

3Q CY20 SEPTEMBER QUARTER FINANCIAL RESULTS

October 28, 2020

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 October 27, 2020, 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.

3Q CY20 PERFORMANCE UPDATE

Consolidated Rexnord

- 3Q reported net sales decreased (5%) year over year, core growth decreased by (7%)
- Adjusted EBITDA⁽¹⁾ decreased by (8%) to \$109 million
- SCOFIR III savings on track to deliver annual structural savings of \$20 million as we exit 2021
- Investing in our associates and growth breakthroughs

Water Management (WM)

- 3Q net sales increased by +8% year over year, core growth increased by +5%
- Adjusted EBITDA increased +11% yr/yr to \$56 million – margin expanded by 60 bps to 28.0%

Process & Motion Control (PMC)

- 3Q net sales decreased by (13%) year over year, core growth decreased by (13%)
- Excluding depressed aerospace sector sales, PMC core growth decreased by (9%)
- Adjusted EBITDA margin of 21%

• Capital Allocation

- Resumed share repurchases in August – allocated \$15 million in 3Q, \$96 million through nine months of CY20
- Net debt leverage at 2.0x

(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 October 27, 2020.

CAPITAL ALLOCATION UPDATE

Maintaining net debt leverage ratio in 2x – 3x range

✓ Leverage ratio of 2.0x at end of September quarter

Committed to \$0.08 / share quarterly common stock dividend = 1.0% current yield

✓ Annual increases in dividend rate are anticipated

Allocating \$75 million to \$150 million to annual share repurchases

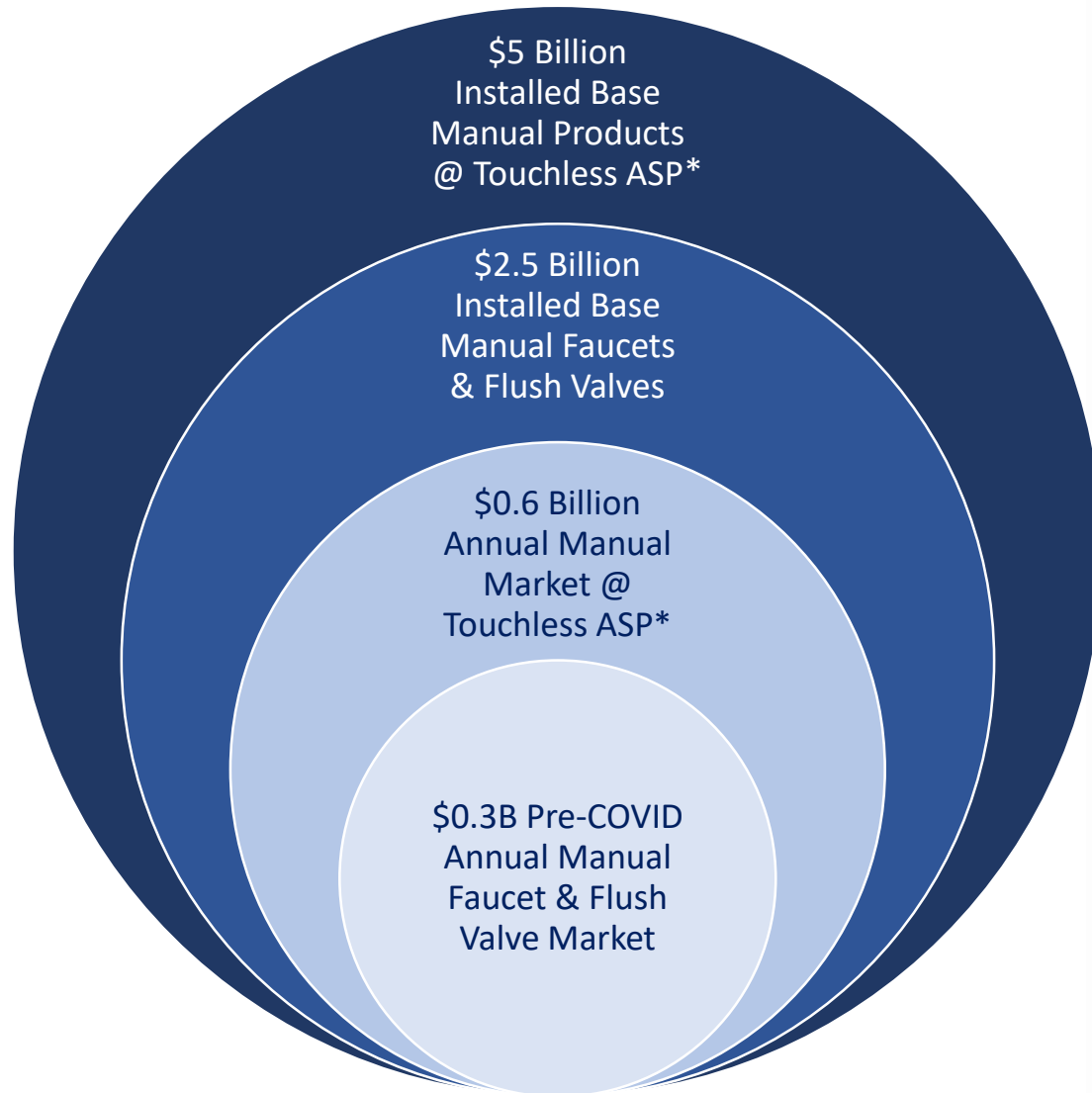
✓ Invested \$15 million in September quarter, \$96 million calendar year-to-date

Maintaining capacity for strategic bolt-on acquisitions

✓ After COVID-related pause – on track in focused areas and targets

Resilient performance creates opportunity

EXPANDING HYGIENIC MARKET OPPORTUNITY



BASIC TOUCHLESS

Looking for upgrade to sensor activation with less steps and upfront costs involved? This option makes it simple. You'll go from manual to touchless without stress.

- ✓ Touchless sensor activation
- ✓ Direct Retrofit options



ADVANCED TOUCHLESS

Let performance be your guide. With proven EZ Gear faucet and flush valve technology, this option couples high efficiency with low maintenance, cycle after cycle. So, you save over the lifespan.

- ✓ Touchless sensor activation
- ✓ Direct Retrofit options
- ✓ High frequency applications



NEXT GENERATION

Smart, connected technology in the restroom delivers actionable insights to improve traffic flow, monitor hand hygiene compliance, and optimize preventative maintenance practices.

- ✓ Touchless sensor activation
- ✓ Direct Retrofit options
- ✓ Connectivity
- ✓ Real time monitoring
- ✓ Analytics and more

Significant core growth and market share opportunity

* ASP = Average Selling Price

HYGIENIC GROWTH MODEL FOR 2020/2021 & BEYOND



Touchless Faucets & Flush Valves

- Tracking to ~\$100 million sales in 2020
 - Expect to exit 2020 at \$140-150 mm annual run rate
 - Supply chain capacity >\$250 mm annual run rate
- Sector leading product availability (3QCY20)
- Developing click-to-install service model (4QCY20)

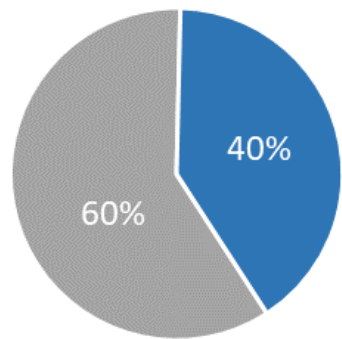
Hygienic Restroom Components

- Tracking to approximately 20% of WM sales in 2020
 - Today includes Antimicrobial Surfaces, Hand Dryers
- Foundation for *Restroom of the Future*

Trajectory and opportunity for above-market growth

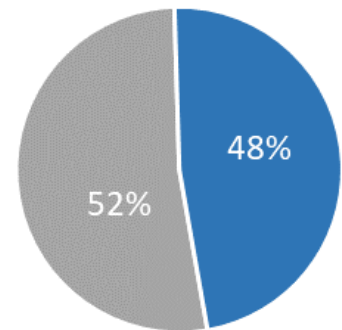
3Q CY20 SUMMARY

3Q CY20 Net Sales



■ Process & Motion Control
 ■ Water Management

3Q CY20 Segment
Adjusted EBITDA



■ Process & Motion Control
 ■ Water Management

	3Q CY20	3Q CY19	Change
Net Sales	\$494	\$521	(5%)
<i>Growth from:</i>			
Core ⁽¹⁾			(7%)
Acquisitions			1%
Translation			1%
Adjusted EBITDA ⁽¹⁾	\$109	\$118	(8%)
% of Sales	22.0%	22.7%	(70 bps)

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3Q CY20 PLATFORM RESULTS

PMC

	3Q CY20	3Q CY19	Change
Net Sales	\$294	\$337	(13%)
<i>Growth from:</i>			
Core ⁽¹⁾			(13%)
Acquisitions			0%
Translation			0%
Adjusted EBITDA ⁽¹⁾	\$61	\$78	(21%)
% of Sales	20.9%	23.0%	(210 bps)

- 8020 product line simplification reduced sales growth by 110 bps
- Adjusted EBITDA includes approximately \$2 million of non-recurring SCOFR 3 expenses
- New *KleanTop PacTitan Pro* metal conveying chain can improve belting life and uptime and food product quality, reduce contamination risk, enhance employee safety

WM

	3Q CY20	3Q CY19	Change
Net Sales	\$200	\$184	8%
<i>Growth from:</i>			
Core ⁽¹⁾			5%
Acquisitions			3%
Translation			0%
Adjusted EBITDA ⁽¹⁾	\$56	\$51	11%
% of Sales	28.0%	27.4%	60 bps

- Adjusted EBITDA margin expanded by 60 bps year over year
- Strong demand growth for touchless and hygienic products

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DECEMBER QUARTER PLANNING GUIDEPOSTS

Key 4Q CY20 (December-quarter) guideposts

- Sales decline of 7%-11% year over year
- Segment Adjusted EBITDA⁽¹⁾ margin* in 21.5%-23% range⁽²⁾
- Corporate expense of \$9 million
- Interest expense of \$12 million
- Depreciation & amortization of \$23 million

* Total segment margin before corporate expenses

(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 October 27, 2020.

(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.

CASH FLOW OUTLOOK

Current 9-month interim period 2020 free cash flow expectations

- Capital expenditures of approximately \$29 million includes SCOFR 3.0
- Cash restructuring of \$15-17 million includes SCOFR 3.0
- Cash interest payments of approximately \$42 million
- Cash tax payments of \$45-50 million
- Cash release from trade working capital of \$15-20 million
- Free cash flow⁽¹⁾ to exceed net income

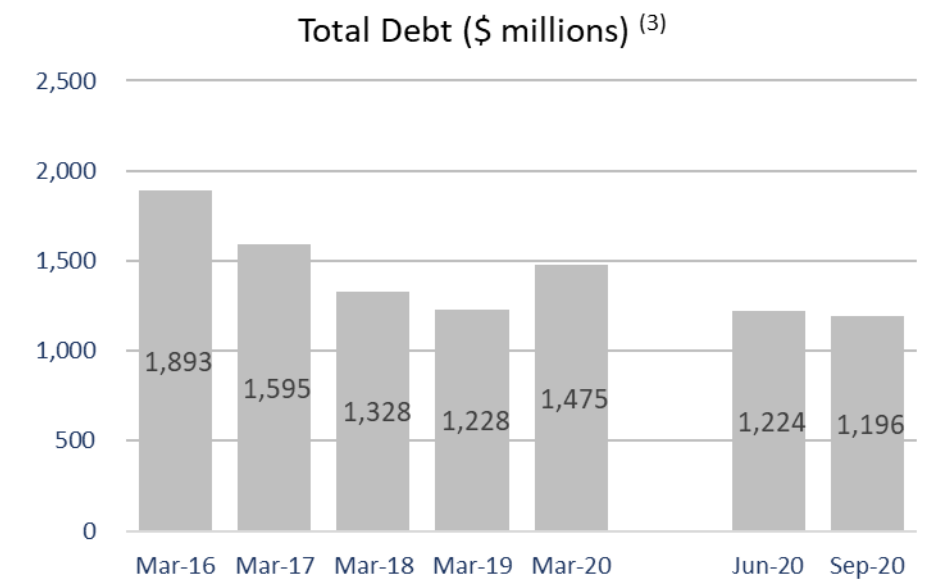
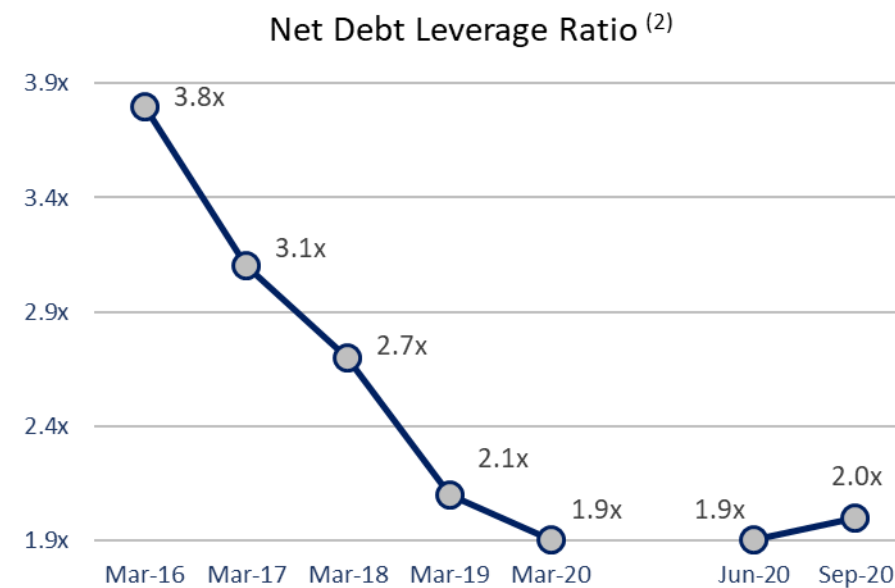
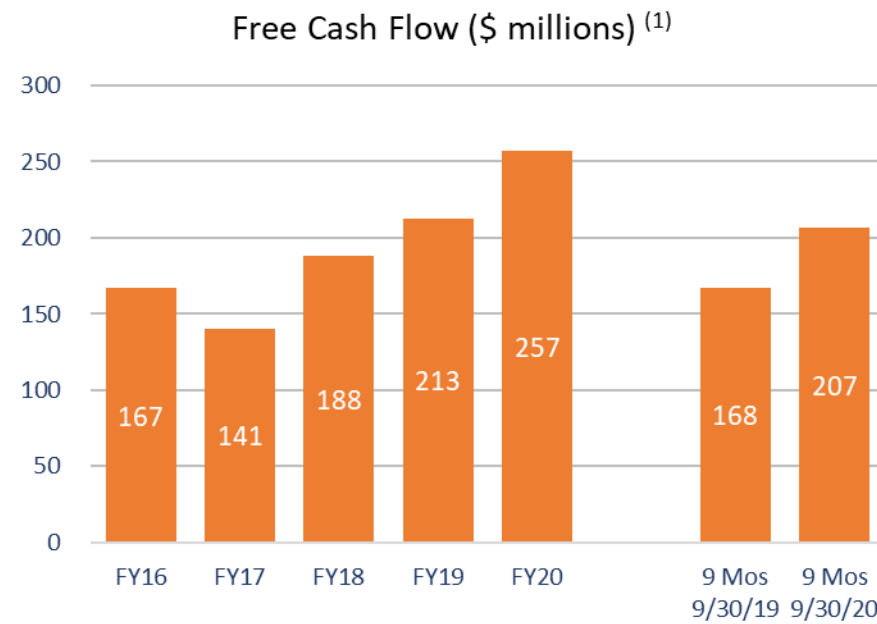
Indicated calendar-year 2020 free cash flow expectations*

- Capital expenditures of approximately \$45 million includes SCOFR 3.0
- Cash restructuring of \$18-20 million includes SCOFR 3.0
- Cash interest payments of approximately \$49 million
- Cash tax payments of \$55-60 million
- Cash release from trade working capital of \$15-20 million
- Free cash flow to exceed net income

* Combines actual March 2020 quarter results with expectations for 9-month interim period.

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CASH FLOW & BALANCE SHEET



Transitioning fiscal year end to December 31 in 2020 – pro forma CY18/CY19 quarterly financials on website

- (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 October 27, 2020. Note: Fiscal years 2016 through 2020 ended March 31.
- (2) Net Debt Leverage is defined as the ratio of total debt less cash to pro forma L12M Adjusted EBITDA.
- (3) Total Debt prior to Sep-19 includes a New Market Tax Credit Receivable, which is more than offset by an associated payable that is also included in Total Debt prior to Sep-19.