

Rexnord Announces Enhanced Capital Allocation Strategy; Initiation of Common Stock Dividend; Expanded Share Repurchase Authorization

1/27/2020

Strong cash generation and reduced financial leverage to enable increased returns to shareholders

MILWAUKEE--(BUSINESS WIRE)-- Rexnord Corporation (NYSE: RXN) today announced that its Board of Directors has approved a comprehensive capital allocation strategy that leverages the company's consistent and high-level of free cash flow to enhance shareholder value creation.

The Board of Directors approved an initial \$0.08 per-share quarterly dividend to be paid on March 6, 2020 to shareholders of record as of February 21, 2020, which represents the first common stock dividend Rexnord has paid since its 2012 initial public offering.

In addition, the Board approved expanding Rexnord's existing share repurchase authorization to \$300 million of available capacity.

Rexnord's enhanced capital allocation strategy anticipates:

- Maintaining our net debt leverage ratio in a 2x - 3x range;
- Annual increases in the common dividend amount;
- Annual cash used for share repurchases of \$75 million to \$150 million;
- Sustaining internal investments that enhance growth, innovation and productivity;
- Targeted acquisitions that enhance our strategic positioning and drive future sales and earnings growth.

Todd Adams, Rexnord's President and Chief Executive Officer, commented, "Over the past four years, we have repositioned our business portfolio, executed significant structural cost reductions, increased our return on invested capital and increased our sustainable free cash flow while reducing our financial leverage. Our enhanced financial profile positions the Company to expand its options to drive shareholder value creation."

About Rexnord

Headquartered in Milwaukee, Wisconsin, Rexnord is comprised of two strategic platforms, Process & Motion Control and Water Management, with approximately 6,700 employees worldwide. The Process & Motion Control platform designs, manufactures, markets and services specified, highly-engineered mechanical components used within complex systems. The Water Management platform designs, procures, manufactures and markets products that provide and enhance water quality, safety, flow control and conservation. Additional information about the Company can be found at www.rexnordcorporation.com.

Cautionary Statement on Forward-Looking Statements

Information in this release may involve outlook, expectations, beliefs, plans, intentions, strategies or other statements regarding the future, which are forward-looking statements. These forward-looking statements involve risks and uncertainties. All forward-looking statements included in this release are based upon information available to Rexnord Corporation as of the date of the release, and Rexnord Corporation assumes no obligation to update any such forward-looking statements. The statements in this release are not guarantees of future performance and actions, and actual results could differ materially from current expectations. Numerous factors could cause or contribute to such differences. Please refer to "Risk Factors" and "Cautionary Notice Regarding Forward-Looking Statements" in the Company's Form 10-K for the fiscal year ended March 31, 2019 as well as the Company's annual, quarterly and current reports filed on Forms 10-K, 10-Q and 8-K from time to time with the Securities and Exchange Commission for a further discussion of the factors and risks associated with the business.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20200127005061/en/): <https://www.businesswire.com/news/home/20200127005061/en/>

Rexnord Corporation
Rob McCarthy, 414-223-1615
Vice President, Investor Relations

Source: Rexnord Corporation