REGAL

4Q

February 4, 2020

Fourth Quarter 2019 Earnings

CONFERENCE CALL

Louis Pinkham
Chief Executive Officer

Rob Rehard
Vice President
Chief Financial Officer

Rob Cherry
Vice President
Investor Relations

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.

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ADJUSTED DILUTED EARNINGS PER SHARE

	Three Months Ended		Twelve Months Ended	
	Dec 28, 2019	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018
GAAP Diluted Earnings Per Share	**$ 0.89**	$ 1.28	**$ 5.66**	$ 5.26
Restructuring and Related Costs	**0.33**	0.04	**0.57**	0.13
Purchase Accounting and Transaction Costs	**—**	—	**—**	0.09
(Gain) Loss on Businesses Divested and Assets to be Exited	**0.01**	—	**(0.69)**	0.61
Net (Income) Loss from Businesses Divested/to be Exited	**0.01**	(0.11)	**(0.07)**	(0.40)
Executive Transition Costs	**0.07**	0.07	**0.08**	0.07
Gain on Sale of Assets	**(0.06)**	(0.04)	**(0.06)**	(0.04)
Impact of the New US Tax Legislation	**—**	0.07	**—**	(0.08)
Adjusted Diluted Earnings Per Share	**$ 1.25**	$ 1.31	**$ 5.49**	$ 5.64

2020 ADJUSTED ANNUAL GUIDANCE

	Minimum	Maximum
2020 Diluted EPS Annual Guidance	$ 5.35	$ 5.75
Restructuring and Related Costs	0.28	0.28
Gain on Businesses Divested and Assets to be Exited	(0.01)	(0.01)
Executive Transition Costs	0.03	0.03
2020 Adjusted Diluted EPS Annual Guidance	$ 5.65	$ 6.05

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ADJUSTED INCOME FROM OPERATIONS (Dollars in Millions)	Three Months Ended									
	Commercial Systems		Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Dec 28, 2019	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018
GAAP Income (Loss) from Operations	**$ 7.9**	$ 27.7	**$ (1.4)**	$ 4.4	**$ 35.7**	$ 33.3	**$ 19.5**	$ 24.4	**$ 61.7**	$ 89.8
Restructuring and Related Costs	**7.0**	1.1	**2.9**	0.6	**2.7**	0.4	**5.5**	0.1	**18.1**	2.2
Purchase Accounting and Transaction Costs	**-**	0.1	**-**	-	**-**	-	**-**	-	**-**	0.1
Loss on Businesses Divested and Assets to be Exited	**0.1**	-	**-**	-	**-**	-	**0.4**	-	**0.5**	-
Gain on Sale of Assets	**-**	(1.5)	**-**	-	**(3.8)**	(0.7)	**-**	-	**(3.8)**	(2.2)
Operating (Income) Loss from Businesses Divested/to be Exited	**-**	(4.9)	**-**	0.3	**0.6**	(1.6)	**-**	(0.3)	**0.6**	(6.5)
Executive Transition Costs	**0.1**	1.1	**0.1**	0.7	**0.1**	1.1	**0.1**	0.9	**0.4**	3.8
Adjusted Income from Operations	**$ 15.1**	$ 23.6	**$ 1.6**	$ 6.0	**$ 35.3**	$ 32.5	**$ 25.5**	$ 25.1	**$ 77.5**	$ 87.2
GAAP Operating Margin %	**3.9 %**	10.1 %	**(1.0)%**	2.7 %	**17.3 %**	14.3 %	**10.2 %**	11.5 %	**8.4 %**	10.2 %
Adjusted Operating Margin %	**7.5 %**	10.4 %	**1.2 %**	3.7 %	**17.1 %**	14.7 %	**13.3 %**	12.1 %	**10.5 %**	10.7 %

ADJUSTED INCOME FROM OPERATIONS (Dollars in Millions)	Twelve Months Ended									
	Commercial Systems		Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Dec 28, 2019	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018
GAAP Income (Loss) from Operations	**$ 103.1**	$ 102.2	**$ (9.3)**	$ 24.8	**$ 163.9**	$ 115.6	**$ 93.4**	$ 104.4	**$ 351.1**	$347.0
Restructuring and Related Costs	**11.8**	2.9	**8.4**	2.7	**4.2**	1.8	**6.9**	0.3	**31.3**	7.7
Purchase Accounting and Transaction Costs	**0.1**	5.4	**-**	-	**-**	-	**-**	-	**0.1**	5.4
(Gain) Loss on Businesses Divested and Assets to be Exited	**(32.6)**	-	**1.0**	-	**(4.7)**	34.9	**1.6**	-	**(34.7)**	34.9
Gain on Sale of Assets	**-**	(1.5)	**-**	-	**(3.8)**	(0.7)	**-**	-	**(3.8)**	(2.2)
Operating (Income) Loss from Businesses Divested/to be Exited	**(3.3)**	(17.1)	**-**	0.5	**(0.5)**	(6.8)	**(0.3)**	(0.5)	**(4.1)**	(23.9)
Executive Transition Costs	**0.6**	1.1	**0.5**	0.7	**0.6**	1.1	**0.5**	0.9	**2.2**	3.8
Adjusted Income from Operations	**$ 79.7**	$ 93.0	**$ 0.6**	$ 28.7	**$ 159.7**	$ 145.9	**$ 102.1**	$ 105.1	**$ 342.1**	$372.7
GAAP Operating Margin %	**11.4 %**	9.2 %	**(1.6)%**	3.7 %	**16.9 %**	11.3 %	**11.8 %**	12.4 %	**10.8 %**	9.5 %
Adjusted Operating Margin %	**9.1 %**	9.9 %	**0.1 %**	4.3 %	**16.9 %**	15.1 %	**13.0 %**	12.8 %	**10.7 %**	11.0 %

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ADJUSTED NET SALES
(Dollars in Millions)

	Three Months Ended									
	Commercial Systems		Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Dec 28, 2019	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018
Net Sales	**$ 202.0**	$ 273.2	**$ 138.0**	$ 163.5	**$ 206.4**	$ 232.2	**$ 191.8**	$ 212.8	**$ 738.2**	$ 881.7
Nets Sales from Businesses Divested/to be Exited	**-**	(46.1)	**-**	(1.4)	**(0.2)**	(11.2)	**-**	(5.2)	**(0.2)**	(63.9)
Adjusted Net Sales	**$ 202.0**	$ 227.1	**$ 138.0**	$ 162.1	**$ 206.2**	$ 221.0	**$ 191.8**	$ 207.6	**$ 738.0**	$ 817.8

ADJUSTED NET SALES
(Dollars in Millions)

	Twelve Months Ended									
	Commercial Systems		Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Dec 28, 2019	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018
Net Sales	**$ 905.3**	$ 1,110.9	**$ 575.4**	$ 671.1	**$ 968.5**	$ 1,024.8	**$ 788.8**	$ 838.8	**$ 3,238.0**	$ 3,645.6
Nets Sales from Businesses Divested/to be Exited	**(25.0)**	(175.5)	**-**	(6.3)	**(22.2)**	(61.7)	**(5.6)**	(19.9)	**(52.8)**	(263.4)
Adjusted Net Sales	**$ 880.3**	$ 935.4	**$ 575.4**	$ 664.8	**$ 946.3**	$ 963.1	**$ 783.2**	$ 818.9	**$ 3,185.2**	$ 3,382.2

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ADJUSTED EFFECTIVE TAX RATE
(Dollars in Millions)

	Three Months Ended		Twelve Months Ended	
	Dec 28, 2019	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018
Income before Taxes	**$ 51.3**	$ 75.3	**$ 303.8**	$ 292.2
Provision for Income Taxes	**13.7**	18.8	**61.2**	56.4
Effective Tax Rate	**26.7%**	25.0%	**20.1%**	19.3%
Income before Taxes	**$ 51.3**	$ 75.3	**$ 303.8**	$ 292.2
(Gain) Loss on Businesses Divested and Assets to be Exited	**0.5**	-	**(34.7)**	34.9
Adjusted Income before Taxes	**$ 51.8**	$ 75.3	**$ 269.1**	$ 327.1
Provision for Income Taxes	**$ 13.7**	$ 18.8	**$ 61.2**	$ 56.4
Tax Effect from (Gain) Loss on Businesses Divested and Assets to be Exited	**0.1**	-	**(5.4)**	8.2
Impact of the New US Tax Legislation	**-**	(3.0)	**-**	3.6
Non-deductible Portion of Executive Transition Costs	**(2.3)**	-	**(2.3)**	-
Adjusted Provision for Income Taxes	**$ 11.5**	$ 15.8	**$ 53.5**	$ 68.2
Adjusted Effective Tax Rate	**22.2%**	21.0%	**19.9%**	20.8%

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FREE CASH FLOW (Dollars in Millions)	**Three Months Ended**		**Twelve Months Ended**	
	Dec 28, 2019	Dec 29, 2018	**Dec 28, 2019**	Dec 29, 2018
Net Cash Provided by Operating Activities	**$137.3**	$ 112.4	**$408.5**	$ 362.7
Additions to Property Plant and Equipment	**(15.1)**	(18.4)	**(92.4)**	(77.6)
Free Cash Flow	**$ 122.2**	$ 94.0	**$ 316.1**	$ 285.1
GAAP Net Income Attributable to Regal Beloit Corporation	**$ 36.7**	$ 55.6	**$ 238.9**	$ 231.2
(Gain) Loss on Businesses Divested and Impairments	**0.5**	-	**(34.7)**	18.2
Tax Effect from (Gain) Loss on Businesses Divested and Impairments	**(0.1)**	-	**5.4**	(4.0)
Adjusted Net Income Attributable to Regal Beloit Corporation	**$ 37.1**	$ 55.6	**$ 209.6**	$ 245.4
Free Cash Flow as a Percentage of Adjusted Net Income Attributable to Regal Beloit Corporation	**329.4 %**	169.1 %	**150.8 %**	116.2 %

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APPENDIX

ORGANIC SALES GROWTH
(Dollars in Millions)

	Three Months Ended				
	Commercial Systems	Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Net Sales Three Months Ended Dec 28, 2019	$ 202.0	$ 138.0	$ 206.4	$ 191.8	$ 738.2
Net Sales from Business Divested/to be Exited	-	-	(0.2)	-	(0.2)
Impact from Foreign Currency Exchange Rates	1.4	1.1	0.4	0.9	3.8
Organic Sales Three Months Ended Dec 28, 2019	$ 203.4	$ 139.1	$ 206.6	$ 192.7	$ 741.8
Net Sales Three Months Ended Dec 29, 2018	$ 273.2	$ 163.5	$ 232.2	$ 212.8	$ 881.7
Net Sales from Business Divested/to be Exited	(46.1)	(1.4)	(11.2)	(5.2)	(63.9)
Adjusted Net Sales Three Months Ended Dec 29, 2018	$ 227.1	$ 162.1	$ 221.0	$ 207.6	$ 817.8
Organic Sales Growth %	(10.4)%	(14.2)%	(6.5)%	(7.2)%	(9.3)%
Net Sales Growth %	(26.1)%	(15.6)%	(11.1)%	(9.9)%	(16.3)%

ORGANIC SALES GROWTH
(Dollars in Millions)

	Twelve Months Ended				
	Commercial Systems	Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Net Sales Twelve Months Ended Dec 28, 2019	$ 905.3	$ 575.4	$ 968.5	$ 788.8	$ 3,238.0
Net Sales from Business Acquired	(31.7)	-	-	-	(31.7)
Net Sales from Business Divested/to be Exited	(25.0)	-	(22.2)	(5.6)	(52.8)
Impact from Foreign Currency Exchange Rates	10.8	13.7	5.7	7.1	37.3
Organic Sales Twelve Months Ended Dec 28, 2019	$ 859.4	$ 589.1	$ 952.0	$ 790.3	$ 3,190.8
Net Sales Twelve Months Ended Dec 29, 2018	$ 1,110.9	$ 671.1	$ 1,024.8	$ 838.8	$ 3,645.6
Net Sales from Business Divested/to be Exited	(175.5)	(6.3)	(61.7)	(19.9)	(263.4)
Adjusted Net Sales Twelve Months Ended Dec 29, 2018	$ 935.4	$ 664.8	$ 963.1	$ 818.9	$ 3,382.2
Organic Sales Growth %	(8.1)%	(11.4)%	(1.2)%	(3.5)%	(5.7)%
Net Sales Growth %	(18.5)%	(14.3)%	(5.5)%	(6.0)%	(11.2)%

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TOTAL GROSS DEBT/EBITDA

(Dollars in Millions)

	LTM Dec 28, 2019
Net Income	$ 242.6
Plus: Taxes	61.2
Plus: Interest Expense	53.0
Less: Interest Income	(5.6)
Plus: Depreciation and Amortization	134.5
EBITDA	**$ 485.7**
Current Maturities of Debt	$ 0.6
Long-Term Debt	1,136.9
Total Gross Debt	**$ 1,137.5**
Total Gross Debt/EBITDA	**2.3**

TOTAL GROSS DEBT/ADJUSTED EBITDA

(Dollars in Millions)

	LTM Dec 28, 2019
Net Income	$ 242.6
Plus: Taxes	61.2
Plus: Interest Expense	53.0
Less: Interest Income	(5.6)
Plus: Depreciation and Amortization	134.5
Plus: Restructuring and Related Costs	31.3
Plus: Purchase Accounting & Transaction Costs	0.1
Plus: Impairment and Exit Related Costs	10.0
Plus: Executive Transition Costs	2.2
Less: Operating Income from Businesses Divested/to be Exited	(4.1)
Less: Gain on Sale of Assets	(3.8)
Less: Gain on Divestiture of Business	(44.7)
Adjusted EBITDA	**$ 476.7**
Current Maturities of Debt	$ 0.6
Long-Term Debt	1,136.9
Total Gross Debt	**$ 1,137.5**
Total Gross Debt/Adjusted EBITDA	**2.4**

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TOTAL NET DEBT/EBITDA

(Dollars in Millions)

	LTM Dec 28, 2019
Net Income	$ 242.6
Plus: Taxes	61.2
Plus: Interest Expense	53.0
Less: Interest Income	(5.6)
Plus: Depreciation and Amortization	134.5
Adjusted EBITDA	**$ 485.7**
Current Maturities of Debt	$ 0.6
Long-Term Debt	1,136.9
Less: Cash	(331.4)
Total Net Debt	**$ 806.1**
Total Net Debt/Adjusted EBITDA	**1.7**

TOTAL NET DEBT/ADJUSTED EBITDA

(Dollars in Millions)

	LTM Dec 28, 2019
Net Income	$ 242.6
Plus: Taxes	61.2
Plus: Interest Expense	53.0
Less: Interest Income	(5.6)
Plus: Depreciation and Amortization	134.5
Plus: Restructuring and Related Costs	31.3
Plus: Purchase Accounting & Transaction Costs	0.1
Plus: Impairment and Exit Related Costs	10.0
Plus: Executive Transition Costs	2.2
Less: Operating Income from Businesses Divested/to be Exited	(4.1)
Less: Gain on Sale of Assets	(3.8)
Less: Gain on Divestiture of Business	(44.7)
Adjusted EBITDA	**$ 476.7**
Current Maturities of Debt	$ 0.6
Long-Term Debt	1,136.9
Less: Cash	(331.4)
Total Net Debt	**$ 806.1**
Total Net Debt/Adjusted EBITDA	**1.7**

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OPERATING LEVERAGE-TOTAL REGAL	Three Months Ended			Twelve Months Ended		
(Dollars in Millions)	**Dec 28, 2019**	Dec 29, 2018	Change	**Dec 28, 2019**	Dec 29, 2018	Change
GAAP Income from Operations	**$ 61.7**	$ 89.8	$ (28.1)	**$ 351.1**	$ 347.0	$ 4.1
Adjusted Income from Operations	**$ 77.5**	$ 87.2	$ (9.7)	**$ 342.1**	$ 372.7	$ (30.6)
Net Sales	**$ 738.2**	$ 881.7	$ (143.5)	**$ 3,238.0**	$ 3,645.6	$ (407.6)
Adjusted Net Sales	**$ 738.0**	$ 817.8	$ (79.8)	**$ 3,185.2**	$ 3,382.2	$ (197.0)
GAAP Operating Leverage			19.6 %			(1.0)%
Adjusted Operating Leverage			12.2 %			15.5 %

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OPERATING LEVERAGE-COMMERCIAL SYSTEMS	Three Months Ended			Twelve Months Ended		
(Dollars in Millions)	**Dec 28, 2019**	Dec 29, 2018	Change	**Dec 28, 2019**	Dec 29, 2018	Change
GAAP Income from Operations	**$ 7.9**	$ 27.7	$ (19.8)	**$ 103.1**	$ 102.2	$ 0.9
Adjusted Income from Operations	**$ 15.1**	$ 23.6	$ (8.5)	**$ 79.7**	$ 93.0	$ (13.3)
2019 Corporate Allocation to 2018 Acquisition	**$ 1.3**	$ —		**$ 5.4**	$ —	
Adjusted Income from Operations Excluding Corporate Allocation to 2018 Acquisition	**$ 16.4**	$ 23.6	$ (7.2)	**$ 85.1**	$ 93.0	$ (7.9)
Net Sales	**$ 202.0**	$ 273.2	$ (71.2)	**$ 905.3**	$ 1,110.9	$ (205.6)
Adjusted Net Sales	**$ 202.0**	$ 227.1	$ (25.1)	**$ 880.3**	$ 935.4	$ (55.1)
GAAP Operating Leverage			27.8 %			(0.4)%
Adjusted Operating Leverage			33.9 %			24.1 %
Adjusted Operating Leverage Excluding Corporate Allocation to 2018 Acquisition			28.7 %			14.3 %

OPERATING LEVERAGE-INDUSTRIAL SYSTEMS	Three Months Ended			Twelve Months Ended		
(Dollars in Millions)	**Dec 28, 2019**	Dec 29, 2018	Change	**Dec 28, 2019**	Dec 29, 2018	Change
GAAP Income (Loss) from Operations	**$ (1.4)**	$ 4.4	$ (5.8)	**$ (9.3)**	$ 24.8	$ (34.1)
Adjusted Income from Operations	**$ 1.6**	$ 6.0	$ (4.4)	**$ 0.6**	$ 28.7	$ (28.1)
Net Sales	**$ 138.0**	$ 163.5	$ (25.5)	**$ 575.4**	$ 671.1	$ (95.7)
Adjusted Net Sales	**$ 138.0**	$ 162.1	$ (24.1)	**$ 575.4**	$ 664.8	$ (89.4)
GAAP Operating Leverage			22.7 %			35.6 %
Adjusted Operating Leverage			18.3 %			31.4 %

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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 2020 guidance and actual performance.

	Commercial Systems	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	$ 249.0	$ 165.0	$ 259.9	$ 204.9	$ 878.8
Net Sales from Businesses Divested/to be Exited	(42.3)	(1.6)	(18.0)	(4.3)	(66.2)
Adjusted Net Sales from Ongoing Business	$ 206.7	$ 163.4	$ 241.9	$ 200.6	$ 812.6
GAAP Income from Operations Three Months Ended March 31, 2018	$ 19.7	$ 9.4	$ 32.3	$ 26.8	$ 88.2
Restructuring and Related Costs	0.8	0.5	0.4	-	1.7
Income from Operations of Businesses Divested/to be Exited	(2.9)	0.1	(1.6)	0.4	(4.0)
Adjusted Income from Operations of Ongoing Business	$ 17.6	$ 10.0	$ 31.1	$ 27.2	$ 85.9
Ongoing Business Adjusted Operating Margin %	8.5 %	6.1 %	12.9 %	13.6 %	10.6 %
Fiscal 2018 Second Quarter Schedule for Ongoing Business					
Net Sales Three Months Ended June 30, 2018	$ 292.2	$ 176.8	$ 277.3	$ 213.4	$ 959.7
Net Sales from Businesses Divested/to be Exited	(42.0)	(1.7)	(19.2)	(5.6)	(68.5)
Adjusted Net Sales from Ongoing Business	$ 250.2	$ 175.1	$ 258.1	$ 207.8	$ 891.2
GAAP Income from Operations Three Months Ended June 30, 2018	$ 23.6	$ 6.9	$ 44.0	$ 25.1	$ 99.6
Restructuring and Related Costs	0.2	0.5	0.7	0.1	1.5
Purchase Accounting and Transaction Costs	5.1	-	-	-	5.1
Income from Operations of Businesses Divested/to be Exited	(4.1)	0.1	(2.1)	(0.3)	(6.4)
Adjusted Income from Operations of Ongoing Business	$ 24.8	$ 7.5	$ 42.6	$ 24.9	$ 99.8
Ongoing Business Adjusted Operating Margin %	9.9 %	4.3 %	16.5 %	12.0 %	11.2 %

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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 2020 guidance and actual performance.

	Commercial Systems	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	$ 296.5	$ 165.8	$ 255.4	$ 207.7	$ 925.4
Net Sales from Businesses Divested/to be Exited	(45.1)	(1.6)	(13.3)	(4.8)	(64.8)
Adjusted Net Sales from Ongoing Business	$ 251.4	$ 164.2	$ 242.1	$ 202.9	$ 860.6
GAAP Income from Operations Three Months Ended September 29, 2018	$ 31.2	$ 4.1	$ 6.0	$ 28.1	$ 69.4
Restructuring and Related Costs	0.8	1.1	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	$ 27.0	$ 5.2	$ 39.7	$ 27.9	$ 99.8
Ongoing Business Adjusted Operating Margin %	10.7 %	3.2 %	16.4 %	13.8 %	11.6 %
Fiscal 2018 Fourth Quarter Schedule for Ongoing Business					
Net Sales Three Months Ended December 29, 2018	$ 273.2	$ 163.5	$ 232.2	$ 212.8	$ 881.7
Net Sales from Businesses Divested/to be Exited	(46.1)	(1.4)	(11.2)	(5.2)	(63.9)
Adjusted Net Sales from Ongoing Business	$ 227.1	$ 162.1	$ 221.0	$ 207.6	$ 817.8
GAAP Income from Operations Three Months Ended December 29, 2018	$ 27.7	$ 4.4	$ 33.3	$ 24.4	$ 89.8
Restructuring and Related Costs	1.1	0.6	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)
Executive Transition Costs	1.1	0.7	1.1	0.9	3.8
Income from Operations of Businesses Divested/to be Exited	(4.9)	0.3	(1.6)	(0.3)	(6.5)
Adjusted Income from Operations of Ongoing Business	$ 23.6	$ 6.0	$ 32.5	$ 25.1	$ 87.2
Ongoing Business Adjusted Operating Margin %	10.4 %	3.7 %	14.7 %	12.1 %	10.7 %

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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 2020 guidance and actual performance.

	Commercial Systems	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	$ 1,110.9	$ 671.1	$ 1,024.8	$ 838.8	$ 3,645.6
Net Sales from Businesses Divested/to be Exited	(175.5)	(6.3)	(61.7)	(19.9)	(263.4)
Adjusted Net Sales from Ongoing Business	$ 935.4	$ 664.8	$ 963.1	$ 818.9	$ 3,382.2
GAAP Income from Operations Twelve Months Ended December 29, 2018	$ 102.2	$ 24.8	$ 115.6	$ 104.4	$ 347.0
Restructuring and Related Costs	2.9	2.7	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)
Executive Transition Costs	1.1	0.7	1.1	0.9	3.8
Impairment and Exit Related Costs	-	-	34.9	-	34.9
Income from Operations of Businesses Divested/to be Exited	(17.1)	0.5	(6.8)	(0.5)	(23.9)
Adjusted Income from Operations of Ongoing Business	$ 93.0	$ 28.7	$ 145.9	$ 105.1	$ 372.7
Ongoing Business Adjusted Operating Margin %	9.9 %	4.3 %	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**

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APPENDIX

The following tables outline the first and second quarter 2019 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 2020 guidance and actual performance.

	Commercial Systems	Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Fiscal 2019 First Quarter Schedule for Ongoing Business					
Net Sales Three Months Ended March 30, 2019	$ 242.2	$ 138.1	$ 263.3	$ 210.2	$ 853.8
Net Sales from Businesses Divested/to be Exited	(12.4)	-	(15.5)	(5.6)	(33.5)
Adjusted Net Sales from Ongoing Business	$ 229.8	$ 138.1	$ 247.8	$ 204.6	$ 820.3
GAAP Income (Loss) from Operations Three Months Ended March 30, 2019	$ 57.8	$ (4.3)	$ 38.9	$ 28.2	$ 120.6
Restructuring and Related Costs	1.2	0.9	0.1	0.1	2.3
Purchase Accounting and Transaction Costs	0.1	-	-	-	0.1
(Gain) Loss on Businesses Divested and Assets to be Exited	(34.6)	1.0	1.3	1.1	(31.2)
Operating Income from Businesses Divested/to be Exited	(1.7)	-	(1.9)	(0.3)	(3.9)
Executive Transition Costs	0.4	0.3	0.5	0.4	1.6
Adjusted Income (Loss) from Operations of Ongoing Business	$ 23.2	$ (2.1)	$ 38.9	$ 29.5	$ 89.5
Ongoing Business Adjusted Operating Margin %	10.1 %	(1.5)%	15.7 %	14.4 %	10.9 %
Fiscal 2019 Second Quarter Schedule for Ongoing Business					
Net Sales Three Months Ended June 29, 2019	$ 246.3	$ 155.5	$ 267.9	$ 204.0	$ 873.7
Net Sales from Businesses Divested/to be Exited	(12.6)	-	(5.6)	-	(18.2)
Adjusted Net Sales from Ongoing Business	$ 233.7	$ 155.5	$ 262.3	$ 204.0	$ 855.5
GAAP Income (Loss) from Operations Three Months Ended June 29, 2019	$ 20.8	$ (1.3)	$ 51.7	$ 24.8	$ 96.0
Restructuring and Related Costs	1.1	1.5	0.6	0.4	3.6
(Gain) Loss on Businesses Divested and Assets to be Exited	1.8	-	(6.1)	0.1	(4.2)
Operating Income from Businesses Divested/to be Exited	(1.6)	-	(0.1)	-	(1.7)
Executive Transition Costs	0.1	-	-	-	0.1
Adjusted Income from Operations of Ongoing Business	$ 22.2	$ 0.2	$ 46.1	$ 25.3	$ 93.8
Ongoing Business Adjusted Operating Margin %	9.5 %	0.1 %	17.6 %	12.4 %	11.0 %

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APPENDIX

The following tables outline the third and fourth quarter 2019 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 2020 guidance and actual performance.

	Commercial Systems	Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Fiscal 2019 Third Quarter Schedule for Ongoing Business					
Net Sales Three Months Ended September 28, 2019	$ 214.8	$ 143.8	$ 230.9	$ 182.8	$ 772.3
Net Sales from Businesses Divested/to be Exited	-	-	(0.9)	-	(0.9)
Adjusted Net Sales from Ongoing Business	$ 214.8	$ 143.8	$ 230.0	$ 182.8	$ 771.4
GAAP Income (Loss) from Operations Three Months Ended September 28, 2019	$ 16.6	$ (2.3)	$ 37.6	$ 20.9	$ 72.8
Restructuring and Related Costs	2.5	3.1	0.8	0.9	7.3
Loss on Businesses Divested and Assets to be Exited	0.1	-	0.1	-	0.2
Operating Income from Businesses Divested/to be Exited	-	-	0.9	-	0.9
Executive Transition Costs	-	0.1	-	-	0.1
Adjusted Income from Operations of Ongoing Business	$ 19.2	$ 0.9	$ 39.4	$ 21.8	$ 81.3
Ongoing Business Adjusted Operating Margin %	8.9 %	0.6 %	17.1 %	11.9 %	10.5 %
Fiscal 2019 Fourth Quarter Schedule for Ongoing Business					
Net Sales Three Months Ended December 28, 2019	$ 202.0	$ 138.0	$ 206.4	$ 191.8	$ 738.2
Net Sales from Businesses Divested/to be Exited	-	-	(0.2)	-	(0.2)
Adjusted Net Sales from Ongoing Business	$ 202.0	$ 138.0	$ 206.2	$ 191.8	$ 738.0
GAAP Income (Loss) from Operations Three Months Ended December 28, 2019	$ 7.9	$ (1.4)	$ 35.7	$ 19.5	$ 61.7
Restructuring and Related Costs	7.0	2.9	2.7	5.5	18.1
Gain on Sale of Assets	-	-	(3.8)	-	(3.8)
Loss on Businesses Divested and Assets to be Exited	0.1	-	-	0.4	0.5
Operating (Income) Loss from Businesses Divested/to be Exited	-	-	0.6	-	0.6
Executive Transition Costs	0.1	0.1	0.1	0.1	0.4
Adjusted Income from Operations of Ongoing Business	$ 15.1	$ 1.6	$ 35.3	$ 25.5	$ 77.5
Ongoing Business Adjusted Operating Margin %	7.5%	1.2%	17.1%	13.3%	10.5%

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The following tables outline the full year 2019 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 2020 guidance and actual performance.

	Commercial Systems	Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Fiscal 2019 Twelve Months Ended for Ongoing Business					
Net Sales Twelve Months Ended December 28, 2019	$ 905.3	$ 575.4	$ 968.5	$ 788.8	$ 3,238.0
Net Sales from Businesses Divested/to be Exited	(25.0)	-	(22.2)	(5.6)	(52.8)
Adjusted Net Sales from Ongoing Business	$ 880.3	$ 575.4	$ 946.3	$ 783.2	$ 3,185.2
GAAP Income (Loss) from Operations Nine Months Ended December 28, 2019	$ 103.1	$ (9.3)	$ 163.9	$ 93.4	$ 351.1
Restructuring and Related Costs	11.8	8.4	4.2	6.9	31.3
Purchase Accounting and Transaction Costs	0.1	-	-	-	0.1
Gain on Sale of Assets	-	-	(3.8)	-	(3.8)
(Gain) Loss on Businesses Divested and Assets to be Exited	(32.6)	1.0	(4.7)	1.6	(34.7)
Operating Income from Businesses Divested/to be Exited	(3.3)	-	(0.5)	(0.3)	(4.1)
Executive Transition Costs	0.6	0.5	0.6	0.5	2.2
Adjusted Income from Operations of Ongoing Business	$ 79.7	$ 0.6	$ 159.7	$ 102.1	$ 342.1
Ongoing Business Adjusted Operating Margin %	9.1 %	0.1 %	16.9 %	13.0 %	10.7 %

2019 ADJUSTED DILUTED EARNINGS PER SHARE FOR ONGOING BUSINESS	Three Months Ended				Twelve Months Ended Dec 28, 2019
	Mar 30, 2019	Jun 29, 2019	Sep 28, 2019	Dec 28, 2019	
Adjusted Diluted Earnings Per Share	$ 1.43	$ 1.52	$ 1.35	$ 1.25	**$ 5.55**
Earnings Per Share from Businesses Divested/to be Exited	(0.03)	(0.03)	-	-	**(0.06)**
Adjusted Diluted Earnings Per Share for Ongoing Business	$ 1.40	$ 1.49	$ 1.35	$ 1.25	**$ 5.49**

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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

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