

Rexnord Corp  
Form 10-Q  
November 03, 2015  
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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

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FORM 10-Q

(Mark  
one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the fiscal quarter ended September 30, 2015

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-35475

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REXNORD CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

20-5197013

(State or Other Jurisdiction of Incorporation or  
Organization)

(I.R.S. Employer Identification No.)

247 Freshwater Way, Suite 300, Milwaukee, WI

53204

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (414) 643-3739

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by checkmark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Exchange Act Rule 12b-2). Yes  No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at October 31, 2015
Rexnord Corporation Common Stock, \$0.01 par value per share	100,365,460 shares

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Private Securities Litigation Reform Act Safe Harbor Statement

Our disclosure and analysis in this report concerning our operations, cash flows and financial position, including, in particular, the likelihood of our success in developing and expanding our business and the realization of sales from our backlog, include forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates” and similar expressions are forward-looking statements. Although these statements are based upon reasonable assumptions, including projections of orders, sales, operating margins, earnings, cash flows, research and development costs, working capital and capital expenditures, they are subject to risks and uncertainties that are described more fully in our Annual Report on Form 10-K for the year ended March 31, 2015 in Part I, Item 1A, “Risk Factors” and in Part I under the heading “Cautionary Notice Regarding Forward-Looking Statements.” Accordingly, we can give no assurance that we will achieve the results anticipated or implied by our forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

General

Our fiscal year is the year ending March 31 of the corresponding calendar year. For example, our fiscal year 2016, or fiscal 2016, means the period from April 1, 2015 to March 31, 2016 and the second quarters of fiscal 2016 and 2015 mean the fiscal quarters ended September 30, 2015 and September 30, 2014, respectively.

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## PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

Rexnord Corporation and Subsidiaries  
Condensed Consolidated Balance Sheets  
(in Millions, except share amounts)  
(Unaudited)

	September 30, 2015	March 31, 2015
Assets		
Current assets:		
Cash and cash equivalents	\$374.7	\$370.3
Receivables, net	308.2	336.0
Inventories, net	368.6	367.7
Other current assets	49.0	52.3
Total current assets	1,100.5	1,126.3
Property, plant and equipment, net	402.2	417.6
Intangible assets, net	558.0	587.7
Goodwill	1,196.5	1,202.3
Insurance for asbestos claims	35.0	35.0
Other assets	31.0	33.1
Total assets	\$3,323.2	\$3,402.0
Liabilities and stockholders' equity		
Current liabilities:		
Current maturities of debt	\$24.9	\$24.3
Trade payables	189.5	234.1
Compensation and benefits	50.3	53.9
Current portion of pension and postretirement benefit obligations	5.0	5.0
Other current liabilities	115.7	127.3
Total current liabilities	385.4	444.6
Long-term debt	1,907.8	1,915.7
Pension and postretirement benefit obligations	196.3	203.0
Deferred income taxes	183.1	184.4
Reserve for asbestos claims	35.0	35.0
Other liabilities	70.9	66.6
Total liabilities	2,778.5	2,849.3
Stockholders' equity:		
Preferred stock, \$0.01 par value; 10,000,000 shares authorized; none issued	—	—
Common stock, \$0.01 par value; 200,000,000 shares authorized; shares issued and outstanding: 100,361,552 at September 30, 2015 and 102,681,964 at March 31, 2015	1.0	1.0
Additional paid-in capital	844.4	885.9
Retained deficit	(153.6)	(197.5)
Accumulated other comprehensive loss	(146.8)	(130.2)
Treasury stock at cost; 0 and 900,904 shares at September 30, 2015 and March 31, 2015, respectively	—	(6.3)

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Total Rexnord stockholders' equity	545.0	552.9	
Non-controlling interest	(0.3	) (0.2	)
Total stockholders' equity	544.7	552.7	
Total liabilities and stockholders' equity	\$3,323.2	\$3,402.0	

See notes to the condensed consolidated financial statements.

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Rexnord Corporation and Subsidiaries  
 Condensed Consolidated Statements of Operations  
 (in Millions, except share and per share amounts)  
 (Unaudited)

	Second Quarter Ended		Six Months Ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Net sales	\$485.9	\$531.0	\$971.0	\$1,034.6
Cost of sales	316.6	334.0	631.9	659.4
Gross profit	169.3	197.0	339.1	375.2
Selling, general and administrative expenses	96.9	103.2	197.3	