



## NEWS RELEASE

# Regal Rexnord Provides Update On Tariff-Related Impacts

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MILWAUKEE, March 19, 2025 /PRNewswire/ -- Regal Rexnord Corporation (NYSE: RRX), in conjunction with its participation at the Bank of America Global Industrials Conference 2025 in London, is providing the investment community with additional clarity related to estimated impacts from current and potential U.S. tariffs on imports from Canada, China, and Mexico, as well as on steel and aluminum.

Based on information currently available, and excluding the potential impacts from any retaliatory tariffs, the Company estimates a gross, unmitigated annualized cost impact from tariffs that are currently in place at approximately \$60 million. This estimate reflects that the vast majority of goods the Company imports from Canada and Mexico are compliant with the United States-Mexico-Canada Agreement (USMCA) and so are currently exempt from tariffs.

The Company has well-developed plans in place intended to fully mitigate the impacts of tariffs in the year – at current levels and under a scenario where there is no USMCA exclusion. These mitigation plans may include supply chain realignments, production relocations, and productivity and pricing actions, and should enable the Company to be at least price/cost neutral on a dollar basis. The Company expects to be neutral on a margin basis by the end of 2025 under the tariff regime currently in effect, or by the first half of 2026 under a scenario where there are no USMCA exclusions.

The Company is further clarifying that tariffs currently in place are expected to have a negligible impact on the Company's first quarter 2025 results.

The Company undertakes no obligation to update the information in this press release related to the impacts of tariffs on future quarters, although it may do so from time to time as it believes is appropriate and as clarity around the tariff terms and duration, as well as progress on its mitigation efforts, becomes available.

### About Regal Rexnord

Regal Rexnord's 30,000 associates around the world help create a better tomorrow by providing sustainable solutions

that power, transmit and control motion. The Company's electric motors and air moving subsystems provide the power to create motion. A portfolio of highly engineered power transmission components and subsystems efficiently transmits motion to power industrial applications. The Company's automation offering, comprised of controllers, drives, precision motors, and actuators, controls motion in applications ranging from factory automation to precision tools used in surgical applications.

The Company's end markets benefit from meaningful secular demand tailwinds, and include factory automation, food & beverage, aerospace, medical, data center, warehouse, alternative energy, residential and commercial buildings, general industrial, construction, metals and mining, and agriculture.

Regal Rexnord is comprised of three operating segments: Industrial Powertrain Solutions, Power Efficiency Solutions, and Automation & Motion Control. Regal Rexnord is headquartered in Milwaukee, Wisconsin and has manufacturing, sales and service facilities worldwide. For more information, including a copy of our Sustainability Report, visit

[RegalRexnord.com](https://www.RegalRexnord.com).

### Forward Looking Statements

All statements in this communication, 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," "intended," "plan," "may," "will," "project," "forecast," "would," "could," "should," 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 this communication include, without limitation: changes to and uncertainty in trade policy, including the terms, scope and duration of any tariffs on imports into the U.S. from Canada, Mexico and China, or tariff and import/export regulations or other trade restrictions imposed by the U.S. or other governments, including any retaliatory tariffs; the potential impact of tariffs on the Company's results; the Company's ability to successfully implement any tariff mitigation efforts, and the possible effect of mitigation efforts by the Company; the Company's substantial indebtedness as a result of the acquisition of Altra Industrial Motion Corp. 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 or the Company's inability to forecast customer needs; uncertainties regarding our ability to execute restructuring plans within expected costs and timing; actions taken by competitors and their ability to

effectively compete in the increasingly competitive global industries and markets; dependence on significant customers and distributors; 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; 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, import/export regulations, immigration, customs, border actions and the like, and other external factors that the Company cannot control; unanticipated costs or expenses that may be incurred related to product warranty issues; risks related to foreign currency fluctuations or changes in global commodity prices or interest rates; losses from failures, breaches, attacks or disclosures involving information technology infrastructure and data; costs and unanticipated liabilities arising from rapidly evolving laws and regulations, including data privacy laws, labor and employment laws, environmental laws and regulations, and tax laws and regulation; and other factors that can be found in our filings with the Securities and Exchange Commission, 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 this communication 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.

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