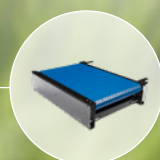




2019 Annual Report

CREATING A BETTER TOMORROW™ ...





Dear Shareholders,

It was an exhilarating year of change at Regal, and I am excited to update you on where we have been, where we are today, and where we plan to go in the future. I want to thank the Regal Board of Directors for the opportunity and the trust they have bestowed on me to lead this great company.

Regal was established more than a half-century ago to serve customer needs with distinctive, well-crafted solutions. We are committed to continuing the legacy built by our predecessors and are focused on driving the company forward for another 65 years.

Let me begin with a summary of our 2019 performance, share strategic actions we took during the year, and summarize my view on why Regal is both a great company and an investment with a bright future.

2019 Business Highlights

Regal faced a challenging year, but I am truly proud of how our team responded and ultimately positioned the company for profitable growth. Macro conditions were challenging; we saw a slowdown in industrial markets, particularly in the U.S. and China, in large part due to trade issues. We experienced reduced demand and inventory reductions driven by weakness in the industrial distribution channel, HVAC, oil & gas, and pool pump markets. Despite a challenging sales environment, we delevered at a solid 15.5% rate as a result of our 80/20, lean, productivity, and supply chain actions that helped simplify our business. We also generated free cash flow at 150% of adjusted net income.

Strategic Actions for the Future

In 2019, we recognized that our centralized organizational approach had run its course and

that Regal needed to decentralize in order to drive a higher level of accountability throughout the organization. There is now a focus on the P&L at a business unit level that did not exist in the past. In fact, full P&L visibility was previously only at the segment level. Moving into 2020, we are now reviewing P&Ls across 23 business units and more than 60 manufacturing plants.

Next, we launched our 80/20 initiative. It is my fundamental belief that if a customer values your product, it will be clear in the margin you earn. The 80/20 methodology focuses our efforts on 80% of our sales, which are derived from 20% of our customers. We are simplifying our product offering so that we can over-serve these critical customers. It is still the early days for 80/20 at Regal, but we are off to a great start.

We began a second phase of simplification with a number of plant consolidations and plans to rationalize our product offering. These activities will drive significant savings and improve Regal's margins in 2020 and beyond.

We strengthened organizational discipline around capital investment decision making. Whether new product development, new market penetration, investment in inventory for growth, CapEx, or M&A, we demand a returns-based approach to maximize shareholder value.

Through decentralization and subsequent creation of business units, we restated our core values emphasizing that Integrity, first and foremost, is what to expect from Regal, while instilling a passion to win and a sense of urgency in all we do (the full list of our core values can be found at the top of this letter). We infused new leadership talent to fill new roles and bring fresh perspectives,

"MEASURABLE
ENVIRONMENTAL
RESULTS BRING
MEANING TO
SUSTAINABILITY
AT REGAL."

...all with a sense of urgency

ideas, and a new sense of urgency. Balanced with our tenured team, this new organization will have a long-term, positive impact on our performance.

It was a foundational year for Regal and has undoubtedly put us on a path for profitable growth.

A Compelling Investment

When you think Regal, you should think energy efficiency, electrification and digital connectivity—global trends on which Regal is well-positioned to capitalize. This is enabled by our wealth of brands with differentiated technologies that solve customer challenges.

Our global footprint is a competitive advantage. It enables us to produce in the most cost-advantaged locations, in proximity to our customers, and in a flexible manner.

80/20 is now the way we think and operate. It is a powerful, margin-improving methodology.

Free cash flow has been and will continue to be a strength of Regal. We complement that with a balanced capital allocation approach rooted in returns-based analysis and decision making. Simply put, we invest capital where it provides the best long-term return for shareholders.

Finally, sustainability is much promoted but not always well defined. At Regal, sustainability starts with solid governance—we have a strong board that brings tremendous diversity in background, experience and thought to guidance and decision-making. In our values, it stems from our emphasis on every associate's responsibility to all stakeholders and, in a special way, to the communities in which we live and operate. Increasingly, it can be seen in our products that reduce energy consumption and minimize

emissions, and in our operations where we have reduced energy, water consumption, and hazardous waste disposal by as much as 40% over the last three years. Measurable environmental results bring meaning to sustainability, and Regal is doing its part to help the planet.

Ready for the Next Stage in The Regal Journey

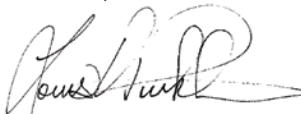
We believe our strategy, initiatives, and capital management will firmly put us on a road to 300 basis points of margin expansion by 2022 with an 8–10% CAGR (Compounded Annual Growth Rate) in adjusted earnings per share during this period. This will be accomplished through growth as well as leveraging our cost-out initiatives.

From all this, expect Regal to continue to live by our core values and drive a business focused on technology differentiation, improving sustainability through our products, operating with a world-class business system led by top talent, performing with gross margins approaching 35% and a GDP+ growth profile with reduced cyclicality, and generating total shareholder returns in the top quartile.

I am truly excited about our future!

On behalf of the Regal team worldwide, I want to thank all our stakeholders including our associates, our customers, and our shareholders for their commitment to—and confidence in—Regal.

Sincerely,



Louis V. Pinkham,
Chief Executive Officer

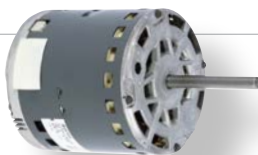
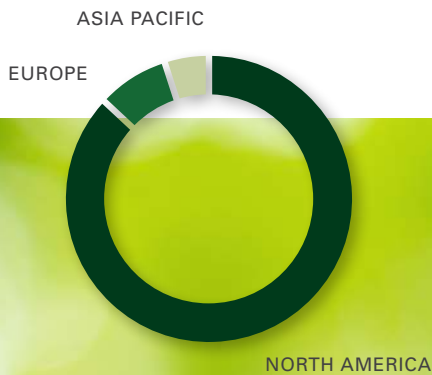
"WE BELIEVE OUR STRATEGY, INITIATIVES, AND CAPITAL MANAGEMENT WILL FIRMLY PUT US ON A ROAD TO 300 BASIS POINTS OF MARGIN EXPANSION BY 2022."

We create a **better tomorrow** by efficiently converting power into motion.

Climate Solutions

The Climate Solutions segment produces small motors, electronic variable speed controls, and air moving solutions. These products serve markets including residential and light commercial HVAC, water heaters, and commercial refrigeration.

SALES BY REGION

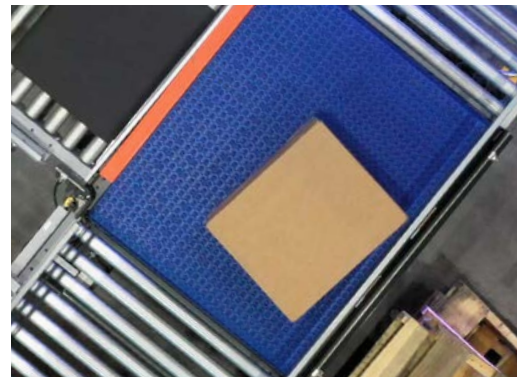
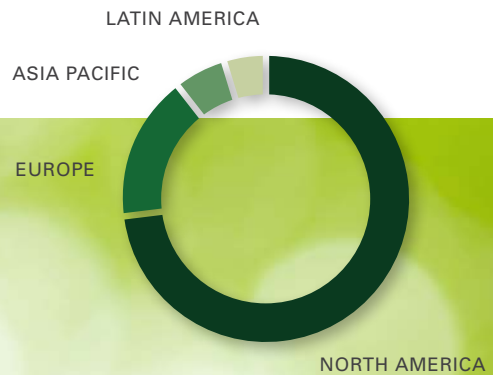


The Genteq® Ensight® motor provides up to 80% efficiency in residential HVAC installations; Near Field Communication (NFC) enables programming by app without powering the motor.

Power Transmission Solutions

The Power Transmission Solutions segment manufactures, sells and services drives, gearing, bearings, couplings, belts, conveying components, and pump drives. These products serve markets including beverage, bulk handling, metals, special machinery, energy, aerospace, and general industrial.

SALES BY REGION

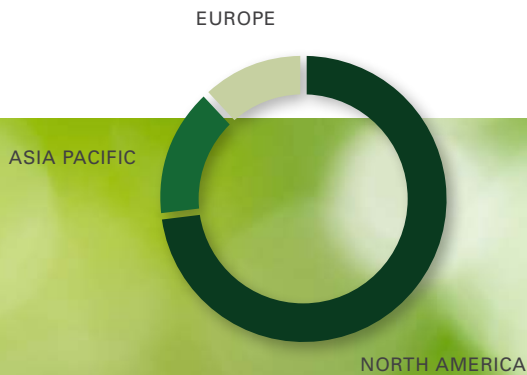


The System Plast® ModSort® easily diverts, transfers, and sorts multiple package types and efficiently handles polybags without gaps or catching. It has unlimited motion control, and runs efficiently with on-demand technology.

Commercial Systems

The Commercial Systems segment produces AC and DC motors, electronic variable speed controls, fans, and blowers. These products serve markets including commercial HVAC, pool and spa, irrigation, dewatering, agriculture, and general commercial equipment.

SALES BY REGION

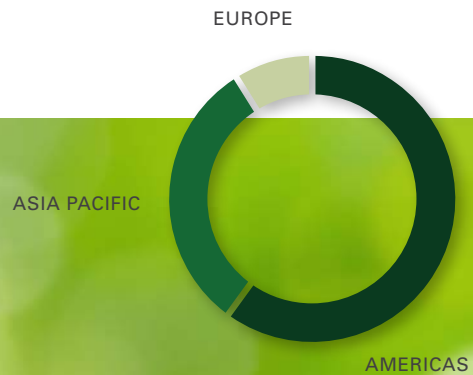


The Nicotra-Gebhardt® RQM MULTIEVO Centrifugal Fan reduces energy costs by 50% compared to belt driven fans. System energy consumption is 25% lower than competitive offerings.

Industrial Systems

The Industrial Systems segment produces integral motors, generators, alternators, and switchgear. These products serve markets including agriculture, marine, mining, oil and gas, food and beverage, data centers, healthcare, prime and standby power, and general industrial equipment.

SALES BY REGION



Marathon® TerraMAX® motors deliver performance and long-lasting reliability with robust features. These IEC, low-voltage motors meet NEMA performance and efficiency standards and are built for industrial-duty applications worldwide.



2019 Annual Report

on Form 10-K

Regal Beloit Corporation
200 State Street
Beloit, Wisconsin 53511
608-364-8800

Corporate Information

Board of Directors

Rakesh Sachdev (2)

Chairman of the Board
Regal Beloit Corporation
Former Chief Executive Officer
Platform Specialty Products
Corporation

Director since 2007

Jan A. Bertsch (1)

Former Senior VP and
Chief Financial Officer
Owens-Illinois, Inc.

Director since 2019

Stephen M. Burt (1)*

Managing Director
Duff & Phelps

Director since 2010

Anesa T. Chaibi (2, 3)

Former Chief Executive Officer
Optimas OE Solutions LLC

Director since 2014

Christopher L. Doerr (3)

Chief Executive Officer
Passage Partners LLC
Former President and
Co-Chief Executive Officer
Leeson Electric Corporation

Director since 2003

Thomas J. Fischer (1)

Former Managing Partner,
Milwaukee Office
Arthur Andersen LLP

Director since 2004

Dean A. Foate (3)

Director and
Chairman of the Board
Plexus Corporation

Director since 2005

Michael F. Hilton (1)

Former President and
Chief Executive Officer
Nordson Corporation

Director since 2019

Louis V. Pinkham

Director and Chief Executive Officer
Regal Beloit Corporation

Director since 2019

Curtis W. Stoelting (2)*

Chief Executive Officer
Roadrunner Transportation
Systems, Inc.

Director since 2005

Jane L. Warner (3)*

Former Executive Vice President
Decorative Surfaces and
Finishing Systems
Illinois Tool Works

Director since 2013

Company Officers

Louis V. Pinkham

Chief Executive Officer

Robert J. Rehard

VP, Chief Financial Officer

John M. Avampato

VP, Chief Information Officer

Scott D. Brown

President, Commercial
Systems Segment

John C. Kunze

President, Climate
Solutions Segment

Cheryl A. Lewis

VP, Chief Human Resources Officer

Jason R. Longley**

VP, Corporate Controller

Eric S. McGinnis

President, Industrial
Systems Segment

Jerrald R. Morton

President, Power Transmission
Solutions Segment

Thomas E. Valentyn

VP, General Counsel
and Secretary

Committee Assignments as of February 2020

(1) Member of Audit Committee

(2) Member of Compensation and Human Resources Committee

(3) Member of Corporate Governance and Director Affairs Committee

* Committee Chairperson

** Principal Accounting Officer
under Section 16 of the Securities
Exchange Act of 1934, as amended

REGAL[®]

Regal Beloit Corporation

200 State Street

Beloit, Wisconsin 53511

608-364-8800

regalbeloit.com

