

RBC Bearings (RBC)

\$451.06 (Stock Price as of 12/19/2025)

Price Target (6-12 Months): **\$477.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 10/06/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: D

Value: F

Growth: D

Momentum: B

Summary

RBC Bearings is benefiting from strength in its Aerospace/Defense unit. Strength in the commercial aerospace market, driven by strong growth in orders from the aftermarket verticals, bodes well for the Aerospace/Defense unit. An increase in demand for the company's bearings and engineered component products in the defense market is expected to be beneficial. Solid momentum in the Industrial segment, driven by strength in food & beverage, grain and aggregate & cement markets, also bodes well for the company. Solid shareholder-friendly policies raise the stock's attractiveness. However, escalating operating expenses, due to high raw material costs, pose a threat to its bottom line. Weakness in the oil & gas and semiconductor machinery end markets is concerning for it. Also, foreign currency headwinds are added concerns.

Data Overview

52 Week High-Low	\$465.80 - \$290.56
20 Day Average Volume (sh)	182,317
Market Cap	\$14.3 B
YTD Price Change	50.8%
Beta	1.53
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Manufacturing - General Industrial
Zacks Industry Rank	Bottom 38% (150 out of 243)

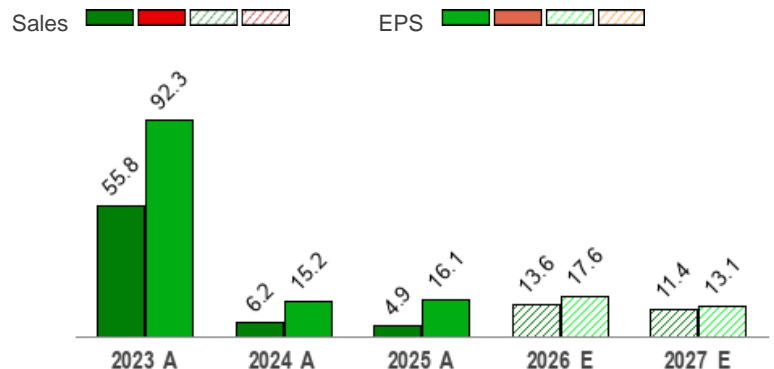
Last EPS Surprise	5.1%
Last Sales Surprise	0.9%
EPS F1 Est- 4 week change	0.0%
Expected Report Date	01/30/2026
Earnings ESP	0.0%

P/E TTM	41.4
P/E F1	38.3
PEG F1	2.5
P/S TTM	8.3

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	494 E	505 E	507 E	555 E	2,071 E
2026	436 A	455 A	461 E	506 E	1,858 E
2025	406 A	398 A	394 A	438 A	1,636 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2027	3.23 E	3.34 E	3.30 E	3.71 E	13.31 E
2026	2.84 A	2.88 A	2.83 E	3.27 E	11.77 E
2025	2.54 A	2.29 A	2.34 A	2.83 A	10.01 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/19/2025.

(2) The report's text and the price target are as of 12/19/2025.

Overview

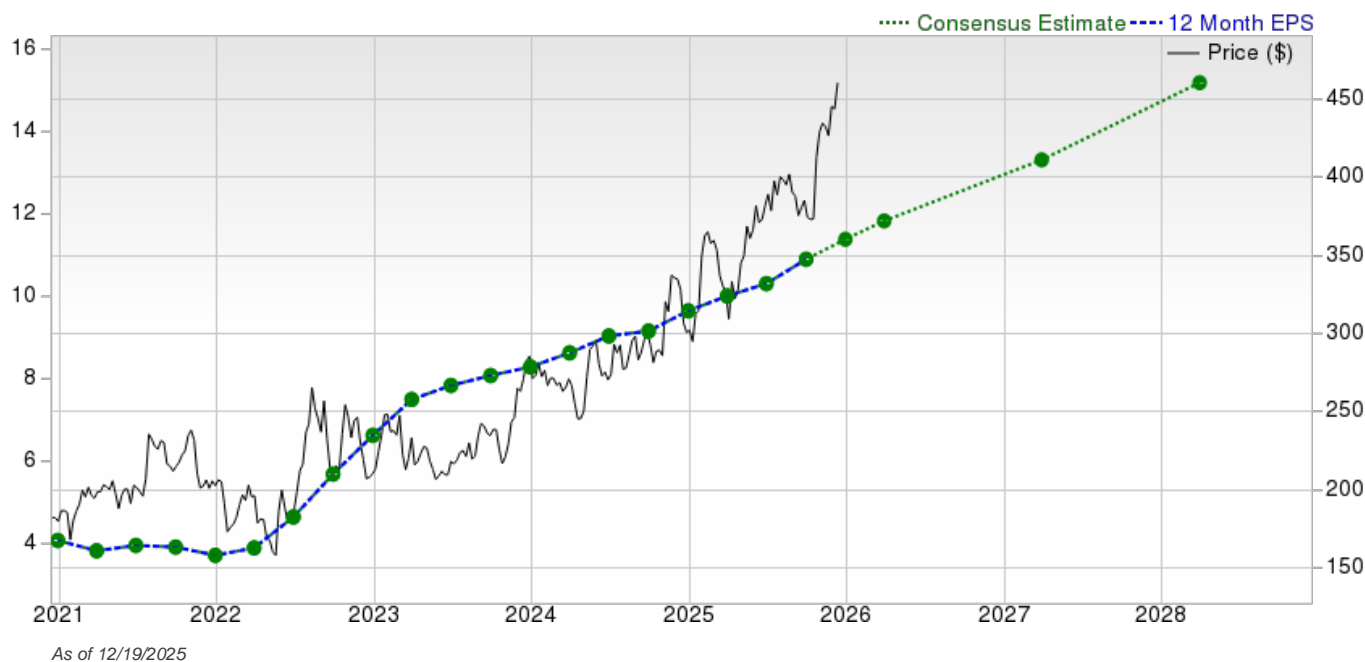
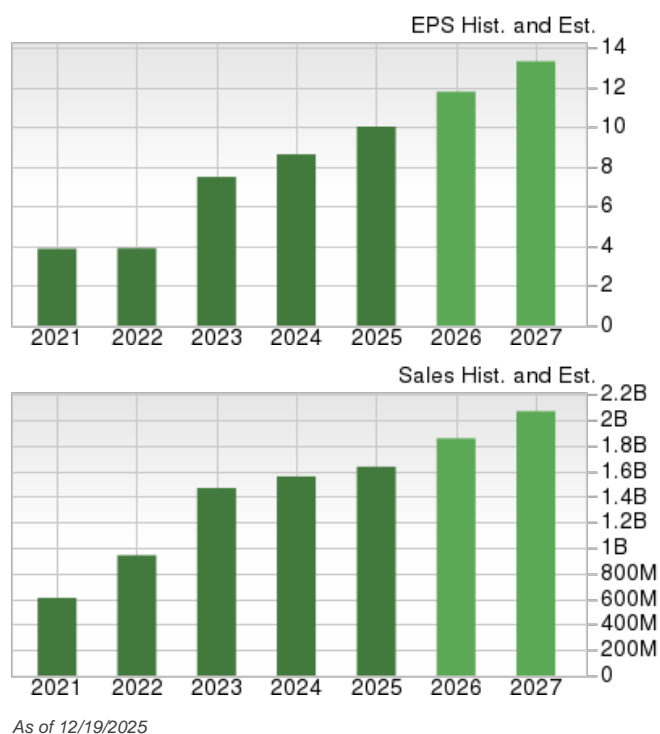
Headquartered in Oxford, CT, RBC Bearings Incorporated manufactures and distributes engineered bearings and precision components. The bearings are tools that reduce damage and energy loss and enable proper power transmission in most machines and mechanical systems. The company sells its products through sales experts and uses product managers, marketing managers, customer service representatives and product application engineers in its selling efforts. Its products are sold to a wide variety of original equipment manufacturers (OEM) and distributors who are widely dispersed geographically.

On a geographical basis, the company has operations in the United States (88.6% of fiscal 2025 net revenues) and international markets (11.4%).

In the third quarter of fiscal 2022, RBC Bearings acquired the DODGE mechanical power transmission division of Asea Brown Boveri Ltd. With the buyout, RBC Bearings changed its reportable segments from the previous four — Plain Bearings, Roller Bearings, Ball Bearings and Engineered Products — to the present two segments — Aerospace/Defense and Industrial. A brief discussion of the segments is provided below:

Aerospace/Defense segment (36.2% of total revenues in fiscal 2025): The segment houses the company's operations that involve manufacturing and supplying engineered bearings and precision components for customers in the commercial and defense aerospace markets. Also, its products are used for ground and sea defense purposes.

Industrial segment (63.8% of total revenues in fiscal 2025): The segment deals with making and supplying bearings and components for industrial applications. Customers are in mining, power transmission, commercial truck, energy, construction, agricultural machinery and other markets.



Reasons To Buy:

▲ RBC Bearings is benefiting from the **strong performance of the Aerospace/Defense segment**. Strength in the commercial aerospace market, driven by strong growth in orders from the OEM (original equipment manufacturer) and the aftermarket verticals, is driving the Aerospace/Defense segment (revenues up 38.8% year over year in second-quarter fiscal 2026). The robust backlog level (\$1.06 billion, exiting fiscal second-quarter), along with the company's strong execution on incremental orders in the commercial aerospace market, is expected to be beneficial for the segment. An increase in demand for the company's bearings and engineered component products in the defense market, supported by growth in marine and missile applications orders, will also continue to augur well for the segment in the quarters ahead. Within the segment, revenues from the commercial aerospace market increased 21.6%, while those from the defense market were up 73.3% in second-quarter fiscal 2026.

The company is also witnessing strength in the Industrial segment (revenues inched up 0.7% year over year in second-quarter fiscal 2026). Stable demand for its highly engineered bearings and precision components in food & beverage, grain, aggregate & cement, parcel & baggage and warehousing markets bodes well. For the third quarter of fiscal 2026, RBC Bearings anticipates net sales to be in the range of \$454-\$462 million, suggesting a year-over-year increase of 15.1-17.1%.

▲ RBC Bearings is poised to benefit from its **well-diversified product portfolio**. Some notable products introduced by the company are spherical bearings (swaged, load slot, split race, split ball and Kaptor), sealed bearings, rod ends, clamping collars, keyless locking assemblies, precision dowel pins and rollers. Also, its investments in manufacturing processes are anticipated to be beneficial over the long term. It is worth noting that in 2024, the company completed building a 100,000-square-foot plant in Takata, Mexico, to increase its production capacity. Also, it invested in a 100,000-square-foot plant in Tucson for its submarine business.

▲ RBC Bearings has been strengthening its business through **acquisitions**. In July 2025, the company completed the acquisition of VACCO Industries from ESCO Technologies for about \$275 million in cash. The inclusion of VACCO's expertise in engineered valves, regulators and manifolds, supported by its strong designing, engineering and production capabilities, will enable the company to expand its customer offerings in the defense, space and commercial markets. In the fiscal second quarter, VACCO contributed \$24.7 million in net sales to the Aerospace & Defense segment. It also acquired Carson City, NV-based precision bearings manufacturer Specline, Inc. in August 2023. The transaction was valued at \$18.7 million. Specline's unique bearing and manufacturing processes expanded RBC Bearings' aerospace product offerings and boosted the company's production capacity.

▲ RBC Bearings remains committed to rewarding its shareholders handsomely through **dividends and share buyback programs**. In fiscal 2025, the company paid preferred stock dividends of \$17.2 million and repurchased shares for \$9.5 million. RBC Bearings repurchased shares worth \$11 million and distributed preferred dividends worth \$22.9 million in fiscal 2024.

Strength across the Aerospace/Defense unit, product development initiatives and the VACCO acquisition augur well for RBC Bearings. Handsome rewards to shareholders add to its appeal.

Reasons To Sell:

- ▼ **Weak refinery demand** is affecting the oil and gas end markets, which remains a persistent concern for the Industrial segment. Also, softness in the semiconductor equipment market, due to a slowdown in the overall manufacturing sector, might impede the segment's growth in the near term. Lower demand for machine tools in Europe is concerning as well. Owing to the persistent weakness across these markets, OEM sales within the segment declined 4.7% year over year in second-quarter fiscal 2026.
- ▼ RBC Bearings is currently dealing with the **rising cost of sales**. Increasing raw material costs are pushing up the cost of sales. In fiscal 2025, the company's cost of sales increased 2.3% year over year. Selling, general and administrative expenses (SG&A) increased 10.2%, year over year, in the same period due to increased personnel costs, stock compensation costs, travel costs and professional fees. The trend continued in the first six months of fiscal 2026 as well, with cost of sales and SG&A expenses increasing 11% and 10.4%, respectively. High costs and expenses, if uncontrolled, may adversely impact the company's margins and profitability in the quarters ahead.
- ▼ RBC Bearings operates across diverse regions, which exposes it to certain political, environmental and geopolitical issues. Moreover, it remains vulnerable to **currency translation risks**, which may affect its performance in the quarters ahead. A stronger U.S. dollar may depress the company's overseas business results in the quarters ahead.
- ▼ RBC Bearings' operation can be impacted due to **supply-chain disruptions**. The company utilizes a variety of raw materials, including steel and cast iron, in its businesses and has to depend on others for the uninterrupted supply of raw materials at reasonable rates. The persistence of tariff-related concerns, particularly for steel, might also inflate costs and delay the delivery of products to its customers.

Weakness in the oil and gas end market and cost inflation are weighing on RBC Bearings. International operations expose the company to related headwinds.

Last Earnings Report

RBC Bearings Q2 Earnings & Revenues Surpass Estimates, Rise Y/Y

RBC Bearings' second-quarter fiscal 2026 (ended Sept. 27, 2025) adjusted earnings of \$2.88 per share beat the Zacks Consensus Estimate of \$2.74. The figure increased 25.8% from the year-ago adjusted earnings of \$2.29 per share, supported by higher revenues.

Revenue Details

RBC Bearings' revenues were \$455.3 million, which increased 14.4% year over year. Also, the figure surpassed the Zacks Consensus Estimate of \$451 million.

While exiting the reported quarter, it had a backlog of \$1.6 billion compared with \$1 billion reported at the end of the first quarter of fiscal 2026 (ended June 28, 2025).

RBC Bearings' Segmental Details

The company currently has two reportable segments, namely Aerospace/Defense and Industrial. Its segmental performance for the fiscal second quarter is briefly discussed below:

Industrial revenues of \$256.5 million (representing 56.3% of the quarter's revenues) were up 0.7% year over year. The consensus estimate for the Industrial segment's revenues was pegged at \$267 million.

Aerospace/Defense revenues totaled \$198.8 million (43.7%), up 38.8% year over year. The consensus estimate for the Aerospace/Defense segment's revenues was pegged at \$183 million.

Margin Profile

The company's cost of sales rose 8.3% year over year to \$254.7 million. Gross profit (on a reported basis) grew 13.7% to \$195.2 million. The gross margin expanded 40 basis points (bps) to 44.1%. However, the adjusted gross margin increased 120 bps to 44.9%.

Selling, general and administrative expenses (SG&A) were \$77.4 million, up 11.4% year over year. Adjusted EBITDA jumped 17.7% to \$145.3 million. The adjusted EBITDA margin was 31.9%, up 90 bps year over year.

Adjusted operating income increased 21.2% year over year to \$105 million. The adjusted margin increased 130 bps to 23.1%. Net interest expenses were \$13.4 million compared with \$15.6 million in the year-ago quarter.

RBC Bearings' Balance Sheet and Cash Flow

At the time of exiting the fiscal second quarter, it had cash and cash equivalents of \$91.2 million compared with \$36.8 million at the end of fiscal 2025. Long-term debt (less current portion) was \$1.07 billion, up from \$918.4 million at the end of fiscal 2025.

In first six months of fiscal 2026, the company generated net cash of \$208.4 million from operating activities, which increased 48.4% on a year-over-year basis. Capital expenditure of \$32.4 million increased 28.6% year over year. In the first six months of fiscal 2026, RBC Bearings did not repurchase shares.

Outlook

For the third quarter of fiscal 2026, management anticipates net sales to be in the range of \$454.0-\$462.0 million, indicating an increase of 15.1-17.1% from the prior-year figure of \$394.4 million. On an organic basis (excluding VACCO), net sales are projected to increase 7.4-9.5%.

It expects the gross margin to be in the band of 44.0-44.25% and SG&A (as a percentage of net sales) to be in the range of 17- 17.25%.

FY Quarter Ending **3/31/2025**

Earnings Reporting Date	Oct 31, 2025
Sales Surprise	0.88%
EPS Surprise	5.11%
Quarterly EPS	2.88
Annual EPS (TTM)	10.89

Recent News

RBC Bearings Acquires VACCO Industries — July 21, 2025

RBC Bearings completed the acquisition of VACCO Industries from ESCO Technologies for about \$275 million in cash. RBC Bearings funded the transaction through borrowings under its current credit agreement and cash on hand.

Based in South El Monte, CA, VACCO is engaged in producing valves, filters, regulators and other precision components and subsystems for the space and naval defense sectors. The firm's innovative engineered solutions are designed to support critical missions for customers across the defense, space and commercial markets.

The inclusion of VACCO's expertise in engineered valves, regulators and manifolds, supported by its strong designing, engineering and production capabilities, will enable RBC to expand its customer offerings in the defense, space and commercial markets. It will incorporate VACCO into its Aerospace and Defense segment.

Valuation

RBC Bearings' shares are up 20.8% in the past six months and up 46.9% over the trailing 12-month period. Stocks in the Zacks sub-industry are up 9.5%, while the Zacks Industrial Products sector is up 5.7% in the past six months. Over the past year, the sub-industry is up 6.5%, while the sector is up 3.8%.

The S&P 500 index is up 15.3% in the past six months and up 15.2% in the past year.

The stock is currently trading at 36.47X forward 12-month price-to-earnings, which compares to 22.57X for the Zacks sub-industry, 20.24X for the Zacks sector and 22.90X for the S&P 500 Index.

Over the past five years, the stock has traded as high as 51.44X and as low as 24.77X, with a 5-year median of 32.44X. Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$477 price target reflects 34.57X forward 12-month earnings.

The table below shows summary valuation data for RBC

Valuation Multiples - RBC					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	36.47	22.57	20.24	22.9
	5-Year High	51.44	26.7	23.01	23.78
	5-Year Low	24.77	16.06	13.32	15.22
	5-Year Median	32.44	21.46	18.22	21.11
P/Sales F12M	Current	7.07	3.1	4.14	5.18
	5-Year High	8.68	3.43	4.24	5.5
	5-Year Low	3.09	2.24	2.33	3.83
	5-Year Median	4.81	3.09	3.18	5.05

As of 12/18/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 38% (150 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
ATS Corporation (ATS)	Neutral	3
DXP Enterprises, Inc..(DXPE)	Neutral	3
Chart Industries, In...(GTLS)	Neutral	3
Kadant Inc (KAI)	Neutral	3
Parker-Hannifin Corp...(PH)	Neutral	2
Tennant Company (TNC)	Neutral	4
Alta Equipment Group...(ALTG)	Underperform	5
The Japan Steel Work...(JPSWY)	NA	

Industry Comparison⁽¹⁾ Industry: Manufacturing - General Industrial

	RBC	X Industry	S&P 500	ALTG	DXPE	GTLS
Zacks Recommendation (Long Term)	Neutral	-	-	Underperform	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	5	3	3
VGM Score	F	-	-	A	C	B
Market Cap	14.26 B	3.55 B	38.78 B	156.66 M	1.75 B	9.26 B
# of Analysts	6	4	22	3	1	4
Dividend Yield	0.00%	0.00%	1.39%	0.00%	0.00%	0.00%
Value Score	F	-	-	B	B	C
Cash/Price	0.01	0.04	0.04	0.08	0.07	0.04
EV/EBITDA	30.75	12.99	14.63	5.46	11.89	13.34
PEG Ratio	2.50	1.89	2.21	NA	NA	1.30
Price/Book (P/B)	4.47	3.35	3.32	53.89	3.58	2.75
Price/Cash Flow (P/CF)	33.95	16.75	15.20	1.90	15.27	12.46
P/E (F1)	38.32	21.94	19.70	NA	22.16	18.80
Price/Sales (P/S)	8.27	1.92	3.10	0.09	0.89	2.16
Earnings Yield	2.61%	4.53%	5.07%	-50.41%	4.51%	5.32%
Debt/Equity	0.34	0.34	0.57	257.10	1.27	1.08
Cash Flow (\$/share)	13.25	2.85	8.99	2.64	7.16	16.50
Growth Score	D	-	-	A	B	B
Hist. EPS Growth (3-5 yrs)	26.92%	12.07%	8.16%	NA	62.99%	32.18%
Proj. EPS Growth (F1/F0)	17.58%	10.34%	8.60%	-25.00%	11.53%	31.10%
Curr. Cash Flow Growth	8.32%	2.04%	6.75%	-39.65%	6.51%	32.41%
Hist. Cash Flow Growth (3-5 yrs)	21.32%	9.88%	7.43%	11.12%	12.26%	32.89%
Current Ratio	3.18	2.07	1.18	1.42	2.77	1.40
Debt/Capital	25.12%	25.86%	38.01%	99.61%	55.92%	52.00%
Net Margin	15.03%	6.92%	12.78%	-4.34%	4.45%	1.55%
Return on Equity	10.47%	14.17%	17.00%	-175.61%	19.62%	14.17%
Sales/Assets	0.36	0.83	0.53	1.25	1.40	0.45
Proj. Sales Growth (F1/F0)	13.60%	0.09%	5.79%	-3.60%	10.30%	8.70%
Momentum Score	B	-	-	B	F	B
Daily Price Chg	1.07%	0.00%	0.88%	-0.20%	1.02%	-0.05%
1 Week Price Chg	3.77%	0.99%	-0.96%	11.00%	14.23%	0.32%
4 Week Price Chg	5.13%	5.65%	4.52%	19.81%	25.78%	1.03%
12 Week Price Chg	18.53%	0.31%	3.48%	-29.69%	-8.83%	2.71%
52 Week Price Chg	44.99%	12.96%	16.49%	-23.94%	38.65%	13.67%
20 Day Average Volume	182,317	137,880	2,770,348	202,211	155,895	533,601
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.00%	0.00%	0.00%	0.00%	5.89%	1.11%
(F1) EPS Est 12 week change	1.68%	0.56%	0.69%	-74.82%	0.10%	-2.97%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	-39.33%	-7.07%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	F
Growth Score	D
Momentum Score	B
VGM Score	D

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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