REGAL

3Q

NOVEMBER 4, 2019

Third Quarter 2019 Earnings

CONFERENCE CALL

Louis Pinkham
Chief Executive Officer

Rob Rehard
Vice President
Chief Financial Officer

Rob Cherry
Vice President
Business Development
& Investor Relations

CAUTIONARY STATEMENT

The following is a cautionary statement made under the Private Securities Litigation Reform Act of 1995: With the exception of historical facts, the statements contained in this presentation may be forward-looking statements. Forward-looking statements represent our management's judgment regarding future events. In many cases, you can identify forward-looking statements by terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “forecast,” “anticipate,” “believe,” “should,” “project” or “plan” or the negative of these terms or other similar words. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, assumptions and other factors, some of which are beyond our control, which could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to: uncertainties regarding our ability to execute our restructuring plans within expected costs and timing; actions taken by our competitors and our ability to effectively compete in the increasingly competitive global electric motor, drives and controls, power generation and power transmission industries; our ability to develop new products based on technological innovation, such as the Internet of Things, and marketplace acceptance of new and existing products, including products related to technology not yet adopted or utilized in certain geographic locations in which we do business; fluctuations in commodity prices and raw material costs; our dependence on significant customers; risks associated with global manufacturing; issues and costs arising from the integration of acquired companies and businesses and the timing and impact of purchase accounting adjustments; our overall debt levels and our ability to repay principal and interest on our outstanding debt; prolonged declines in one or more markets we serve, such as heating, ventilation, air conditioning, refrigeration, power generation, oil and gas, unit material handling or water heating; economic changes in global markets where we do business, such as reduced demand for the products we sell, currency exchange rates, inflation rates, interest rates, recession, government policies, including policy changes affecting taxation, trade, tariffs, immigration, customs, border actions and the like, and other external factors that we cannot control; product liability and other litigation, or claims by end users, government agencies or others that our products or our customers' applications failed to perform as anticipated, particularly in high volume applications or where such failures are alleged to be the cause of property or casualty claims; unanticipated liabilities of acquired businesses; unanticipated adverse effects or liabilities from business exits or divestitures; unanticipated costs or expenses we may incur related to product warranty issues; our dependence on key suppliers and the potential effects of supply disruptions; infringement of our intellectual property by third parties, challenges to our intellectual property, and claims of infringement by us of third party technologies; effects on earnings of any significant impairment of goodwill or intangible assets; losses from failures, breaches, attacks or disclosures involving our information technology infrastructure and data; cyclical downturns affecting the global market for capital goods; and other risks and uncertainties including but not limited to those described in “Item 1A-Risk Factors” of the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on February 26, 2019 and from time to time in other filed reports. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the applicable cautionary statements. The forward-looking statements included in this presentation are made only as of their respective dates, and we undertake no obligation to update these statements to reflect subsequent events or circumstances.

NON-GAAP FINANCIAL MEASURES

We prepare financial statements in accordance with accounting principles generally accepted in the United States (“GAAP”). We also periodically disclose certain financial measures in our quarterly earnings releases, on investor conference calls, and in investor presentations and similar events that may be considered “non-GAAP” financial measures. This additional information is not meant to be considered in isolation or as a substitute for our results of operations prepared and presented in accordance with GAAP.

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 (both historical and projected), adjusted income from operations, adjusted operating margin, adjusted net sales, net debt, adjusted EBITDA, adjusted operating leverage, adjusted net income attributable to Regal Beloit Corporation, free cash flow, free cash flow as a percentage of adjusted net income attributable to Regal Beloit Corporation, adjusted income before taxes, adjusted provision for income taxes, adjusted effective tax rate, net sales from ongoing business, adjusted income from operations of ongoing business, ongoing business adjusted operating margin, and adjusted diluted earnings per share for ongoing business. 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, adjusted operating income, adjusted operating margin, and adjusted operating leverage to help us manage and evaluate our business and make operating decisions, while adjusted diluted earnings per share, net debt, adjusted EBITDA, adjusted net sales, adjusted net income attributable to Regal Beloit Corporation, free cash flow, free cash flow as a percentage of adjusted net income attributable to Regal Beloit Corporation, adjusted income before taxes, adjusted provision for income taxes, adjusted effective tax rate, net sales from ongoing business, adjusted income from operations of ongoing business, ongoing business adjusted operating margin and adjusted diluted earnings per share for ongoing business 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.

In addition to these non-GAAP measures, we also use the term “organic sales” to refer to GAAP sales from existing operations excluding any sales from acquired businesses recorded prior to the first anniversary of the acquisition (“net sales from business acquired") and excluding any sales from business divested/to be exited (“net 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. We use the term “organic sales growth” to refer to the increase in our sales between periods that is attributable to organic sales. For further clarification, we may use the term “acquisition growth” to refer to the increase in our sales between periods that is attributable to acquisition sales.

Opening Comments & Overview Overview
LOUIS PINKHAM, CEO

3Q 2019 Results & 2019 Outlook
ROB REHARD, CFO

Questions & Answers
ALL

Closing Remarks
LOUIS PINKHAM, CEO

OVERVIEW

- U.S. Industrial Slowdown, China Weakness, Trade Uncertainty
- Heavily Distribution-Focused Sales Impacted by Inventory De-Stocking
- Total Company Adj. Operating Margin Delevered* at 20.7%, Well Below Normal Rate
- Driving Cost-Out with 80/20, Lean & Labor-Based Analytics
- Climate Solutions Margin Strong, PTS and C&I Systems Challenged
- Free Cash Flow* 240% of Adjusted Net Income
- Purchased 1,282,037 Shares for $94M
- Accelerating Restructuring:
  - 5 Plant Closures Announced, $17 Million Annualized Benefit
  - SG&A Down 17% YoY
- Strategic Review:
  - Systematically Deploying 80/20 across Regal
    - Product Rationalization and Simplification with Focus on C&I
    - Executing Phase II of Footprint Simplification
  - Compelling Growth Opportunities
  - Portfolio Review
  - Investor Day March 3, 2020

($ in millions, except per share data)	3Q 2019	3Q 2018
Adjusted Net Sales*	$771.4	$860.6
Adjusted Income from Operations*	$81.3	$99.8
Adjusted Operating Margin*	10.5%	11.6%
Adjusted Diluted EPS*	$1.35	$1.56
Net Cash Provided by Operating Activities	$140.6	$106.0

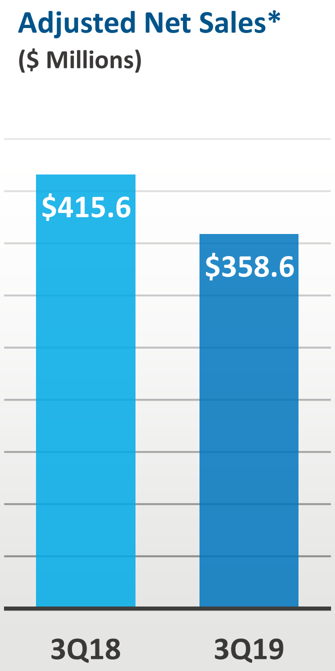
* Non-GAAP Financial Measurement, See Appendix for Reconciliation.

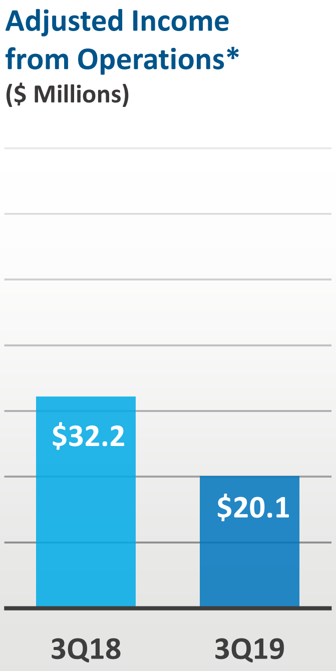
Well Positioned for Further Growth as Cost-Out and 80/20 Gain Traction

COMMERCIAL & INDUSTRIAL SYSTEMS

Sales
- **Organic Sales* Down 12.7%**
- **Market Performance**
  - – NA Pool Pump
  - – Commercial HVAC
  - – China
  - – Industrial Distribution
  - – Account Pruning (80/20)

Adjusted Operating Margin*
- **5.6% of Adj. Net Sales**
- **Down 210 bps from Prior Year**
  - – Volume
  - – Tariff
  - \+ Price/Cost
  - \+ 80/20





* Non-GAAP Financial Measurement, See Appendix for Reconciliation.

Deleverage Performance at 21.2% Driven by Accelerated Cost-Out Actions

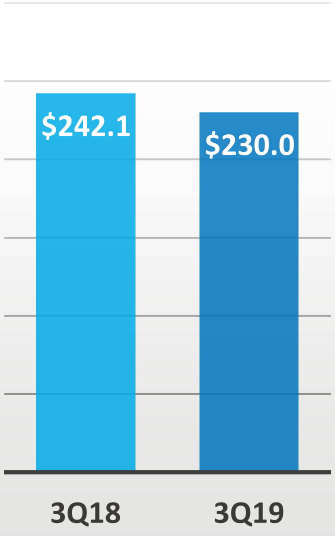
Sales

- **Organic Sales* Down 4.8%**
- **Market Performance**
  – FER Pre-buy
  – NA Residential HVAC
  – Commercial Refrigeration
  – Account Pruning (80/20)
  – Material Price Formula
  + Asia Pacific

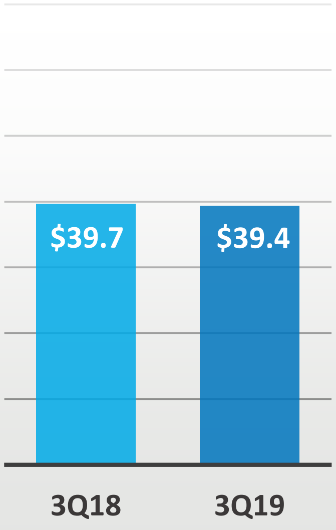
Adjusted Operating Margin*

- **17.1% of Adj. Net Sales**
- **Up 70 bps from Prior Year**
  + Productivity
  + Price/Cost
  + 80/20
  – Volume

Adjusted Net Sales*
($ Millions)



Adjusted Income from Operations*
($ Millions)



* Non-GAAP Financial Measurement, See Appendix for Reconciliation.

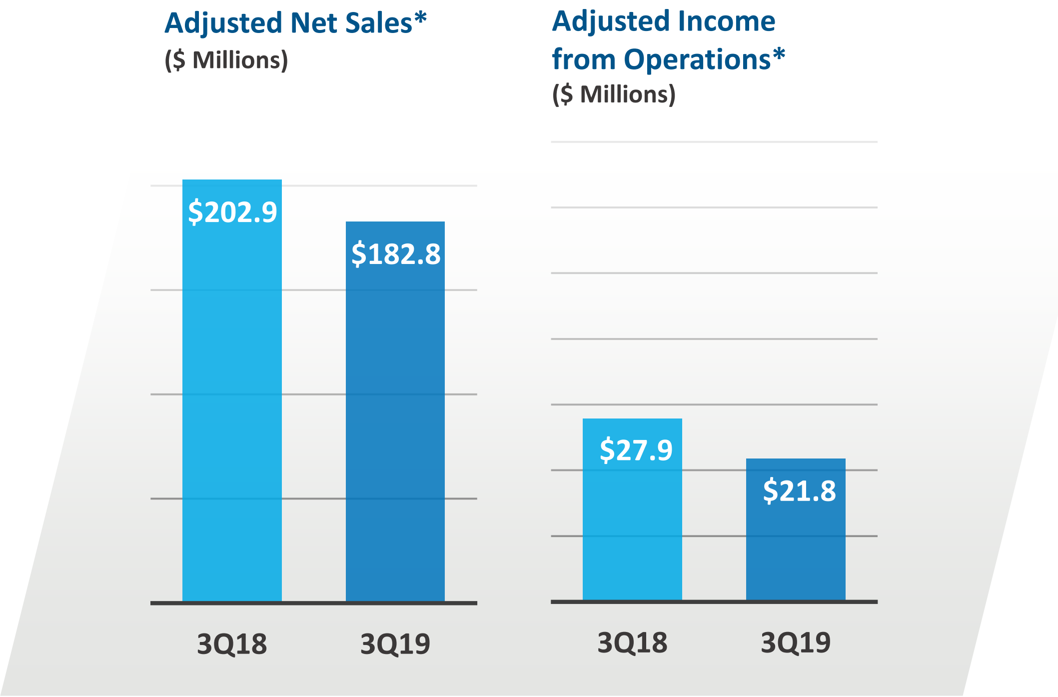
80/20 Helping to Deliver Superior Deleverage Performance and 70 bps Margin Improvement

Sales

- **Organic Sales* Down 9.3%**
- **Market Performance**
  - – Industrial Distribution De-Stocking
  - – Upstream Oil & Gas
  - – Agriculture
  - – Beverage
  - + Renewable Energy

Adjusted Operating Margin*

- **11.9% of Adj. Net Sales**
- **Down 190 bps from Prior Year**
  - – Volume
  - + Price/Cost
  - + SG&A Reductions
  - + Productivity



* Non-GAAP Financial Measurement, See Appendix for Reconciliation.

Cost-Out Actions Better Positioning PTS for Profitable Growth and Market Rebound

KEY FINANCIAL METRICS

Capital Expenditures

- $21.1 Million in 3Q 2019
- $90.0 Million Expected in FY 2019

Restructuring & Related Costs

- $7.3 Million in 3Q 2019
- $19.0 Million Expected in FY 2019
- 5 Plant Closures Expected to Result in $17 Million in Annual Savings
- 2019 Actions Expected to Drive $32+ Million in Annual Savings

Effective Tax Rate (ETR)

- 16.3% Adj. ETR* in 3Q 2019
- 19.5% Adj. ETR* Expected in FY 2019

Balance Sheet as September 28, 2019

- Total Debt of $1,201 Million
- Net Debt of $908 Million
- Net Debt/Adj. EBITDA* of 1.9

Free Cash Flow*

- $119.5 Million in 3Q 2019
- 239.5% of Adj. Net Income
- Expect FY 2019 > 115% of Adj. Net Income
- Purchased 1,282,037 Shares for a Total of $94.1 Million in 3Q 2019
- Purchased 2,013,782 Shares for a Total of $150.0 Million YTD 2019

* Non-GAAP Financial Measurement, See Appendix for Reconciliation.

Continuing Balanced Capital Allocation Strategy

FULL YEAR 2019 GUIDANCE

FY 2019 Expected Sales Performance

- Organic Growth Down Mid-Single Digit
- U.S. Industrial Slowdown
- Global Trade Uncertainties
- Excess Channel Inventories
- Economic Slowdown in Asia

FY 2019 GAAP Diluted EPS Guidance Lowered to $5.85 to $5.95

FY 2019 Adjusted Diluted EPS* Guidance Lowered to $5.45 to $5.55

- Impact from Volume Deleverage
- Partially Offset by Productivity Improvements, Positive Price/Cost, and 80/20 Efforts

4Q 2019 Adjusted Diluted EPS* Guidance of $1.21 to $1.31

Other FY 2019 Guidance Update

- Net Interest Expense of $49 Million

* Non-GAAP Financial Measurement, See Appendix for Reconciliation.

Despite Market Headwinds and MSD Sales Decline, Favorable Deleverage Driving Solid EPS

3Q

Questions & Answers

Louis Pinkham
Chief Executive Officer

Rob Rehard
Vice President
Chief Financial Officer

Rob Cherry
Vice President
Business Development
& Investor Relations

ADJUSTED DILUTED EARNINGS PER SHARE	Three Months Ended		Nine Months Ended	
	Sep 28, 2019	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018
GAAP Diluted Earnings Per Share	**$ 1.19**	$ 1.17	**$ 4.75**	$ 3.98
Restructuring and Related Costs	**0.14**	0.03	**0.24**	0.09
Purchase Accounting and Transaction Costs	**—**	0.01	**—**	0.09
(Gain) Loss on Businesses Divested and Assets to be Exited	**—**	0.61	**(0.70)**	0.61
Net (Income) Loss from Businesses Divested/to be Exited	**0.02**	(0.11)	**(0.08)**	(0.29)
CEO Transition Costs	**—**	—	**0.03**	—
Impact of the New US Tax Legislation	**—**	(0.15)	**—**	(0.15)
Adjusted Diluted Earnings Per Share	**$ 1.35**	$ 1.56	**$ 4.24**	$ 4.33

2019 ADJUSTED ANNUAL GUIDANCE	Minimum	Maximum
2019 Diluted EPS Annual Guidance	$ 5.85	$ 5.95
Restructuring and Related Costs	0.34	0.34
Gain on Businesses Divested and Assets to be Exited	(0.70)	(0.70)
Net Income from Businesses to be Divested/Exited	(0.08)	(0.08)
CEO Transition Costs	0.04	0.04
2019 Adjusted Diluted EPS Annual Guidance	$ 5.45	$ 5.55

Three Months Ended

ADJUSTED INCOME FROM OPERATIONS (Dollars in Millions)	Commercial & Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Sep 28, 2019	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018
GAAP Income from Operations	**$ 14.3**	$ 35.3	**$ 37.6**	$ 6.0	**$ 20.9**	$ 28.1	**$ 72.8**	$ 69.4
Restructuring and Related Costs	**5.6**	1.9	**0.8**	0.3	**0.9**	0.1	**7.3**	2.3
Purchase Accounting and Transaction Costs	**-**	0.2	**-**	-	**-**	-	**-**	0.2
Loss on Businesses Divested and Assets to be Exited	**0.1**	-	**0.1**	34.9	**-**	-	**0.2**	34.9
Operating Loss (Income) from Businesses Divested/to be Exited	**-**	(5.2)	**0.9**	(1.5)	**-**	(0.3)	**0.9**	(7.0)
CEO Transition Costs	**0.1**	-	**-**	-	**-**	-	**0.1**	-
Adjusted Income from Operations	**$ 20.1**	$ 32.2	**$ 39.4**	$ 39.7	**$ 21.8**	$ 27.9	**$ 81.3**	$ 99.8
GAAP Operating Margin %	**4.0 %**	7.6 %	**16.3 %**	2.3 %	**11.4 %**	13.5 %	**9.4 %**	7.5 %
Adjusted Operating Margin %	**5.6 %**	7.7 %	**17.1 %**	16.4 %	**11.9 %**	13.8 %	**10.5 %**	11.6 %

Nine Months Ended

ADJUSTED INCOME FROM OPERATIONS (Dollars in Millions)	Commercial & Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Sep 28, 2019	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018
GAAP Income from Operations	**$ 87.3**	$ 94.9	**$ 128.2**	$ 82.3	**$ 73.9**	$ 80.0	**$ 289.4**	$ 257.2
Restructuring and Related Costs	**10.3**	3.9	**1.5**	1.4	**1.4**	0.2	**13.2**	5.5
Purchase Accounting and Transaction Costs	**0.1**	5.3	**-**	-	**-**	-	**0.1**	5.3
(Gain) Loss on Businesses Divested and Assets to be Exited	**(31.7)**	-	**(4.7)**	34.9	**1.2**	-	**(35.2)**	34.9
Operating Income from Businesses Divested/to be Exited	**(3.3)**	(12.0)	**(1.1)**	(5.2)	**(0.3)**	(0.2)	**(4.7)**	(17.4)
CEO Transition Costs	**0.9**	-	**0.5**	-	**0.4**	-	**1.8**	-
Adjusted Income from Operations	**$ 63.6**	$ 92.1	**$ 124.4**	$ 113.4	**$ 76.6**	$ 80.0	**$ 264.6**	$ 285.5
GAAP Operating Margin %	**7.7 %**	7.1 %	**16.8 %**	10.4 %	**12.4 %**	12.8 %	**11.6 %**	9.3 %
Adjusted Operating Margin %	**5.7 %**	7.6 %	**16.8 %**	15.3 %	**13.0 %**	13.1 %	**10.8 %**	11.1 %

Three Months Ended

ADJUSTED NET SALES (Dollars in Millions)	Commercial & Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Sep 28, 2019	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018
Net Sales	**$ 358.6**	$ 462.3	**$ 230.9**	$ 255.4	**$ 182.8**	$ 207.7	**$ 772.3**	$ 925.4
Nets Sales from Businesses Divested/to be Exited	**-**	(46.7)	**(0.9)**	(13.3)	**-**	(4.8)	**(0.9)**	(64.8)
Adjusted Net Sales	**$ 358.6**	$ 415.6	**$ 230.0**	$ 242.1	**$ 182.8**	$ 202.9	**$ 771.4**	$ 860.6

Nine Months Ended

ADJUSTED NET SALES (Dollars in Millions)	Commercial & Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Sep 28, 2019	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018
Net Sales	**$ 1,140.7**	$ 1,345.3	**$ 762.1**	$ 792.6	**$ 597.0**	$ 626.0	**$ 2,499.8**	$ 2,763.9
Nets Sales from Businesses Divested/to be Exited	**(25.0)**	(134.3)	**(22.0)**	(50.5)	**(5.6)**	(14.7)	**(52.6)**	(199.5)
Adjusted Net Sales	**$ 1,115.7**	$ 1,211.0	**$ 740.1**	$ 742.1	**$ 591.4**	$ 611.3	**$ 2,447.2**	$ 2,564.4

ADJUSTED EFFECTIVE TAX RATE	Three Months Ended		Nine Months Ended	
	Sep 28, 2019	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018
Income before Taxes	**$ 60.7**	$ 56.3	**$ 252.5**	$ 216.9
Provision for Income Taxes	**9.9**	3.6	**47.5**	37.6
Effective Tax Rate	**16.3%**	6.4%	**18.8%**	17.3%
Income before Taxes	**$ 60.7**	$ 56.3	**$ 252.5**	$ 216.9
(Gain) Loss on Businesses Divested and Assets to be Exited	**0.2**	34.9	**(35.2)**	34.9
Adjusted Income before Taxes	**$ 60.9**	$ 91.2	**$ 217.3**	$ 251.8
Provision for Income Taxes	**$ 9.9**	$ 3.6	**$ 47.5**	$ 37.6
Tax Effect from (Gain) Loss on Businesses Divested and Assets to be Exited	**-**	8.2	**(5.5)**	8.2
Impact of the New US Tax Legislation	**-**	6.6	**-**	6.6
Adjusted Provision for Income Taxes	**$ 9.9**	$ 18.4	**$ 42.0**	$ 52.4
Adjusted Effective Tax Rate	**16.3%**	20.2%	**19.3%**	20.8%

FREE CASH FLOW (Dollars in Millions)	**Three Months Ended**		**Nine Months Ended**	
	Sep 28, 2019	Sep 29, 2018	**Sep 28, 2019**	Sep 29, 2018
Net Cash Provided by Operating Activities	**$140.6**	$ 106.0	**$271.2**	$ 250.3
Additions to Property Plant and Equipment	**(21.1)**	(18.7)	**(77.3)**	(59.2)
Free Cash Flow	**$ 119.5**	$ 87.3	**$ 193.9**	$ 191.1
GAAP Net Income Attributable to Regal Beloit Corporation	**$ 49.7**	$ 51.3	**$ 202.2**	$ 175.6
(Gain) Loss on Businesses Divested and Impairments	**0.2**	18.2	**(35.2)**	18.2
Tax Effect from (Gain) Loss on Businesses Divested and Impairments	**-**	(4.0)	**5.5**	(4.0)
Adjusted Net Income Attributable to Regal Beloit Corporation	**$ 49.9**	$ 65.5	**$ 172.5**	$ 189.8
Free Cash Flow as a Percentage of Adjusted Net Income Attributable to Regal Beloit Corporation	**239.5 %**	133.3 %	**112.4 %**	100.7 %

APPENDIX

ORGANIC SALES GROWTH (Dollars in Millions)	Three Months Ended Commercial & Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Net Sales Three Months Ended Sep 28, 2019	$ 358.6	$ 230.9	$ 182.8	$ 772.3
Net Sales from Business Divested/to be Exited	-	(0.9)	-	(0.9)
Impact from Foreign Currency Exchange Rates	4.4	0.6	1.3	6.3
Organic Sales Three Months Ended Sep 28, 2019	$ 363.0	$ 230.6	$ 184.1	$ 777.7
Net Sales Three Months Ended Sep 29, 2018	$ 462.3	$ 255.4	$ 207.7	$ 925.4
Net Sales from Business Divested/to be Exited	(46.7)	(13.3)	(4.8)	(64.8)
Adjusted Net Sales Three Months Ended Sep 29, 2018	$ 415.6	$ 242.1	$ 202.9	$ 860.6
Organic Sales Growth %	(12.7)%	(4.8)%	(9.3)%	(9.6)%
Net Sales Growth %	(22.4)%	(9.6)%	(12.0)%	(16.5)%

ORGANIC SALES GROWTH (Dollars in Millions)	Nine Months Ended Commercial & Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Net Sales Nine Months Ended Sep 28, 2019	$ 1,140.7	$ 762.1	$ 597.0	$ 2,499.8
Net Sales from Business Acquired	(31.7)	-	-	(31.7)
Net Sales from Business Divested/to be Exited	(25.0)	(22.0)	(5.6)	(52.6)
Impact from Foreign Currency Exchange Rates	22.0	5.3	6.2	33.5
Organic Sales Nine Months Ended Sep 28, 2019	$ 1,106.0	$ 745.4	$ 597.6	$ 2,449.0
Net Sales Nine Months Ended Sep 29, 2018	$ 1,345.3	$ 792.6	$ 626.0	$ 2,763.9
Net Sales from Business Divested/to be Exited	(134.3)	(50.5)	(14.7)	(199.5)
Adjusted Net Sales Nine Months Ended Sep 29, 2018	$ 1,211.0	$ 742.1	$ 611.3	$ 2,564.4
Organic Sales Growth %	(8.7)%	0.4 %	(2.2)%	(4.5)%
Net Sales Growth %	(15.2)%	(3.8)%	(4.6)%	(9.6)%

TOTAL NET DEBT/ADJUSTED EBITDA

(Dollars in Millions)

	LTM Sep 28, 2019
Net Income	$ 261.5
Plus: Taxes	66.3
Plus: Interest Expense	54.8
Less: Interest Income	(4.1)
Plus: Depreciation and Amortization	136.5
Plus: Restructuring and Related Costs	15.4
Plus: Purchase Accounting & Transaction Costs	0.2
Plus: Impairment and Exit Related Costs	10.0
Plus: CEO Transition Costs	5.6
Less: Operating Income from Businesses Divested/to be Exited	(11.2)
Less: Gain on Sale of Assets	(2.2)
Less: Gain on Divestiture of Business	(45.2)
Adjusted EBITDA	**$ 487.6**
Current Maturities of Debt	$ 0.6
Long-Term Debt	1,200.3
Less: Cash	(293.0)
Total Net Debt	**$ 907.9**
Total Net Debt/Adjusted EBITDA	**1.9**

OPERATING LEVERAGE

(Dollars in Millions)

	Three Months Ended		
	Sep 28, 2019	Sep 29, 2018	Change
GAAP Income from Operations	**$ 72.8**	$ 69.4	$ 3.4
Adjusted Income from Operations	**$ 81.3**	$ 99.8	$ (18.5)
Net Sales	**$ 772.3**	$ 925.4	$ (153.1)
Adjusted Net Sales	**$ 771.4**	$ 860.6	$ (89.2)
GAAP Operating Leverage			(2.2)%
Adjusted Operating Leverage			20.7%

APPENDIX

The following tables outline the first and second quarter 2018 net sales and income from operations illustrating the impact of businesses divested and to be exited, which can be used to compare to Regal's 2019 guidance and actual performance.

	Commercial & Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Fiscal 2018 First Quarter Schedule for Ongoing Business				
Net Sales Three Months Ended March 31, 2018	$ 414.0	$ 259.9	$ 204.9	$ 878.8
Net Sales from Businesses Divested/to be Exited	(43.9)	(18.0)	(4.3)	(66.2)
Adjusted Net Sales from Ongoing Business	$ 370.1	$ 241.9	$ 200.6	$ 812.6
GAAP Income from Operations Three Months Ended March 31, 2018	$ 29.1	$ 32.3	$ 26.8	$ 88.2
Restructuring and Related Costs	1.3	0.4	-	1.7
Income from Operations of Businesses Divested/to be Exited	(2.8)	(1.6)	0.4	(4.0)
Adjusted Income from Operations of Ongoing Business	$ 27.6	$ 31.1	$ 27.2	$ 85.9
Ongoing Business Adjusted Operating Margin %	7.5%	12.9%	13.6%	10.6%
Fiscal 2018 Second Quarter Schedule for Ongoing Business				
Net Sales Three Months Ended June 30, 2018	$ 469.0	$ 277.3	$ 213.4	$ 959.7
Net Sales from Businesses Divested/to be Exited	(43.7)	(19.2)	(5.6)	(68.5)
Adjusted Net Sales from Ongoing Business	$ 425.3	$ 258.1	$ 207.8	$ 891.2
GAAP Income from Operations Three Months Ended June 30, 2018	$ 30.5	$ 44.0	$ 25.1	$ 99.6
Restructuring and Related Costs	0.7	0.7	0.1	1.5
Purchase Accounting and Transaction Costs	5.1	-	-	5.1
Income from Operations of Businesses Divested/to be Exited	(4.0)	(2.1)	(0.3)	(6.4)
Adjusted Income from Operations of Ongoing Business	$ 32.3	$ 42.6	$ 24.9	$ 99.8
Ongoing Business Adjusted Operating Margin %	7.6%	16.5%	12.0%	11.2%

APPENDIX

The following tables outline the third and fourth quarter 2018 net sales and income from operations illustrating the impact of businesses divested and to be exited, which can be used to compare to Regal's 2019 guidance and actual performance.

	Commercial & Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Fiscal 2018 Third Quarter Schedule for Ongoing Business				
Net Sales Three Months Ended September 29, 2018	$ 462.3	$ 255.4	$ 207.7	$ 925.4
Net Sales from Businesses Divested/to be Exited	(46.7)	(13.3)	(4.8)	(64.8)
Adjusted Net Sales from Ongoing Business	$ 415.6	$ 242.1	$ 202.9	$ 860.6
GAAP Income from Operations Three Months Ended September 29, 2018	$ 35.3	$ 6.0	$ 28.1	$ 69.4
Restructuring and Related Costs	1.9	0.3	0.1	2.3
Purchase Accounting and Transaction Costs	0.2	-	-	0.2
Impairment and Exit Related Costs	-	34.9	-	34.9
Income from Operations of Businesses Divested/to be Exited	(5.2)	(1.5)	(0.3)	(7.0)
Adjusted Income from Operations of Ongoing Business	$ 32.2	$ 39.7	$ 27.9	$ 99.8
Ongoing Business Adjusted Operating Margin %	7.7%	16.4%	13.8%	11.6%
Fiscal 2018 Fourth Quarter Schedule for Ongoing Business				
Net Sales Three Months Ended December 29, 2018	$ 436.7	$ 232.2	$ 212.8	$ 881.7
Net Sales from Businesses Divested/to be Exited	(47.5)	(11.2)	(5.2)	(63.9)
Adjusted Net Sales from Ongoing Business	$ 389.2	$ 221.0	$ 207.6	$ 817.8
GAAP Income from Operations Three Months Ended December 29, 2018	$ 32.1	$ 33.3	$ 24.4	$ 89.8
Restructuring and Related Costs	1.7	0.4	0.1	2.2
Purchase Accounting and Transaction Costs	0.1	-	-	0.1
Gain on Sale of Assets	(1.5)	(0.7)	-	(2.2)
CEO Transition Costs	1.8	1.1	0.9	3.8
Income from Operations of Businesses Divested/to be Exited	(4.6)	(1.6)	(0.3)	(6.5)
Adjusted Income from Operations of Ongoing Business	$ 29.6	$ 32.5	$ 25.1	$ 87.2
Ongoing Business Adjusted Operating Margin %	7.6%	14.7%	12.1%	10.7%

The following tables outline the full year 2018 net sales and income from operations, and the full year adjusted diluted earnings per share, illustrating the impact of businesses divested and to be exited, which can be used to compare to Regal's 2019 guidance and actual performance.

	Commercial & Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Fiscal 2018 Full Year Schedule for Ongoing Business				
Net Sales Twelve Months Ended December 29, 2018	$ 1,782.0	$ 1,024.8	$ 838.8	$ 3,645.6
Net Sales from Businesses Divested/to be Exited	(181.8)	(61.7)	(19.9)	(263.4)
Adjusted Net Sales from Ongoing Business	$ 1,600.2	$ 963.1	$ 818.9	$ 3,382.2
GAAP Income from Operations Twelve Months Ended December 29, 2018	$ 127.0	$ 115.6	$ 104.4	$ 347.0
Restructuring and Related Costs	5.6	1.8	0.3	7.7
Purchase Accounting and Transaction Costs	5.4	-	-	5.4
Gain on Sale of Assets	(1.5)	(0.7)	-	(2.2)
CEO Transition Costs	1.8	1.1	0.9	3.8
Impairment and Exit Related Costs	-	34.9	-	34.9
Income from Operations of Businesses Divested/to be Exited	(16.6)	(6.8)	(0.5)	(23.9)
Adjusted Income from Operations of Ongoing Business	$ 121.7	$ 145.9	$ 105.1	$ 372.7
Ongoing Business Adjusted Operating Margin %	7.6%	15.1%	12.8%	11.0%

2018 ADJUSTED DILUTED EARNINGS PER SHARE FOR ONGOING BUSINESS	Three Months Ended				**Twelve Months Ended Dec 29, 2018**
	Mar 31, 2018	Jun 30, 2018	Sep 29, 2018	Dec 29, 2018	
Adjusted Diluted Earnings Per Share	$ 1.33	$ 1.59	$ 1.67	$ 1.41	**$ 6.00**
Earnings Per Share from Businesses Divested/to be Exited	(0.06)	(0.09)	(0.11)	(0.10)	**(0.36)**
Adjusted Diluted Earnings Per Share for Ongoing Business	$ 1.27	$ 1.50	$ 1.56	$ 1.31	**$ 5.64**

Shipping Days	1Q	2Q	3Q	4Q	FY
2014	63	63	63	64	253
2015	64	63	64	59	250
2016	64	64	63	60	251
2017	64	63	63	60	250
2018	63	64	63	61	251
2019	63	63	63	61	250
2020	63	63	63	64	253

- Regal operates on a 52/53 week fiscal year ending on the Saturday closest to December 31
- Fiscal Years 2015, 2016, 2017, 2018 and 2019 have 52 weeks
- Fiscal Year 2014 and 2020 have 53 weeks