



***RegalRexnord***<sup>TM</sup>

**BANK OF AMERICA GLOBAL INDUSTRIALS CONFERENCE**

MARCH 19, 2025

# Forward Looking Statements And Non-GAAP Financial Measures

All statements in these presentations, other than those relating to historical facts, are "forward-looking statements." Forward-looking statements can generally be identified by their use of terms such as "anticipate," "believe," "confident," "estimate," "expect," "intend," "plan," "may," "will," "project," "forecast," "would," "could," "should," "opportunity," and similar expressions, including references to assumptions. Forward-looking statements are not guarantees of future performance and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. Forward-looking statements include, but are not limited to, statements about expected market or macroeconomic trends, future strategic plans and future financial and operating results. Important factors that could cause actual results to differ materially from those presented or implied in the forward-looking statements in these presentations include, without limitation: the possibility that the Company may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the sale of the Industrial Motors and Generators businesses, the acquisition of Altra Industrial Motion Corp. ("Altra Transaction"), and the merger with the Rexnord Process & Motion Control business (the "Rexnord PMC business") within the expected time-frames or at all and to successfully integrate Altra Industrial Motion Corp. ("Altra") and the Rexnord PMC business; the Company's substantial indebtedness as a result of the Altra Transaction and the effects of such indebtedness on the Company's financial flexibility; the Company's ability to achieve its objectives on reducing its indebtedness on the desired timeline; dependence on key suppliers and the potential effects of supply disruptions; fluctuations in commodity prices and raw material costs; any unforeseen changes to or the effects on liabilities, future capital expenditures, revenue, expenses, synergies, indebtedness, financial condition, losses and future prospects; unanticipated operating costs, customer loss and business disruption; the Company's ability to retain key executives and employees; uncertainties regarding our ability to execute restructuring plans within expected costs and timing; challenges to the tax treatment that was elected with respect to the merger with the Rexnord PMC business and related transactions; actions taken by competitors and their ability to effectively compete in the increasingly competitive global electric motor, drives and controls, power generation and power transmission industries; our ability to develop new products based on technological innovation, such as the Internet of Things and artificial intelligence, and marketplace acceptance of new and existing products; dependence on significant customers and distributors; risks associated with climate change and uncertainty regarding our ability to deliver on our sustainability commitments and/or to meet related investor, customer and other third party expectations relating to our sustainability efforts; risks associated with global manufacturing, including risks associated with public health crises and political, societal or economic instability, including instability caused by ongoing geopolitical conflicts; issues and costs arising from the integration of acquired companies and businesses; prolonged declines in one or more markets; risks associated with excess or obsolete inventory charges including related write-offs or write-downs; economic changes in global markets, such as reduced demand for products, currency exchange rates, inflation rates, interest rates, recession, government policies, including policy changes affecting taxation, trade, tariffs, immigration, customs, border actions and the like, and other external factors that the Company cannot control; product liability, asbestos and other litigation, or claims by end users, government agencies or others that products or customers' applications failed to perform as anticipated; unanticipated liabilities of acquired businesses; unanticipated adverse effects or liabilities from business exits or divestitures; the Company's ability to identify and execute on future M&A opportunities, including significant M&A transactions; the impact of any such M&A transactions on the Company's results, operations and financial condition, including the impact from costs to execute and finance any such transactions; unanticipated costs or expenses that may be incurred related to product warranty issues; infringement of intellectual property by third parties, challenges to intellectual property, and claims of infringement on third party technologies; effects on earnings of any significant impairment of goodwill; losses from failures, breaches, attacks or disclosures involving information technology infrastructure and data; costs and unanticipated liabilities arising from rapidly evolving laws and regulations; and other factors that can be found in our filings with the SEC, including our most recent periodic reports filed on Form 10-K and Form 10-Q, which are available on our Investor Relations website. Forward-looking statements are given only as of the date of these presentations and we disclaim any obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise, except as required by law.

In these presentations, we reference adjusted results which exclude certain items and we disclose certain non-GAAP financial measures. We reconcile these measures in the appendix to this presentation to the most directly comparable GAAP financial measures; non-GAAP financial measures may include measures such as: adjusted diluted earnings per share, adjusted income from operations, adjusted net sales, adjusted net sales, net sales from businesses acquired, net sales from businesses divested, adjusted gross margin, net debt, EBITDA, adjusted EBITDA, adjusted EBITDA margin, net debt/adjusted EBITDA, adjusted cash flows from operations and adjusted free cash flow. This presentation also includes non-GAAP forward-looking information. The Company believes that a quantitative reconciliation of this forward-looking information to the most comparable financial measure calculated and presented in accordance with GAAP cannot be made available without unreasonable efforts. A reconciliation of non-GAAP financial measures would require the Company to predict the timing and likelihood of future restructurings and other charges. Neither these forward-looking measures, nor their probable significance, can be quantified with a reasonable degree of accuracy. Accordingly, a reconciliation of the most directly comparable forward-looking GAAP measure is not provided. In addition to these non-GAAP measures, we use the term "organic sales growth" to refer to the increase in our sales between periods that is attributable to organic sales. "Organic sales" refers to GAAP sales from existing operations excluding any sales from acquired businesses recorded prior to the first anniversary of the acquisition and excluding any sales from business divested/to be exited recorded prior to the first anniversary of the exit and excluding the impact of foreign currency translation. The impact of foreign currency translation is determined by translating the respective period's organic sales using the currency exchange rates that were in effect during the prior year periods.

# Why Invest In RRX

- **Significant Margin Progress. More To Come... Much Of It Self-Help Driven**
- **Strong... And *Accelerating* Free Cash Flow Generation**
- **Significant Near-Term Equity Opportunity From Debt Paydown**
- **Longer-Term Value Creation Opportunity From Bolt-On M&A & Stock Repurchase**
- **Pursuing Many Opportunities To Accelerate Organic Growth**
  - Products & Solutions With Increasingly Wide Competitive Moats
  - 50% Of Sales Into Secular Markets; 40% Of Sales To Aftermarket
- **Trading At A FCF Yield Above 8%**

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**RRX Is An Under-Valued Asset With Catalysts For Revaluation**

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# We Have Been On A Transformation Journey



<sup>1</sup> Sales from top 10 OEM customers

<sup>2</sup> Pro forma for the acquisition of Altra and giving effect to the sale of Industrial Systems

\* Non-GAAP financial measure. For reconciliation, see appendix to September 17, 2024 investor day materials available at <https://investors.regalrexnord.com>.

# Regal Rexnord Snapshot<sup>1</sup> (NYSE: RRX)

**~\$5.9B**  
Total Revenue

**~38%**  
Adj. Gross Margin\*

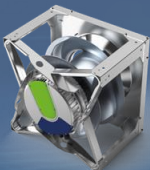
**~22%**  
Adj. EBITDA Margin\*

**~30,000**  
Associates

## POWER MOTION

### POWER EFFICIENCY SOLUTIONS (PES)

High Efficiency Electric Motors

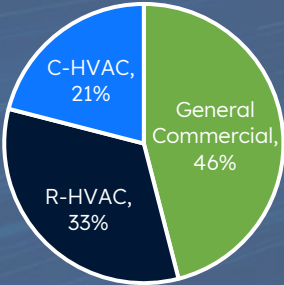


Premium Efficiency Air Moving Systems



Premium Efficiency Motors

**Primary Markets**



~\$1.6B Sales | ~30% Adj. GM\* | ~16% Adj. EBITDA Margin\*

## TRANSMIT MOTION

### INDUSTRIAL POWERTRAIN SOLUTIONS (IPS)

Power Transmission Components

Bearings



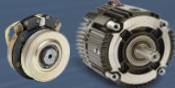
Gearing



Couplings

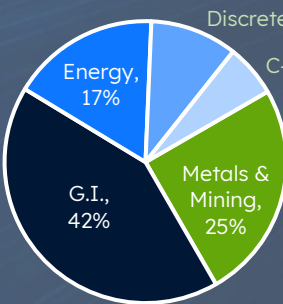


Industrial Powertrains



Clutches & Brakes

**Primary Markets**



~\$2.6B Sales | ~42% Adj. GM\* | ~26% Adj. EBITDA Margin\*

## CONTROL MOTION

### AUTOMATION & MOTION CONTROL (AMC)

High Precision Servo Motors, Actuators, Drives



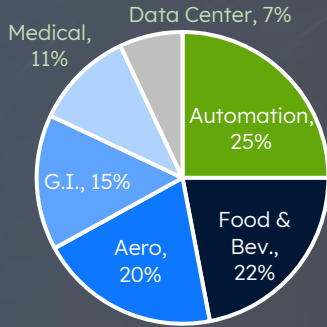
Servo Drives & Systems

Linear Actuators



Servo Motors

**Primary Markets**



~\$1.6B Sales | ~40% Adj. GM\* | ~22% Adj. EBITDA Margin\*

<sup>1</sup> 2024 data, giving effect to the sale of Industrial Systems  
\* Non-GAAP financial measure. For reconciliation, see appendix to September 17, 2024 investor day materials available at <https://investors.regalrexnord.com>.

# Guided By Our Values



## Integrity

Zero-tolerance policy on unethical behavior. We value integrity most. We are honest, transparent, and trustworthy in all situations.



## Responsibility

We have a responsibility to safety, sustainability, and our community.



## Diversity, Engagement, & Inclusion

We strongly believe that the more diverse minds focused on our purpose, the better the outcomes will be.



## Customer Success

Our customer is our main priority. We must understand their needs and develop products, solutions, and services that solve their challenges.



## Innovation With Purpose

We innovate to develop products that are valued by our customer and bring profitable growth for Regal Rexnord.



## Continuous Improvement

Our responsibility is to make tomorrow better than today. This means a focus on making the work easier, more productive, and more efficient through 80/20 excellence.



## Performance

We have a responsibility to our primary stakeholders (customers, associates, and shareholders) to drive profitable revenue growth.



## Passion to Win

Passion is the fuel that inspires and drives our associates to achieve top performance and overcome any obstacles in achieving our goals.

**...Executed  
with a  
Sense of  
Urgency**

# Clear Plans To Accelerate Portfolio Wide Organic Growth

Segment	2019-2023 Organic Growth <sup>1</sup>	Mid-Cycle Growth Target	Key Drivers of Growth Outlook
<b>AMC</b>	~4.4%	<b>6%</b>	<ul style="list-style-type: none"> <li>• Innovation investments &amp; rising vitality</li> <li>• Secular tailwinds</li> </ul>
<b>IPS</b>	~2.5%	<b>4%</b>	<ul style="list-style-type: none"> <li>• Go-to-market scale &amp; scope</li> <li>• Portfolio scale &amp; scope</li> <li>• Digital investments to optimize customer experience</li> </ul>
<b>PES</b>	~0%	<b>3%</b>	<ul style="list-style-type: none"> <li>• New products in secular markets</li> <li>• Regulatory tailwinds</li> <li>• Supply resiliency</li> <li>• 80/20 pruning is over</li> </ul>
<b>RRX</b>	<b>~2.2%</b>	<b>~4%</b>	

<sup>1</sup> Adjusted to include Rexnord PMC, Arrowhead and Altra sales performance in the 2019-2023 period

# Strong Secular End Market Exposure



**~11%**  
of sales<sup>1</sup>

## Discrete Automation

- Labor Shortages
- Labor Inflation



**~2%**

## Alternative Energy

- Regulatory Requirements
- Shift From Fossil Fuels



**~9%**

## Residential HVAC

- Energy Efficiency Regulations
- Heat Pump Growth



**~3%**

## Medical

- Robotic Surgery Adoption
- High-Precision Tool Adoption



**~9%**

## Food & Beverage

- Packaging Proliferation
- Line Speed Acceleration
- Sustainability Focus



**~3%**

## Data Center

- Computing Power Gains
- Cloud Services Expansion
- AI Growth



**~6%**

## Aerospace

- Emissions Reduction
- Electrification
- eVTOL Fleet Emergence

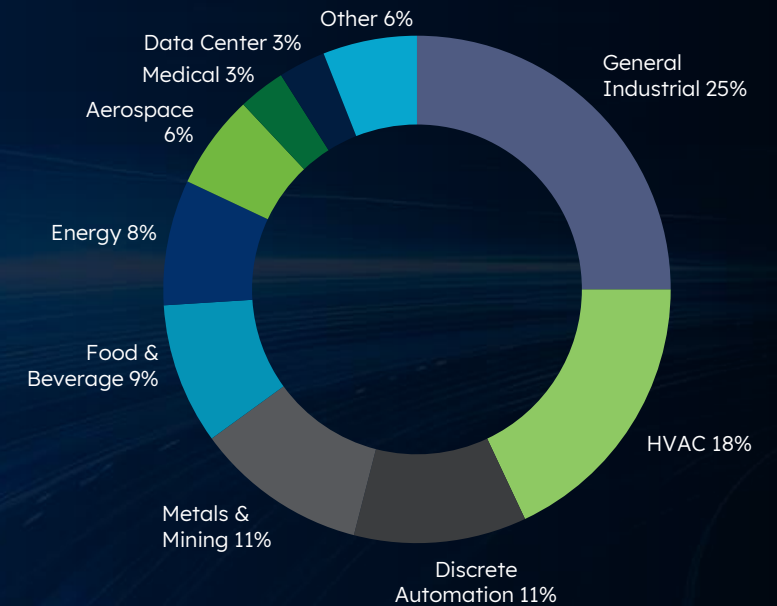


**~3%**

## Pool

- Energy Efficiency Regulations

## Sales By End Market<sup>1</sup>



**Sales Into Secular Markets At ~50%**

<sup>1</sup> Percent of 2024 Sales giving effect to the sale of the Industrial Systems businesses

# Increasing Mix Of Solutions

## Customer Value Proposition

- Full engineering support accelerates customer program timelines
- Optimized system performance enhances efficiency and reliability
- Offer customers a convenient and accountable partner



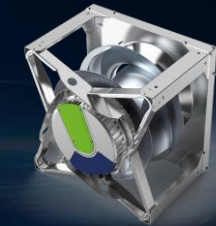
7<sup>th</sup> Axis Collaborative Robot Solutions



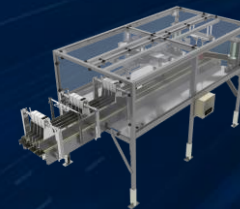
Industrial Powertrains



Surgical Robotic Solutions



Air Moving Solutions



Conveyor Solutions



Aerospace Actuator Solutions

**Higher RD&E Investment Puts Us On Track To Nearly Triple Our Solutions Sales By 2027**

# Electric Aircraft Solutions

## Partnership with Honeywell

### Why We Won

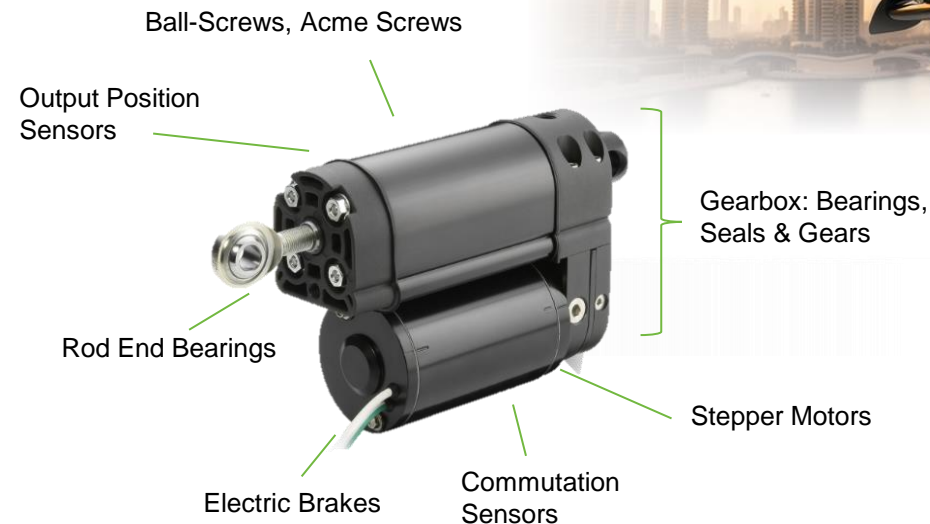
- Aerospace heritage and pedigree
- Depth and breadth of portfolio, supported by trusted brands
- Qualified subject-matter expertise; Trusted advisor with an engineering focus
- Ability to manufacture high precision, high quality solutions, at scale

### Market Growth Outlook

- 2,000 Advanced Air Mobility (AAM) aircraft per year by 2030<sup>1</sup>
- \$220k ship set potential per plane



### RRX Electro-Mechanical Actuator



**Validates Strategy To Move Up The Value Chain By Providing Integrated Solutions**

<sup>1</sup> Aviation Week Intelligence Network Forecast [https://aviationweek.com/system/files/market\\_briefings/aam/aam\\_07\\_24\\_2024.pdf](https://aviationweek.com/system/files/market_briefings/aam/aam_07_24_2024.pdf)

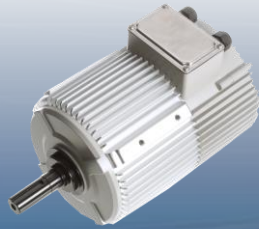
# Product Scope To Provide Full Powertrain Solutions

RRX Motors **POWER** Motion

**AMC** Servo Motors



**PES** High Efficiency Motors



PT Components **TRANSMIT** Motion  
To An Application

The Broadest Scope of Power Transmission Components



Gearing



Bearings



Couplings



IoT

The Integrated Solution **CONTROLS** Motion In A Range Of Applications

Marine



Medical



General Industrial



# Distinctive Scale, Unrivaled Scope

## Unmatched Capabilities Across the Industrial Powertrain



	RRX Rank	RRX	Competitors <sup>1</sup>					
			A	B	C	D	E	F
Premium Efficiency Motors	TOP 3	●			◐			
Bearings	TOP 3	●	●	●		●		
Couplings	1	●	◑	◐	◑	◑	◑	
Clutches & Brakes	1	●	◑				◑	◑
Digital / IoT	TOP 3	◑	◐		◑	◑		◑
Gearing	TOP 3	●	◐	◐	●			

<sup>1</sup> Representative sample for illustrative purposes only.

# The Next Stage In Our Transformation Journey



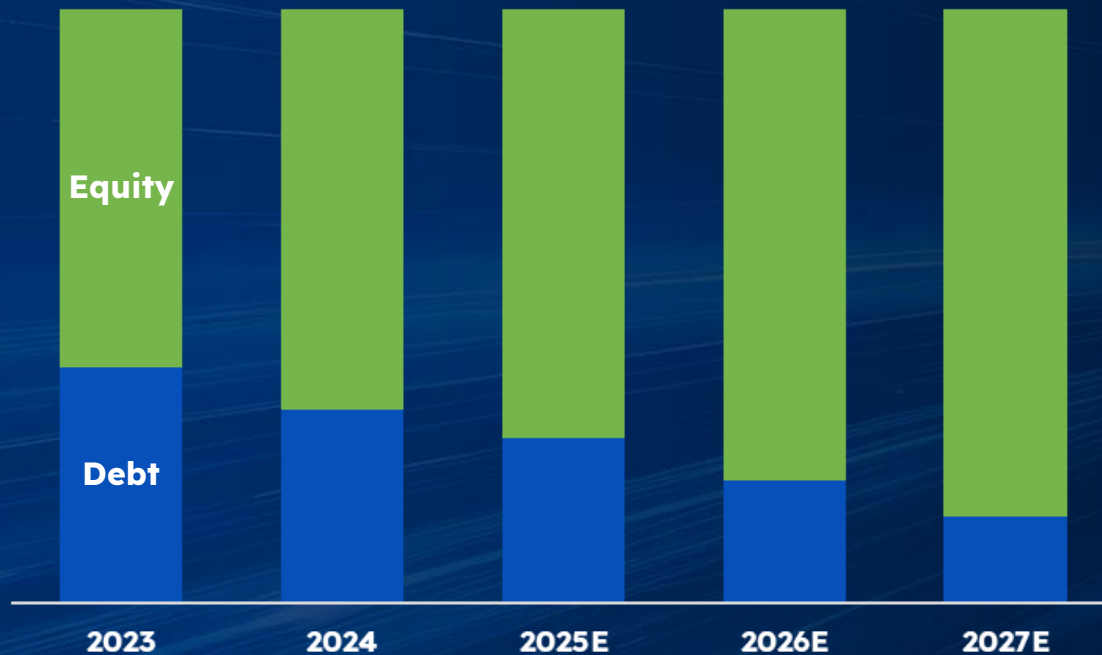
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# Significant Equity Upside From Debt Reduction

## Components of Enterprise Value



## Key Assumptions

- 2025 Guidance Assumptions<sup>1</sup>
- Sales CAGR & Margins Consistent With 2024 Investor Day Guidance For 2024-2027
- Deploy Post-Dividend Cash Flow to Debt Reduction
- Constant EV/EBITDA Multiple

**Expect Capital Structure Mix To Shift From Debt To Equity**

<sup>1</sup> Reflects guidance as of February 6, 2025

# Why Invest In RRX

## A High Quality Enterprise

High Secular Exposures

Technology Differentiated Solutions

Strong Brands & Channel Positions

Robust Aftermarket Sales

Unrivaled Global Scale & Scope

Highly Cash Generative

- **Significant Margin Progress. More To Come... Much Of It Self-Help Driven**
- **Strong... And *Accelerating* Free Cash Flow Generation**
- **Significant Near-Term Equity Opportunity From Debt Paydown**
- **Longer-Term Value Creation Opportunity From Bolt-On M&A & Stock Repurchase**
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