



NEWS RELEASE

Regal Beloit Corporation to Sell Engineered Drives and Control Systems Business

12/5/2018

BELOIT, Wis., Dec. 5, 2018 /PRNewswire/ -- Regal Beloit Corporation (NYSE: RBC) today announced that it has entered into an agreement to sell its highly engineered drives and control systems business (described for purposes of the sale as "Regal Drive Technologies") to an affiliate of Sun Capital Partners, Inc.

With 2018 estimated revenue of \$131 million, Regal Drive Technologies has 450 employees around the world. The business designs and manufactures engineered controls, starters and drives. The closing of the transaction is subject to customary regulatory approvals and is expected to occur by the end of the first quarter 2019.

"This transaction is consistent with our enterprise strategy to focus, innovate and simplify," said Chairman and Chief Executive Officer Mark Gliebe. "We believe it will allow us to put more focus on our core businesses.

"Regal Drive Technologies has an outstanding management team and a bright future. I am grateful to our employees for their commitment to Regal and to our customers. We will work closely with Sun Capital to ensure a smooth transition for customers and employees."

Regal expects the divested businesses to deliver an estimated \$0.18 diluted earnings per share for the full year 2018. Management expects to discuss the transaction in greater detail during the Company's next earnings call.

Baird and Foley & Lardner, LLP acted as advisors to Regal Beloit Corporation on this transaction.

About the Company

Regal Beloit Corporation (NYSE: RBC) is a leading manufacturer of electric motors, electrical motion controls, power generation and power transmission products serving customers throughout the world. We create a better tomorrow by

developing and responsibly producing energy-efficient products and systems.

Our company is comprised of three operating segments: Commercial and Industrial Systems, Climate Solutions and Power Transmission Solutions. Regal is headquartered in Beloit, Wisconsin and has manufacturing, sales and service facilities worldwide. For more information, visit RegalBeloit.com.

CAUTIONARY STATEMENT

The following is a cautionary statement made under the Private Securities Litigation Reform Act of 1995: With the exception of historical facts, the statements contained in this release 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 due to a number of factors, including: the ability of the Company to consummate the transaction, and on the timeline anticipated; 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 mechanical motion control 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; 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; effect on earnings of any significant impairment of goodwill or intangible assets; 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 27, 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 release are made only as of their respective dates, and we undertake no obligation to update these statements to reflect subsequent events or circumstances.

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