

Regal Rexnord™

BAIRD 2022 GLOBAL INDUSTRIAL CONFERENCE

November 9th, 2022

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which reflect Regal Rexnord's current estimates, expectations and projections about Regal Rexnord's future results, performance, prospects and opportunities. Such forward-looking statements may include, among other things, statements about the proposed acquisition of Altra Industrial Motion, ("Altra"), the benefits and synergies of the proposed acquisition, future opportunities for Regal Rexnord and the combined company, and any other statements regarding Regal Rexnord's, Altra's and the combined company's future operations, anticipated economic activity, business levels, credit ratings, future earnings, planned activities, anticipated growth, market opportunities, strategies, competition and other expectations and estimates for future periods. Forward-looking statements include statements that are not historical facts and can be identified by forward-looking words such as "anticipate," "believe," "confident," "estimate," "expect," "intend," "plan," "target," "may," "will," "project," "forecast," "would," "could," "should," and similar expressions. These forward-looking statements are based upon information currently available to Regal Rexnord and are subject to a number of risks, uncertainties, and other factors that could cause actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Important factors that could cause Regal Rexnord's, Altra's or the combined company's actual results to differ materially from the results referred to in the forward-looking statements Regal Rexnord makes in this presentation include: the possibility that the conditions to the consummation of the proposed acquisition of Altra (the "Proposed Acquisition") will not be satisfied on the terms or timeline expected, or at all; failure to obtain, or delays in obtaining, or adverse conditions related to obtaining shareholder or regulatory approvals sought in connection with the Proposed Acquisition; failure to achieve the proposed debt financing necessary for the Proposed Acquisition on the desired terms, or at all; Regal Rexnord's substantial indebtedness as a result of the Proposed Acquisition and the effects of such indebtedness on the combined company's financial flexibility after the Proposed Acquisition; Regal Rexnord'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; the possibility that Regal Rexnord may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the acquisition of Altra, the merger with the Rexnord Process & Motion Control business (the "Rexnord PMC business") and the acquisition of Arrowhead Systems, LLC ("Arrowhead") (together with the Proposed Acquisition and the merger with the Rexnord PMC business, the "Transactions") within the expected time-frames or at all and to successfully integrate Altra, the Rexnord PMC business and Arrowhead; Regal Rexnord'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 Regal Rexnord's results, operations and financial condition, including the impact from costs to execute and finance any such transactions; expected or targeted future financial and operating performance and results; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) being greater than expected following the Transactions; Regal Rexnord's ability to retain key executives and employees; the continued financial and operational impacts of and uncertainties relating to the COVID-19 pandemic on customers and suppliers and the geographies in which they operate; uncertainties regarding the ability to execute restructuring plans within expected costs and timing; challenges to the tax treatment that was elected with respect to the acquisition of the Rexnord PMC business and related transactions; requirements to abide by potentially significant restrictions with respect to the tax treatment of the Rexnord PMC business which could limit Regal Rexnord's ability to undertake certain corporate actions that otherwise could be advantageous; 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; the ability to develop new products based on technological innovation, such as the Internet of Things, and marketplace acceptance of new and existing products, including products related to technology not yet adopted or utilized in geographic locations in which Regal Rexnord does business; dependence on significant customers; seasonal impact on sales of products into HVAC systems and other residential applications; risks associated with global manufacturing, including public health crises and political, societal or economic instability, including instability caused by the conflict between Russia and Ukraine; issues and costs arising from the integration of acquired companies and businesses and the timing and impact of purchase accounting adjustments; Regal Rexnord's overall debt levels and its ability to repay principal and interest on its outstanding debt; prolonged declines in one or more markets, such as heating, ventilation, air conditioning, refrigeration, power generation, oil and gas, unit material handling, water heating and aerospace; 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 Regal Rexnord 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, particularly in high volume applications or where such failures are alleged to be the cause of property or casualty claims; unanticipated liabilities of acquired businesses; unanticipated adverse effects or liabilities from business exits or divestitures; 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; cyclical downturns affecting the global market for capital goods; and other risks and uncertainties including, but not limited, to those described in the section entitled "Risk Factors" in Regal Rexnord's Annual Report on Form 10-K on file with the SEC and from time to time in other filed reports including Regal Rexnord's Quarterly Reports on Form 10-Q. For a more detailed description of the risk factors associated with Regal Rexnord, please refer to Part I, Item 1A in the Regal Rexnord Annual Report on Form 10-K for the fiscal year ended January 1, 2022 on file with the SEC and subsequent SEC filings. Shareholders, potential investors, and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this presentation are made only as of the date of this presentation and Regal Rexnord undertakes no obligation to update any forward-looking information contained in this presentation or with respect to the announcements described herein to reflect subsequent events or circumstances.

NON-GAAP FINANCIAL MEASURES

We prepare financial statements in accordance with accounting principles generally accepted in the United States of America (“GAAP”). We also periodically disclose certain financial measures in our quarterly earnings releases, on investor conference calls, and in investor presentations and similar events that may be considered “non-GAAP” financial measures. This additional information is not meant to be considered in isolation or as a substitute for our results of operations prepared and presented in accordance with GAAP.

In this presentation, we disclose the following non-GAAP financial measures: adjusted diluted earnings per share and adjusted diluted earnings per share annual guidance. We believe that these non-GAAP financial measures are useful measures for providing investors with additional information for helping investors understand and compare our operating results across accounting periods and compared to our peers. Our management primarily uses adjusted diluted earnings per share and adjusted diluted earnings per share annual guidance to help us evaluate our business and forecast our future results. Accordingly, we believe disclosing each of these measures helps investors evaluate our business in the same manner as management. For forward-looking non-GAAP measures (as used in this presentation, adjusted EBITDA, adjusted EBITDA margin, adjusted earnings per share, adjusted gross margin, net leverage, net debt, bank adjusted EBITDA and free cash flow), we are unable to provide a reconciliation to the most comparable GAAP financial measure because the information needed to reconcile these measures is dependent upon future events, many of which are outside of management's control as described under the heading "Forward Looking Statements" elsewhere in this presentation. Additionally, estimating such GAAP measures and providing a meaningful reconciliation consistent with our accounting policies for future periods is extremely difficult and requires a level of precision that is unavailable for these future periods and cannot be accomplished without unreasonable effort. Forward-looking non-GAAP measures are estimated consistent with the relevant definitions and assumptions, except as otherwise noted.

TODAY'S PRESENTERS



LOUIS PINKHAM
Chief Executive Officer



ROB REHARD
Chief Financial Officer

REGAL REXNORD SNAPSHOT

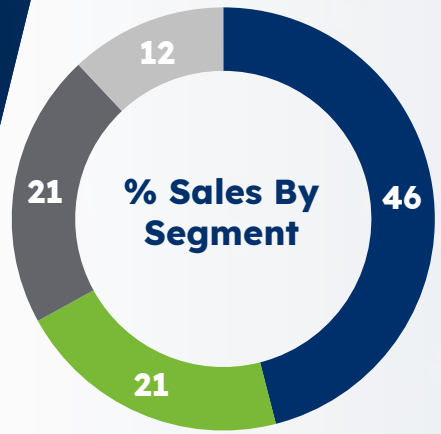
~$5.2B
Net Sales 2022E[1]

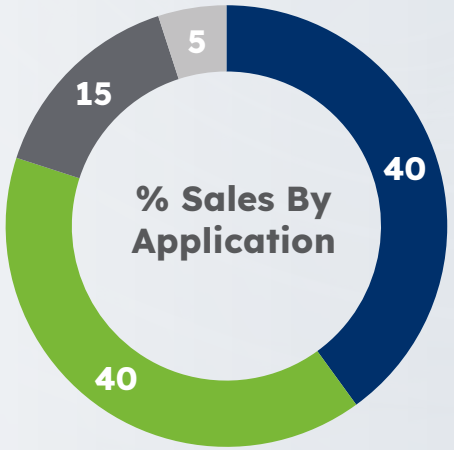
~33%
Gross Margin 2022E[1]

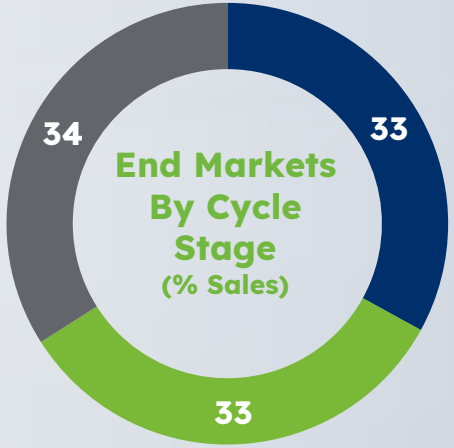
~21%
Adj. EBITDA Margin 2022E[1]

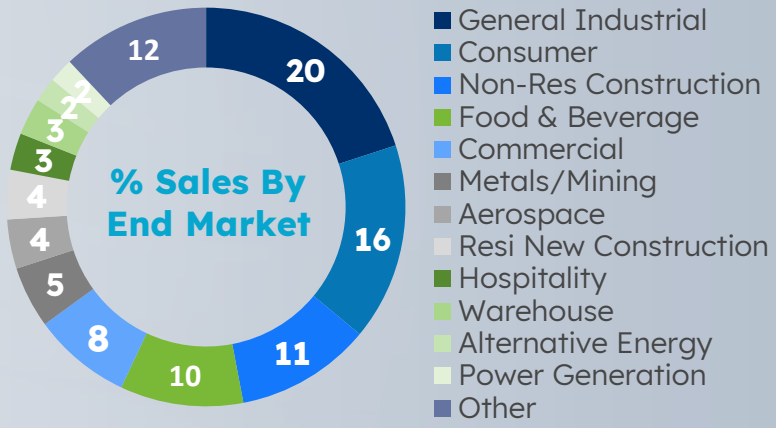
~$1.4B
Backlog Sep. 30, 2022

~29,000
Employees 2022E





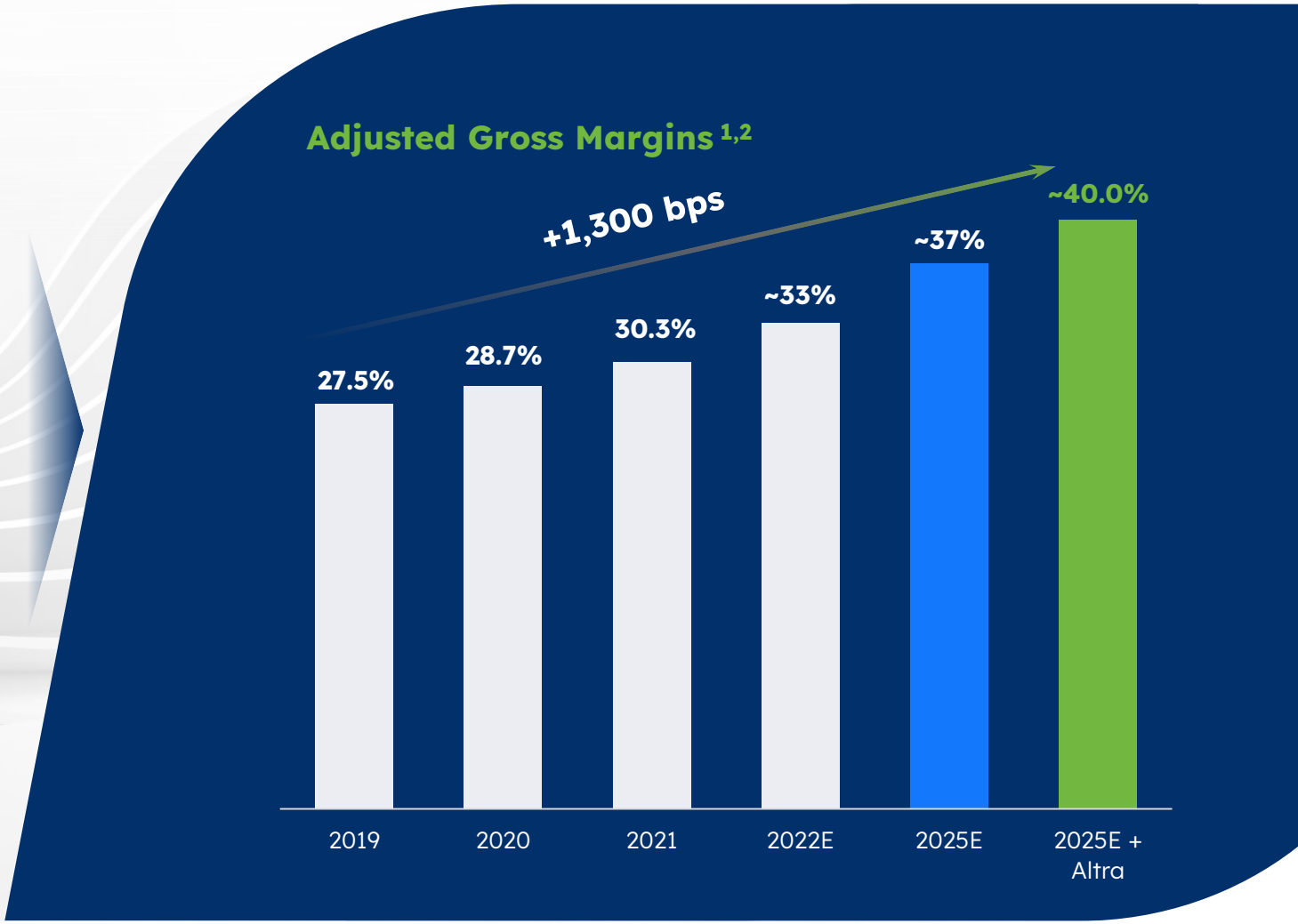




[1]Non-GAAP Measure

TRANSFORMING INTO A HIGHER-PERFORMING ENTERPRISE

Decentralized	From 3 Segment P&Ls To 18 BUs And >60 Plant-Level & Product P&Ls
80/20	Embedded In The Fabric Of Everything We Do
New Leadership	>50% Of RRX's Business Unit Leaders New Since 2019
Growth Focused	Detailed Product Road Maps, Defined By VOC, At Every BU
M&A	Rexnord PMC Merger, Arrowhead Acquisition, Altra Announcement



Our Playbook Is Driving Best In Class Performance

[1]Non-GAAP Financial Measurement, See Appendix For Reconciliation.
[2]As Reported Except Reflects The Retroactive Effects Of Changing Accounting Methods For Valuing Certain Inventories From LIFO To FIFO For 2019 – 2021. Does Not Reflect Pro Forma Adjustments For The Acquisitions Of Rexnord PMC Or Arrowhead.

ALTRA SNAPSHOT

~$1.9B
Net Sales[1]

~35%
Adj. Gross Margin[2]

~19.5%
Adj. EBITDA Margin[1]

Power Transmission Technologies (PTT)

Bauer Gear Motor · Boston Gear · Stromag · Svendborg Brakes · Warner Electric
Altra Industrial Motion



Gear drives and gear motors



Engineered couplings and universal joints



Clutches and brakes

Renewables



Tidal turbine



Turf & Ag



Robotic arms



Cranes



Elevators



'21 Adj. EBITDA margin: ~18%

Automation & Specialty (A&S)

KOLLMORGEN · NOOK · Portescap · THOMSON



Precision motors, drives & automation controls



Linear systems



Miniature motors

Medical Devices



Factory Automation



Automated Guided Vehicles



Medical Patient Tables



Surgical Devices



Conveyance

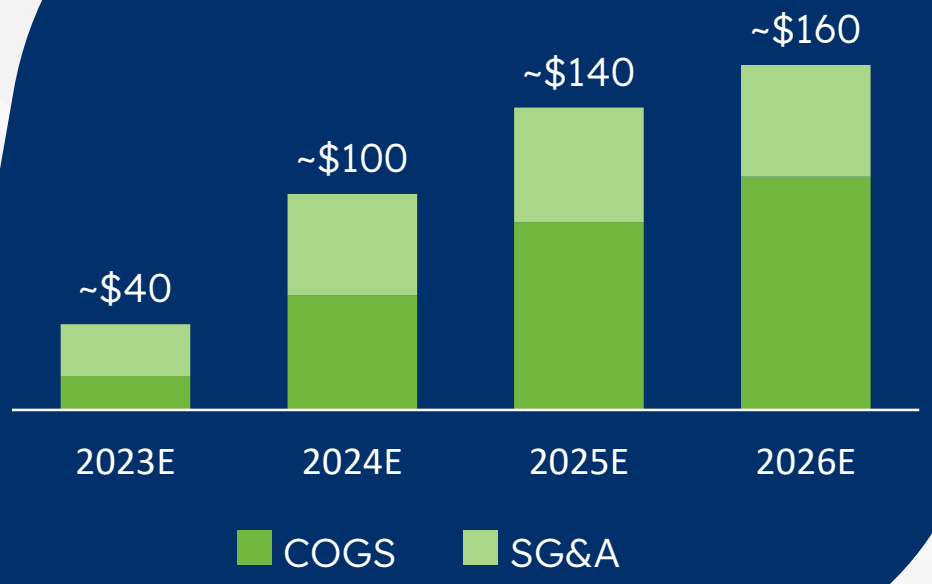


'21 Adj. EBITDA margin: ~22%

[1] LTM Sep. 30, 2022, Adjusted for JVS Divestiture.
[2] LTM Sep. 30, 2022.
Source: Company Filings.

COMPELLING SYNERGY POTENTIAL

Significant Cost Synergies ($M)[1]



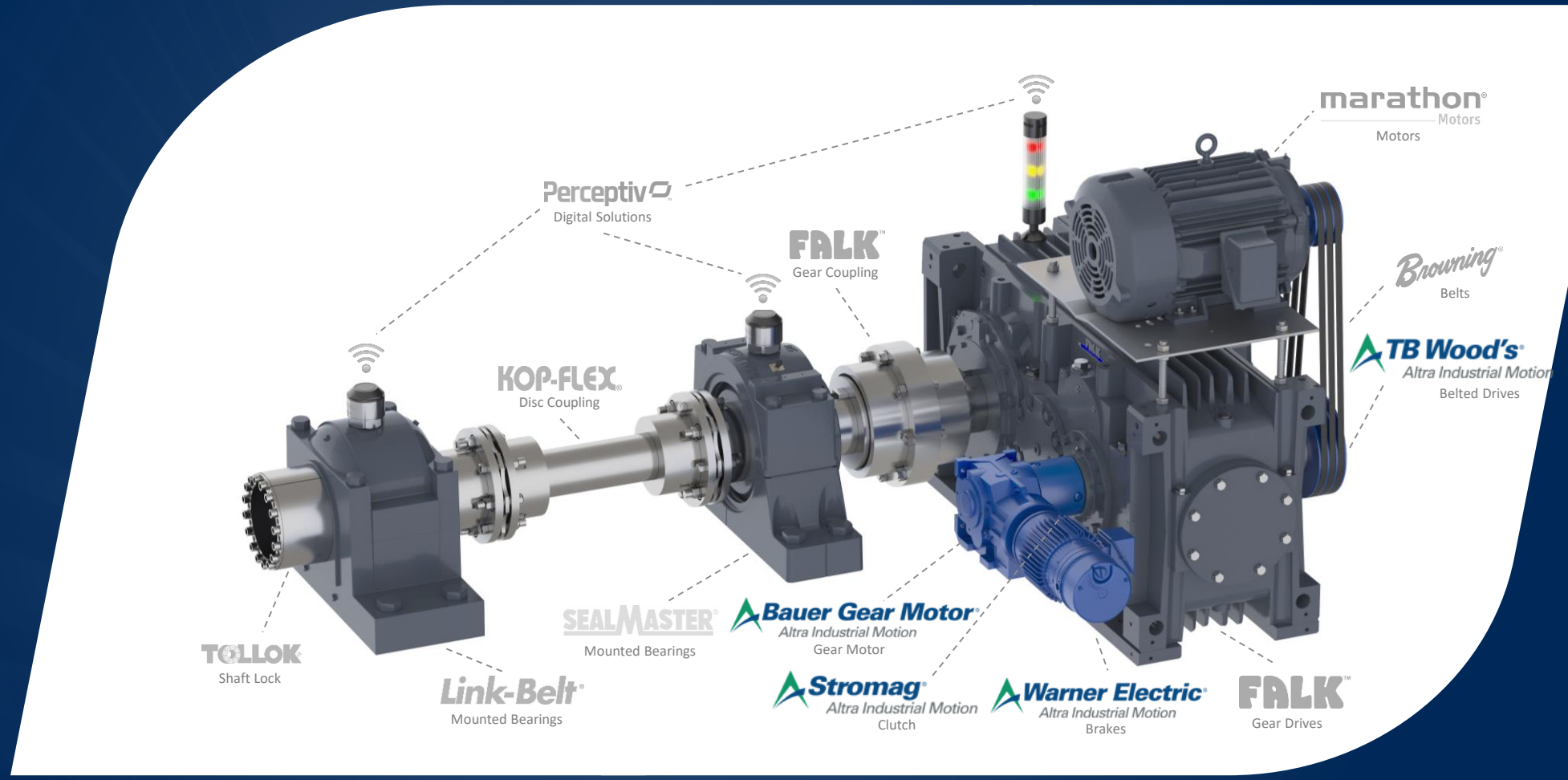
Material Cross-Marketing Opportunities

- Opportunity to create new sub-systems including the industrial powertrain
- Geographic expansion, access to new markets and customers
- Shared distribution channels
- Deployment of complementary products and services
- Strengthens digital capabilities

Leverages Our 80/20 Playbook, Lean Capabilities, And PDCA[2] Management Approach To Optimize Altra's Operating Model

1. $160M represents run-rate expected cost synergies
2. Plan-Do-Check-Act

PTT ENHANCES INDUSTRIAL POWERTRAIN OFFERING



Addition Of Altra's Complementary Power Transmission Portfolio Expected To Create A More Compelling Offering For Our Customers

AUTOMATION & SPECIALTY OPENS NEW GROWTH VECTORS

KOLLMORGEN

Medical Devices



AKM Servo Motor used in Robotic Surgical Arms

Automated Guided Vehicles



Controller & Servo Drive used in AGVs

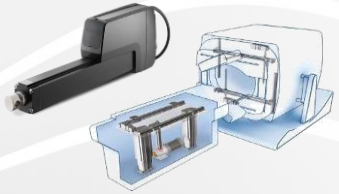
THOMSON

Factory Automation



Precision Ball Screw & Guide, (+ Kollmorgen Servo Motor); used in Pick & Place Palletizers

Medical Patient Tables



Electrak Linear Actuator, 2BA Linear Guides; used in Medical Patient Tables

Portescap

Surgical Devices



Arthroscopic Compact Surgical Motor used in Medical Surgery Devices

Infusion Systems

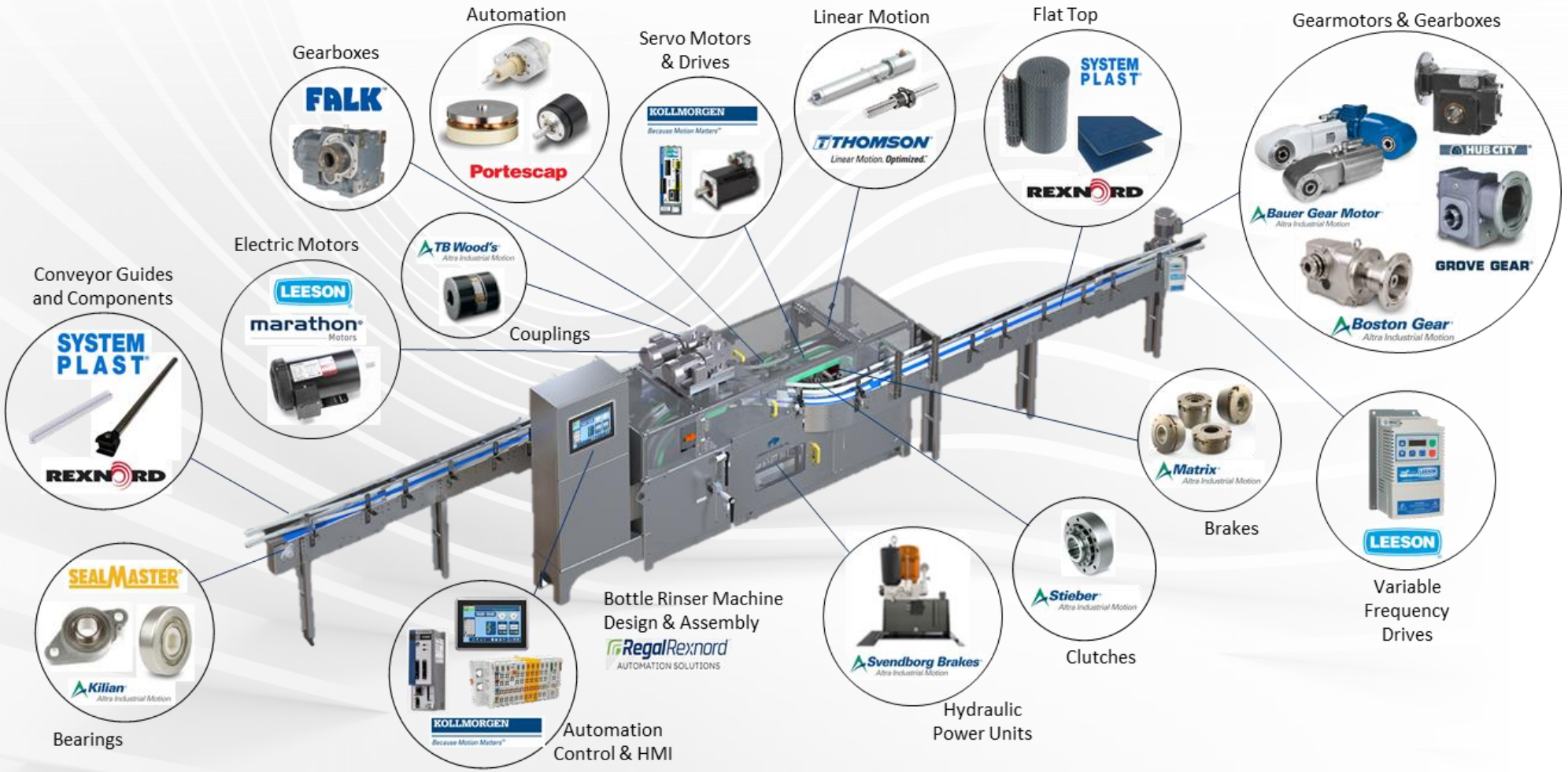


High Power Density Motors used in Infusion Systems & Respiratory Care Applications

By Making Us More Relevant To Our Customers, Adding A&S Helps Us Grow

Note: Revenue figures are approximate and based on 2021

STRATEGICALLY ENHANCED AUTOMATION PRESENCE



Critical Mass In Automation Applications Opens Many New Growth Vectors

RegalRexnord

EXPECTED REGAL REXNORD IN 2025

	Revenue	Adjusted Gross Margin	Adjusted EBITDA Margin[1]	Adjusted EPS	Annual Free Cash Flow	Net Debt/ Adj. EBITDA[1]
Shared At Investor Day 2022	>$6B	~37%	~25%	~$15	~$1B	2.0-2.5x
Current 2025E Expected	~$8.3B	~40%	>25%	~$18	~$1.1B (~$1.4B in '26)	2.0-2.5x

Updated 2025 Target Metrics For Altra Acquisition

1. Adjusted EBITDA excluding stock-based compensation

APPENDIX

ALTRA SNAPSHOT

~$1.9B
Net Sales
LTM Sep 30, 2022[1]

~19.5%
Adj. EBITDA Margin
LTM Sep 30, 2022[1]

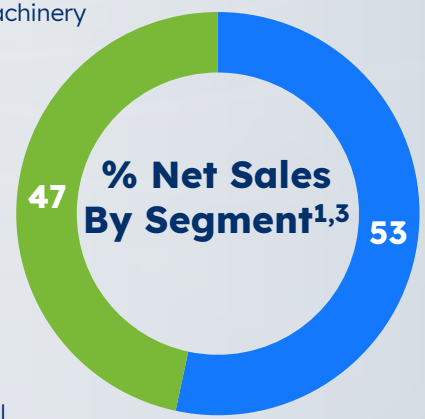
~$0.95B
Backlog
June 30, 2022

~9,600
Employees
Dec 31, 2021

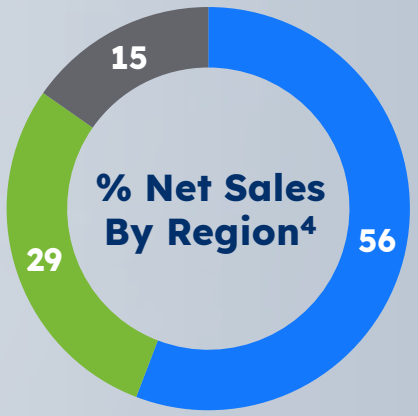
49
Manufacturing Sites
Dec 31, 2021



- Factory Automation and Specialty Machinery
- Turf and Garden, Ag, Construction
- Material Handling
- Medical
- Aerospace and Defense
- Renewable energy
- Non core markets
- Transportation
- Mining and metals
- Oil and gas
- Other miscellaneous general industrial



- Power Transmission Technologies
- Automation & Specialty



- North America
- Europe
- ROW

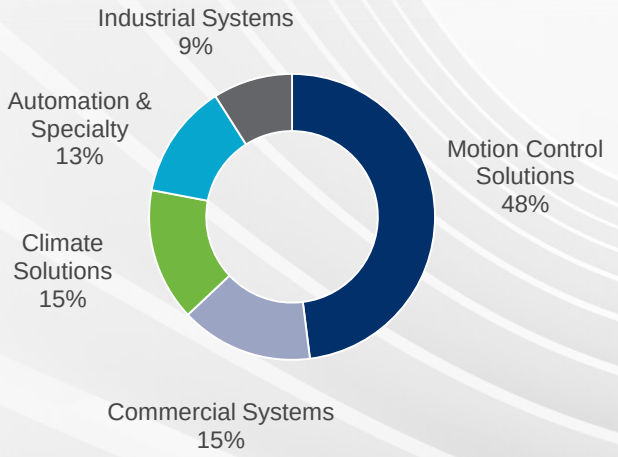
Source: Company Filings.
1. PF For Divestiture Of JVS.
2. Percent Of LTM Jun 30, 2022 Net Sales.
3. Percent Of LTM Jun 30, 2022 Net Sales Including Inter-segment Sales.
4. Percent Of LTM Jun 30, 2022 Reported Net Sales, Which Include JVS Through 4/8/2022 And Nook Beginning 12/31/2021.

RegalRexnord

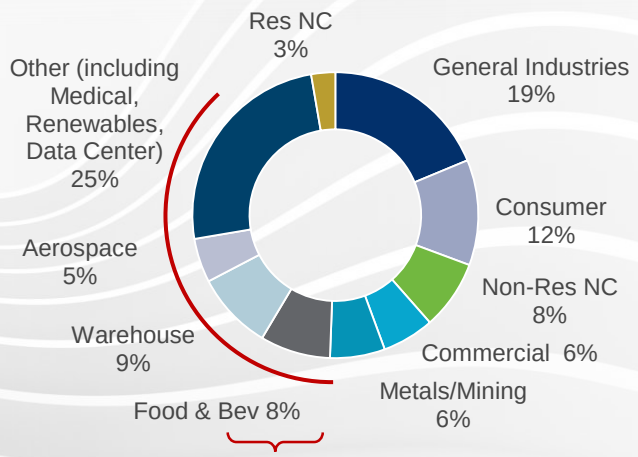
A STRONGER PORTFOLIO FOR THE FUTURE

Regal Rexnord + Altra Revenue Mix

Segments

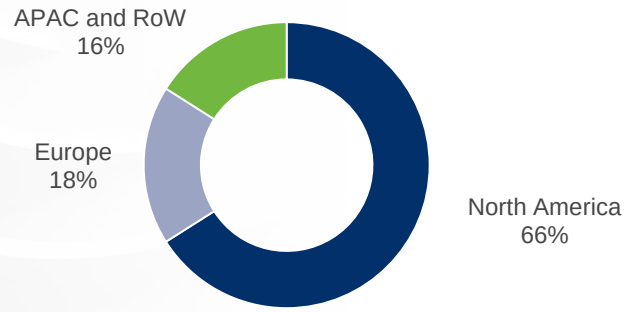


End-Markets



>35% Secular Markets

Geography



Expands Core MCS, Adds Automation Segment

Shifting Growth To More Secular Markets

Enhances Global Platform

Greater End Market Diversity, Increased Secular Exposure, Expanded Global Reach

Note: Segmentation based on 2021 Revenue Data, Regal Rexnord Data Pro Forma For Rexnord PMC & Arrowhead; Altra data Pro Forma for Nook acquisition and Jacob Vehicle Systems divestiture

ADJUSTED GROSS MARGIN

TOTAL REGAL REXNORD ADJUSTED GROSS MARGIN

Unaudited

(Dollars in Millions)

	Year Ended		
	Jan 1, 2022	Jan 2, 2021	Dec 28, 2019
Net Sales	$3,810.3	$2,907.0	$3,238.0
Net Sales from Businesses Divested/to be Exited	—	—	(52.8)
Adjusted Net Sales	$3,810.3	$2,907.0	$3,185.2
Gross Profit as Reported	$1,085.7	$ 808.7	$ 860.7
LIFO to FIFO Adjustment	25.9	(2.1)	(3.5)
Gross Profit Recasted	$1,111.6	$ 806.6	$ 857.2
Restructuring	20.1	27.9	20.3
Inventory Step-Up	24.3	—	—
Adjusted Gross Margin	$1,156.0	$ 834.5	$ 877.5
Adjusted Gross Margin %	30.3 %	28.7 %	27.5 %