

FIRST QUARTER FISCAL YEAR 2020 FINANCIAL RESULTS

July 31, 2019

CAUTIONARY STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT

This presentation and discussion contains certain forward-looking statements that are subject to the Safe Harbor and Cautionary language contained in the press release we issued on July 30, 2019, as well as other factors that could cause actual results to differ materially from those discussed and that are disclosed in our filings with the Securities and Exchange Commission.

Some comparisons will refer to certain non-GAAP measures. Our earnings release and SEC filings contain additional information about these non-GAAP measures, why we use them and why we believe they are helpful to investors, and contain reconciliations to GAAP data.

STRATEGIC UPDATE

Consolidated Rexnord

- 1Q net sales increase +1% year over year, core growth⁽¹⁾ +2%
- Adjusted EBITDA⁽¹⁾ increases 6% year over year to \$111 million
- Simplification initiative reduces sales growth by approximately 150 bps year over year

Process & Motion Control

- 1Q net sales decrease (1%) year over year, core growth +1%, currency translation headwind (3%)
- Simplification actions reduce sales growth by approximately 200 bps
- Margins expand with Aerospace COE ramp, product line simplification benefits

Water Management

- 1Q net sales increase +4% year over year, core growth +4%
- Weather impact moderates into end of quarter, sales growth re-accelerates in June

Cash Flow & Balance Sheet

- Net debt leverage ratio⁽¹⁾ unchanged at 2.1x

(1) Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on July 30, 2019.

AEROSPACE CENTER OF EXCELLENCE UPDATE

- Largest project within second phase of Supply Chain Optimization & Footprint Repositioning
- Transition of previous Downer's Grove facility into COE was completed in 4Q FY2019
- Productivity improvement ramping quickly – aka “producing more with less”
- Enhanced capabilities and cost structure driving share capture
- Rapidly expanding Airbus penetration through supply base, specified content has doubled since 2014



Excerpts from customer feedback regarding the COE:

“ . . . one of the most advanced suppliers we have. . . you have systems and this beautiful world class facility.”

“ . . .best manufacturing facility compared to all bearings suppliers I’ve visited. . .”

“ . . .what you are doing is way better than your competitor. . .”

FINANCIAL UPDATE

First Quarter Fiscal Year 2020

- Adjusted EBITDA⁽¹⁾ of \$111 million increased +6% year over year
- Net sales increased +1% year over year
 - Acquisitions increased sales by +1%
 - Foreign currency translation decreased sales by (2%)
- Core sales⁽¹⁾ increased +2% year over year
- Earnings Per Share from Continuing Operations of \$0.39
- Adjusted EPS⁽¹⁾ of \$0.48

(1) Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on July 30, 2019.

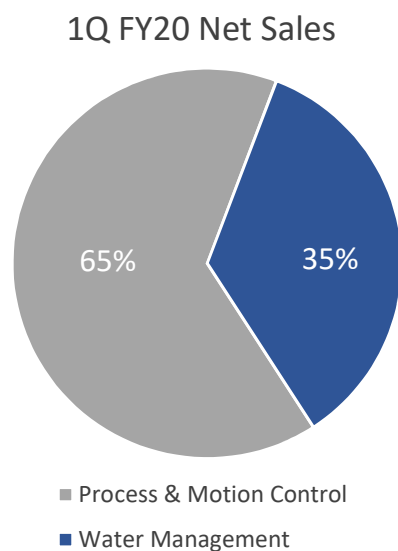
FISCAL YEAR 2020 OUTLOOK

- Core sales growth⁽¹⁾ in low single-digit percentage range⁽²⁾, net of 8020 PLS impact
 - 8020 PLS (product line simplification) to be 150-200 bps headwind
- Adjusted EBITDA⁽¹⁾ in \$460 - \$475 million range⁽²⁾
- Free cash flow⁽¹⁾ to exceed net income

(1) Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on July 30, 2019.

(2) Forward-looking information and a non-GAAP measure. Although Rexnord can quantify certain elements, it is not able to quantify all variances from GAAP without unreasonable efforts because certain factors are unknown at this time and out of Rexnord's control.

1Q FY20 SUMMARY



	1Q FY20	1Q FY19	Change
Net Sales ⁽¹⁾	\$508	\$504	1%
<i>Growth from:</i>			
Core			2%
Acquisitions			1%
Translation			(2%)
Adjusted EBITDA ⁽¹⁾	\$111	\$105	6%
% of Sales	21.8%	20.8%	100 bps

(1) Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on July 30, 2019.

PROCESS & MOTION CONTROL

	1Q FY20	1Q FY19	Change
Net Sales	\$330	\$332	(1%)
<i>Growth from:</i>			
Core			1%
Acquisitions			1%
Translation			(3%)
Adjusted EBITDA ⁽¹⁾	\$74	\$72	3%
% of Sales	22.4%	21.5%	90 bps

End-Market Outlook Assumed in Guidance

Industrial Distribution

 US & Canada

 Europe

 Rest of World

Food & Beverage: Global

Commercial Aerospace: Global

Process Industries: Global



- Net sales decline of 1% attributable to currency translation
- Core growth of 1% reduced by product line simplification
- Adjusted EBITDA margin expands by 90 bps

**Rexnord Aerospace
Center of Excellence**



(1) Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on July 30, 2019.

WATER MANAGEMENT

	1Q FY20	1Q FY19	Change
Net Sales	\$178	\$171	4%
<i>Growth from:</i>			
Core			4%
Acquisitions			0%
Translation			0%
Adjusted EBITDA ⁽¹⁾	\$47	\$43	9%
% of Sales	26.4%	25.4%	100 bps

End-Market Outlook Assumed in Guidance

Nonresidential Construction: US & Canada

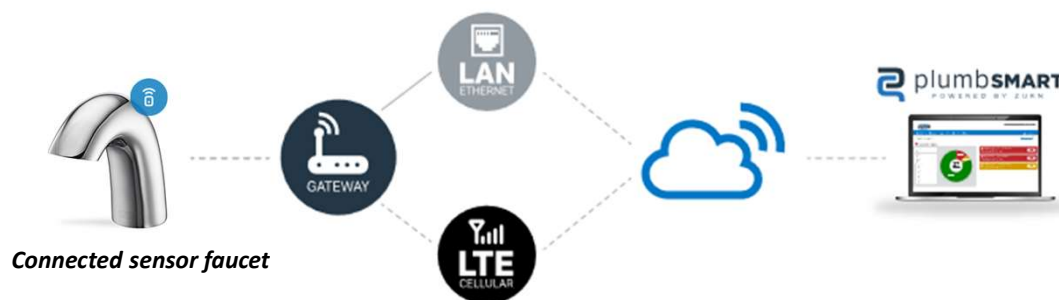
Commercial & Industrial

Institutional

Residential Construction: US & Canada

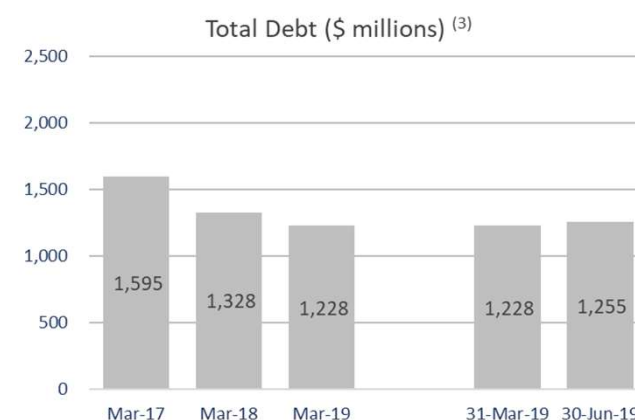
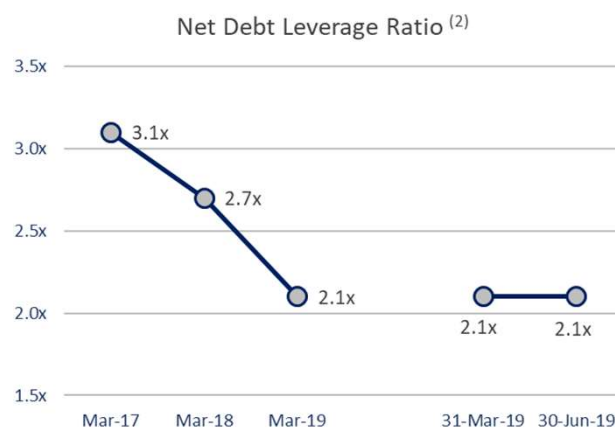
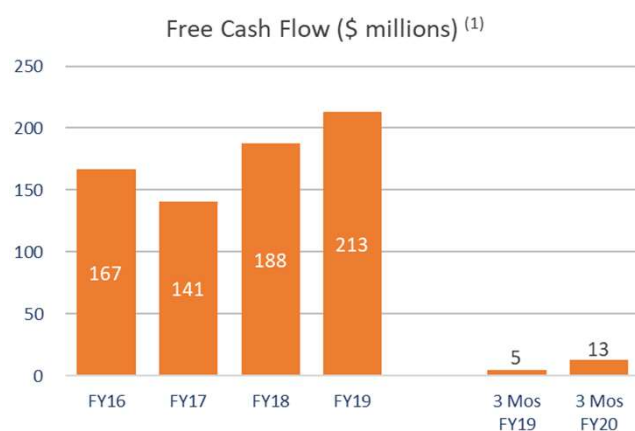


- Net sales growth of 4% year over year
- Core growth of 4% year over year
- Adjusted EBITDA margin expands by 100 bps



(1) Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on July 30, 2019.

CASH FLOW & BALANCE SHEET



(1) Free Cash Flow is defined as Cash from Operations less Capital Expenditures, and is a Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on July 30, 2019.

(2) Net Debt Leverage is defined as the ratio of total debt less cash to pro forma LTM Adjusted EBITDA.

(3) Total Debt includes a New Market Tax Credit Receivable (currently \$10), which is more than offset by an associated payable (currently \$14) that is also included in Total Debt in all periods presented.

REXNORD
SOLVING SMARTER



APPENDIX

FISCAL YEAR 2020 OUTLOOK

Core sales % growth ⁽¹⁾	+ Low Single Digit (net of 150-200 bps PLS impact)
Adjusted EBITDA ⁽¹⁾	\$460 - \$475 million
Free Cash Flow ⁽¹⁾	> Net Income
Depreciation & Amortization ⁽²⁾	~ \$ 86 million
Interest Expense (LIBOR < 3%)	~ \$ 65 million
Effective Tax Rate ⁽³⁾	26% - 27%
Capital Expenditures	< 2.5% of sales (includes SCOFR 3.0)

(1) Non-GAAP measure defined, reconciled, and discussed in the earnings release included in the Form 8-K filed with the Securities and Exchange Commission on July 30, 2019.

(2) Excludes an estimated \$3 million of accelerated depreciation related to supply chain optimization and footprint repositioning actions which is excluded from Adjusted Net Income.

(3) As applied to calculation of Adjusted Net Income.

IF-CONVERTED INCREMENTAL SHARES

Mandatory Convertible Preferred Details

Offering Size (\$millions)	\$ 402.5
Dividend Rate	5.75%
Annual Dividend (\$millions)	\$ 23.1
Mandatory Conversion Date	11/15/2019

Use If-Converted Method to calculate diluted EPS, **Only If Dilutive**

- 1) Do not deduct preferred dividend from net income
- 2) Add indicated incremental shares to diluted share count

Average Common Stock Price	Incremental Shares from Conversion (millions)
< \$ 20.99	19.18
\$ 20.99	19.18
21	19.17
22	18.30
23	17.50
24	16.77
25	16.10
25.19	15.98
> \$ 25.19	15.98

CALCULATING 1Q FY20 DILUTED ADJUSTED EPS

(\$ millions, except per-share amounts)

First
Quarter
Ended
6/30/2019

Base Methodology

Adjusted Net Income ⁽¹⁾	\$	53.2
Weighted-Average Number of Shares: Diluted (thousands)		107,685
Adjusted Earnings Per Share: Diluted (Base Method) ⁽¹⁾	\$	0.49

If-Converted Methodology

Adjusted Net Income	\$	53.2
Add Back Dividends		5.8
Adjusted Net Income Attributable to Rexnord Common Stockholders	\$	59.0
Weighted-Average Number of Shares: Diluted (thousands)		107,685
Add Adjustment for Conversion of Preferred Stock into Common Stock (thousands)		15,979
Adjusted Weighted-Average Shares: Diluted (thousands)		123,664
Adjusted Earnings Per Share: Diluted (If-Converted Method) ⁽¹⁾	\$	0.48

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