REXNORD
SOLVING SMARTER

BAIRD 2019 GLOBAL INDUSTRIAL CONFERENCE

Todd Adams – President & CEO
Mark Peterson – SVP & CFO

November 2019

SAFE HARBOR STATEMENTS

This presentation contains “forward-looking” statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, our results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, we caution you not to place undue reliance on these statements. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, any projections of financial information; any statements about historical results that may suggest trends for our business; any statements of the plans, strategies and objectives of management for future operations; any statements of expectation or belief regarding future events, technology developments or enforceability of our intellectual property rights; and any statements of assumptions underlying any of the foregoing.

These statements are based on estimates and information available to us at the time of this presentation and are not guarantees of future performance. Actual results could differ materially from our current expectations as a result of many factors, including but not limited to: the impact of our indebtedness; our competitive environment; general economic and business conditions, market factors and our dependence on customers in cyclical industries; performance, and potential failure, of our information and data security systems; the costs and uncertainties related to strategic acquisitions or divestitures or the integration of recent and future acquisitions into our business; the effect of local, national and international economic, credit and capital market conditions on the economy in general, and on the industries in which we operate in particular; risks associated with our international operations; the loss of any significant customer; dependence on independent distributors; increases in cost of our raw materials, including as a result of tariffs, trade wars and other trade protection measures, and our possible inability to increase product prices to offset such increases; impact of weather on the demand for our products; changes in technology and manufacturing techniques; the costs of environmental compliance and/or the imposition of liabilities under environmental, health and safety laws and regulations; legislative, regulatory and legal developments involving taxes; the costs of asbestos claims and other potential product liability; our access to available and reasonable financing on a timely basis; changes in governmental laws and regulations, or the interpretation or enforcement thereof, including for environmental matters; reliance on intellectual property; work stoppages by unionized employees; loss of key personnel; changes in pension funding requirements; and potential impairment of goodwill and intangible assets; the seasonality of our sales; inability to make necessary capital expenditures;; viability of key suppliers; potential product liability claims; and costs of maintaining healthcare insurance and benefits; and anti-takeover provisions in our charter documents. These and other risks and uncertainties associated with our business are described in our Annual Report on Form 10-K for the year ended March 31, 2019, as well as in our other SEC filings. We assume no obligation and do not intend to update these forward-looking statements.

In addition to U.S. GAAP financials, this presentation includes certain financial measures on a non-GAAP basis. These historical and forward-looking non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. Our 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.

REXNORD PROFILE

$4.5	$2.05	21.6%	113%
Enterprise Value ($B)	Revenue ($B)	Adjusted EBITDA Margin	Free Cash Flow Conversion

Concentrated Multi-Platform Industrial
Sustainable Competitive Advantages
Rexnord Business System

Solving Smarter

Note: Data are Fiscal Year 2019 Continuing Operations. Adjusted EBITDA, Free Cash Flow are non-GAAP measures and are defined in our SEC filings.
Enterprise value = recent market value of equity + total debt – cash. Free Cash Flow Conversion = FCF / Net Income from Continuing Operations.

REXNORD PLATFORM PROFILES

PROCESS & MOTION CONTROL

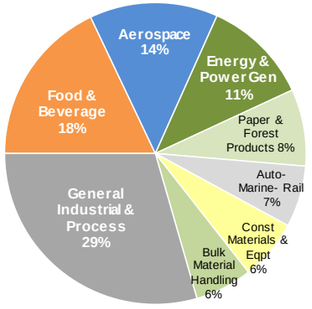
REXNORD | REXNORD aerospace

Digi-Mechanical Power Transmission Solutions

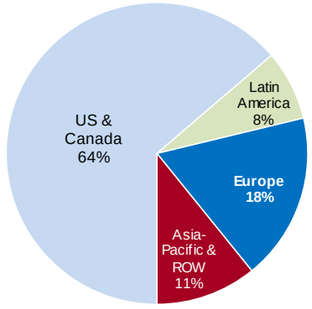
- IIoT Enabled Solutions for First Fit and Retrofit Applications
- Plastic, Metal & Hybrid Modular Conveying Chain
- Woven Metal Mesh Conveying Chain
- Gearing & Gear Drives
- Couplings for Motor, Engine, Turbine-Driven Applications
- Mounted Industrial Bearings, Industrial Chain
- Aerospace Bearings & Seals

FY19 Revenue: $1.4 billion
FY19 Adjusted EBITDA Margin: 23%

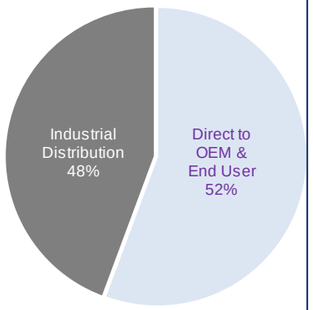
FY19 Revenue by End Market



FY19 Revenue by Geography



FY19 Revenue by Channel



WATER MANAGEMENT

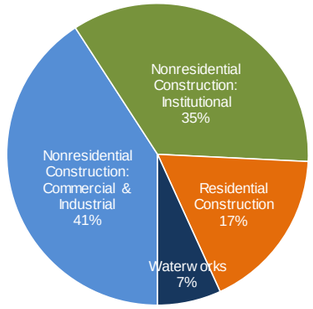
ZURN

Specification-Grade Commercial Plumbing Products

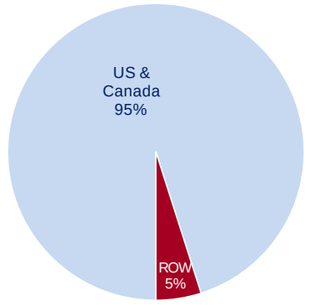
- IIoT Enabled Solutions for New Construction and Retrofit Applications
- Specification & Light Commercial Drainage
- Linear Drainage & Effluent Separation
- Backflow Prevention & Potable Water Safety
- Fire, Pressure Management & Temperature Control Valves
- PEX Piping Systems, Fixture Carrier Systems
- Finish Plumbing [Faucets, Flush Valves & Fixtures], Dryers

FY19 Revenue: $0.7 billion
FY19 Adjusted EBITDA Margin: 26%

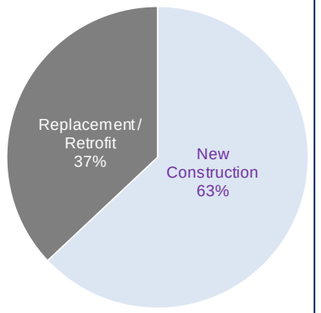
FY19 Revenue by End Market



FY19 Revenue by Geography



FY19 Revenue by Application



Note: FYE March 31. Platform margins exclude corporate expenses, include Continuing Operations only. Adjusted EBITDA is a non-GAAP measure and is defined in our SEC filings.

BAIRD CONFERENCE NOV-16 UPDATE

	Objective	Results
Innovation	DiRXN Digital Strategy *to improve customer productivity at every stage*	✓ + Digital customer interactions + Digital specification tools + Digitally-connected components
Operations	Supply Chain Optimization & Footprint Repositioning *to achieve structural cost savings &* *more variable cost structure*	✓ + SCOFR 1.0 completed 2QFY18 $25 achieved + SCOFR 2.0 completed 4QFY19 $15 achieved + SCOFR 3.0 target completion 4QFY21 $20 estimated
Profitability FY17: 18.1%	Adjusted EBITDA Margin >20%	✓ FY2019 21.6% 6MFY20 22.3%
Financial Leverage FY17: 3.1x	Net Debt Leverage Ratio < 3.0x	✓ FY2019 2.1x 2QFY20 2.0x
Free Cash Flow FY17: $141	Average annual FCF > $200	✓ FY2019 $213 6MFY20 +27%
Annual EBITDA FY17: $347	$500 million within 5 years	✓ FY18 $386; FY19 $443; FY20E [1] $460 - $467

$ millions. (1) Outlook for FY20 Adjusted EBITDA issued October 29, 2019.

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