

Regal Beloit Corporation

Second Quarter 2018 Earnings Conference Call

August 7, 2018

Mark Gliebe
Chairman and
Chief Executive Officer

Jon Schlemmer
Chief Operating Officer

Rob Rehard
Vice President
Chief Financial Officer

Robert Cherry
Vice President
Business Development & Investor Relations

Safe Harbor 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; increases in our overall debt levels as a result of the acquisition of the Power Transmission Solutions business of Emerson Electric Co. ("PTS") or otherwise and our ability to repay principal and interest on our outstanding debt; 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 and marketplace acceptance of new and existing products; 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 including PTS, and the timing and impact of purchase accounting adjustments; prolonged declines in oil and gas up stream capital spending; 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, immigration 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 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 on February 28, 2018 and from time to time in our reports filed with U.S. Securities and Exchange Commission. 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 income, adjusted operating margin, net debt, adjusted EBITDA, free cash flow, and free cash flow as a percentage of net income attributable to Regal Beloit Corporation. 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, free cash flow and free cash flow as a percentage of net income 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 sales from acquired businesses recorded prior to the first anniversary of the acquisition less the amount of sales attributable to any divested businesses (“acquisition sales”) and the impact of foreign currency translation. The impact of foreign currency translation is determined by translating the respective period’s sales (excluding acquisition sales) using the same 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.

Agenda and Opening Comments

Opening Comments	Mark Gliebe, CEO
2Q Results & 2018 Outlook	Rob Rehard, CFO
Operations Update	Jon Schlemmer, COO
Summary	Mark Gliebe, CEO
Q&A	All

Opening Comments – 2nd Quarter Results

- **Organic Sales Up 5.7%**
 - Commercial & Industrial Systems Up 5.7%
 - Climate Solutions Up 2.4%
 - Power Transmission Solutions Up 10.4%
- **Adjusted Operating Margin* Up 70 bps from Prior Year**
 - Benefitted from Strong Volume, Incremental Price and Productivity
 - Constrained by Commodity Inflation
- **Adjusted Diluted EPS* Up 24% from Prior Year**
- **Free Cash Flow and Capital Allocation**
 - Free Cash Flow to Net Income of 122%
 - Repurchased \$46.1 Million of Regal Shares
 - New \$250 Million Share Purchase Authorization

Strong Organic Sales Growth & Progress on Our March to Improve Margins

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

Opening Comments – Looking Forward

- **Encouraging Start to 3Q**
 - Orders Up Versus Prior Year
 - Price/Cost Slightly Positive
- **Expecting to Offset the Tariff Impacts**
- **Expecting Mid-Single Digit Organic Sales Growth in 2018**
 - Continued Growth in Residential & Light Commercial HVAC
 - Robust Commercial and Industrial End Markets
 - Positive Incremental Pricing
 - Modestly Lower Growth in 2H than 1H
- **Expecting Operating Margin Improvement**
 - Volume Leverage and Simplification Benefits
- **Expecting to Exit Non-Core, Underperforming Business**
- **FY 2018 Adjusted Diluted EPS* Guidance of \$5.70 - \$6.00 Per Share**

Guidance Reflects a Record Year for Sales and Earnings

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

2nd Quarter 2018 Financial Results

- **Prior Year Results Reflect Adoption of New U.S. GAAP Pension Accounting Rules**
- **2Q 2018 Sales of \$959.7 Million, Up 10.4%**
 - Acquisitions Contributed 3.5%
 - Foreign Currency Translation of 1.3%
 - Organic Sales Up 5.7%
- **Adjusted Operating Margin* of 11.1%**
 - Up 70 bps from 2Q 2017
 - Volume Growth and Productivity Benefits
 - Slightly Positive Price/Cost
 - \$2.0 Million LIFO Expense

Strong Organic Sales Growth and Margin Improvement

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

2nd Quarter 2018 Financial Results

ADJUSTED DILUTED EARNINGS PER SHARE*

	Three Months Ended	
	Jun 30, 2018	Jul 1, 2017
GAAP Diluted Earnings Per Share	\$ 1.50	\$ 1.18
Restructuring and Related Costs	0.03	0.12
Purchase Accounting and Transaction Costs	0.08	—
Gain on Sale of Assets	(0.01)	(0.01)
Adjusted Diluted Earnings Per Share	<u>\$ 1.60</u>	<u>\$ 1.29</u>

Key Adjustments

- \$1.5 Million Restructuring and Related Costs
- \$5.1 Million Purchase Accounting and Transactions Costs

Adjusted Diluted EPS* Up 24%

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

2nd Quarter 2018 Key Financial Metrics

Capital Expenditures

- \$21.2 Million in 2Q 2018
- \$80.0 Million Expected in FY 2018

Restructuring and Related Costs

- \$1.5 Million in 2Q 2018
- \$8.0 Million Expected in FY 2018

Effective Tax Rate (ETR)

- 21.4% ETR in 2Q 2018
- ~21.0% Expected in FY 2018

Balance Sheet at June 30, 2018

- Total Debt of \$1,336 Million
- Net Debt of \$1,160 Million
- Total Gross Debt/Adj. EBITDA* at 2.6
- Total Net Debt/Adj. EBITDA* at 2.3

Free Cash Flow*

- \$80.6 Million in 2Q 2018
- 122.3% of Net Income in 2Q 2018
- Repurchased 579,005 Shares for a Total of \$46.1 Million
- As of June 30, 2018, Repurchased 930,005 Shares for a Total of \$72.1 Million

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

Exit of Resi Hermetic Motor Components Business



- Consistent with Strategy to Focus on the Core
- Plans Previously in Motion to Fix, Sell or Exit
- A Large Customer Announced on July 31, 2018 Intent to Wind Down Operations Due to a Loss of Business in the Middle East
- Business Reported in the Climate Segment; YTD Sales and Operating Profit Were \$31.9 Million and \$0.9 Million, Respectively
- Expect to Operate the Business for a Period of Time to Support Customers
- Total 2018 Cost to Exit Business Estimated to be ~\$35 Million
 - Non-Cash Impact Estimated to be ~\$31.5 Million, Majority in Goodwill and Intangibles
 - Future Cash Obligations Estimated to be ~\$3.5 Million
 - 2018 GAAP EPS Impact Estimated to be \$0.68
 - Expecting No Impact to 2018 Adjusted EPS

2018 Full Year Guidance

- **Mid-Single Digit Organic Sales Growth in 2018**
- **Improvement in 2018 Adjusted Operating Margin**
- **FY 2018 GAAP Diluted EPS Guidance of \$4.78 to \$5.08**
- **FY 2018 Adjusted Diluted EPS* Guidance of \$5.70 to \$6.00**
 - Restructuring and Related Costs of \$8.0 Million or \$0.14 per Share
 - Purchase Accounting and Transaction Costs of \$7.0 Million or \$0.11 per Share
 - Gain on Sale of Assets of \$0.4 Million or \$0.01 per Share
 - Impairment & Exit Related Costs of \$35.0 Million or \$0.68 per Share

2018 Adj. EPS* Expected to Increase 20% at the Guidance Midpoint

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

U.S. Tariff Impacts

- **Section 232**

- Most Steel Sourced from U.S. Suppliers
- A Portion of Aluminum Sourced from Non-U.S. Suppliers
- General Steel and Aluminum Inflation
- Secondary Impact on Purchased Components Utilizing Imported Steel & Aluminum

- **Section 301**

- \$50B List Includes Some Electric Motors and Power Transmission Products
 - ~5% of Regal U.S. Sales Are Manufactured in China
 - Secondary Impact on Purchased Components
- \$200B List Under Review

- **Mitigation Actions**

- Additional Price Increases
- Footprint Adjustments

- **Growth Opportunities**

Robust Plans In Place to Mitigate Impact from Tariffs

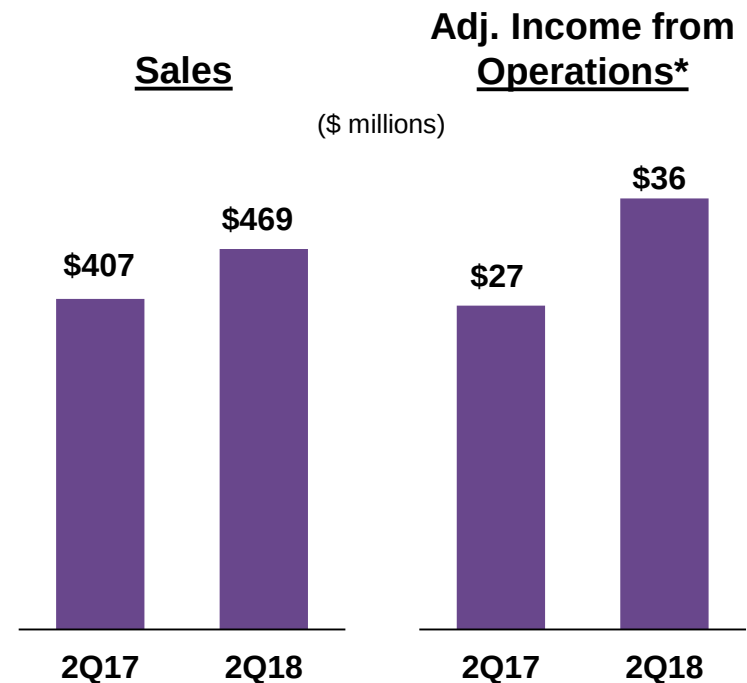
2Q 2018 Commercial & Industrial Systems

Sales

- Organic Sales Up 5.7%
- Sales Performance
 - Demand Up in Power Generation, Oil & Gas, Commercial HVAC and Pump
 - Demand Down in Pool Aftermarket, but Improving
 - Strong Demand in Asia and Europe
- Price Up from 1Q 2018 and Prior Year

Adj. Operating Margin*

- 7.7% of Sales
- Up 40 bps from 1Q 2018, Up 100 bps from Prior Year
 - Volume, Simplification and Price Benefits
 - Headwinds from Commodity Inflation and Mix



Strong Margin Improvement and More on the Way

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

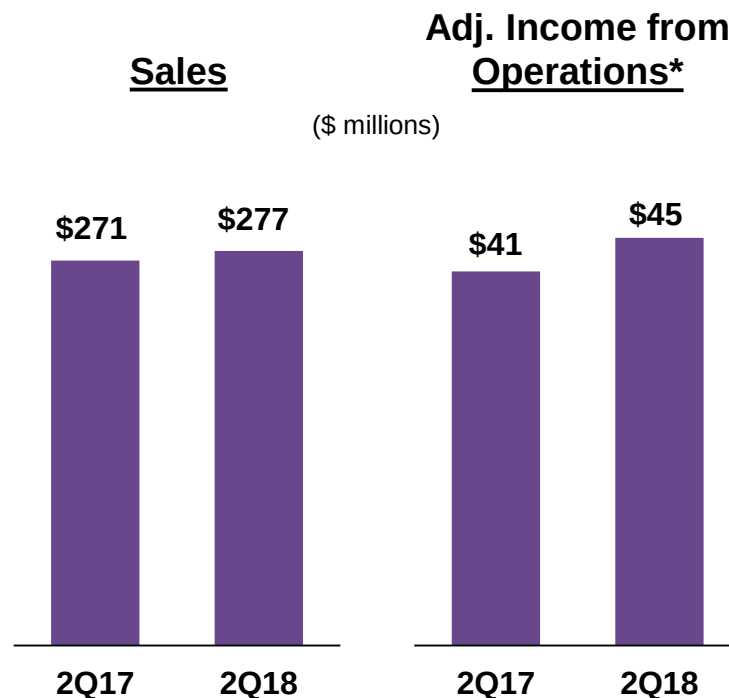
2Q 2018 Climate Solutions

Sales

- Organic Sales Up 2.4%
- Sales Performance
 - NA Resi HVAC Up Mid-Single Digit
 - Demand Down in Middle East
 - Resi Hermetic Down Mid-Teens
- Price Up from 1Q 2018 and Prior Year

Adj. Operating Margin*

- 16.1% of Sales
- Up 350 bps from 1Q 2018, Up 90 bps from Prior Year
 - Volume, Productivity, Mix and FX Benefits



Mid-Single Digit Growth in Resi HVAC and Strong Incremental Margin

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

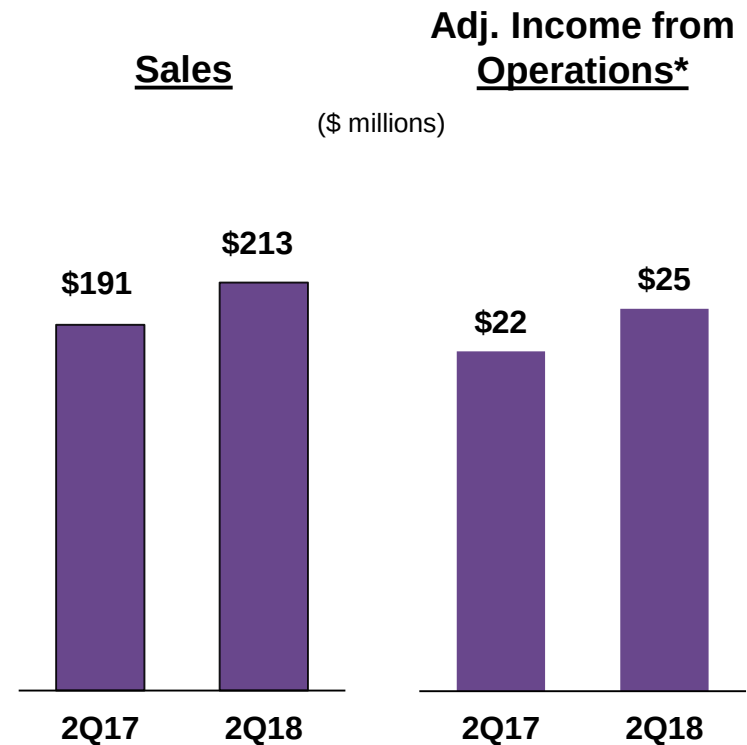
2Q 2018 Power Transmission Solutions

Sales

- Organic Sales Up 10.4%
- Sales Performance
 - Strength in Material Handling, Food & Beverage, Oil & Gas and Aerospace
- Price Up from Prior Year

Adj. Operating Margin*

- 11.8% of Sales
- Up 10 bps from Prior Year
 - Volume, Price, and Manufacturing Productivity Benefits
 - Mix Headwind
- YTD Up 160 bps



Strong First Half Organic Sales and Margin Improvement

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

2nd Quarter 2018 Summary

- Organic Sales Up 5.7%
- Price/Cost Slightly Positive
- Adjusted Operating Margin* Up 70 bps
- Adjusted Diluted EPS* Up 24%
- Free Cash Flow to Net Income of 122%
- Repurchased \$46 Million of Shares
- New Share Purchase Authorization of \$250 Million
- Orders Up Entering 3Q and Markets Remain Strong
- Expect to Offset Tariff Impacts
- Expecting to Exit Residential Hermetic, Focusing on the Core

2018 Adj. EPS Expected to Increase 20% at the Guidance Midpoint

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

Questions and Answers

Appendix Non-GAAP Reconciliations

ADJUSTED DILUTED EARNINGS PER SHARE

	Three Months Ended		Six Months Ended	
	Jun 30, 2018	Jul 1, 2017	Jun 30, 2018	Jul 1, 2017
GAAP Diluted Earnings Per Share	\$ 1.50	\$ 1.18	\$ 2.81	\$ 2.20
Restructuring and Related Costs	0.03	0.12	0.06	0.17
Purchase Accounting and Transaction Costs	0.08	—	0.08	—
Gain on Sale of Assets	(0.01)	(0.01)	(0.01)	(0.01)
Adjusted Diluted Earnings Per Share	<u>\$ 1.60</u>	<u>\$ 1.29</u>	<u>\$ 2.94</u>	<u>\$ 2.36</u>

2018 ADJUSTED ANNUAL GUIDANCE

	Minimum	Maximum
2018 Diluted EPS Annual Guidance	\$ 4.78	\$ 5.08
Restructuring and Related Costs	0.14	0.14
Purchase Accounting and Transaction Costs	0.11	0.11
Gain on Sale of Assets	(0.01)	(0.01)
Impairment and Exit Related Costs	0.68	0.68
2018 Adjusted Diluted EPS Annual Guidance	<u>\$ 5.70</u>	<u>\$ 6.00</u>

Appendix Non-GAAP Reconciliations

Three Months Ended

ADJUSTED OPERATING INCOME

(Dollars in Millions)

	Commercial & Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Jun 30, 2018	Jul 1, 2017	Jun 30, 2018	Jul 1, 2017	Jun 30, 2018	Jul 1, 2017	Jun 30, 2018	Jul 1, 2017
GAAP Income from Operations	\$ 30.5	\$ 20.6	\$ 44.0	\$ 40.4	\$ 25.1	\$ 22.2	\$ 99.6	\$ 83.2
Restructuring and Related Costs	0.7	6.9	0.7	0.6	0.1	0.2	1.5	7.7
Purchase Accounting and Transaction Costs	5.1	-	-	-	-	-	5.1	-
Gain on Sale of Assets	(0.1)	(0.3)	-	-	-	-	(0.1)	(0.3)
Adjusted Income from Operations	<u>\$ 36.2</u>	<u>\$ 27.2</u>	<u>\$ 44.7</u>	<u>\$ 41.0</u>	<u>\$ 25.2</u>	<u>\$ 22.4</u>	<u>\$ 106.1</u>	<u>\$ 90.6</u>
GAAP Operating Margin %	6.5 %	5.1 %	15.9 %	14.9 %	11.8 %	11.6 %	10.4 %	9.6 %
Adjusted Operating Margin %	7.7 %	6.7 %	16.1 %	15.2 %	11.8 %	11.7 %	11.1 %	10.4 %

Six Months Ended

ADJUSTED OPERATING INCOME

(Dollars in Millions)

	Commercial & Industrial Systems		Climate Solutions		Power Transmission Solutions		Total Regal	
	Jun 30, 2018	Jul 1, 2017	Jun 30, 2018	Jul 1, 2017	Jun 30, 2018	Jul 1, 2017	Jun 30, 2018	Jul 1, 2017
GAAP Income from Operations	\$ 59.6	\$ 46.3	\$ 76.3	\$ 71.8	\$ 51.9	\$ 40.1	\$ 187.8	\$ 158.2
Restructuring and Related Costs	2.0	8.6	1.1	1.7	0.1	0.6	3.2	10.9
Purchase Accounting and Transaction Costs	5.1	-	-	-	-	-	5.1	-
Gain on Disposal of Business	-	-	-	-	-	(0.1)	-	(0.1)
Gain on Sale of Assets	(0.4)	(0.4)	-	-	-	-	(0.4)	(0.4)
Adjusted Income from Operations	<u>\$ 66.3</u>	<u>\$ 54.5</u>	<u>\$ 77.4</u>	<u>\$ 73.5</u>	<u>\$ 52.0</u>	<u>\$ 40.6</u>	<u>\$ 195.7</u>	<u>\$ 168.6</u>
GAAP Operating Margin %	6.7 %	5.9 %	14.2 %	13.9 %	12.4 %	10.7 %	10.2 %	9.4 %
Adjusted Operating Margin %	7.5 %	6.9 %	14.4 %	14.2 %	12.4 %	10.8 %	10.6 %	10.0 %

Appendix Non-GAAP Reconciliations

FREE CASH FLOW

(Dollars in Millions)

Net Cash Provided by Operating Activities

Additions to Property Plant and Equipment

Free Cash Flow

Free Cash Flow as a Percentage of Net Income

Attributable to Regal Beloit Corporation

Three Months Ended		Six Months Ended	
Jun 30, 2018	Jul 1, 2017	Jun 30, 2018	Jul 1, 2017
\$ 101.8	\$ 98.4	\$ 144.3	\$ 148.9
(21.2)	(16.7)	(40.5)	(33.7)
\$ 80.6	\$ 81.7	\$ 103.8	\$ 115.2
122.3 %	154.2 %	83.5 %	116.0 %

Appendix Non-GAAP Reconciliations

ORGANIC SALES GROWTH (Dollars in Millions)	Three Months Ended June 30, 2018			
	Commercial & Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Net Sales	\$ 469.0	\$ 277.3	\$ 213.4	\$ 959.7
Net Sales from Business Acquired	(30.1)	-	-	(30.1)
Impact from Foreign Currency Exchange Rates	(8.4)	(0.3)	(2.3)	(11.0)
Adjusted Net Sales	<u>\$ 430.5</u>	<u>\$ 277.0</u>	<u>\$ 211.1</u>	<u>\$ 918.6</u>
Net Sales Three Months Ended July 1, 2017	<u>\$ 407.4</u>	<u>\$ 270.5</u>	<u>\$ 191.3</u>	<u>\$ 869.2</u>
Organic Sales Growth %	5.7 %	2.4 %	10.4 %	5.7 %
Net Sales Growth %	15.1 %	2.5 %	11.6 %	10.4 %

ORGANIC SALES GROWTH (Dollars in Millions)	Six Months Ended June 30, 2018			
	Commercial & Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Net Sales	\$ 883.0	\$ 537.2	\$ 418.3	\$ 1,838.5
Net Sales from Business Acquired	(30.1)	-	-	(30.1)
Impact from Foreign Currency Exchange Rates	(19.7)	(2.8)	(6.3)	(28.8)
Adjusted Net Sales	<u>\$ 833.2</u>	<u>\$ 534.4</u>	<u>\$ 412.0</u>	<u>\$ 1,779.6</u>
Net Sales Six Months Ended July 1, 2017	<u>\$ 788.6</u>	<u>\$ 518.2</u>	<u>\$ 375.9</u>	<u>\$ 1,682.7</u>
Organic Sales Growth %	5.7 %	3.1 %	9.6 %	5.8 %
Net Sales Growth %	12.0 %	3.7 %	11.3 %	9.3 %

Appendix Non-GAAP Reconciliations

TOTAL GROSS DEBT/ADJUSTED EBITDA

(Dollars in Millions)

	LTM Jun 30, 2018
Net Income Attributable to Regal Beloit Corporation	\$ 238.0
Plus: Minority Interest	4.8
Plus: Taxes	64.3
Plus: Interest Expense	54.2
Less: Interest Income	(2.0)
Plus: Depreciation and Amortization	139.4
Plus: Restructuring and Related Costs	6.4
Plus: Purchase Accounting & Transaction Costs	5.1
Less: Gain on Sale of Assets	(3.9)
Adjusted EBITDA	\$ 506.3
Current Maturities of Debt	\$ 100.5
Long-Term Debt	1,235.1
Total Gross Debt	\$ 1,335.6
Total Gross Debt/Adjusted EBITDA	2.6

TOTAL NET DEBT/ADJUSTED EBITDA

(Dollars in Millions)

	LTM Jun 30, 2018
Net Income Attributable to Regal Beloit Corporation	\$ 238.0
Plus: Minority Interest	4.8
Plus: Taxes	64.3
Plus: Interest Expense	54.2
Less: Interest Income	(2.0)
Plus: Depreciation and Amortization	139.4
Plus: Restructuring and Related Costs	6.4
Plus: Purchase Accounting & Transaction Costs	5.1
Less: Gain on Sale of Assets	(3.9)
Adjusted EBITDA	\$ 506.3
Current Maturities of Debt	\$ 100.5
Long-Term Debt	1,235.1
Less: Cash	(175.6)
Total Net Debt	\$ 1,160.0
Total Net Debt/Adjusted EBITDA	2.3

Appendix Non-GAAP Reconciliations

RECONCILIATION FOR PENSION ADJUSTMENT (Dollars in Millions)	Quarter-to-Date				Year-to-Date			
	Commercial & Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal	Commercial & Industrial Systems	Climate Solutions	Power Transmission Solutions	Total Regal
Three Months Ended April 1, 2017								
GAAP Income from Operations - Recasted	\$ 25.7	\$ 31.4	\$ 17.9	\$ 75.0	\$ 25.7	\$ 31.4	\$ 17.9	\$ 75.0
Adjusted Income from Operations - Recasted	27.3	32.5	18.2	78.0	27.3	32.5	18.2	78.0
GAAP Operating Margin % - Recasted	6.7 %	12.7 %	9.7 %	9.2 %	6.7 %	12.7 %	9.7 %	9.2 %
Adjusted Operating Margin % - Recasted	7.2 %	13.1 %	9.9 %	9.6 %	7.2 %	13.1 %	9.9 %	9.6 %
Three Months Ended July 1, 2017								
GAAP Income from Operations - Recasted	\$ 20.6	\$ 40.4	\$ 22.2	\$ 83.2	\$ 46.3	\$ 71.8	\$ 40.1	\$ 158.2
Adjusted Income from Operations - Recasted	27.2	41.0	22.4	90.6	54.5	73.5	40.6	168.6
GAAP Operating Margin % - Recasted	5.1 %	14.9 %	11.6 %	9.6 %	5.9 %	13.9 %	10.7 %	9.4 %
Adjusted Operating Margin % - Recasted	6.7 %	15.2 %	11.7 %	10.4 %	6.9 %	14.2 %	10.8 %	10.0 %
Three Months Ended September 30, 2017								
GAAP Income from Operations - Recasted	\$ 29.5	\$ 39.1	\$ 25.7	\$ 94.3	\$ 75.8	\$ 110.9	\$ 65.8	\$ 252.5
Adjusted Income from Operations - Recasted	30.4	39.4	23.0	92.8	84.9	112.9	63.6	261.4
GAAP Operating Margin % - Recasted	7.2 %	15.3 %	13.3 %	11.0 %	6.3 %	14.3 %	11.6 %	9.9 %
Adjusted Operating Margin % - Recasted	7.5 %	15.4 %	11.9 %	10.8 %	7.1 %	14.6 %	11.2 %	10.3 %
Three Months Ended December 30, 2017								
GAAP Income from Operations - Recasted	\$ 24.0	\$ 30.6	\$ 24.0	\$ 78.6	\$ 99.8	\$ 141.5	\$ 89.8	\$ 331.1
Adjusted Income from Operations - Recasted	24.7	31.1	24.0	79.8	109.6	144.0	87.6	341.2
GAAP Operating Margin % - Recasted	5.9 %	14.1 %	12.2 %	9.6 %	6.2 %	14.3 %	11.7 %	9.9 %
Adjusted Operating Margin % - Recasted	6.1 %	14.4 %	12.2 %	9.7 %	6.8 %	14.5 %	11.4 %	10.2 %
Six Months Ended July 1, 2017								
Nine Months Ended September 30, 2017								
Twelve Months Ended December 30, 2017								

Appendix Regal 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

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