

Rexnord Corp.

Stockopedia StockRank™

**REXNORD**

98

AT A GLANCE

Stock Price	1 Year Stock Performance	Market Cap (m)	P/E	P/B	Dividend Yield	EBITDA (m)	Revenue (m)
32.81	48.5%	4,001	19.33	3.02	0.0%	422	2,052
Free Cash Flow Yield	Return on Assets	Return on Equity	Debt / Equity	Gross Profit Margin	Revenue CAGR (5y)	EBIT CAGR (5y)	Basic EPS CAGR (5y)
4.6%	5.3%	12.4%	98.4%	38.9%	0.2%	2.9%	-19.2%

10 Year Stock Performance



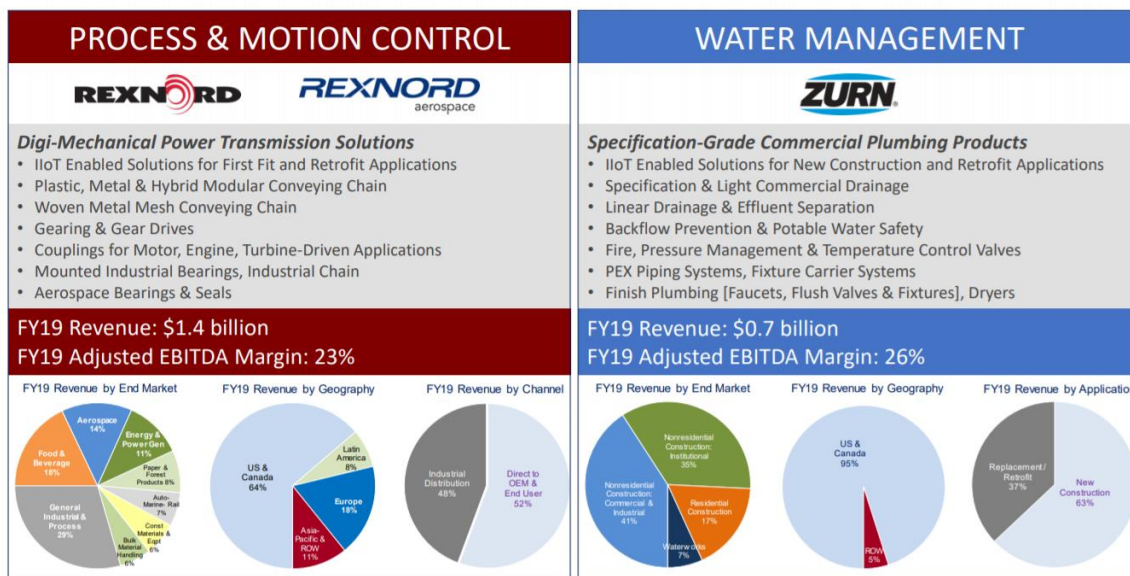
## Business Description

Rexnord Corporation is a multi-platform industrial company. The Company operates through two segments: Process & Motion Control platform, and Water Management platform. The Process & Motion Control platform designs, manufactures, markets and services a range of engineered mechanical components used within systems.

- The Process & Motion Control portfolio includes motion control products, shaft management products, aerospace components and related value-added services. Its Process & Motion Control brands include Rexnord, Rex, Euroflex, Falk, FlatTop, Link-Belt, Thomas and Tollok.
- The Water Management platform designs procures and markets products that provide and enhance water quality, safety, flow control and conservation.
- The Water Management product portfolio includes professional grade water control and safety, water distribution and drainage, finish plumbing, and site works products. Its products are marketed and sold under various brand names, including Zurn, Wilkins and VAG.

**REXNORD**  
SOLVING SMARTER

## REXNORD PLATFORM PROFILES



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.

## Financial Overview

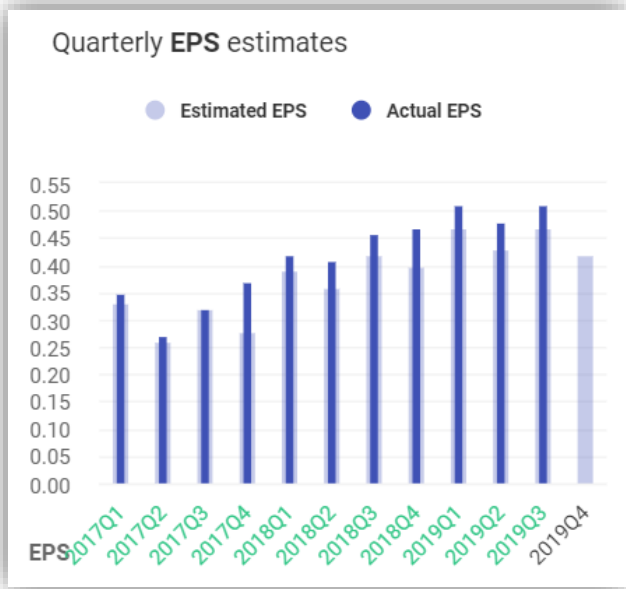
### Financial Brief

For the six months ended 30 September 2019, Rexnord Corp revenues remained flat at \$1.03B. Net income applicable to common stockholders excluding extraordinary items increased 22% to \$93.3M. Revenues reflect market conditions. Net income benefited from Process & Motion Control segment income increase of 7% to \$113.4M, Water Management segment income increase of 8% to \$83.7M, Corporate segment loss decrease of 7% to \$28.4M.

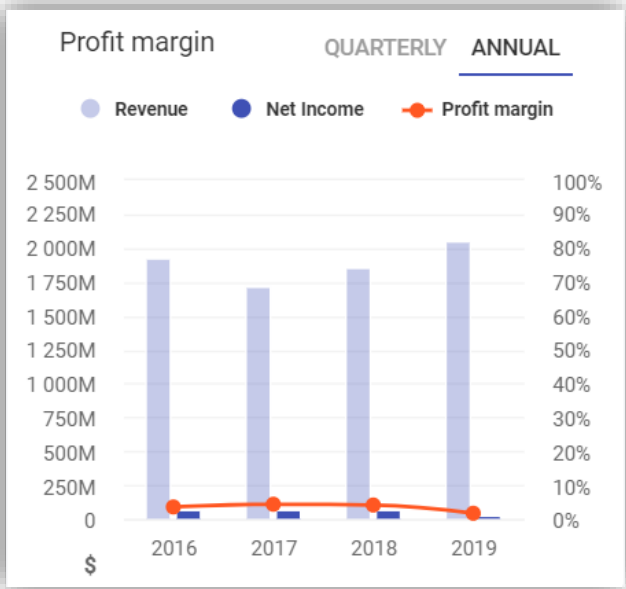
## Financial Summary

Year End 31st Mar		2014	2015	2016	2017	2018	2019	TTM	2020E	2021E	CAGR / Avg
Total Revenue	\$m	2,034	2,050	1,924	1,713	1,852	2,051	2,052	2,064	2,117	0.163%
Operating Profit	\$m	139	204	174	195	255	310	328			17.4%
Net Profit	\$m	30.2	83.8	67.9	74.1	75.9	34.3	176	226	252	2.58%
EPS Reported	\$	0.253	0.877	0.671	0.805	0.954	1.59	1.38			44.5%
EPS Normalised	\$	1.12	0.969	0.937	1.08	1.11	1.65	1.39	1.94	2.08	7.98%
EPS Growth	%	+41.1	-13.7	-3.36	+15.5	+2.90	+48.1	-1.74	+17.8	+7.05	
PE Ratio	x						19.9	23.7	16.9	15.8	
PEG							1.12	1.33	2.39	1.75	
<b>Profitability</b>											
Operating Margin	%	6.84	9.94	9.06	11.4	13.7	15.1	16.0			11.0%
ROA	%		2.70	2.05	2.66	4.01	5.68	6.23			
ROCE	%	4.74	6.84	5.91	6.22	8.57	10.8	11.1			7.19%
ROE	%		16.5	12.1	10.2	10.2	13.6	14.9			12.5%
<b>Cashflow</b>											
Op. Cashflow ps	\$	1.88	2.35	2.12	1.86	1.87	2.47	2.36			5.55%
Capex ps	\$	0.515	0.466	0.504	0.520	0.334	0.429	0.355			-3.59%
Free Cashflow ps	\$	1.37	1.88	1.62	1.34	1.54	2.04	2.00			8.29%
<b>Dividends</b>											
Dividend ps	\$	0.000	0.000	0.000	0.000	0.000	0.000	0.000			
Dividend Growth	%										
Dividend Yield	%							0.000	0.000	0.000	
Dividend Cover	x										
<b>Balance Sheet</b>											
Cash etc	\$m	339	370	485	490	193	293	320			-2.91%
Working Capital	\$m	689	695	772	778	544	586	669			-3.19%
Net Fixed Assets	\$m	502	492	464	484	619	466				-1.48%
Net Debt	\$m	1,633	1,570	1,436	1,133	1,163	946	931			
Book Value	\$m	562	553	589	1,071	1,213	1,229	1,319			16.9%
Average Shares	m	101	105	103	105	122	105	114			1%
Book Value ps	\$	5.56	5.43	5.80	10.3	11.6	11.7	12.4			16.1%

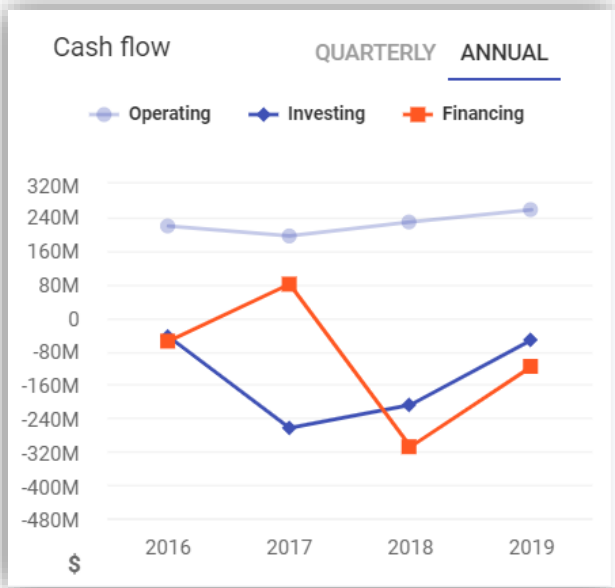
## Earnings Per Share



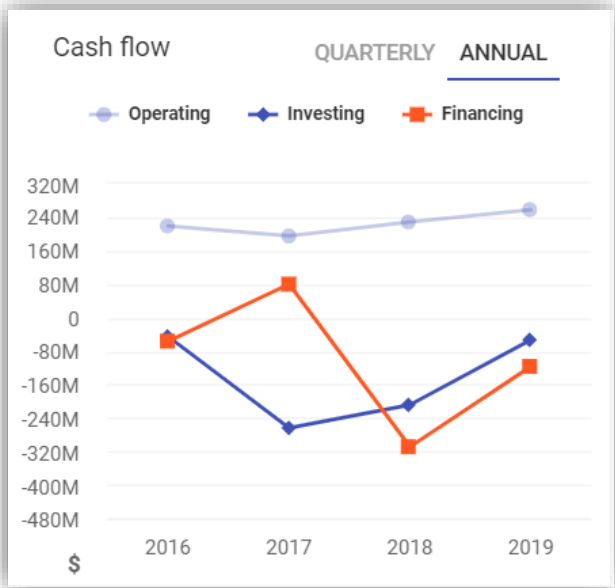
## Profit Margin



## Debt to Assets



## Cash Flow



## Management Assessment

### Executives

Insider	Title	Age	Since	Compensation
<b>Todd Adams</b>	President, Chief Executive Officer, and Director	48	2009	\$6,773,330
<b>Mark Peterson</b>	Chief Financial Officer and Senior Vice President	47	2011	\$2,060,590
<b>Kevin Zaba</b>	Group Executive, President - Process, and Motion Control Platform	52	2016	\$1,834,870
<b>George Powers</b>	Chief Human Resource Officer	52	2015	\$1,256,550
<b>Patricia Whaley</b>	Vice President, General Counsel, and Secretary	60	2002	\$1,176,900
<b>Craig Wehr</b>	Group Executive and President - Zurn	54	2014	\$1,068,850
<b>Rodney Jackson</b>	Senior Vice President-Business and Corporate Development	49	2014	\$911,207
<b>Paul Jones</b>	Independent Non-Executive Chairman of the Board	70	2015	\$250,003
<b>Mark Bartlett</b>	Independent Director	68	2012	\$205,003
<b>John Stroup</b>	Independent Director	53	2008	\$200,003
<b>Thomas Christopoul</b>	Independent Director	54	2013	\$200,003
<b>Robin Walker-Lee</b>	Independent Director	65	2015	\$190,003
<b>George Moore</b>	Independent Director	64	2015	\$190,003
<b>David Longren</b>	Independent Director	60	2016	\$190,003
<b>Theodore Crandall</b>	Independent Director	63	2015	\$190,003
<b>Robert McCarthy</b>	VP-Investor Relations		2019	
<b>Michael Troutman</b>	Chief Information Officer	52	2017	
<b>Rosemary Schooler</b>	Independent Director	51	2019	
<b>Peggy Troy</b>	Director	67	2019	
<b>Sudhanshu Chhabra</b>	Vice President - Rexnord Business Systems	53	2018	

### CEO Biography

Todd Alan Adams serves as President, Chief Executive Officer, Director of the Company. Mr. Adams joined us in 2004 and has served in various roles, including Chief Financial Officer and President of the Water Management segment; he became our President and CEO in 2009. Mr. Adams is also a director and member of the audit and compliance committee of Badger Meter, Inc. He served as a director of Generac Holdings Inc. until May 2019. Mr. Adams serves on our board of directors because he has significant experience in the manufacturing industry and an in-depth knowledge of Rexnord and our business as well as because he is our Chief Executive Officer.

### Insider Trading

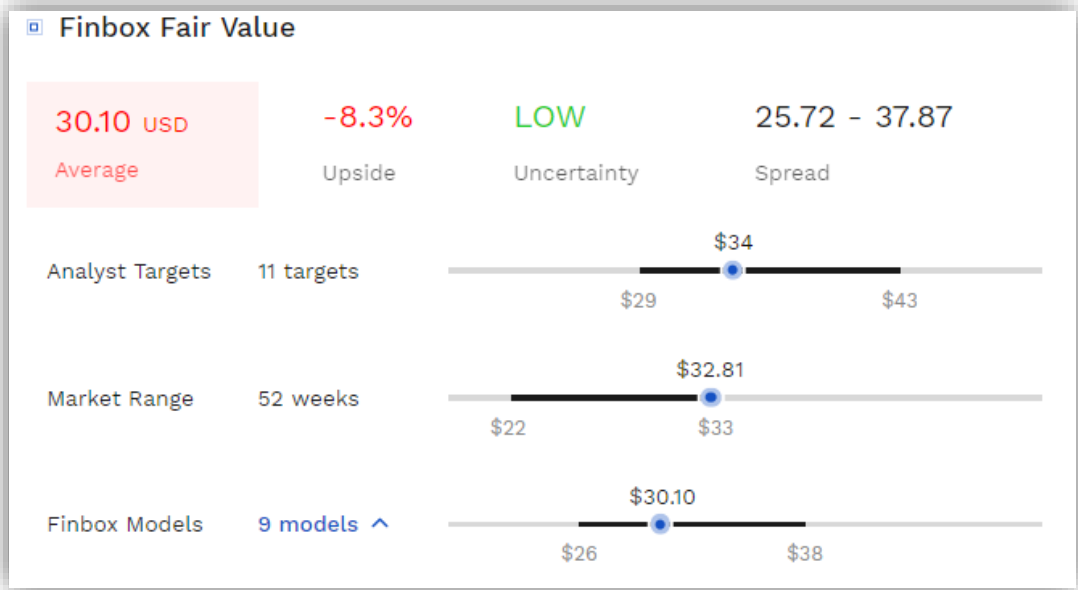
Over the last 8 years, insiders at Rexnord have traded over \$1,555,318,772 worth of Rexnord stock and bought 152,219 units worth \$3,235,360. The most active insider traders include Management Holdings Gp, LLC, George M Sherman, and John S Stroup. On average, Rexnord executives and independent directors trade stock every 28 days with the average trade being worth of \$21,606,565. The most recent stock trade was executed by Patricia M Whaley on 12 December 2019, trading 10,000 units of RXN stock currently worth \$220,300.

## Corporate Governance

Rexnord Corporation's ISS Governance Quality Score as of October 4, 2019 is **3**. The pillar scores are Audit: **1**; Board: **1**; Shareholder Rights: **4**; Compensation: **6**.

# Valuation

## Valuation Summary



## Business Health

