



Creating a better tomorrow™ ...

# First Quarter 2026 Earnings

May 7, 2026

Louis Pinkham, Chief Executive Officer

Rob Rehard, Executive Vice President, Chief Financial Officer



All statements in this communication, other than those relating to historical facts, are "forward-looking statements." Forward-looking statements can generally be identified by their use of terms such as "anticipate," "believe," "confident," "estimate," "expect," "intend," "plan," "may," "will," "project," "forecast," "would," "could," "should," and similar expressions, including references to assumptions. Forward-looking statements are not guarantees of future performance and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from such statements. Forward-looking statements include, but are not limited to, statements about expected market or macroeconomic trends, future strategic plans, and future financial and operating results. Important factors that could cause actual results to differ materially from those presented or implied in the forward-looking statements in this communication include, without limitation: the possibility that the Company may be unable to achieve expected benefits, synergies and operating efficiencies in connection with the sale of the Industrial Motors and Generators businesses in 2024 and the acquisition of Altra Industrial Motion Corp. in 2023 ("Altra Transaction") within the expected time-frames or at all and to successfully integrate Altra Industrial Motion Corp. ("Altra"); the Company's substantial indebtedness as a result of the Altra Transaction and the effects of such indebtedness on the Company's financial flexibility; the Company'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; unanticipated operating costs, customer loss and business disruption or the Company's inability to forecast customer needs; the Company's ability to retain key executives and employees and risks associated with the transition and integration of a successor CEO; uncertainties regarding our ability to execute restructuring plans within expected costs and timing or at all; challenges to the tax treatment that was elected with respect to the merger with the Rexnord PMC business and related transactions; actions taken by competitors and our ability to effectively compete in the increasingly competitive global industries and markets; our ability to develop new products based on technological innovation and marketplace acceptance of new and existing products; our ability to keep pace with rapidly evolving technological developments related to advances in artificial intelligence; dependence on significant customers and distributors; risks that customers may make changes and adjustments to their orders which could result in actual revenue recognized being lower or higher than disclosed order values; risks associated with climate change, including unexpected weather events in markets in which we do business, and uncertainty regarding our ability to deliver on our sustainability commitments and/or to meet related investor, customer and other third party expectations relating to our sustainability efforts and rapidly evolving sustainability regulations; changes to and uncertainty in trade policy, including tariffs on imports into the US from Canada, Mexico, China, and other countries, and retaliatory tariffs and import/export restrictions, including Chinese export restrictions on certain rare earth minerals, or other trade restrictions imposed by the US or other governments; risks associated with global manufacturing, including risks associated with public health crises and political, societal or economic instability, including instability caused by ongoing geopolitical conflicts; issues and costs arising from the integration of acquired companies and businesses; prolonged declines in one or more markets, including disruptions caused by labor disputes or other labor activities, natural disasters, terrorism, acts of war, international conflicts, pandemics and political and government actions; risks associated with excess or obsolete inventory charges including related write-offs or write-downs; economic changes in global markets, such as reduced demand for products, currency exchange rates, inflation rates, interest rates, recession, government policies, including policy changes affecting taxation, trade, tariffs, import/export regulations, immigration, customs, border actions and the like, and other external factors that the Company 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; the Company's ability to identify and execute on future mergers and acquisitions ("M&A") opportunities or other strategic; the impact of any such M&A transactions on the Company'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; risks related to foreign currency fluctuations or changes in global commodity prices or interest rates; 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 laws and regulations, including data privacy laws, labor and employment laws, environmental laws and regulations, and tax laws and regulations; risks associated with stock price volatility; and other factors that can be found in our filings with the SEC, including our most recent periodic reports filed on Form 10-K and Form 10-Q, which are available on our Investor Relations website. Forward-looking statements are given only as of the date of this communication and we disclaim any obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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, adjusted gross margin, net debt, EBITDA, adjusted EBITDA, adjusted EBITDA (including synergies), net interest expense, interest coverage ratio, interest coverage ratio (including synergies), adjusted EBITDA margin, gross debt/adjusted EBITDA, net debt/adjusted EBITDA, net debt/adjusted EBITDA (including synergies), cash flows from operations, free cash flow, 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 the other non-GAAP measures disclosed 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. This release also includes non-GAAP forward-looking information. The Company believes that a quantitative reconciliation of this forward-looking information to the most comparable financial measure calculated and presented in accordance with GAAP cannot be made available without unreasonable efforts. A reconciliation of this non-GAAP financial measure would require the Company to predict the timing and likelihood of future restructurings and other charges. Neither these forward-looking measures, nor their probable significance, can be quantified with a reasonable degree of accuracy. Accordingly, a reconciliation of the most directly comparable forward-looking GAAP measure is not provided. 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.



Creating a better tomorrow™ ...

## Opening Comments & Overview

LOUIS PINKHAM, CEO

RAKESH SACHDEV, NON-EXECUTIVE CHAIRMAN

## 1Q 2026 Results, 2026 Outlook

ROB REHARD, CFO

## Questions & Answers

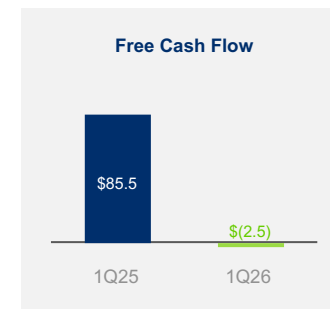
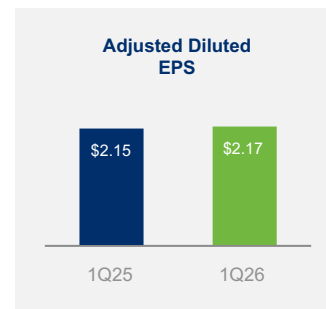
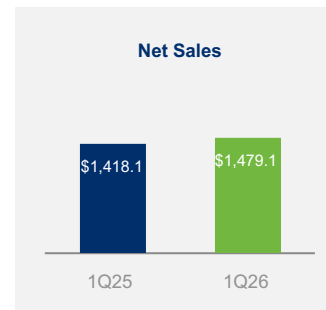
## Closing Remarks

LOUIS PINKHAM, CEO



# Opening Comments

- Daily Orders Up 8.5% Vs. Prior Year, Backlog Up 6.7% YTD (1Q)
  - AMC Orders Up ~34%, On Broad Strength
  - IPS Short Cycle OEM Orders +HSD
  - PES Orders Down, Better Than Expected
- Sales Up 1.6% On An Organic Basis
  - Strength In Data Center, Discrete Automation, General Industrial
  - Headwinds In R-HVAC
- Adjusted Gross Margin Of 37.7%
- Adjusted EBITDA Margin Of 20.6%
  - Volume, Synergy Benefits
  - Headwinds From Mix, Higher Inflation, Tariffs & Rare Earths
- Adjusted EPS Of \$2.17, Up ~1% Vs. Prior Year
- Free Cash Flow ~Flat
  - Normal Seasonality, Working Capital Investments



\$ Millions, Except Per Share Data and Percentages



Creating a better tomorrow™ ...

## Opening Comments & Overview

LOUIS PINKHAM, CEO

RAKESH SACHDEV, NON-EXECUTIVE CHAIRMAN

## 1Q 2026 Results, 2026 Outlook

ROB REHARD, CFO

## Questions & Answers

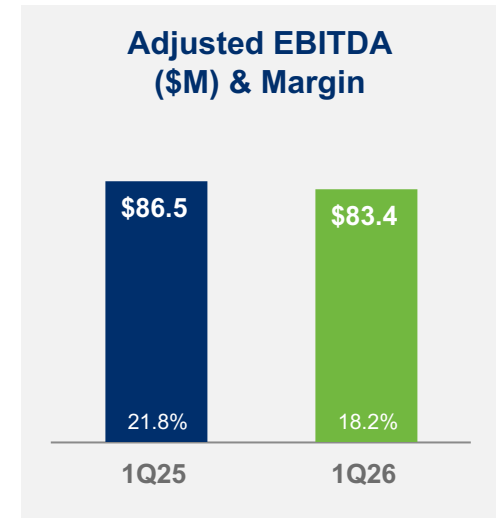
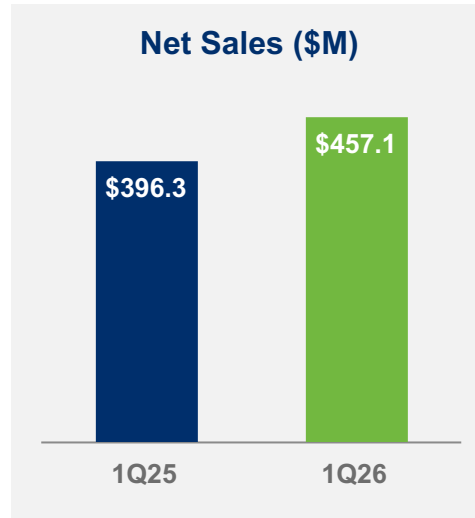
## Closing Remarks

LOUIS PINKHAM, CEO



## Sales

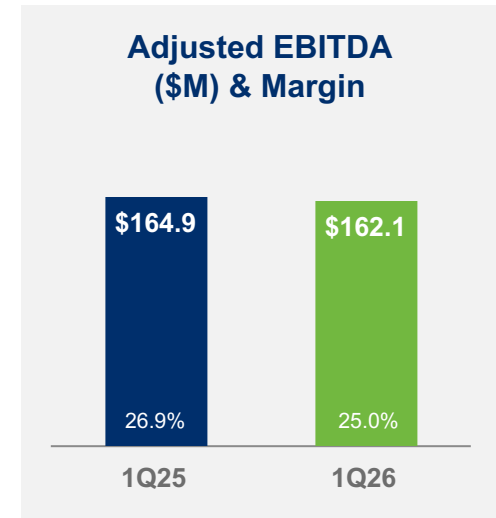
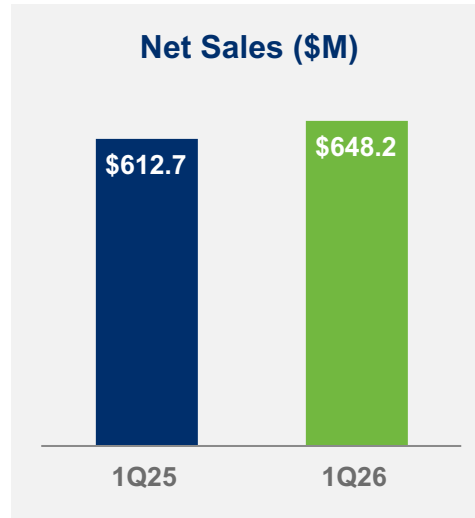
- **Net Sales Up 15.3%**
- **Organic Sales Up 12.1%**
- **Key Drivers**
  - Data Center (++)
  - Discrete Automation (+)
  - Food & Beverage (+)



**Strong Organic Sales Growth Plus Orders Up 34%**

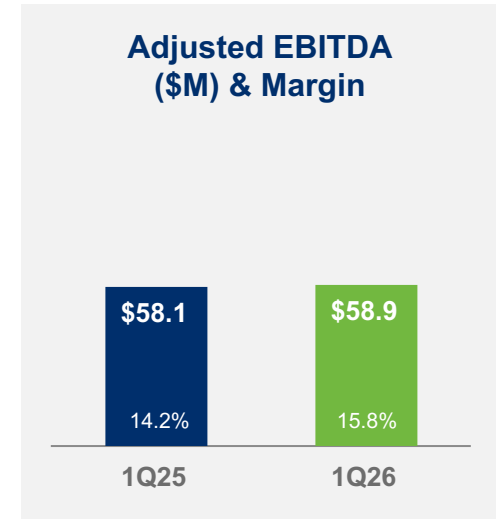
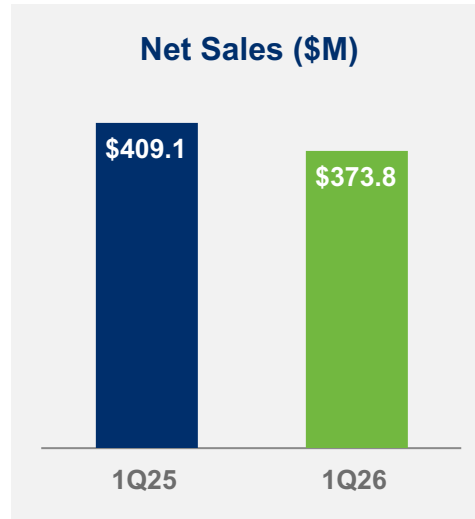
### Sales

- **Net Sales Up 5.8%**
- **Organic Sales Up 2.8%**
- **Key Drivers**
  - General Industrial (++)
  - All Other Markets (+)



### Sales

- Net Sales Down 8.6%
- Organic Sales Down 10.3%
- Key Drivers
  - R-HVAC (-)
  - C-HVAC (+)



**Sales In Line With Expectations, Margins Ahead On Stronger Mix**

**2026 Mid-Point Guidance** (As of May 7, 2026)

	2026E (Prior)	2026E (Current)
(\$M, except as noted)		
<b>Sales (\$B)</b>	~\$6.10	~\$6.20
<i>Growth (Y/Y)</i>	~3%	~4.5%
<b>Adj. EBITDA Margin</b>	~22.5%	~22.2%
Depreciation	~\$162	~\$161
Amortization	~\$345	~\$345
Net Interest*	~\$304	~\$302
Minority Interest	~\$1	~\$1
Diluted Shares (M)	~66.6	~66.8
Adj. ETR	~22.5%	~22.5%
<b>Adj. EPS (\$)</b>	~\$10.60	~\$10.60
<i>Adj. EPS Range</i>	\$10.20-\$11.00	\$10.20-\$11.00

2026 Sales Growth Framework	Prior	Current
Data Center Projects	1.0-1.5%	1.0-1.5%
Price	~1.5%	~1.5%
Volume Ex. Data Center, Net	~Flat	~1.5%
Enterprise Growth	~3%	~4.5%

- Adj. EBITDA Margin: Up 20 Bps Vs. Prior Year, Primarily On Improving Tariff Price/Cost, Net Of Mix Pressure And Growth investments.
- Free Cash Flow: ~\$650 Million, Aided By EBITDA Growth, Net Of Working Capital Investments.
- Tariffs: Unmitigated Annual Impact Now ~\$127M. Continue To Expect Dollar Cost Neutrality In 1H 2026 & Margin Neutrality By EOY 2026.

\* Net interest includes charges related to accounts receivables securitization facility. See Appendix for Reconciliation to Corresponding GAAP Measure.

**Mid-Point Reflects ~10% Adjusted EPS Growth In 2026**

Segment	2Q 2026		FY 2026		Comments
	Sales (\$M)	Adj. EBITDA Margin	Sales (Y/Y)	Adj. EBITDA Margin	
AMC	\$455 - \$475	18.5% - 20.0%	+HSD	20.0% - 21.0%	- 2H margins > 1H on better shippable backlog mix, tariff price/cost favorability
IPS	\$655 - \$685	25.5% - 26.5%	+MSD	26.0% - 27.0%	- Modest outgrowth in slowly recovering industrial markets - Tariff price/cost benefits margins in 2H
PES	\$430 - \$450	16.0% - 17.0%	~Flat/LSD	16.0% - 17.5%	- R-HVAC bottoming, C-HVAC accelerating - Tariff price/cost & volume benefit margins in 2H

# Closing Comments



Creating a better tomorrow™ ...

## Opening Comments & Overview

LOUIS PINKHAM, CEO

RAKESH SACHDEV, NON-EXECUTIVE CHAIRMAN

## 1Q 2026 Results, 2026 Outlook

ROB REHARD, CFO

## Questions & Answers

## Closing Remarks

LOUIS PINKHAM, CEO





Creating a better tomorrow™ ...

## Opening Comments & Overview

LOUIS PINKHAM, CEO

RAKESH SACHDEV, NON-EXECUTIVE CHAIRMAN

## 1Q 2026 Results, 2026 Outlook

ROB REHARD, CFO

## Questions & Answers

## Closing Remarks

LOUIS PINKHAM, CEO



**ADJUSTED DILUTED EARNINGS PER SHARE**

Unaudited

	<b>Three Months Ended</b>	
	<b>Mar 31, 2026</b>	<b>Mar 31, 2025</b>
GAAP Diluted Earnings Per Share	\$ 0.96	\$ 0.86
Intangible Amortization	0.98	0.97
Restructuring and Related Costs <sup>(a)</sup>	0.12	0.18
Share-Based Compensation Expense	0.04	0.13
Transaction and Integration Related Costs <sup>(b)</sup>	0.06	0.08
Loss (Gain) on Sale of Assets	0.01	(0.07)
Adjusted Diluted Earnings Per Share	<u>2.17</u>	<u>2.15</u>

(a) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures, product line exits and other asset charges.

(b) For 2026, primarily relates to integration costs associated with the Altra Transaction. For 2025, primarily relates to (1) integration costs associated with the Altra Transaction and (2) IT carve-out costs.

**2026 ADJUSTED ANNUAL GUIDANCE**

Unaudited

	<u>Minimum</u>	<u>Maximum</u>
GAAP Diluted Earnings Per Share	\$ 5.18	\$ 5.98
Intangible Amortization	3.91	3.91
Share-Based Compensation Expense	0.46	0.46
Restructuring and Related Costs <sup>(a)</sup>	0.41	0.41
Transaction and Integration Related Costs <sup>(b)</sup>	0.23	0.23
Loss on Sale of Assets	0.01	0.01
Adjusted Diluted Earnings Per Share	<u>\$ 10.20</u>	<u>\$ 11.00</u>

(a) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures, product line exits and other asset charges.

(b) Primarily relates to integration costs associated with the Altra Transaction.

**2026 NET INCOME TO ADJUSTED EBITDA ANNUAL GUIDANCE**

	<b>Total Regal Rexnord</b>	
	<b>Minimum</b>	<b>Maximum</b>
Unaudited		
(Dollars in Millions)		
Net Income	\$ 346	\$ 400
Plus: Income Taxes	89	105
Plus: Interest Expense	305	305
Less: Interest Income	(18)	(18)
Plus: Depreciation	161	161
Plus: Amortization	345	345
<b>EBITDA</b>	<b>\$ 1,228</b>	<b>\$ 1,298</b>
Plus: Restructuring and Related Costs <sup>(a)</sup>	37	37
Plus: Transaction and Integration Related Costs <sup>(b)</sup>	17	17
Plus: Share-Based Compensation Expense	39	39
Plus: Loss on Sale of Assets	1	1
Plus: Loss on Sale of Accounts Receivable <sup>(c)</sup>	15	15
<b>Adjusted EBITDA</b>	<b>\$ 1,337</b>	<b>\$ 1,407</b>

(a) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures, product line exits and other asset charges.

(b) Primarily relates to integration costs associated with the Altra Transaction

(c) Represents charges associated with the Securitization Facility.

**ORGANIC SALES GROWTH**

Unaudited

(Dollars in Millions)

	Three Months Ended			
	Automation & Motion Control	Industrial Powertrain Solutions	Power Efficiency Solutions	Total Regal Rexnord
Net Sales Three Months Ended Mar 31, 2026	\$ 457.1	\$ 648.2	\$ 373.8	\$ 1,479.1
Impact from Foreign Currency Exchange Rates	(12.8)	(19.2)	(6.9)	(38.9)
Organic Sales Three Months Ended Mar 31, 2026	<u>\$ 444.3</u>	<u>\$ 629.0</u>	<u>\$ 366.9</u>	<u>\$ 1,440.2</u>
Net Sales Three Months Ended Mar 31, 2025	\$ 396.3	\$ 612.7	\$ 409.1	\$ 1,418.1
Net Sales from Businesses Divested	—	(0.6)	—	(0.6)
Adjusted Net Sales Three Months Ended Mar 31, 2025	<u>\$ 396.3</u>	<u>\$ 612.1</u>	<u>\$ 409.1</u>	<u>\$ 1,417.5</u>
Three Months Ended Mar 31, 2026 Net Sales Growth %	15.3 %	5.8 %	(8.6)%	4.3 %
Three Months Ended Mar 31, 2026 Foreign Currency Impact %	3.2 %	3.1 %	1.7 %	2.7 %
Three Months Ended Mar 31, 2026 Divestitures %	— %	(0.1)%	— %	— %
Three Months Ended Mar 31, 2026 Organic Sales Growth %	12.1 %	2.8 %	(10.3)%	1.6 %

**ADJUSTED EBITDA**

Unaudited

(Dollars in Millions)

	Three Months Ended							
	Automation & Motion Control		Industrial Powertrain Solutions		Power Efficiency Solutions		Total Regal Rexnord	
	Mar 31, 2026	Mar 31, 2025	Mar 31, 2026	Mar 31, 2025	Mar 31, 2026	Mar 31, 2025	Mar 31, 2026	Mar 31, 2025
GAAP Income from Operations	\$ 31.6	\$ 35.1	\$ 79.2	\$ 81.7	\$ 41.9	\$ 42.9	\$ 152.7	\$ 159.7
Restructuring and Related Costs <sup>(a)</sup>	1.2	1.2	5.7	12.9	3.4	1.3	10.3	15.4
Transaction and Integration Related Costs <sup>(b)</sup>	1.1	1.4	3.2	4.1	0.7	1.4	5.0	6.9
Loss on Sale of Accounts Receivable <sup>(c)</sup>	1.0	—	1.5	—	1.3	—	3.8	—
Accounts Receivable Securitization Transaction Costs	—	—	0.1	—	—	—	0.1	—
Operating Lease Asset Step Up	—	—	0.2	0.2	—	—	0.2	0.2
(Gain) Loss on Sale of Assets	—	—	—	(6.0)	0.5	—	0.5	(6.0)
Adjusted Income from Operations	<u>\$ 34.9</u>	<u>\$ 37.7</u>	<u>\$ 89.9</u>	<u>\$ 92.9</u>	<u>\$ 47.8</u>	<u>\$ 45.6</u>	<u>\$ 172.6</u>	<u>\$ 176.2</u>
Amortization	34.7	33.9	51.3	49.9	0.6	1.6	86.6	85.4
Depreciation	11.5	11.6	16.9	18.6	8.9	8.9	37.3	39.1
Amortization of Internal Use Software	—	—	0.2	—	—	—	0.2	—
Share-Based Compensation Expense	2.5	3.4	3.7	3.8	1.8	2.3	8.0	9.5
Other Income (Expense), Net	(0.2)	(0.1)	0.1	(0.3)	(0.2)	(0.3)	(0.3)	(0.7)
Adjusted EBITDA	<u>\$ 83.4</u>	<u>\$ 86.5</u>	<u>\$ 162.1</u>	<u>\$ 164.9</u>	<u>\$ 58.9</u>	<u>\$ 58.1</u>	<u>\$ 304.4</u>	<u>\$ 309.5</u>
GAAP Operating Margin %	6.9 %	8.9 %	12.2 %	13.3 %	11.2 %	10.5 %	10.3 %	11.3 %
Adjusted Operating Margin %	7.6 %	9.5 %	13.9 %	15.2 %	12.8 %	11.1 %	11.7 %	12.4 %
Adjusted EBITDA Margin %	18.2 %	21.8 %	25.0 %	26.9 %	15.8 %	14.2 %	20.6 %	21.8 %

(a) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures, product line exits and other asset charges.

(b) For 2026, primarily relates to integration costs associated with the Altra Transaction. For 2025, primarily relates to (1) integration costs associated with the Altra Transaction and (2) IT carve-out costs.

(c) Represents charges associated with the Securitization Facility.

**ADJUSTED GROSS MARGIN**

Unaudited

(Dollars in Millions)

	Three Months Ended							
	Automation & Motion Control		Industrial Powertrain Solutions		Power Efficiency Solutions		Total Regal Rexnord	
	Mar 31, 2026	Mar 31, 2025	Mar 31, 2026	Mar 31, 2025	Mar 31, 2026	Mar 31, 2025	Mar 31, 2026	Mar 31, 2025
Gross Margin	\$ 161.8	\$ 158.1	\$ 274.7	\$ 257.5	\$ 113.4	\$ 112.0	\$ 549.9	\$ 527.6
Restructuring and Related Costs <sup>(a)</sup>	0.2	0.6	4.1	8.8	3.3	0.6	7.6	10.0
Operating Lease Asset Step Up	—	—	0.2	0.2	—	—	0.2	0.2
Adjusted Gross Margin	<u>\$ 162.0</u>	<u>\$ 158.7</u>	<u>\$ 279.0</u>	<u>\$ 266.5</u>	<u>\$ 116.7</u>	<u>\$ 112.6</u>	<u>\$ 557.7</u>	<u>\$ 537.8</u>
Gross Margin %	35.4 %	39.9 %	42.4 %	42.0 %	30.3 %	27.4 %	37.2 %	37.2 %
Adjusted Gross Margin %	35.4 %	40.0 %	43.0 %	43.5 %	31.2 %	27.5 %	37.7 %	37.9 %

(a) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures, product line exits and other asset charges.

**NET INCOME TO ADJUSTED EBITDA**

Unaudited

(Dollars in Millions)

	<b>Three Months Ended</b>	
	<b>Mar 31, 2026</b>	<b>Mar 31, 2025</b>
<b>Net Income</b>	<b>\$ 64.3</b>	<b>\$ 57.5</b>
Plus: Income Taxes	<b>12.2</b>	15.5
Plus: Interest Expense	<b>80.5</b>	90.2
Less: Interest Income	<b>(4.6)</b>	(4.2)
Plus: Depreciation	<b>37.3</b>	39.1
Plus: Amortization	<b>86.6</b>	85.4
<b>EBITDA</b>	<b>\$ 276.3</b>	<b>\$ 283.5</b>
Plus: Restructuring and Related Costs <sup>(a)</sup>	<b>10.3</b>	15.4
Plus: Share-Based Compensation Expense	<b>8.0</b>	9.5
Plus: Transaction and Integration Related Costs <sup>(b)</sup>	<b>5.0</b>	6.9
Plus: Loss on Sale of Accounts Receivable <sup>(c)</sup>	<b>3.8</b>	—
Plus: Accounts Receivable Securitization Transaction Costs	<b>0.1</b>	—
Plus: Operating Lease Asset Step Up	<b>0.2</b>	0.2
Plus: Amortization of Internal Use Software	<b>0.2</b>	—
Plus: Loss (Gain) on Sale of Assets	<b>0.5</b>	(6.0)
<b>Adjusted EBITDA</b>	<b>\$ 304.4</b>	<b>\$ 309.5</b>

(a) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures, product line exits and other asset charges.

(b) For 2026, primarily relates to integration costs associated with the Altra Transaction. For 2025, primarily relates to (1) integration costs associated with the Altra Transaction and (2) IT carve-out costs.

(c) Represents charges associated with the Securitization Facility.

**DEBT TO EBITDA**

Unaudited

(Dollars in Millions)

	<b>Last Twelve Months</b>
	<b>Mar 31, 2026</b>
<b>Net Income</b>	<b>\$ 287.7</b>
Plus: Income Taxes	68.4
Plus: Interest Expense	339.5
Less: Interest Income	(24.1)
Plus: Depreciation	151.6
Plus: Amortization	347.3
<b>EBITDA</b>	<b>\$ 1,170.4</b>
Plus: Restructuring and Related Costs <sup>(a)</sup>	41.8
Plus: Share-Based Compensation Expense	35.9
Plus: Transaction and Integration Related Costs <sup>(b)</sup>	23.0
Plus: Loss on Sale of Accounts Receivable <sup>(c)</sup>	13.3
Plus: Accounts Receivable Securitization Transaction Costs	1.2
Plus: CEO Transition Costs	7.0
Plus: Operating Lease Asset Step Up	0.8
Plus: Amortization of Internal Use Software	0.2
Plus: Loss on Sale of Businesses	4.5
Plus: Loss on Sale of Assets	3.9
<b>Adjusted EBITDA <sup>(d)</sup></b>	<b>\$ 1,302.0</b>
Current Maturities of Long-Term Debt	23.8
Long-Term Debt	4,682.6
<b>Total Gross Debt</b>	<b>\$ 4,706.4</b>
Cash and Cash Equivalents	(401.0)
<b>Net Debt</b>	<b>\$ 4,305.4</b>
<b>Gross Debt/Adjusted EBITDA</b>	<b>3.61</b>
<b>Net Debt/Adjusted EBITDA <sup>(d)</sup></b>	<b>3.31</b>
<b>Interest Coverage Ratio <sup>(d)(e)</sup></b>	<b>4.13</b>

(a) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures, product line exits and other asset charges.

(b) Primarily relates to integration costs associated with the Altra Transaction.

(c) Represents charges associated with the Securitization Facility.

(d) Synergies expected to be realized in the future are included in the calculation of EBITDA that serves as the basis for financial covenant compliance for certain of the Company's debt. The impact of the synergies the Company expects to realize within 18 months is as follows:

Adjusted EBITDA	\$ 1,302.0
Synergies to be Realized Within 18 Months	38.0
Adjusted EBITDA (including synergies)	<u>\$ 1,340.0</u>

Net Debt/Adjusted EBITDA (including synergies)	3.21
--	------

Interest Expense	\$ 339.5
Interest Income	(24.1)
Net Interest Expense	<u>\$ 315.4</u>

Interest Coverage Ratio (including synergies) <sup>(1)</sup>	4.25
--	------

(1) Computed as Adjusted EBITDA (including synergies)/Net Interest Expense

(e) Computed as Adjusted EBITDA/Net Interest Expense

**FREE CASH FLOW**

Unaudited

(Dollars in Millions)

Net Cash Provided by Operating Activities  
 Additions to Property Plant and Equipment  
 Free Cash Flow

<b>Three Months Ended</b>	
<b>Mar 31, 2026</b>	<b>Mar 31, 2025</b>
<b>\$ 14.9</b>	<b>\$ 102.3</b>
<b>(17.4)</b>	<b>(16.8)</b>
<b>\$ (2.5)</b>	<b>\$ 85.5</b>

**ADJUSTED EFFECTIVE TAX RATE**

Unaudited

(Dollars in Millions)

	Three Months Ended	
	Mar 31, 2026	Mar 31, 2025
Income before Taxes	\$ 76.5	\$ 73.0
Provision for Income Taxes	12.2	15.5
<b>Effective Tax Rate</b>	<b>15.9 %</b>	<b>21.2 %</b>
Income before Taxes	76.5	73.0
Intangible Amortization	86.6	85.4
Restructuring and Related Costs <sup>(a)</sup>	10.3	15.4
Share-Based Compensation Expense	8.0	9.5
Transaction and Integration Related Costs <sup>(b)</sup>	5.0	6.9
Accounts Receivable Securitization Transaction Costs	0.1	—
Operating Lease Asset Step Up	0.2	0.2
Loss (Gain) on Sale of Assets	0.5	(6.0)
<b>Adjusted Income before Taxes</b>	<b>\$ 187.2</b>	<b>\$ 184.4</b>
Provision for Income Taxes	\$ 12.2	\$ 15.5
Tax Effect of Intangible Amortization	21.2	20.9
Tax Effect of Restructuring and Related Costs	2.5	3.6
Tax Effect of Share-Based Compensation Expense	5.3	1.1
Tax Effect of Transaction and Integration Related Costs	1.2	1.6
Tax Effect of Loss (Gain) on Sale of Assets	0.1	(1.4)
Discrete Tax Items	—	0.1
<b>Adjusted Provision for Income Taxes</b>	<b>\$ 42.5</b>	<b>\$ 41.4</b>
<b>Adjusted Effective Tax Rate</b>	<b>22.7 %</b>	<b>22.5 %</b>

(a)

Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures, product line exits and other asset charges.

(b)

For 2026, primarily relates to integration costs associated with the Altra Transaction. For 2025, primarily relates to (1) integration costs associated with the Altra Transaction and (2) IT carve-out costs.

**Net Interest**

Unaudited

(Dollars in Millions)

	<b>December 31, 2026</b> <b>(Annual Guidance - Current)</b>	<b>December 31, 2026</b> <b>(Annual Guidance - Prior)</b>
Interest Expense	\$ 305	\$ 314
Interest Income	(18)	(25)
Charges Related to Accounts Receivable Securitization Facility *	15	15
Net Interest	<u>\$ 302</u>	<u>\$ 304</u>

\*Presented in Operating Expenses