



Creating A Better Tomorrow

BAIRD GLOBAL INDUSTRIALS CONFERENCE

November 8, 2023



FORWARD LOOKING STATEMENTS

This release 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 acquisition of Altra Industrial Motion Corp. ("Altra"), the benefits and synergies of the acquisition of Altra (the "Altra Transaction"), future opportunities for Regal Rexnord and any other statements regarding Regal Rexnord'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," "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 Regal Rexnord's 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 actual results to differ materially from the results referred to in the forward-looking statements Regal Rexnord makes in this release include: Regal Rexnord's substantial indebtedness as a result of the Altra Transaction and the effects of such indebtedness on Regal Rexnord's financial flexibility; after the Altra Transaction; 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 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 and the Rexnord PMC business; 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 Altra Transaction or our merger with the Rexnord PMC business; 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 merger with the Rexnord PMC business and related transactions; requirements to abide by potentially significant restrictions with respect to the tax treatment of the merger with 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 climate change and uncertainty regarding our ability to deliver on our climate 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 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; 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, banking crises, 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, including in connection with our proposed sale of the industrial motors and generators businesses that comprise a majority of our Industrial Systems operating segment; 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; 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 data privacy laws and regulations; cyclical downturns affecting the global market for capital goods; and other risks and uncertainties including, but not limited, to those described in Regal Rexnord's Annual Report on Form 10-K on file with the Securities and Exchange Commission (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 - Risk Factors in Regal Rexnord's Annual Report on Form 10-K for the fiscal year ended December 31, 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 release are made only as of the date of this release and Regal Rexnord undertakes no obligation to update any forward-looking information contained in this release or with respect to the announcements described herein to reflect subsequent events or circumstances.

NON-GAAP FINANCIAL MEASURES

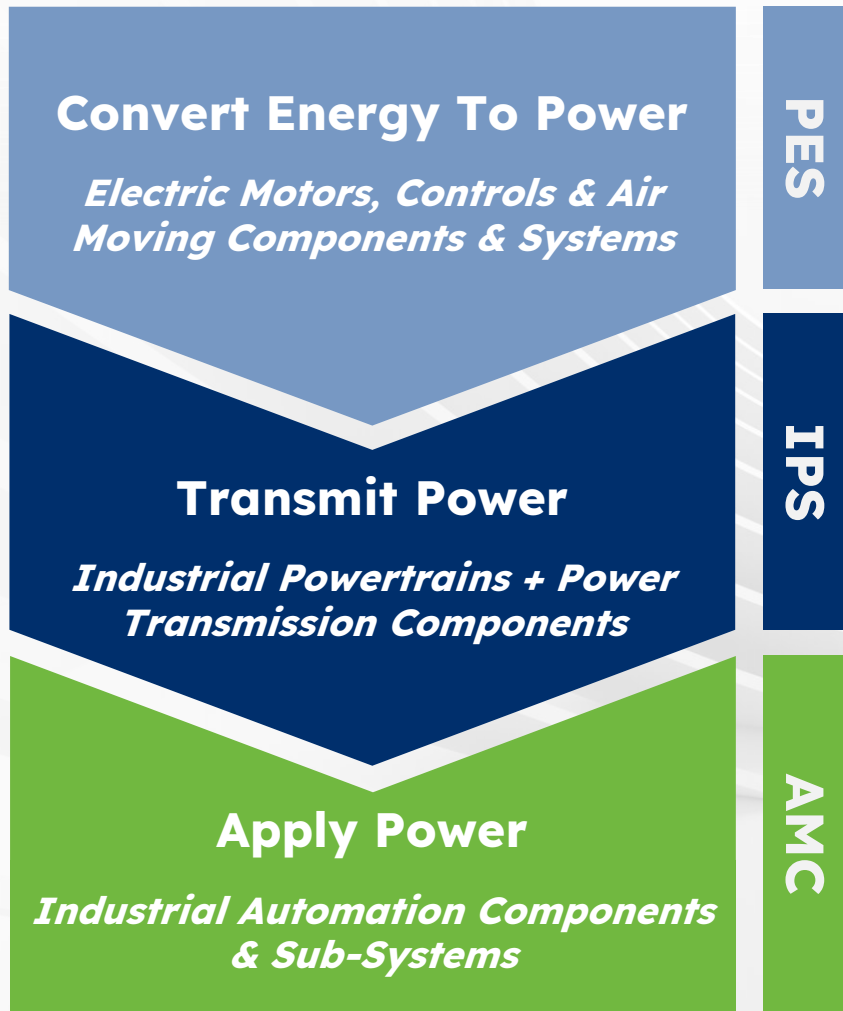
We prepare financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). We also periodically disclose certain financial measures in our quarterly earnings releases, on investor conference calls, and in investor presentations and similar events 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, and we reconcile these measures in the tables below to the most directly comparable GAAP financial measures: adjusted diluted earnings per share, adjusted income from operations, adjusted operating margin, adjusted net sales, net debt, EBITDA, adjusted EBITDA, proforma EBITDA, proforma adjusted EBITDA, normalized adjusted EBITDA, adjusted EBITDA margin, adjusted net income attributable to Regal Rexnord Corporation, adjusted cash flows from operations, free cash flow, free cash flow as a percentage of adjusted net income attributable to Regal Rexnord Corporation (or free cash flow conversion), adjusted income before taxes, adjusted provision for income taxes and adjusted effective tax rate. We believe that these non-GAAP financial measures are useful measures for providing investors with additional information regarding our results of operations and for helping investors understand and compare our operating results across accounting periods and compared to our peers. Our management primarily uses adjusted income from operations, and adjusted operating margin to help us manage and evaluate our business and make operating decisions, while other non-GAAP measures are primarily used to help us evaluate our business and forecast our future results. Accordingly, we believe disclosing and reconciling each of these measures helps investors evaluate our business in the same manner as management.

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.

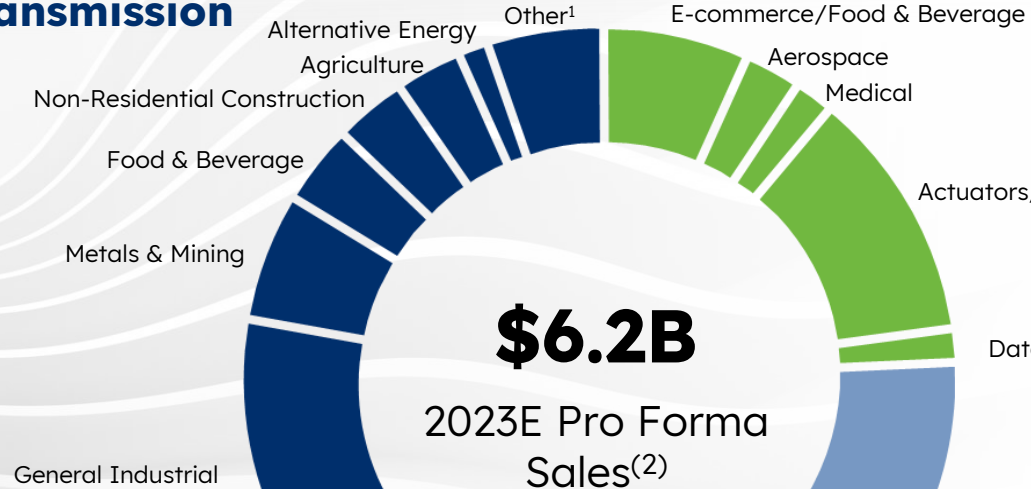
The assumptions and related pro forma adjustments in the selected financial information presented within this release are consistent with those presented in the Company's Current Reports on Form 8-K filed on June 5, 2023 and September 8, 2023 giving effect to the acquisition of Altra and related transactions and are inclusive of the measurement period adjustments included in the Company's Quarterly Report on Form 10-Q filed on November 3, 2023.

WHO WE ARE



RRX Provides Highly Engineered Components & Sub-Systems That Convert, Transmit & Apply Power

Power Transmission



Automation

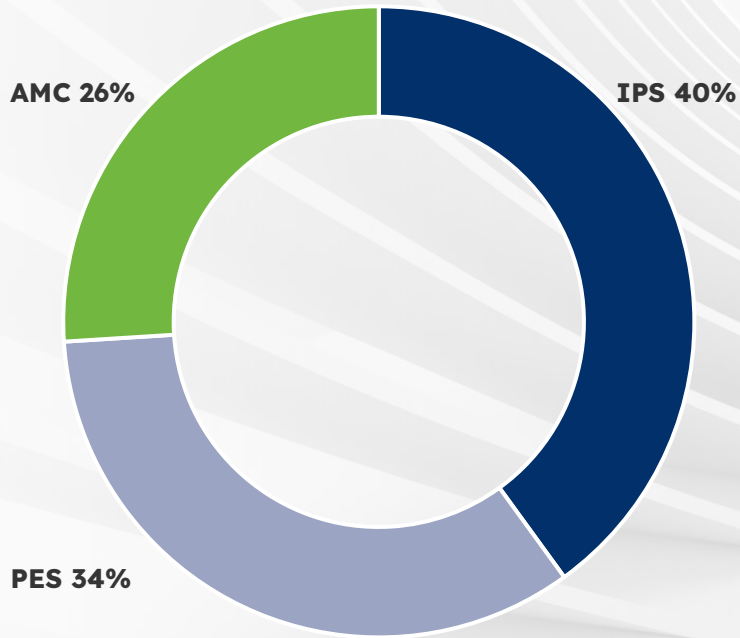
Motors & Air Moving

¹ Includes Oil & Gas, Warehouse, Forestry/Wood Products, Transportation.

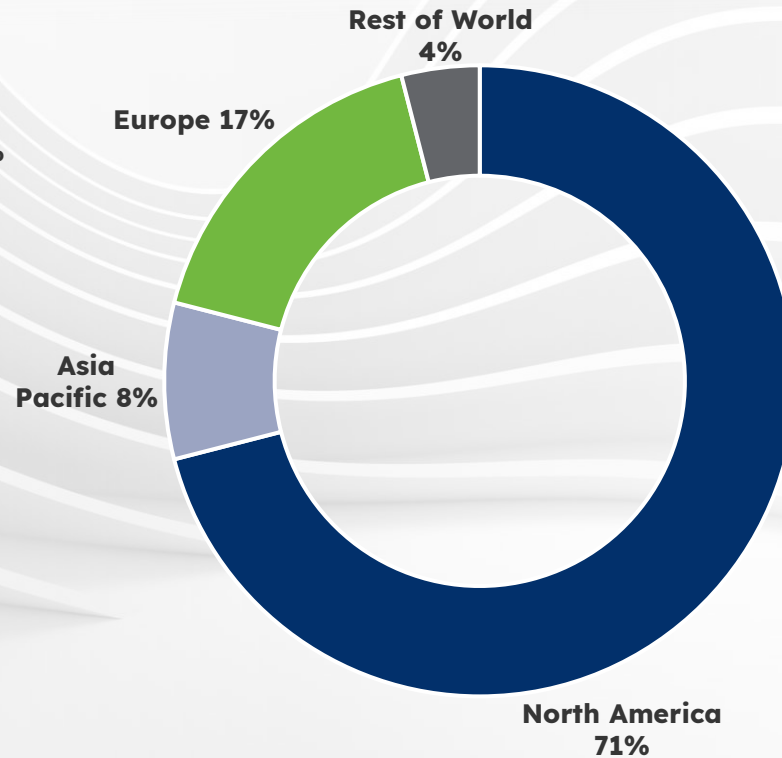
² Pro forma for the acquisition of Altra Industrial Motion Corp. ("Altra") and giving effect to the anticipated sale of the Industrial Motors & Generators ("M&G") businesses which comprise a majority of the Industrial Systems operating segment.

SALES DECOMPOSITION*

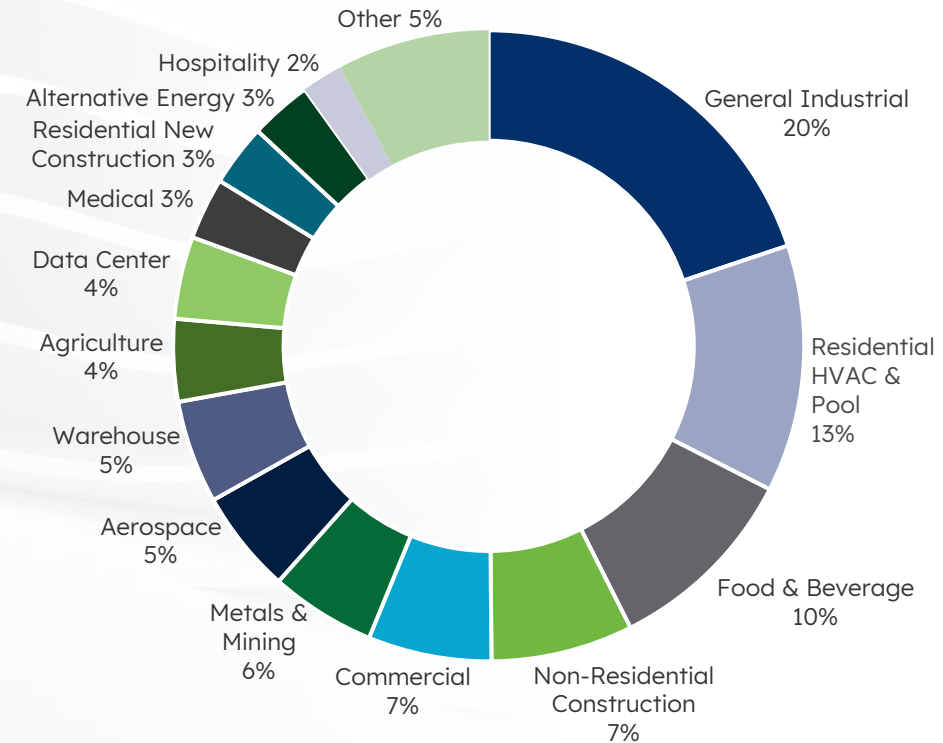
Sales By Segment



Sales By Geography



Sales By End Market



Secular Market Exposure ~37%,
~50% With Resi HVAC

*2022 data pro forma for the acquisition of Altra and giving effect to the anticipated sale of the Industrial M&G businesses.

OUR TRANSFORMATION JOURNEY

2018

2022

2023*

2025

Revenue (\$B)

\$3.6

\$5.2

~\$6.25

Consistent Market Outgrowth

Adj. Gross Margin

26%

33%

~34%

~40%

Adj. EBITDA Margin

14%

21%

~21%

>25%

Free Cash Flow

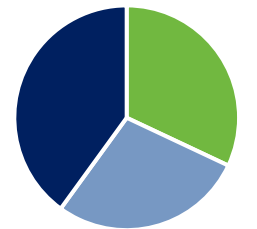
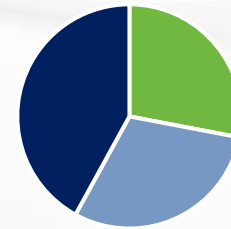
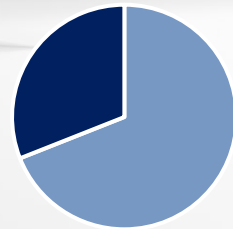
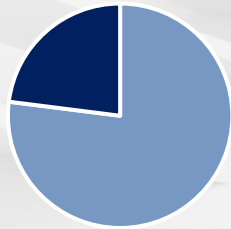
\$285M

\$352M

>\$650M

~\$1.0B

- Power Transmission
- Motors & Air Moving
- Automation



Legacy Regal

Solidifying The Powertrain

Emerging Automation Leader

Growth Phase

SUSTAINABLE COMPETITIVE ADVANTAGES

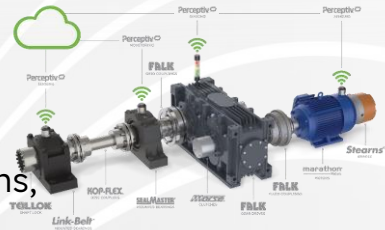
Flexible Global Footprint

Our flexible, global manufacturing footprint enables leading service levels and dynamically managed production costs



Portfolio Breadth & Scale

Portfolio of power transmission components, automation solutions, and premium efficiency electric motors provides unmatched powertrain design capabilities



Strategic Go-To-Market

Long standing direct and distributor relationships support strong channel positions and drive 80/20 “red carpet” approach to serving highest value (Quad 1) customers and e-commerce solution for our other valued customers (Quad 3)



Large Installed Base

Supports healthy, high-margin, annuity-like revenue streams that reduce P&L volatility through the cycle



Trusted Brands

Long-trusted brands that make purchase decisions easier for our customers enable high after-market attachment rates



Deep Domain Expertise

A deep understanding of customer needs specific to the end markets they operate underpins our technology leadership and product excellence



STRONG SECULAR END MARKET EXPOSURES*



~10%
of sales*

Food & Beverage

- Packaging Proliferation
- Line Speed Acceleration
- Plastic-To-Aluminum Shift



~10%

Residential HVAC

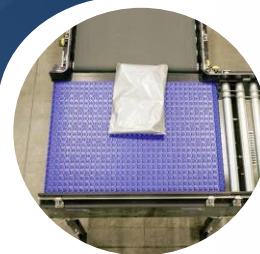
- Energy Efficiency Regs.
- Heat Pump Growth



~5%

Aerospace

- Emissions Reduction
- Smart Weapons Demand
- eVTOL Fleet Emergence



~5%

Warehouse

- E-Commerce Growth
- Autonomous development



~4%

Data Center

- Computing Power Gains
- Cloud Services Expansion
- AI Growth



~3%

Alternative Energy

- Regulatory Requirements
- Shift From Fossil Fuels



~3%

Medical

- Robotic Surgery Adoption
- High-Precision Tool Adoption

* % of 2022 Sales pro forma for the acquisition of Altra and giving effect to the anticipated sale of the M&G businesses.

SECULAR AND REGULATORY TAILWINDS

~\$2.7T+ Global Demand Tailwind Opportunity



Automation

Factory Automation Demand To Address Labor Inflation And Scarcity

~\$1.5T+



Digitalization

IoT, Digital, And AI Solutions Driving Connected Ecosystems, Intelligent Manufacturing, And Increased Data Usage

~\$500B+

Electrification

Shift To Cleaner Sources Of Power (E.G. Heat Pumps, Electrifying Commercial Vehicles)

~\$200B+



Aging Population

Longer Life Expectancy Driving Medical Innovations In Robotic Surgery, Robot-Assisted Rehab, And Faster Diagnostic Testing

~\$80B+

Regulatory

Infrastructure Bill, Inflation Reduction Act, Motor Efficiency Standards (E.G. SEER)



~\$400B+



CLEAR STRATEGY TO DRIVE OUTGROWTH

Digital



Wallet Share



New Customers



New Products

- **Gain Wallet Share** by overserving our best customers (“Focus on Quad 1”)

- **Pursue New Customers** that resemble our current Quad 1’s – our “**Perfect Prospects**”

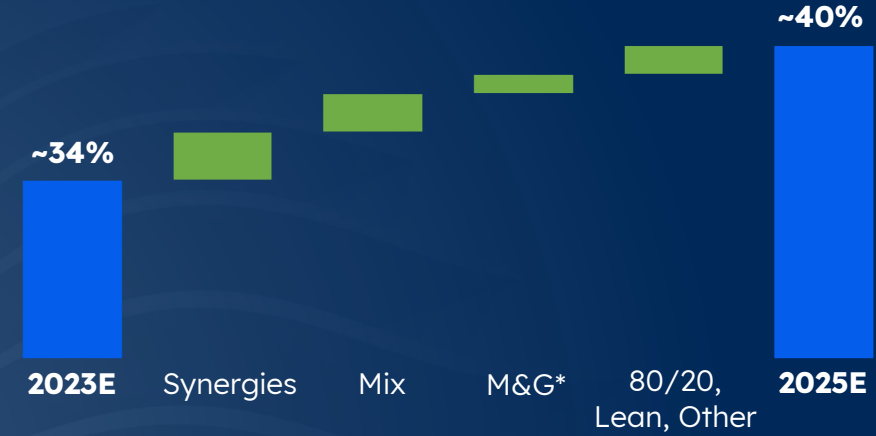
- Grow with new and existing customers by **doubling product vitality** (2025 vs. 2022)

- **Digital/eCommerce** investments are making it easy for customers to interact with us along the entire customer value stream

STRONG MARGIN EXPANSION STORY



Adj. Gross Margin Bridge (2023E to 2025E)



Adj. EBITDA Margin Bridge (2023E to 2025E)

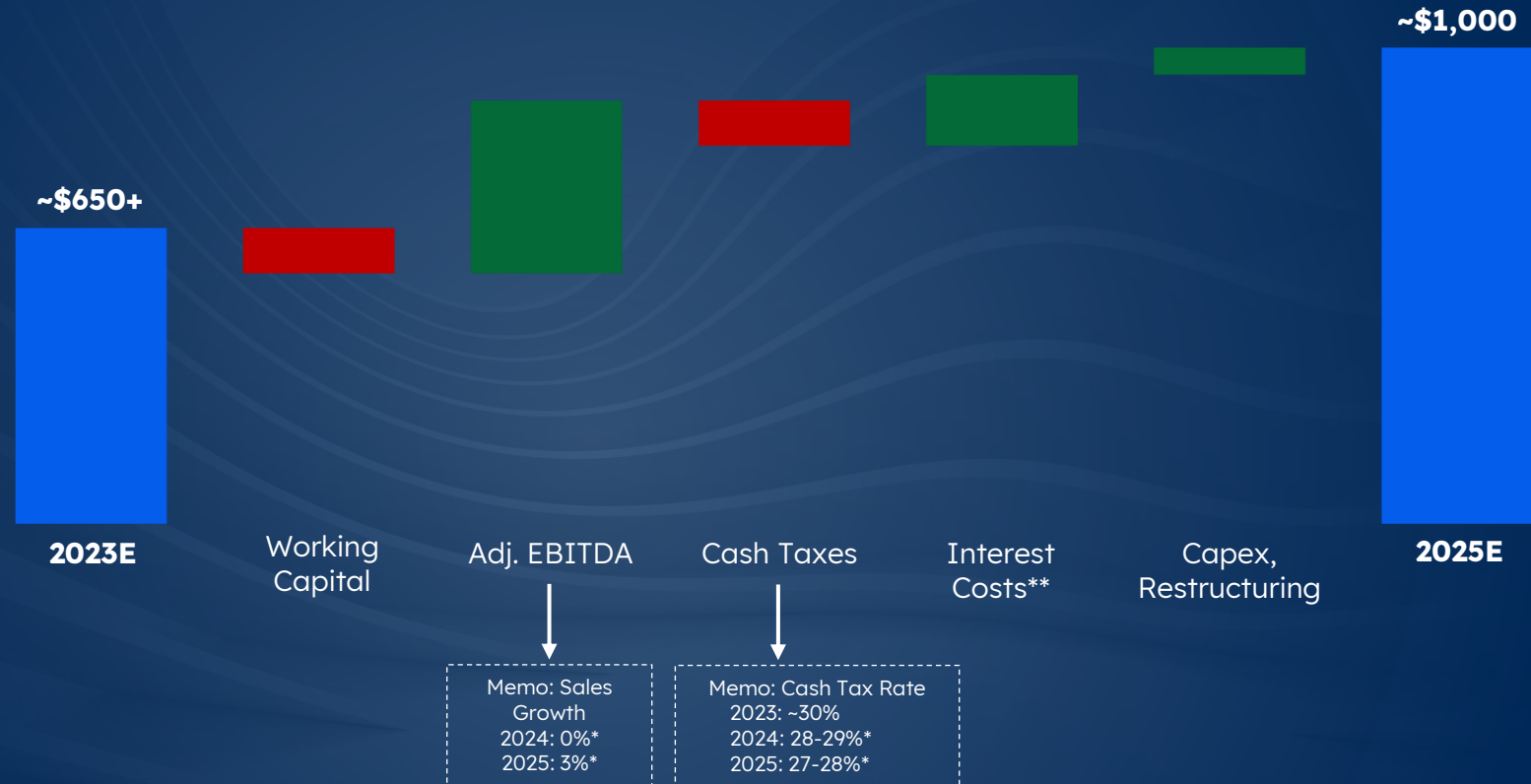


Many Levers Under Our Control To Drive Further Margin Gains

* Factors anticipated sale of M&G businesses and assumes a 1H24 close.

STRONG FREE CASH FLOW, SET TO RISE MATERIALLY

FCF Bridge (2023E to 2025E, \$M)

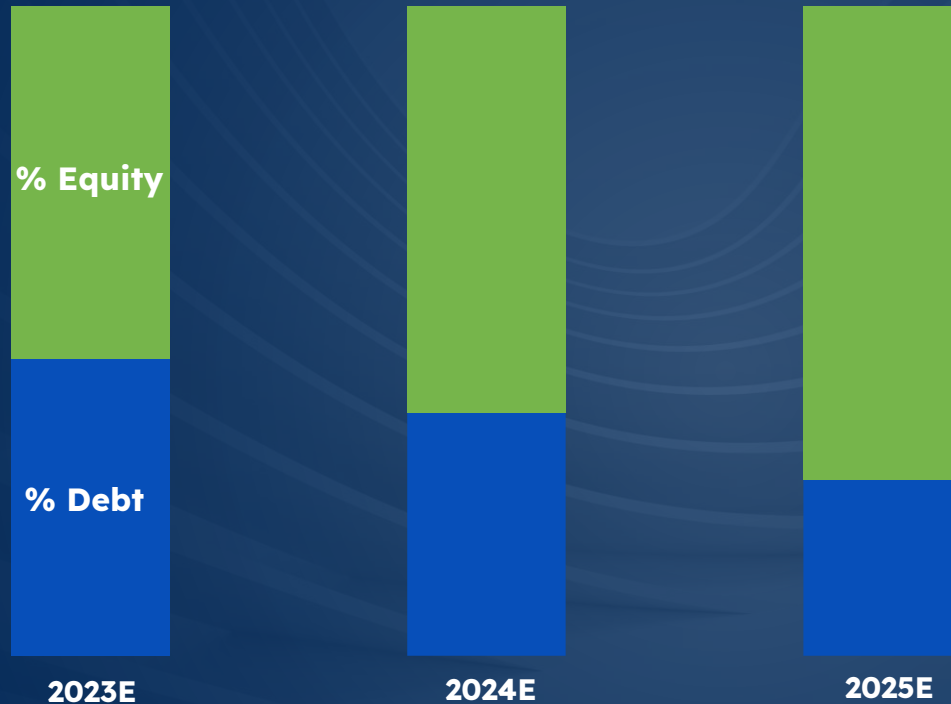


Clear Path To ~\$1 Billion Annual FCF In 2025 Even With Minimal Top Line Growth

* Estimation of a potential scenario for illustrative purposes only, not Company guidance.
 ** Factors net proceeds from anticipated sale of M&G businesses and assumes a 1H24 close.

ATTRACTIVE EQUITY OPPORTUNITY AS CAPITAL STRUCTURE EVOLVES

Components Of Enterprise Value



Key Assumptions

- 1.5% Sales CAGR In 2023-2025*
- Achieve ~40% GM & ~25% Adj. EBITDA Margin Targets In 2025
- Deploy Excess Cash (Post Dividend) To Debt Reduction
- Close M&G Sale In 1H24
- Flat EV/EBITDA Multiple 2023-2025

Significant Potential Equity Upside From Debt Reduction

* Estimation of a potential scenario for illustrative purposes only, not Company guidance.

WHY INVEST IN RRX



A Strong Franchise With Sustainable Competitive Advantages, ~50% Exposure To Secular Growth Markets And Regulatory & Government Stimulus Demand Tailwinds



Improving Outgrowth Driven By Rising M&A Synergies, 80/20 Growth Initiatives And A Robust New Product Pipeline



Proven Margin Expansion Story With 600bps Of GM Upside By 2025 – Largely Volume Independent – Driven By M&A Synergies, 80/20, LEAN & Mix-Accretive NPD



Robust...And Rising FCF Generation Enables Significant De-Leveraging, Evolution Of Capital Structure Towards Equity. Longer-Term – Sizable Upside From Capital Deployment

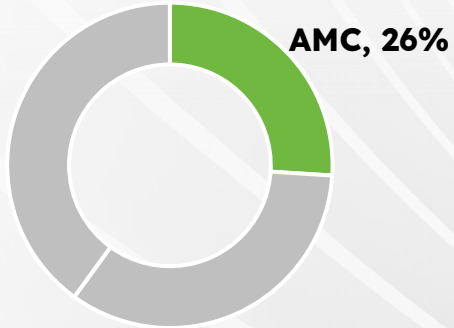
Substantial Upside On Sales, Margins & FCF – Much Tied to Self-Help

Q&A

APPENDIX: SEGMENT OVERVIEWS

AUTOMATION & MOTION CONTROL (AMC)

Sales by Segment



Financials*

Sales: \$1.7B

Adj. EBITDA: \$0.4B

Adj. EBITDA Margin: ~23%

* 2022 Pro forma for the acquisition of Altra.

Key Brands

KOLLMORGEN
A REGAL REXNORD BRAND

Perceptiv
A REGAL REXNORD BRAND

THOMSON
A REGAL REXNORD BRAND

SYSTEM PLAST
A REGAL REXNORD BRAND

REXNORD
A REGAL REXNORD BRAND

marathon
Special Products
A REGAL REXNORD BRAND

REXNORD
aerospace
A REGAL REXNORD BRAND

THOMSON
POWER SYSTEMS
A REGAL REXNORD BRAND

ARROWHEAD CONVEYOR LLC
A REGAL REXNORD BRAND

Portescap
A REGAL REXNORD BRAND

BUSSE/SII LLC
A REGAL REXNORD BRAND

Key Products

Miniature & Servo Motors



Linear Actuators



Controllers



Conveying Solutions



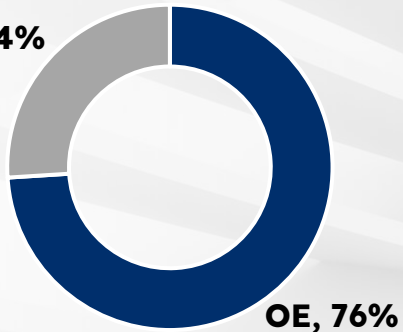
Aero Seals & Bearings



Power Management



Channel Mix



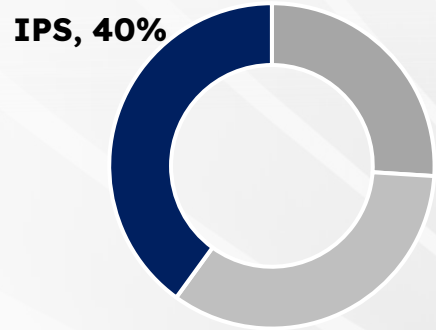
Principal End Markets

- General Industrial
- Food & Beverage
- Aerospace
- Warehouse
- Medical
- Agriculture
- Non-Residential Construction
- Data Center

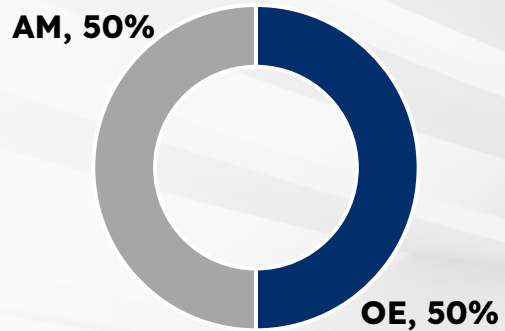
Precision Actuators, Motors & Components, Conveying Systems, Power Mgmt.

INDUSTRIAL POWERTRAIN SOLUTIONS (IPS)

Sales by Segment



Channel Mix



Financials*

Sales: \$2.6B

Adj. EBITDA: \$0.6B

Adj. EBITDA Margin: ~24%

* 2022 Pro forma for the acquisition of Altra.

Principal End Markets

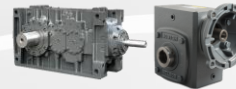
- General Industrial
- Food & Beverage
- Metals & Mining
- Marine
- Energy
- Renewables
- Forestry
- Agriculture

Key Brands



Key Products

Gearing



Bearings



Industrial Chain



IoT



Couplings



Clutches & Brakes



Belts & Belt Drives

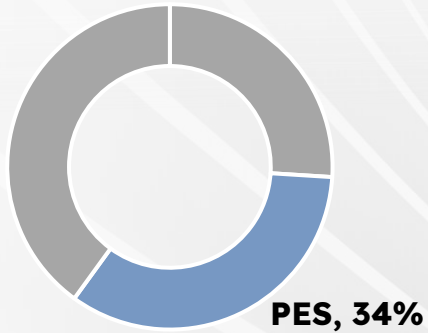


Industrial Powertrains



POWER EFFICIENCY SOLUTIONS (PES)

Sales by Segment



Financials*

Sales: \$2.2B

Adj. EBITDA: \$0.4B

Adj. EBITDA Margin: ~18%

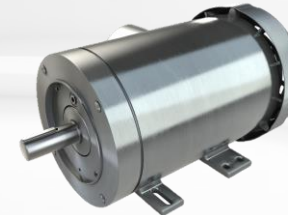
* 2022

Key Brands

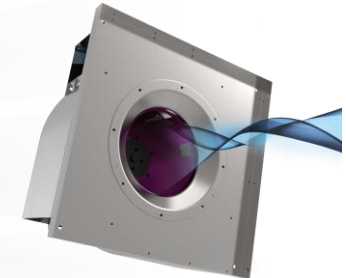


Key Products

Super Premium
Efficiency Motors



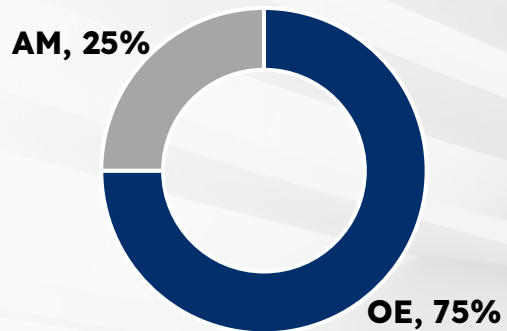
Premium Efficiency
Air Moving Systems



Hybrid
Drives



Channel Mix



Principal End Markets

- Residential HVAC
- Commercial
- Non-Residential Construction
- Residential New Construction
- General Industrial
- Hospitality

 **High Efficiency Motors, Blowers & Related Sub-Systems Plus Electronic Drives**