



Creating a better tomorrow™...

Second Quarter 2022 Earnings

August 2, 2022

Louis Pinkham, Chief Executive Officer

Rob Rehard, Vice President, Chief Financial Officer



This press release contains forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which reflect Regal Rexnord's current estimates, expectations and projections about Regal Rexnord's future results, performance, prospects and opportunities. Such forward-looking statements may include, among other things, statements about the merger with the Rexnord Process & Motion Control business (the "Rexnord PMC business") or the acquisition of Arrowhead Systems, LLC ("Arrowhead"), the benefits and synergies of the transactions described in this communication relating to the acquisitions of the Rexnord PMC business and Arrowhead (the "Transactions"), future opportunities for Regal Rexnord, and any other statements regarding Regal Rexnord's future operations, anticipated business levels, future earnings, planned activities, anticipated growth, market opportunities, strategies, competition and other expectations and estimates for future periods. Forward-looking statements include statements that are not historical facts and can be identified by forward-looking words such as "anticipate," "believe," "confident," "estimate," "expect," "intend," "plan," "may," "will," "project," "forecast," "would," "could," "should," and similar expressions. These forward-looking statements are based upon information currently available to Regal Rexnord and are subject to a number of risks, uncertainties, and other factors that could cause actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Important factors that could cause actual results to differ materially from the results referred to in the forward-looking statements Regal Rexnord makes in this release include: dependence on key suppliers and the potential effects of supply disruptions; fluctuations in commodity prices and raw material costs; any unforeseen changes to or the effects on liabilities, future capital expenditures, revenue, expenses, synergies, indebtedness, financial condition, losses and future prospects; the possibility that Regal Rexnord may be unable to achieve expected synergies and operating efficiencies in connection with the Transactions within the expected time-frames or at all and to successfully integrate the Rexnord PMC business and Arrowhead; expected or targeted future financial and operating performance and results; operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers, clients or suppliers) being greater than expected following the Transactions; Regal Rexnord's ability to retain key executives and employees; the continued financial and operational impacts of and uncertainties relating to the COVID-19 pandemic on customers and suppliers and the geographies in which they operate; uncertainties regarding the ability to execute restructuring plans within expected costs and timing; challenges to the tax treatment that was elected with respect to the acquisition of the Rexnord PMC business and related transactions; requirements to abide by potentially significant restrictions with respect to the tax treatment of the Rexnord PMC business which could limit Regal Rexnord's ability to undertake certain corporate actions that otherwise could be advantageous; actions taken by competitors and their ability to effectively compete in the increasingly competitive global electric motor, drives and controls, power generation and power transmission industries; the 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 geographic locations in which Regal Rexnord does business; dependence on significant customers; seasonal impact on sales of products into HVAC systems and other residential applications; risks associated with global manufacturing, including public health crises and political, societal or economic instability, including instability caused by the conflict between Russia and Ukraine; issues and costs arising from the integration of acquired companies and businesses and the timing and impact of purchase accounting adjustments; Regal Rexnord's overall debt levels and its ability to repay principal and interest on its outstanding debt; prolonged declines in one or more markets, such as heating, ventilation, air conditioning, refrigeration, power generation, oil and gas, unit material handling, water heating and aerospace; economic changes in global markets, such as reduced demand for products, 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 Regal Rexnord cannot control; product liability, asbestos and other litigation, or claims by end users, government agencies or others that products or 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 that may be incurred related to product warranty issues; infringement of intellectual property by third parties, challenges to intellectual property, and claims of infringement on third party technologies; effects on earnings of any significant impairment of goodwill; losses from failures, breaches, attacks or disclosures involving 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 the section entitled "Risk Factors" in Regal Rexnord's Annual Report on Form 10-K on file with the SEC and from time to time in other filed reports including Regal Rexnord's Quarterly Reports on Form 10-Q. For a more detailed description of the risk factors associated with Regal Rexnord, please refer to Part I, Item 1A in Regal Rexnord's Annual Report on Form 10-K for the fiscal year ended January 1, 2022 on file with the SEC and subsequent SEC filings. Shareholders, potential investors, and other readers are urged to consider these factors in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements included in this release are made only as of the date of this release, and Regal Rexnord undertakes no obligation to update any forward-looking information contained in this release or with respect to the announcements described herein to reflect subsequent events or circumstances.

We prepare financial statements in accordance with accounting principles generally accepted in the United States of America ("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 earnings release, 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, adjusted income from operations, adjusted operating margin, adjusted net sales, net debt, adjusted EBITDA, adjusted EBITDA margin, adjusted bank EBITDA, adjusted net income attributable to Regal Rexnord Corporation, free cash flow, free cash flow as a percentage of adjusted net income attributable to Regal Rexnord Corporation, adjusted income before taxes, adjusted provision for income taxes and adjusted effective tax rate. 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, and adjusted operating margin to help us manage and evaluate our business and make operating decisions, while adjusted diluted earnings per share, net debt, adjusted EBITDA, adjusted EBITDA margin, adjusted net sales, adjusted net income attributable to Regal Rexnord Corporation, free cash flow, free cash flow as a percentage of adjusted net income attributable to Regal Rexnord Corporation, adjusted income before taxes, adjusted provision for income taxes and adjusted effective tax rate 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 use the term "organic sales growth" to refer to the increase in our sales between periods that is attributable to organic sales. "Organic sales" to refers to GAAP sales from existing operations excluding any sales from acquired businesses recorded prior to the first anniversary of the acquisition and excluding any 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.



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Opening Comments & Overview

LOUIS PINKHAM, CEO

2Q 2022 Results, 2022 Outlook

ROB REHARD, CFO

Questions & Answers

Closing Remarks

LOUIS PINKHAM, CEO



- Strong Organic Sales Growth, Positive Price/Cost, GM & EBITDA Margin Expansion
- Remain Focused On Controllable Execution
- Turnaround Momentum At Industrial Exemplifying Power Of RBS (80/20, Lean)
- Continued Performance At Commercial Driven By Digital, RBS & NPD
- Temporary Margin Pressure In Climate Should Abate By 4Q
- Orders Moderated As Expected; Large Backlog Supports Strong Top Line Outlook
- M&A Synergies Tracking Ahead
 - Solid Powertrain & Cross-Sell Momentum
- *Reminder: Investor Day At NYSE – September 13, 2022*

(\$ in millions, except per share data)	2Q 2021	2Q 2022
Adjusted Net Sales*	\$886.9	\$1,349.4
Adjusted EBITDA*	\$166.2	\$283.3
Adjusted EBITDA Margin*	18.7%	21.0%
Adjusted Diluted EPS*	\$2.68	\$2.76
Free Cash Flow*	\$73.5	\$91.6

* Non-GAAP Financial Measurement, See Appendix for Reconciliation

Recent Powertrain Solution Wins Evidence Differentiated, Value-Added Solutions in Attractive End Markets



Customer Problem

An automation OEM re-designing production lines wanted an optimized solution that delivered greater efficiency and improved safety performance.

Regal Rexnord Solution

- Our industry application engineering team created an optimized Powertrain using integrated RRX components, enabling a safer, more effective work environment.
- The RRX design is easier to install, requires less maintenance and has fewer moving components than traditional solutions. RRX's unique design minimizes failure points and lowers consumables, which improves uptime.

Regal Rexnord / Customer Win-Win

RRX's optimized Powertrain solution reduced the customer's overall line costs by 13%, not including safety and productivity benefits.



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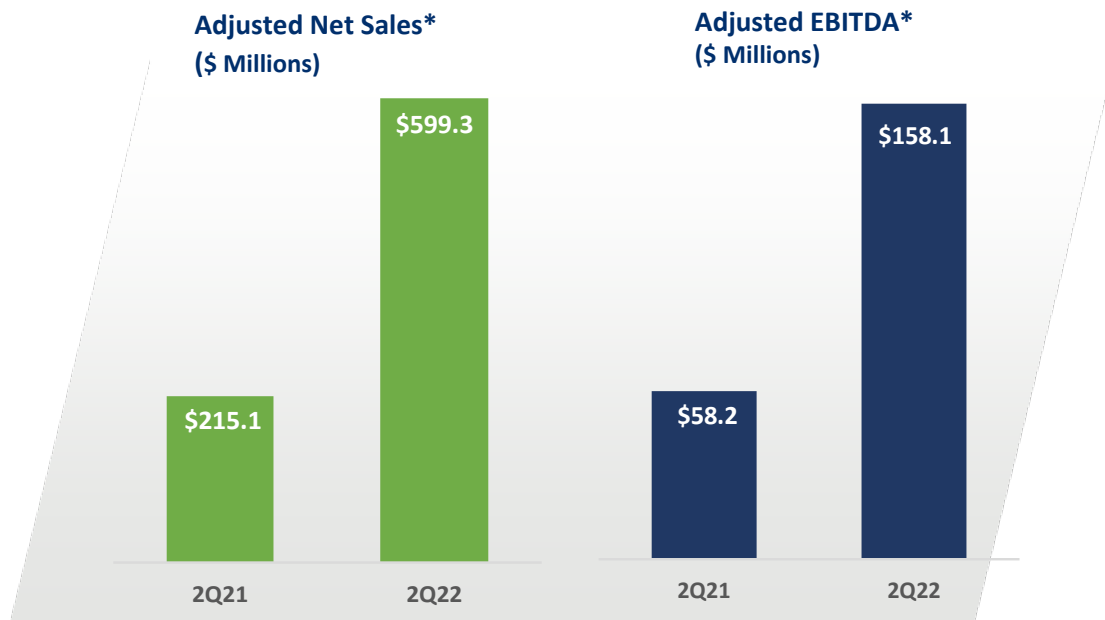


Sales

- Organic Sales* Up 6.4%
- Key Drivers
 - General Industrial
 - Marine
 - Metals & Mining
 - Alt. Energy (-)

Adjusted EBITDA Margin*

- 26.4% of Adj. Net Sales



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

Sales

- Organic Sales* Up 14.8%
- Key Drivers
 - N.A. Resi HVAC
 - General Industrial

Adjusted EBITDA Margin*

- 17.1% of Adj. Net Sales

Adjusted Net Sales* (\$ Millions)

Adjusted EBITDA* (\$ Millions)



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

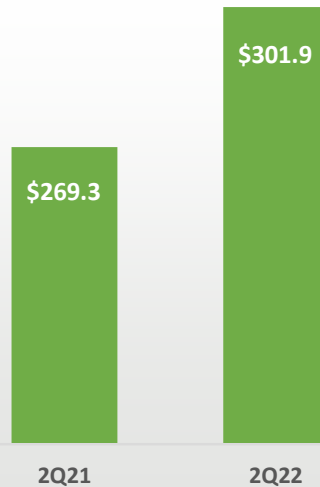
Sales

- Organic Sales* Up 14.6%
- Key Drivers
 - N.A. General Industrial
 - Pool Pump
 - C-HVAC

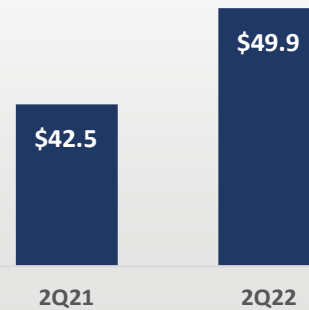
Adjusted EBITDA Margin*

- 16.5% of Adj. Net Sales

Adjusted Net Sales* (\$ Millions)



Adjusted EBITDA* (\$ Millions)



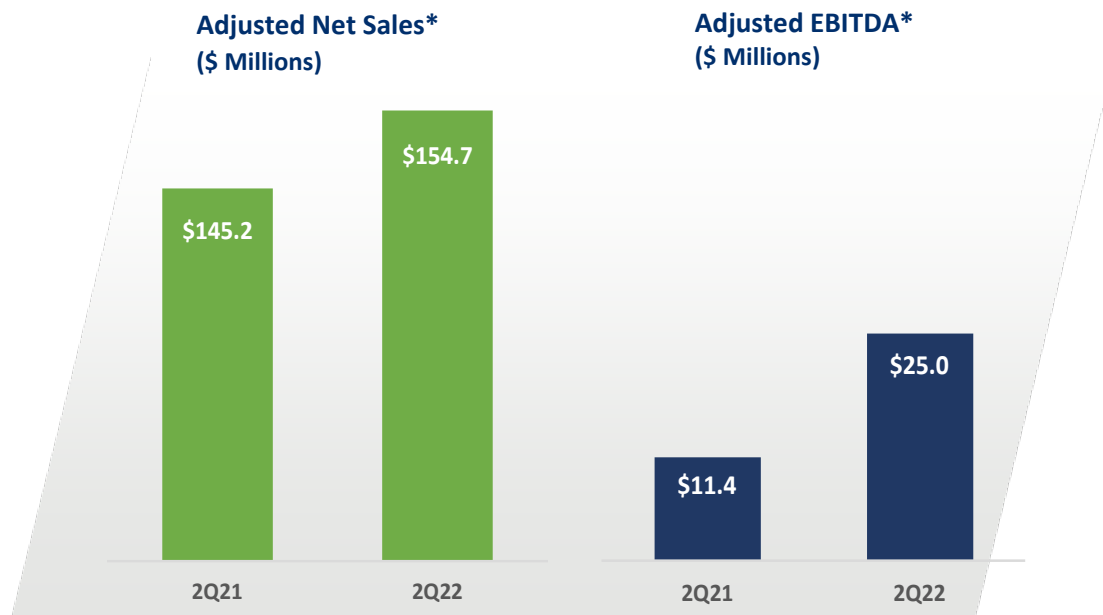
* Non-GAAP Financial Measurement, See Appendix for Reconciliation.

Sales

- Organic Sales* Up 9.4%
- Key Drivers
 - General Industrial

Adjusted EBITDA Margin*

- 16.2% of Adj. Net Sales



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

Capital Expenditures

- \$19.2 Million in 2Q 2022

Effective Tax Rate (ETR)

- 21.9% Adj. ETR* in 2Q 2022

Restructuring & Related Costs

- (\$1.1) Million in 2Q 2022

Balance Sheet at June 30, 2022

- Total Debt of \$2,163.1 Million
- Net Debt of \$1,460.6 Million
- Net Debt/Adj. Bank EBITDA* of 1.5
- Net Debt/Adj. Bank EBITDA* of 1.4 Pro Forma for PMC & Arrowhead Transactions

Free Cash Flow*

- \$91.6 Million in 2Q 2022
- Continue to Expect >100% FCF Conversion in 2022

Other Updates

- Deployed \$70 Million to Share Purchases
- \$250 Million Remaining on Authorization at End of 2Q

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

- Raising Adjusted Diluted Earnings per Share* Range to \$10.20 to \$10.80 from \$10.10 to \$10.70.
- Now Expect Organic Revenue Growth at a High Single Digit Rate.

Modeling Items

- Stock-Based Compensation of \$25M
- Depreciation of \$130M
- Amortization of \$188M
- Interest Expense, net of \$50M
- Adjusted Tax Rate of 22.8%
- Noncontrolling Interest of \$5M
- Diluted Shares of 67.5M
- Capital Expenditures of \$125M
- FCF % of Net Income >100%

* Adjusted EPS is a non-GAAP financial measures; see Appendix for reconciliations.



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ADJUSTED DILUTED EARNINGS PER SHARE

	Three Months Ended		Six Months Ended	
	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021
GAAP Diluted Earnings Per Share	\$ 2.12	\$ 2.06	\$ 3.96	\$ 3.74
Restructuring and Related Costs	(0.01)	0.11	0.18	0.14
Transaction and Related Costs	0.01	0.19	0.05	0.55
Inventory Step Up	0.06	—	0.10	—
Intangible Amortization	0.53	0.20	1.05	0.41
Share-Based Compensation Expense	0.08	0.08	0.14	0.14
Gain on Sales of Assets	(0.03)	—	(0.04)	(0.01)
Loss on Businesses Divested and Assets to be Exited	—	0.04	—	0.04
Adjusted Diluted Earnings Per Share	<u>\$ 2.76</u>	<u>\$ 2.68</u>	<u>\$ 5.44</u>	<u>\$ 5.01</u>

2022 ADJUSTED ANNUAL GUIDANCE

	<u>Minimum</u>	<u>Maximum</u>
2022 Diluted EPS Annual Guidance	\$ 7.01	\$ 7.61
Restructuring and Related Costs	0.68	0.68
Transaction and Related Costs	0.06	0.06
Gain on Sales of Assets	(0.04)	(0.04)
Inventory Step Up	0.10	0.10
Intangible Amortization	2.10	2.10
Share-Based Compensation Expense	0.29	0.29
2022 Adjusted Diluted EPS Annual Guidance	<u>\$ 10.20</u>	<u>\$ 10.80</u>

Three Months Ended

ADJUSTED EBITDA

(Dollars in Millions)

	Commercial Systems		Industrial Systems		Climate Solutions		Motion Control Solutions		Total Regal Rexnord	
	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021
GAAP Income from Operations	\$ 41.7	\$ 27.4	\$ 21.2	\$ 4.3	\$ 44.3	\$ 48.0	\$ 87.7	\$ 35.5	\$ 194.9	\$ 115.2
Restructuring and Related Costs	(0.1)	4.1	0.2	0.3	0.4	0.3	(1.6)	0.9	(1.1)	5.6
Transaction and Related Costs	-	-	-	-	-	-	1.3	7.1	1.3	7.1
Inventory Step Up	-	-	-	-	-	-	6.0	-	6.0	-
Loss from Assets Divested/to be Exited	-	1.8	-	-	-	0.5	-	-	-	2.3
Gain on Sale of Assets	-	-	-	-	-	-	(2.6)	(0.2)	(2.6)	(0.2)
Adjusted Income from Operations	<u>\$ 41.6</u>	<u>\$ 33.3</u>	<u>\$ 21.4</u>	<u>\$ 4.6</u>	<u>\$ 44.7</u>	<u>\$ 48.8</u>	<u>\$ 90.8</u>	<u>\$ 43.3</u>	<u>\$ 198.5</u>	<u>\$ 130.0</u>
Depreciation	\$ 5.7	\$ 5.8	\$ 3.2	\$ 5.5	\$ 4.0	\$ 2.6	\$ 19.0	\$ 5.4	\$ 31.9	\$ 19.3
Amortization	1.7	2.0	0.2	0.2	0.4	1.0	44.2	8.0	46.5	11.2
Other Income (Expense), Net	0.3	0.3	0.3	0.2	0.3	0.4	0.6	0.3	1.5	1.2
Adjusted Bank EBITDA	<u>\$ 49.3</u>	<u>\$ 41.4</u>	<u>\$ 25.1</u>	<u>\$ 10.5</u>	<u>\$ 49.4</u>	<u>\$ 52.8</u>	<u>\$ 154.6</u>	<u>\$ 57.0</u>	<u>\$ 278.4</u>	<u>\$ 161.7</u>
Share-Based Compensation Expense	\$ 0.6	\$ 1.1	\$ (0.1)	\$ 0.9	\$ 0.9	\$ 1.3	\$ 3.5	\$ 1.2	\$ 4.9	\$ 4.5
Adjusted EBITDA	<u>\$ 49.9</u>	<u>\$ 42.5</u>	<u>\$ 25.0</u>	<u>\$ 11.4</u>	<u>\$ 50.3</u>	<u>\$ 54.1</u>	<u>\$ 158.1</u>	<u>\$ 58.2</u>	<u>\$ 283.3</u>	<u>\$ 166.2</u>
GAAP Operating Margin %	13.8 %	10.2 %	13.7 %	3.0 %	15.1 %	18.7 %	14.6 %	16.5 %	14.4 %	13.0 %
Adjusted Operating Margin %	13.8 %	12.4 %	13.8 %	3.2 %	15.2 %	19.0 %	15.2 %	20.1 %	14.7 %	14.7 %
Adjusted EBITDA Margin %	16.5 %	15.8 %	16.2 %	7.9 %	17.1 %	21.0 %	26.4 %	27.1 %	21.0 %	18.7 %

ADJUSTED EBITDA

(Dollars in Millions)

GAAP Income (Loss) from Operations
 Restructuring and Related Costs
 Transaction and Related Costs
 Inventory Step Up
 Loss (Gain) on Sale of Assets
 Loss from Assets Divested/to be Exited
 Adjusted Income from Operations

Depreciation
 Amortization
 Other Income (Expense), Net
 Adjusted Bank EBITDA

Stock Based Compensation
 Adjusted EBITDA

GAAP Operating Margin %
 Adjusted Operating Margin %
 Adjusted EBITDA Margin %

Six Months Ended

Commercial Systems		Industrial Systems		Climate Solutions		Motion Control Solutions		Total Regal Rexnord	
Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021
\$ 94.6	\$ 56.2	\$ 29.1	\$ 9.2	\$ 95.8	\$ 92.7	\$ 145.3	\$ 58.6	\$ 364.8	\$ 216.7
0.6	4.3	0.3	0.8	0.7	0.6	14.3	1.6	15.9	7.3
-	-	-	-	-	-	4.3	21.8	4.3	21.8
-	-	-	-	-	-	9.0	-	9.0	-
(0.7)	-	-	(0.1)	-	-	(2.6)	(0.5)	(3.3)	(0.6)
-	1.8	-	-	-	0.5	-	-	-	2.3
\$ 94.5	\$ 62.3	\$ 29.4	\$ 9.9	\$ 96.5	\$ 93.8	\$ 170.3	\$ 81.5	\$ 390.7	\$ 247.5
\$ 11.7	\$ 11.9	\$ 6.6	\$ 11.0	\$ 7.9	\$ 6.1	\$ 36.3	\$ 11.0	\$ 62.5	\$ 40.0
3.4	3.7	0.4	0.6	0.9	2.0	89.1	16.0	93.8	22.3
0.6	0.6	0.4	0.4	0.6	0.8	1.2	0.6	2.8	2.4
\$ 110.2	\$ 78.5	\$ 36.8	\$ 21.9	\$ 105.9	\$ 102.7	\$ 296.9	\$ 109.1	\$ 549.8	\$ 312.2
\$ 1.7	\$ 2.0	\$ 0.4	\$ 1.5	\$ 2.2	\$ 2.3	\$ 6.9	\$ 2.0	\$ 11.2	\$ 7.8
\$ 111.9	\$ 80.5	\$ 37.2	\$ 23.4	\$ 108.1	\$ 105.0	\$ 303.8	\$ 111.1	\$ 561.0	\$ 320.0
15.9 %	11.1 %	9.7 %	3.3 %	16.9 %	18.7 %	12.3 %	14.1 %	13.8 %	12.7 %
15.9 %	12.3 %	9.8 %	3.5 %	17.0 %	18.9 %	14.4 %	19.6 %	14.8 %	14.6 %
18.8 %	15.9 %	12.4 %	8.3 %	19.1 %	21.2 %	25.6 %	26.7 %	21.2 %	18.8 %

ADJUSTED NET SALES

(Dollars in Millions)

Net Sales

Adjusted Net Sales

Three Months Ended

Commercial Systems		Industrial Systems		Climate Solutions		Motion Control Solutions		Total Regal Rexnord	
Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021
\$ 301.9	\$ 269.3	\$ 154.7	\$ 145.2	\$ 293.5	\$ 257.3	\$ 599.3	\$ 215.1	\$ 1,349.4	\$ 886.9
\$ 301.9	\$ 269.3	\$ 154.7	\$ 145.2	\$ 293.5	\$ 257.3	\$ 599.3	\$ 215.1	\$ 1,349.4	\$ 886.9

Six Months Ended**ADJUSTED NET SALES**

(Dollars in Millions)

Net Sales

Adjusted Net Sales

Commercial Systems		Industrial Systems		Climate Solutions		Motion Control Solutions		Total Regal Rexnord	
Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021
\$ 595.2	\$ 506.3	\$ 299.4	\$ 281.6	\$ 567.4	\$ 496.4	\$ 1,185.9	\$ 416.7	\$ 2,647.9	\$ 1,701.0
\$ 595.2	\$ 506.3	\$ 299.4	\$ 281.6	\$ 567.4	\$ 496.4	\$ 1,185.9	\$ 416.7	\$ 2,647.9	\$ 1,701.0

ADJUSTED EFFECTIVE TAX RATE

(Dollars in Millions)

	Three Months Ended		Six Months Ended	
	Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021
Income before Taxes	\$ 183.8	\$ 106.6	\$ 347.1	\$ 198.2
Provision for Income Taxes	40.6	20.6	76.8	41.9
Effective Tax Rate	22.1%	19.3%	22.1%	21.1%
Income before Taxes	\$ 183.8	\$ 106.6	\$ 347.1	\$ 198.2
Restructuring and Related Costs	(1.1)	5.6	15.9	7.3
Transaction and Related Costs	1.3	10.4	4.3	29.5
Inventory Step Up	6.0	-	9.0	-
Intangible Amortization	46.5	11.2	93.8	22.3
Share-Based Compensation	4.9	4.5	11.2	7.8
Gain on Sales of Assets	(2.6)	(0.2)	(3.3)	(0.6)
Loss on Businesses Divested and Assets to be Exited	-	2.3	-	2.3
Adjusted Income before Taxes	\$ 238.8	\$ 140.4	\$ 478.0	\$ 266.8
Provision for Income Taxes	\$ 40.6	\$ 20.6	\$ 76.8	\$ 41.9
Tax Effect from Restructuring and Related Costs	(0.1)	1.3	4.0	1.7
Tax Effect of Transaction and Related Costs	0.3	2.6	1.0	7.1
Tax Effect of Inventory Step Up	1.5	-	2.1	-
Tax Effect of Intangible Amortization	11.2	2.7	23.0	5.4
Tax Effect of Share-Based Compensation Expense	(0.7)	1.1	1.5	1.9
Tax Effect of Gain on Sales of Assets	(0.6)	-	(0.8)	(0.1)
Tax Effect of Loss on Businesses Divested and Assets to be Exited	-	0.5	-	0.5
Adjusted Provision for Income Taxes	\$ 52.2	\$ 28.8	\$ 107.6	\$ 58.4
Adjusted Effective Tax Rate	21.9%	20.5%	22.5%	21.9%

FREE CASH FLOW

(Dollars in Millions)

Net Cash Provided by Operating Activities

Additions to Property Plant and Equipment

Free Cash Flow

GAAP Net Income Attributable to Regal Rexnord Corporation

Loss on Businesses Divested and Impairments

Tax Effect from Loss on Businesses Divested and Impairments

Adjusted Net Income Attributable to Regal Rexnord Corporation

Free Cash Flow as a Percentage of Adjusted Net Income Attributable to Regal Rexnord Corporation

Three Months Ended		Six Months Ended	
Jun 30, 2022	Jul 3, 2021	Jun 30, 2022	Jul 3, 2021
\$110.8	\$ 87.1	\$104.9	\$ 136.6
(19.2)	(13.6)	(32.6)	(24.3)
\$ 91.6	\$ 73.5	\$ 72.3	\$ 112.3
\$ 142.0	\$ 84.4	\$ 267.6	\$ 153.3
-	2.3	-	2.3
-	(0.5)	-	(0.5)
\$ 142.0	\$ 86.2	\$ 267.6	\$ 155.1
64.5 %	85.3 %	27.0 %	72.4 %

ORGANIC SALES GROWTH

(Dollars in Millions)

Three Months Ended

	Commercial Systems	Industrial Systems	Climate Solutions	Motion Control Solutions	Total Regal Rexnord
Net Sales Three Months Ended Jun 30, 2022	\$ 301.9	\$ 154.7	\$ 293.5	\$ 599.3	\$ 1,349.4
Net Sales from Business Acquired	-	-	-	(374.5)	(374.5)
Impact from Foreign Currency Exchange Rates	6.7	4.2	1.8	4.0	16.7
Organic Sales Three Months Ended Jun 30, 2022	<u>\$ 308.6</u>	<u>\$ 158.9</u>	<u>\$ 295.3</u>	<u>\$ 228.8</u>	<u>\$ 991.6</u>
Net Sales Three Months Ended Jul 3, 2021	\$ 269.3	\$ 145.2	\$ 257.3	\$ 215.1	\$ 886.9
Adjusted Net Sales Three Months Ended Jul 3, 2021	<u>\$ 269.3</u>	<u>\$ 145.2</u>	<u>\$ 257.3</u>	<u>\$ 215.1</u>	<u>\$ 886.9</u>
Organic Sales Growth %	14.6 %	9.4 %	14.8 %	6.4 %	11.8 %
Net Sales Growth %	12.1 %	6.5 %	14.1 %	178.6 %	52.1 %

ORGANIC SALES GROWTH

(Dollars in Millions)

Six Months Ended

	Commercial Systems	Industrial Systems	Climate Solutions	Motion Control Solutions	Total Regal Rexnord
Net Sales Six Months Ended Jun 30, 2022	\$ 595.2	\$ 299.4	\$ 567.4	\$ 1,185.9	\$ 2,647.9
Net Sales from Business Acquired	-	-	-	(741.6)	(741.6)
Impact from Foreign Currency Exchange Rates	9.2	5.6	2.6	6.0	23.4
Organic Sales Six Months Ended Jun 30, 2022	<u>\$ 604.4</u>	<u>\$ 305.0</u>	<u>\$ 570.0</u>	<u>\$ 450.3</u>	<u>\$ 1,929.7</u>
Net Sales Six Months Ended Jul 3, 2021	\$ 506.3	\$ 281.6	\$ 496.4	\$ 416.7	\$ 1,701.0
Adjusted Net Sales Six Months Ended Jul 3, 2021	<u>\$ 506.3</u>	<u>\$ 281.6</u>	<u>\$ 496.4</u>	<u>\$ 416.7</u>	<u>\$ 1,701.0</u>
Organic Sales Growth %	19.4 %	8.3 %	14.8 %	8.1 %	13.4 %
Net Sales Growth %	17.6 %	6.3 %	14.3 %	184.6 %	55.7 %

TOTAL GROSS DEBT/EBITDA

(Dollars in Millions)

	LTM Jun 30, 2022
Net Income	\$ 349.8
Plus: Income Taxes	109.6
Plus: Interest Expense	58.7
Less: Interest Income	(6.1)
Plus: Depreciation and Amortization	264.6
EBITDA	\$ 776.6
Current Maturities of Debt	\$ 30.6
Long-Term Debt	2,132.5
Total Gross Debt	\$ 2,163.1
Total Gross Debt/EBITDA	2.8

TOTAL GROSS DEBT/ADJUSTED BANK EBITDA

(Dollars in Millions)

	LTM Jun 30, 2022
Net Income	\$ 349.8
Plus: Income Taxes	109.6
Plus: Interest Expense	58.7
Less: Interest Income	(6.1)
Plus: Depreciation and Amortization	264.6
Plus: Restructuring and Related Costs	30.6
Plus: Transaction and Related Costs	71.6
Plus: Impairment and Exit Related Costs	3.3
Plus: Inventory Step Up	33.3
Plus: Goodwill Impairment	33.0
Less: Gain on Sale of Assets	(5.2)
Adjusted Bank EBITDA	\$ 943.2
Current Maturities of Debt	\$ 30.6
Long-Term Debt	2,132.5
Total Gross Debt	\$ 2,163.1
Total Gross Debt/Adjusted Bank EBITDA	2.3

TOTAL NET DEBT/EBITDA

(Dollars in Millions)

	LTM Jun 30, 2022
Net Income	\$ 349.8
Plus: Income Taxes	109.6
Plus: Interest Expense	58.7
Less: Interest Income	(6.1)
Plus: Depreciation and Amortization	264.6
EBITDA	\$ 776.6
Current Maturities of Debt	\$ 30.6
Long-Term Debt	2,132.5
Less: Cash	(702.5)
Total Net Debt	\$ 1,460.6
Total Net Debt/EBITDA	1.9

TOTAL NET DEBT/ADJUSTED BANK EBITDA

(Dollars in Millions)

	LTM Jun 30, 2022
Net Income	\$ 349.8
Plus: Income Taxes	109.6
Plus: Interest Expense	58.7
Less: Interest Income	(6.1)
Plus: Depreciation and Amortization	264.6
Plus: Restructuring and Related Costs	30.6
Plus: Transaction and Related Costs	71.6
Plus: Impairment and Exit Related Costs	3.3
Plus: Inventory Step Up	33.3
Plus: Goodwill Impairment	33.0
Less: Gain on Sale of Assets	(5.2)
Adjusted Bank EBITDA	\$ 943.2
Current Maturities of Debt	\$ 30.6
Long-Term Debt	2,132.5
Less: Cash	(702.5)
Total Net Debt	\$ 1,460.6
Total Net Debt/Adjusted Bank EBITDA	1.5

Total Regal Rexnord	2021				
	Q1	Q2	Q3	Q4	FY 21
Net Sales	814.1	886.9	892.7	1,216.6	3,810.3
Adjusted EBITDA	149.4	160.0	162.6	227.9	699.9
Adjusted EBITDA Margin %	18.4%	18.0%	18.2%	18.7%	18.4%
LIFO to FIFO Recast	4.4	6.2	13.5	1.8	25.9
Recast Adjusted EBITDA	153.8	166.2	176.1	229.7	725.8
Recast Adjusted EBITDA Margin %	18.9%	18.7%	19.7%	18.9%	19.0%
Commercial Systems	2021				
	Q1	Q2	Q3	Q4	FY 21
Net Sales	237.0	269.3	268.7	257.1	1,032.1
Adjusted EBITDA	36.7	40.5	39.3	28.6	145.1
Adjusted EBITDA Margin %	15.5%	15.0%	14.6%	11.1%	14.1%
LIFO to FIFO Recast	1.3	2.0	5.0	3.5	11.8
Recast Adjusted EBITDA	38.0	42.5	44.3	32.1	156.9
Recast Adjusted EBITDA Margin %	16.0%	15.8%	16.5%	12.5%	15.2%
Industrial Systems	2021				
	Q1	Q2	Q3	Q4	FY 21
Net Sales	136.4	145.2	148.0	146.7	576.3
Adjusted EBITDA	10.8	10.2	11.5	12.6	45.1
Adjusted EBITDA Margin %	7.9%	7.0%	7.8%	8.6%	7.8%
LIFO to FIFO Recast	1.2	1.2	2.5	(4.2)	0.7
Recast Adjusted EBITDA	12.0	11.4	14.0	8.4	45.8
Recast Adjusted EBITDA Margin %	8.8%	7.9%	9.5%	5.7%	7.9%

Climate Solutions	2021				
	Q1	Q2	Q3	Q4	FY 21
Net Sales	239.1	257.3	268.4	265.8	1,030.6
Adjusted EBITDA	49.5	52.6	58.4	52.7	213.2
Adjusted EBITDA Margin %	20.7%	20.4%	21.8%	19.8%	20.7%
LIFO to FIFO Recast	1.4	1.5	3.5	0.8	7.2
Recast Adjusted EBITDA	50.9	54.1	61.9	53.5	220.4
Recast Adjusted EBITDA Margin %	21.3%	21.0%	23.1%	20.1%	21.4%
Motion Control Solutions	2021				
	Q1	Q2	Q3	Q4	FY 21
Net Sales	201.6	215.1	207.6	547.0	1,171.3
Adjusted EBITDA	52.4	56.7	53.4	134.0	296.5
Adjusted EBITDA Margin %	26.0%	26.4%	25.7%	24.5%	25.3%
LIFO to FIFO Recast	0.5	1.5	2.5	1.7	6.2
Recast Adjusted EBITDA	52.9	58.2	55.9	135.7	302.7
Recast Adjusted EBITDA Margin %	26.2%	27.1%	26.9%	24.8%	25.8%