Creating a better tomorrow™…

First Quarter 2023 Earnings

May 5, 2023

Louis Pinkham, Chief Executive Officer

Rob Rehard, Executive Vice President, Chief Financial Officer

FORWARD LOOKING STATEMENTS

This presentation 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 acquisition of Altra Industrial Motion Corp. (“Altra”), the benefits and synergies of the acquisition of Altra (the "Altra Transaction"), future opportunities for Regal Rexnord and any other statements regarding Regal Rexnord’s future operations, anticipated economic activity, business levels, credit ratings, 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 Regal Rexnord’s performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. Important factors that could cause Regal Rexnord’s actual results to differ materially from the results referred to in the forward-looking statements Regal Rexnord makes in this release include: Regal Rexnord’s substantial indebtedness as a result of the Altra Transaction and the effects of such indebtedness on Regal Rexnord’s financial flexibility after the Altra Transaction; Regal Rexnord’s ability to achieve its objectives on reducing its indebtedness on the desired timeline; 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 benefits, synergies and operating efficiencies in connection with the Altra Transaction and the merger with the Rexnord Process & Motion Control business (the “Rexnord PMC business”) within the expected time-frames or at all and to successfully integrate Altra and the Rexnord PMC business; 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 Altra Transaction or our merger with the Rexnord PMC business; 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 merger with the Rexnord PMC business and related transactions; requirements to abide by potentially significant restrictions with respect to the tax treatment of the merger with 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 climate change and uncertainty regarding our ability to deliver on our climate commitments and/or to meet related investor, customer and other third party expectations relating to our sustainability efforts; risks associated with global manufacturing, including risks associated with 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; 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, banking crises, 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, including in connection with our evaluation of strategic alternatives for the global motors and generators portion of our Industrial Systems operating segment; Regal Rexnord's ability to identify and execute on future M&A opportunities, including significant M&A transactions; the impact of any such M&A transactions on Regal Rexnord's results, operations and financial condition, including the impact from costs to execute and finance any such transactions; 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; costs and unanticipated liabilities arising from rapidly evolving data privacy laws and regulations; cyclical downturns affecting the global market for capital goods; and other risks and uncertainties including, but not limited, to those described in Regal Rexnord's Annual Report on Form 10-K on file with the Securities and Exchange Commission (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 - Risk Factors in Regal Rexnord’s Annual Report on Form 10-K for the fiscal year ended December 31, 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 presentation are made only as of the date of this presentation and Regal Rexnord undertakes no obligation to update any forward-looking information contained in this presentation or with respect to the announcements described herein 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 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 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, adjusted income from operations, adjusted operating margin, adjusted net sales, net debt, EBITDA, adjusted EBITDA, proforma EBITDA, proforma adjusted EBITDA, normalized adjusted EBITDA, adjusted EBITDA margin, adjusted net income attributable to Regal Rexnord Corporation, adjusted cash flows from operations, free cash flow, free cash flow as a percentage of adjusted net income attributable to Regal Rexnord Corporation (or free cash flow conversion), 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, and adjusted operating margin to help us manage and evaluate our business and make operating decisions, while adjusted diluted earnings per share, net debt, EBITDA, adjusted EBITDA, proforma EBITDA, proforma adjusted EBITDA, normalized adjusted EBITDA, adjusted EBITDA margin, adjusted net sales, adjusted net income attributable to Regal Rexnord Corporation, adjusted cash flows from operations, free cash flow, free cash flow as a percentage of adjusted net income attributable to Regal Rexnord Corporation (or free cash flow conversion), 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

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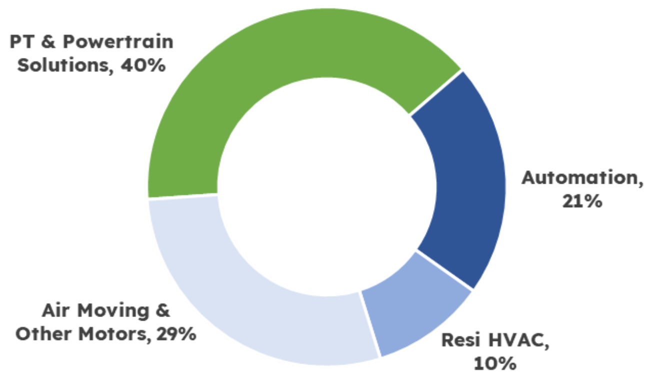
ROB REHARD, CFO

Questions & Answers

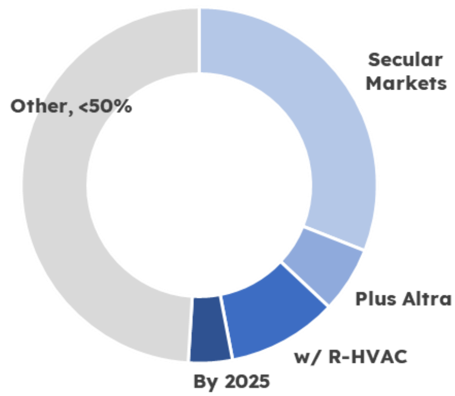
Closing Remarks
LOUIS PINKHAM, CEO

A NEW, NEW REGAL REXNORD

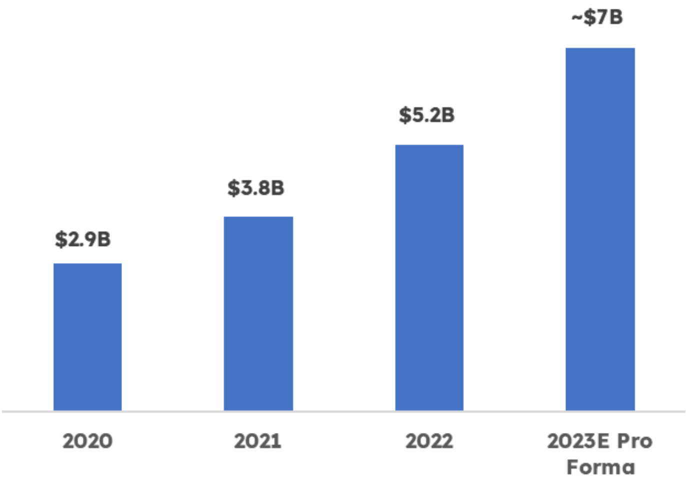
Portfolio Weighted To Automation & PT (>60% of Sales)*



Secular Exposure On Path to Exceed 50%



We Expect 2023E Revenue To Be ~2.4X The 2020 Level



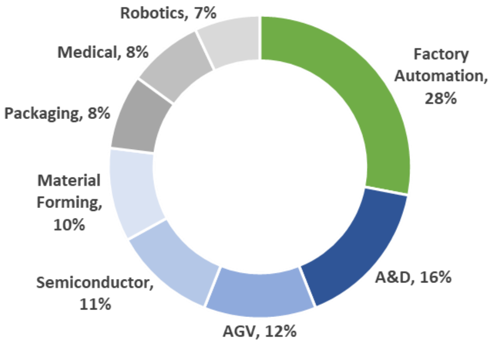
* Reflects 2022 Pro Forma Sales

Portfolio Transformation Supports More Consistent And Higher Margin Growth

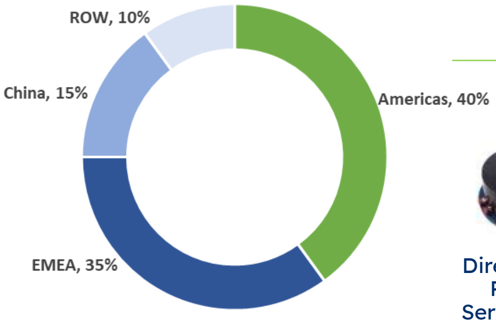
KOLLMORGEN OVERVIEW

- Innovation Driving Success In High-Growth Markets
- Modular Designs + Flexible Mfg. = High-Value Solutions
- Precision Motion Creates “Sticky” Annuity Sales
- Gross Margin Accretive To RRX
- Last 5 Year Organic Sales Growth CAGR ~5%

Sales By Application (2022)



Sales By Geography (2022)



Machine Control

Motion Control Software | HMI | Slice I/O | Motion Control Hardware

High-Performance Servo and Stepper Drives

IP67 Servo Drives | Servo Drives | Stepper

High-Precision Servo and Stepper Motors

Direct-Drive Rotary Servo Motor | Linear Servo Motor | Frameless Rotary Servo Motor | Stainless Steel Hygienic Servo Motor | Stepper Motors

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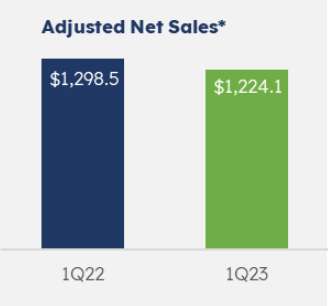
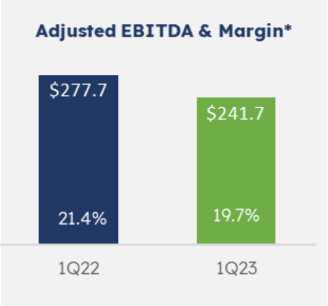
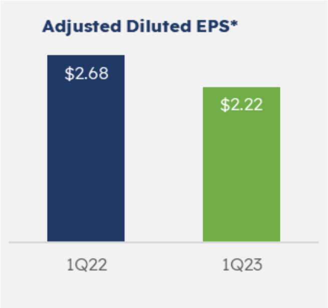
A Highly Differentiated Offering With Growth Acceleration Opportunities

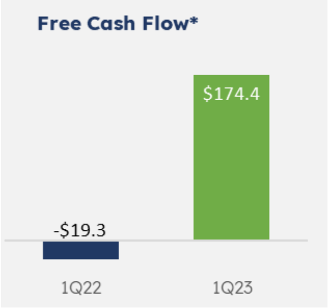
1Q RESULTS

- Solid Operational Execution Despite End Market Headwinds
- Free Cash Flow* Of $174M
  - Significant Progress On Working Capital, Primarily Inventory
  - Net Debt/Normalized Adj. EBITDA* Of 3.96 – On Track With Expectations
- Orders Down Less Than Originally Planned
  - Largely De-Stock In Consumer & SCI Markets
  - Backlog Continues To Bolster Top Line Outlook
- Macro Uncertainty, Persistent Inflation Are Challenges
- Focused On Controllable Execution
  - $260M M&A Cost Synergies (2023+), ~$100M PMC Sales Synergies, Altra Sales Synergies TBD
  - 80/20 & Lean Initiatives
  - Robust, Mix-Positive NPD Pipeline
  - Working Capital Management









* $ Millions, Except Per Share Data; Non-GAAP Financial Measurement, See Appendix For Reconciliation

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LOUIS PINKHAM, CEO

RE-SEGMENTATION SUMMARY

Legacy RRX Segments & BU*s And Legacy Altra Segments							New RRX Segments	% Of Sales**
MOTION CONTROL SOLUTIONS (MCS)	–	MCS AERO BU, MCS CONVEYING BU	+	ALTRA PTT SEGMENT	=		INDUSTRIAL POWERTRAIN SOLUTIONS (IPS)	37%
ALTRA A&S SEGMENT	+	MCS AERO BU, MCS CONVEYING BU	+	THOMSON POWER SYSTEMS BU	=		AUTOMATION & MOTION CONTROL (AMC)	24%
		CLIMATE SOLUTIONS	+	COMMERCIAL SYSTEMS	=		POWER EFFICIENCY SOLUTIONS (PES)	31%
		INDUSTRIAL SYSTEMS	–	THOMSON POWER SYSTEMS BU	=		INDUSTRIAL SYSTEMS	8%

* Business Unit Within A Segment
** Pro Forma 2022 Data

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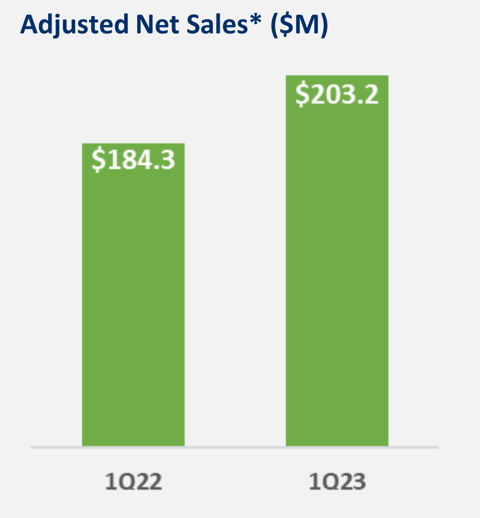
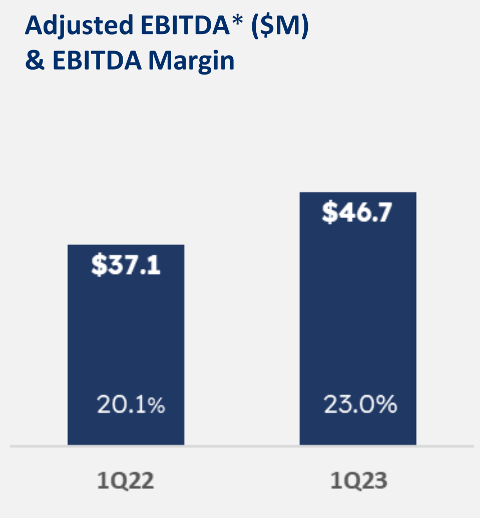
New Segments Better Aligned To Our Long-Term Growth Strategy

AUTOMATION & MOTION CONTROL

Sales

- **Organic Sales* Up 11.7%**
- **Key Drivers**
  - Data Center (+)
  - Aerospace (+)
  - Food & Beverage (+)





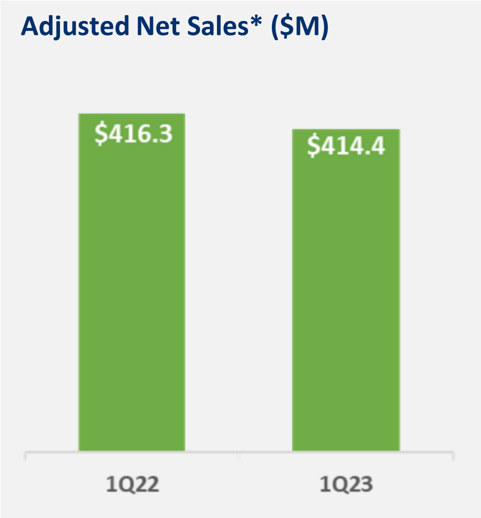
* Non-GAAP Financial Measurement, See Appendix For Reconciliation

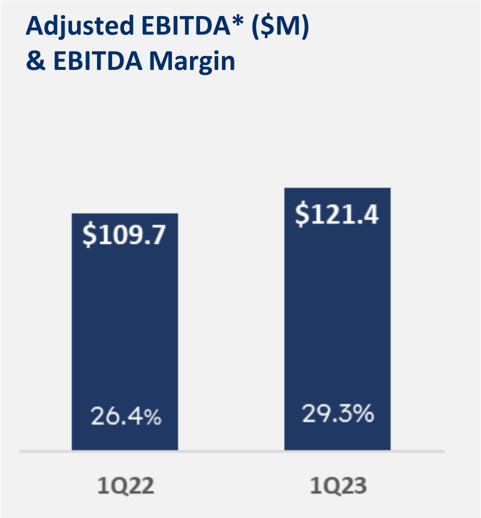
Strong Performance From End Markets, Outgrowth & Margin Initiatives

INDUSTRIAL POWERTRAIN SOLUTIONS

Sales

- **Organic Sales* Up 1.3%**
- **Key Drivers**
  - Metals & Mining (+)
  - Energy (+)
  - Alt. Energy (-)
  - Ag/Forestry (-)





* Non-GAAP Financial Measurement, See Appendix For Reconciliation

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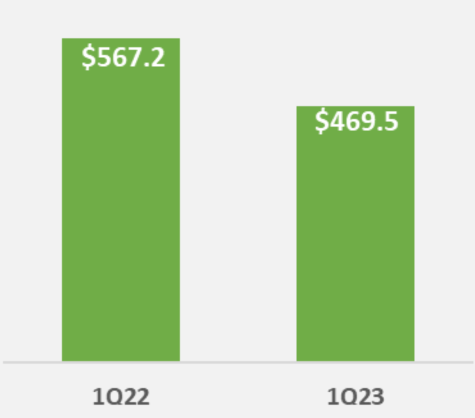
Delivering Strong Margin Gains

POWER EFFICIENCY SOLUTIONS

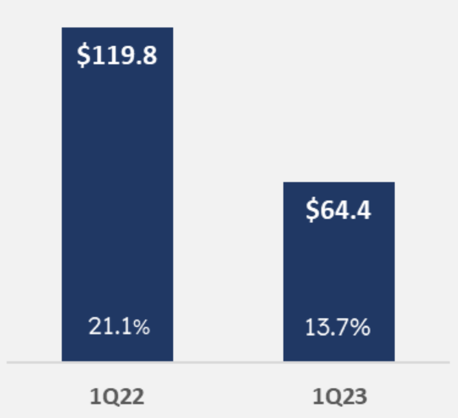
Sales

- **Organic Sales* Down 15.9%**
- **Key Drivers**
  - Pool Pump (-)
  - N.A. Resi HVAC (-)
  - General Industrial (-)

Adjusted Net Sales* ($M)



Adjusted EBITDA* ($M) & EBITDA Margin



* Non-GAAP Financial Measurement, See Appendix For Reconciliation

Effectively Managing De-Stock Pressures

OTHER FINANCIAL UPDATES

Capital Expenditures
- $18.7 Million in 1Q 2023

Effective Tax Rate (ETR)
- 20.5% Adj. ETR* in 1Q 2023

Restructuring & Related Costs
- $6.2 Million in 1Q 2023

Balance Sheet at March 31, 2023
- Total Debt of $7,284.8 Million
- Net Debt* of $6,141.5 Million
- Net Debt*/Normalized Adj. EBITDA* of 3.96**

Free Cash Flow*
- $174.4 Million in 1Q 2023
- FCF Conversion* of 443% in 1Q 2023

* Non-GAAP Financial Measurement, See Appendix For Reconciliation
** Metric Calculated Including Altra Synergies Expected To Be Realized In The Next 24 Months

2023 OUTLOOK – END MARKET GROWTH ASSUMPTIONS

2023 End Market Growth Assumptions

End Market	% of Sales Legacy	% of Sales w/ Altra	Chg.	End Market Growth (+/-) Legacy	End Market Growth (+/-) w/ Altra
General Industrial	20%	21%	1%	+ / -	+ / -
Consumer (Resi HVAC, Pool)	16%	12%	-4%	– –	– –
Non-Res Construction	11%	8%	-3%	+	+
Food & Beverage	10%	10%	0%	–	–
Commercial	8%	6%	-2%	+ / -	+ / -
Metals & Mining	5%	6%	1%	+	+
Aerospace	4%	5%	1%	+ +	+ +
Ag & Turf	1%	4%	3%	na	+ / -
Resi New Construction	4%	3%	-1%	– –	– –
Hospitality	3%	2%	-1%	+ / -	+ / -
Warehouse	3%	5%	2%	– –	– –
Medical	0%	3%	3%	na	+
Alternative Energy	2%	3%	1%	+	+
Power Generation	2%	1%	-1%	+ / -	+ / -
Other	11%	11%	0%	+ / -	+ / -
Weighted Average				(3.5%)	(3.0%)

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Market Mix Including Altra Benefits Regal Rexnord

2023 OUTLOOK UPDATE

Metric	Original Outlook Legacy RRX Only		Altra Impact Ownership From 3/27/23		Updated Outlook Legacy RRX + 3 Q's Of Altra	
	Low	High	Low	High	Low	High
Revenue ($B)	$5.1	$5.3	$1.4	$1.5	$6.5	$6.8
Adj. EBITDA* ($B)	$1.1	$1.2	$0.28	$0.32	$1.4	$1.5
Adj. EPS*	$10.05	$10.85	$0.15	$0.25	$10.20	$11.10
	m/p $10.45				**m/p $10.65**	

Modeling items (Mid-Point Model; $M Except Per Share Values)

Adjusted ETR*	~23.4% (Note: ~24% in 2Q-4Q)
Depreciation	~$155
Amortization	~$315
Interest Expense, Net*	~$345
Stock Based Compensation	~$50
Noncontrolling Interest	~$5
Diluted Shares	~66.6
FCF Conversion* (%)	>100%

Reiterating Outlook For Legacy RRX; Adding Altra

2023 2Q SEGMENT OUTLOOK

Segment	Revenue ($M)	Adj. EBITDA Margin
AMC	$460 +/- 2%	Low 20's
IPS	$700 +/- 2%	Mid 20's
PES	$460 +/- 2%	Mid Teens
Industrial	$150 +/- 2%	Low DD
Total RRX	$1,760 +/- 2%	Low 20's

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Expect Solid Segment Performance In 2Q

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ADJUSTED DILUTED EARNINGS PER SHARE	Three Months Ended	
	March 31, 2023	March 31, 2022
GAAP Diluted (Loss) Earnings Per Share	$ (0.09)	$ 1.85
Transaction and Related Costs (a)	1.31	0.03
Intangible Amortization	0.53	0.52
Share-Based Compensation Expense (b)	0.31	0.06
Discrete Tax Items	0.10	—
Restructuring and Related Costs (c)	0.07	0.19
Inventory Step Up	—	0.04
Gain on Sales of Assets	(0.01)	(0.01)
Adjusted Diluted Earnings Per Share	$ 2.22	$ 2.68

(a) For 2023, primarily relates to (1) legal, professional service, severance, certain other employee compensation and financing costs and incremental net interest expense on new debt associated with the Altra Transaction and (2) legal and professional service costs associated with the strategic review of the Industrial Systems operating segment. For 2022, primarily relates to legal and professional service costs associated with the merger with the Rexnord PMC business and acquisition of the Arrowhead business.

(b) For 2023, includes the impact related to the accelerated vesting of awards for certain former Altra employees.

(c) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures,product line exits and other asset charges.

APPENDIX

2023 ADJUSTED ANNUAL GUIDANCE	Legacy Regal Rexnord Minimum	Legacy Regal Rexnord Maximum	Altra Impact Minimum	Altra Impact Maximum	Total Regal Rexnord Minimum	Total Regal Rexnord Maximum
2023 GAAP Diluted EPS Annual Guidance	$ 6.69	$ 7.49	$ (3.95)	$ (3.85)	$ 2.74	$ 3.64
Intangible Amortization	2.15	2.15	1.45	1.45	3.60	3.60
Transaction and Related Costs (a)	—	—	1.44	1.44	1.44	1.44
Restructuring and Related Costs (c)	0.80	0.80	0.10	0.10	0.90	0.90
Inventory Step Up	—	—	0.73	0.73	0.73	0.73
Share-Based Compensation Expense	0.32	0.32	0.38 (b)	0.38 (b)	0.70	0.70
Discrete Tax Items	0.10	0.10	—	—	0.10	0.10
Gain on Sales of Assets	(0.01)	(0.01)	—	—	(0.01)	(0.01)
2023 Adjusted Diluted EPS Annual Guidance	**$ 10.05**	**$ 10.85**	**$ 0.15**	**$ 0.25**	**$ 10.20**	**$ 11.10**

(a) Primarily relates to (1) legal, professional service, severance, certain other employee compensation and financing costs and incremental net interest expense on new debt associated with the Altra Transaction and (2) legal and professional service costs associated with the strategic review of the Industrial Systems operating segment.

(b) Includes the impact related to the accelerated vesting of awards for certain former Altra employees.

(c) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures,product line exits and other asset charges.

APPENDIX

2023 NET INCOME TO ADJUSTED EBITDA ANNUAL GUIDANCE

(Dollars in Millions)

	Legacy Regal Rexnord		Altra Impact		Total Regal Rexnord	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Net Income (Loss)	$ 455.3	$ 499.1	$ (228.2)	$ (199.0)	$ 227.2	$ 300.1
Plus (Less): Income Taxes	169.3	185.5	(84.8)	(74.0)	84.4	111.5
Plus: Interest Expense	105.0	105.0	275.0	275.0	380.0	380.0
Less: Interest Income	(6.0)	(6.0)	(29.0)	(29.0)	(35.0)	(35.0)
Plus: Depreciation	120.0	120.0	35.0	35.0	155.0	155.0
Plus: Amortization	185.0	185.0	130.0	130.0	315.0	315.0
EBITDA	$ 1,028.6	$ 1,088.6	$ 98.0	$ 138.0	$ 1,126.6	$ 1,226.6
Plus: Transaction and Related Costs (a)	—	—	80.0	80.0	80.0	80.0
Plus: Share-Based Compensation Expense	22.0	22.0	28.0 (b)	28.0 (b)	50.0	50.0
Plus: Restructuring and Related Costs (c)	70.0	70.0	10.0	10.0	80.0	80.0
Plus: Inventory Step Up	—	—	64.0	64.0	64.0	64.0
Less: Gain on Sale of Assets	(0.6)	(0.6)	—	—	(0.6)	(0.6)
Adjusted EBITDA	$ 1,120.0	$ 1,180.0	$ 280.0	$ 320.0	$ 1,400.0	$ 1,500.0

(a) Primarily relates to (1) legal, professional service, severance, certain other employee compensation and financing costs and incremental net interest expense on new debt associated with the Altra Transaction and (2) legal and professional service costs associated with the strategic review of the Industrial Systems operating segment.

(b) Includes the impact related to the accelerated vesting of awards for certain former Altra employees.

(c) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures,product line exits and other asset charges.

APPENDIX

ADJUSTED EBITDA (Dollars in Millions)	Industrial Powertrain Solutions March 31, 2023	Industrial Powertrain Solutions March 31, 2022	Power Efficiency Solutions March 31, 2023	Power Efficiency Solutions March 31, 2022	Automation & Motion Control March 31, 2023	Automation & Motion Control March 31, 2022	Industrial Systems March 31, 2023	Industrial Systems March 31, 2022	Total Regal Rexnord March 31, 2023	Total Regal Rexnord March 31, 2022
	Three Months Ended									
GAAP Income (Loss) from Operations	$ 25.9	$ 46.3	$ 45.4	$ 104.4	$ (5.2)	$ 12.3	$ 2.8	$ 6.9	$ 68.9	$ 169.9
Transaction and Related Costs (a)	42.0	2.0	—	—	23.5	1.0	2.1	—	67.6	3.0
Restructuring and Related Costs (c)	0.8	14.4	4.7	1.0	0.5	1.5	0.2	0.1	6.2	17.0
Inventory Step Up	—	1.8	—	—	—	1.2	—	—	—	3.0
Gain on Sale of Assets	—	—	—	(0.7)	(0.6)	—	—	—	(0.6)	(0.7)
Adjusted Income from Operations	$ 68.7	$ 64.5	$ 50.1	$ 104.7	$ 18.2	$ 16.0	$ 5.1	$ 7.0	$ 142.1	$ 192.2
Amortization	$ 29.8	$ 29.8	$ 2.1	$ 2.2	$ 14.2	$ 15.1	$ 0.2	$ 0.2	$ 46.3	$ 47.3
Depreciation	11.8	12.8	9.6	9.9	5.5	4.6	3.3	3.3	30.2	30.6
Share-Based Compensation Expense (b)	10.6	2.2	2.0	2.4	8.6	1.2	0.5	0.5	21.7	6.3
Other Income, Net	0.5	0.4	0.6	0.6	0.2	0.2	0.1	0.1	1.4	1.3
Adjusted EBITDA	$ 121.4	$ 109.7	$ 64.4	$ 119.8	$ 46.7	$ 37.1	$ 9.2	$ 11.1	$ 241.7	$ 277.7
GAAP Operating Margin %	6.3 %	11.1 %	9.7 %	18.4 %	(2.6)%	6.7 %	2.0 %	5.3 %	5.6 %	13.1 %
Adjusted Operating Margin %	16.6 %	15.5 %	10.7 %	18.5 %	9.0 %	8.7 %	3.7 %	5.4 %	11.6 %	14.8 %
Adjusted EBITDA Margin %	29.3 %	26.4 %	13.7 %	21.1 %	23.0 %	20.1 %	6.7 %	8.5 %	19.7 %	21.4 %

(a) For 2023, primarily relates to (1) legal, professional service, severance, certain other employee compensation and financing costs and incremental net interest expense on new debt associated with the Altra Transaction and (2) legal and professional service costs associated with the strategic review of the Industrial Systems operating segment. For 2022, primarily relates to legal and professional service costs associated with the merger with the Rexnord PMC business and acquisition of the Arrowhead business.

(b) For 2023, includes the impact related to the accelerated vesting of awards for certain former Altra employees.

(c) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures,product line exits and other asset charges.

APPENDIX

NET INCOME TO ADJUSTED EBITDA
(Dollars in Millions)

	Three Months Ended	
	March 31, 2023	March 31, 2022
Net (Loss) Income	**$ (5.5)**	$ 127.1
Plus: Income Taxes	**12.3**	36.2
Plus: Interest Expense	**95.4**	9.0
Less: Interest Income	**(31.9)**	(1.1)
Plus: Depreciation	**30.2**	30.6
Plus: Amortization	**46.3**	47.3
EBITDA	**$ 146.8**	$ 249.1
Plus: Transaction and Related Costs (a)	**67.6**	3.0
Plus: Share-Based Compensation Expense (b)	**21.7**	6.3
Plus: Restructuring and Related Costs (c)	**6.2**	17.0
Plus: Inventory Step Up	**—**	3.0
Less: Gain on Sale of Assets	**(0.6)**	(0.7)
Adjusted EBITDA	**$ 241.7**	$ 277.7

(a) For 2023, primarily relates to (1) legal, professional service, severance, certain other employee compensation and financing costs and incremental net interest expense on new debt associated with the Altra Transaction and (2) legal and professional service costs associated with the strategic review of the Industrial Systems operating segment. For 2022, primarily relates to legal and professional service costs associated with the merger with the Rexnord PMC business and acquisition of the Arrowhead business.

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ADJUSTED NET SALES (Dollars in Millions)	Three Months Ended									
	Industrial Powertrain Solutions		Power Efficiency Solutions		Automation & Motion Control		Industrial Systems		Total Regal Rexnord	
	March 31, 2023	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022	**March 31, 2023**	March 31, 2022
Net Sales	**$ 414.4**	$ 416.3	**$ 469.5**	$ 567.2	**$ 203.2**	$ 184.3	**$ 137.0**	$ 130.7	**$ 1,224.1**	$1,298.5
Adjusted Net Sales	**$ 414.4**	$ 416.3	**$ 469.5**	$ 567.2	**$ 203.2**	$ 184.3	**$ 137.0**	$ 130.7	**$ 1,224.1**	$1,298.5

APPENDIX

ADJUSTED EFFECTIVE TAX RATE	Annual Guidance	Three Months Ended	
(Dollars in Millions)	Dec 31, 2023	March 31, 2023	March 31, 2022
Income before Taxes	$ 361.0	$ 6.8	$ 163.3
Provision for Income Taxes	98.0	12.3	36.2
Effective Tax Rate	27.1%	180.9%	22.2%
Income before Taxes	$ 361.0	$ 6.8	$ 163.3
Transaction and Related Costs (a)	118.1	105.8	3.0
Intangible Amortization	315.0	46.3	47.3
Share-Based Compensation Expense (b)	50.0	21.7	6.3
Restructuring and Related Costs (c)	80.0	6.2	17.0
Inventory Step Up	64.0	—	3.0
Gain on Sales of Assets	(0.6)	(0.6)	(0.7)
Adjusted Income before Taxes	$ 987.5	$ 186.2	$ 239.2
Provision for Income Taxes	$ 98.0	$ 12.3	$ 36.2
Tax Effect of Transaction and Related Costs	21.3	18.3	0.7
Tax Effect of Intangible Amortization	76.6	11.4	11.8
Tax Effect of Share-Based Compensation Expense	7.7	1.2	2.2
Tax Effect from Restructuring and Related Costs	19.0	1.6	4.1
Tax Effect of Inventory Step Up	15.0	—	0.6
Tax Effect of Gain on Sales of Assets	(0.1)	(0.1)	(0.2)
Discrete Tax Items	(6.5)	(6.5)	—
Adjusted Provision for Income Taxes	$ 231.0	$ 38.2	$ 55.4
Adjusted Effective Tax Rate	23.4 %	20.5 %	23.2 %

(a) For 2023, primarily relates to (1) legal, professional service, severance, certain other employee compensation and financing costs and incremental net interest expense on new debt associated with the Altra Transaction and (2) legal and professional service costs associated with the strategic review of the Industrial Systems operating segment. For 2022, primarily relates to legal and professional service costs associated with the merger with the Rexnord PMC business and acquisition of the Arrowhead business.

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FREE CASH FLOW (Dollars in Millions)	Three Months Ended March 31, 2023	March 31, 2022
Net Cash Provided by (Used In) Operating Activities	$ 106.2	$ (5.9)
Payments for Certain Acquisition Costs (Net of Tax of $11.4 Million) (a)	86.9	—
Adjusted Cash Flows from Operations	193.1	(5.9)
Additions to Property Plant and Equipment	(18.7)	(13.4)
Free Cash Flow	$ 174.4	$ (19.3)
GAAP Net Income Attributable to Regal Rexnord Corporation	$ (5.9)	$ 125.6
Certain Acquisition Costs (Net of Tax of $5.9 Million) (b)	32.3	—
Write-Off of Bridge Facility Costs (Net of Tax of $4.1 Million)	13.0	—
Adjusted Net Income Attributable to Regal Rexnord Corporation	$ 39.4	$ 125.6
Free Cash Flow as a Percentage of Adjusted Net Income Attributable to Regal Rexnord Corporation	442.6 %	(15.4)%

(a) Reflects the payment of Regal Rexnord's and Altra's advisor success fees.

(b) Reflects the charge related to Regal Rexnord's advisor success fees.

ORGANIC SALES GROWTH (Dollars in Millions)	Three Months Ended March 31, 2023				
	Industrial Powertrain Solutions	Power Efficiency Solutions	Automation & Motion Control	Industrial Systems	Total Regal Rexnord
Net Sales Three Months Ended Mar 31, 2023	$ 414.4	$ 469.5	$ 203.2	$ 137.0	$ 1,224.1
Impact from Foreign Currency Exchange Rates	7.4	7.6	2.6	4.2	21.8
Organic Sales Three Months Mar 31, 2023	$ 421.8	$ 477.1	$ 205.8	$ 141.2	$ 1,245.9
Net Sales Three Months Ended Mar 31, 2022	$ 416.3	$ 567.2	$ 184.3	$ 130.7	$ 1,298.5
Adjusted Net Sales Three Months Ended Mar 31, 2022	$ 416.3	$ 567.2	$ 184.3	$ 130.7	$ 1,298.5
Three Months Ended Mar 31, 2023 Organic Sales Growth %	1.3 %	(15.9)%	11.7 %	8.0 %	(4.1)%
Three Months Ended Mar 31, 2023 Net Sales Growth %	(0.5)%	(17.2)%	10.3 %	4.8 %	(5.7)%

APPENDIX

DEBT TO EBITDA (Dollars in Millions)	Twelve Months March 31, 2023
Proforma Net Income	$ 168.6
Plus: Income Taxes	61.2
Plus: Interest Expense	461.4
Plus: Interest Income	(6.8)
Plus: Depreciation	181.3
Plus: Amortization	353.6
Proforma EBITDA	$ 1,219.3
Plus: Restructuring and Related Costs (c)	55.7
Plus: Transaction and Related Costs (a)	104.5
Plus: Impairments and Exit Related Costs	8.0
Plus: Inventory Step Up	3.7
Less: Gain on Sale of Assets	(3.2)
Plus: Share-Based Compensation Expense (b)	52.9
Proforma Adjusted EBITDA	$ 1,440.9
Altra Synergies to be Realized Within 24 Months	110.0
Normalized Adjusted EBITDA	$ 1,550.9
Current Maturities of Long-Term Debt	$ 74.2
Long-Term Debt	7,210.6
Total Gross Debt	$ 7,284.8
Cash	(1,143.3)
Net Debt	$ 6,141.5
Gross Debt/Normalized Adjusted	4.70
Net Debt/Normalized Adjusted EBITDA	3.96

(a) Primarily relates to (1) legal, professional service, severance, and certain other employee compensation associated with the Altra Transaction and (2) legal and professional service costs associated with the strategic review of the Industrial Systems operating segment.

(b) Includes the impact related to the accelerated vesting of awards for certain former Altra employees.

(c) Relates to costs associated with actions taken for employee reductions, facility consolidations and site closures,product line exits and other asset charges.