and funding of high-impact projects

Greater capital allocation efficiency driving stronger long-term returns

Enhanced rigor and formal process for pre- and post- investment analysis

\$2B Investment to Drive Customer Value and Expand Margins

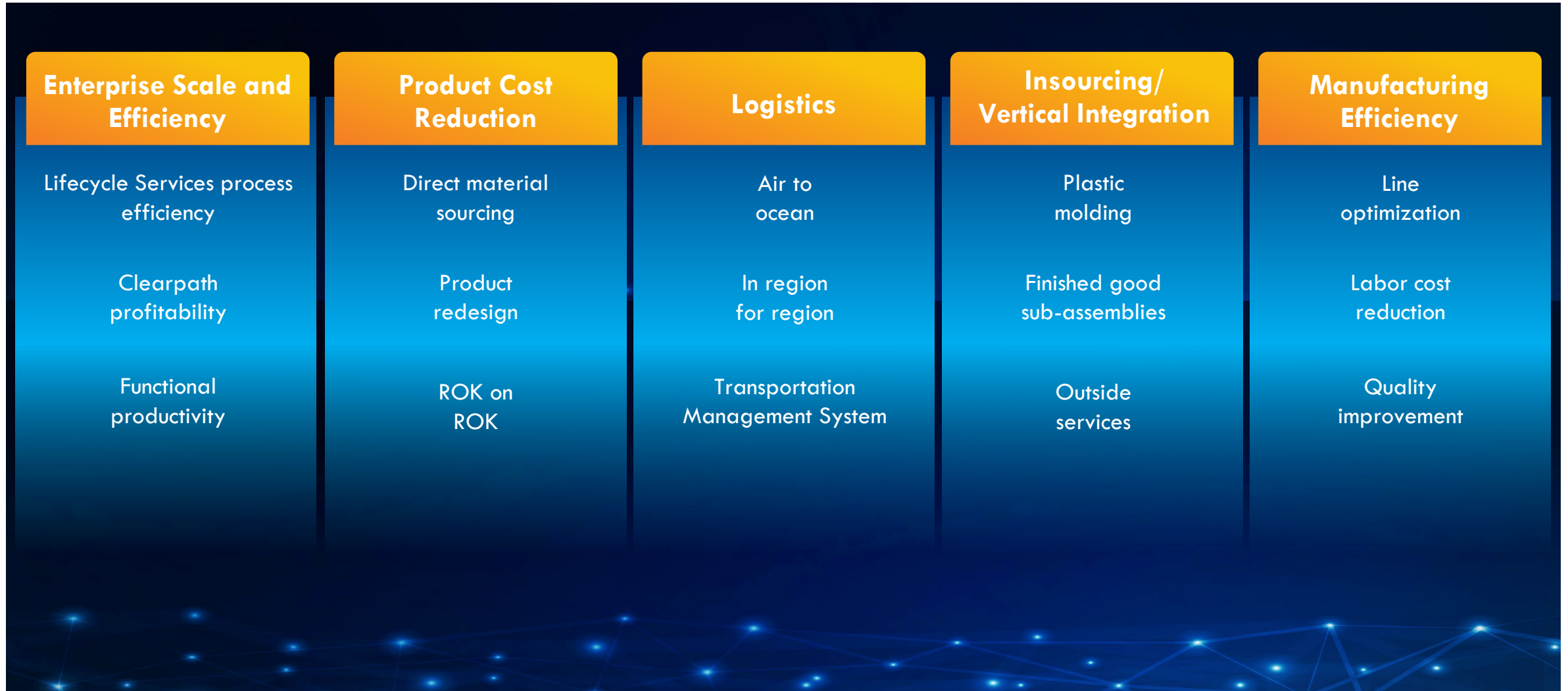


Modernizing infrastructure, growing talent, and enhancing digital capabilities

- Efficiency in existing and new plants
- New brick and mortar in the US
- AI-native talent: data science & cybersecurity
- Customer-facing resources to fuel growth
- Secure, intelligent operations at the edge
- AI-first IT infrastructure

Operationalizing Margin Expansion and Continuous Improvement

Key levers for FY26 productivity



Investment Examples: Automation & Insourcing

ControlLogix Packaging Automation **USA:** **TWINSBURG, OH**

Integrating ROK technology with an eco-system partner to automate a previously manual work cell using ControlLogix and Integrated Robotics

ROI

~20%

PAYBACK

~2yrs



Insourced 5 parts **USA: LADYSMITH, WI**

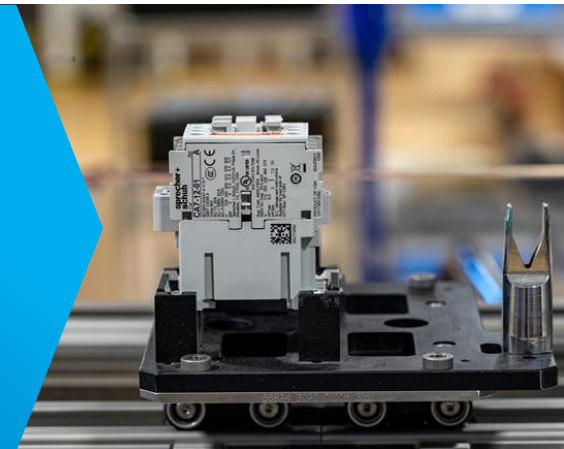
Insourcing plastic injection parts by leveraging existing machine capacity and investing in new equipment

ROI

~50%

PAYBACK

~7mos



Investment Example: Brick & Mortar



Greenfield Facility

- Factory of the Future – ROK on ROK Technology
- Purpose built for resilience and agility
- Design for Excellence
- Domain expertise center of gravity
- Footprint capacity expansion
- Expecting low-double-digit ROI

