

August 5, 2021

# Second Quarter 2021 Results



# Important information

## Caution Regarding Forward Looking Statements

This presentation or any other oral or written statements made by us or on our behalf may include forward-looking statements that reflect our current views with respect to future events and financial performance. These statements may discuss goals, intentions or expectations as to future plans, trends, events, results of operations or financial condition or otherwise, in each case, based on current beliefs and expectations of management, as well as assumptions made by, and information currently available to management. These forward-looking statements are generally identified by their use of such terms and phrases as “intend,” “goal,” “estimate,” “expect,” “project,” “projections,” “plans,” “potential,” “anticipate,” “should,” “could,” “designed to,” “foreseeable future,” “believe,” “think,” “scheduled,” “outlook,” “target,” “guidance” and similar expressions, although not all forward-looking statements contain such terms. This list of indicative terms and phrases is not intended to be all-inclusive.

These forward-looking statements are subject to various risks and uncertainties, many of which are outside our control, including, without limitation, risks related to the planned spin-off of the Home Networks business, including uncertainty regarding whether such transaction will be commenced or completed and the timing and value of such transaction; risks related to the potential separation of the Home Networks business; our ability to integrate and fully realize anticipated benefits from prior or future divestitures, acquisitions or equity investments; selling or discontinuing one or more of our product lines; potential difficulties in realigning global manufacturing capacity and capabilities among our global manufacturing facilities or those of our contract manufacturers that may affect our ability to meet customer demands for products; possible future restructuring actions; our dependence on customers’ capital spending on data and communication systems; concentration of sales among a limited number of customers and channel partners; changes in technology; industry competition and the ability to retain customers through product innovation, introduction, and marketing; risks associated with our sales through channel partners; changes to the regulatory environment in which we and our customers operate; product quality or performance issues and associated warranty claims; our ability to maintain effective management information technology systems and to successfully implement major systems initiatives; cyber-security incidents, including data security breaches, ransomware or computer viruses; the risk our global manufacturing operations suffer production or shipping delays, causing difficulty in meeting customer demands; the risk that internal production capacity or that of contract manufacturers may be insufficient to meet customer demand or quality standards; the use of open standards; the long-term impact of climate change; changes in cost and availability of key raw materials, components and commodities and the potential effect on customer pricing; risks associated with our dependence on a limited number of key suppliers for certain raw materials and components; the risk that contract manufacturers we rely on encounter production, quality, financial or other difficulties; substantial indebtedness and restrictive debt covenants; our ability to incur additional indebtedness; our ability to generate cash to service our indebtedness; possible future impairment charges for fixed or intangible assets, including goodwill; income tax rate variability and ability to recover amounts recorded as deferred tax assets; our ability to attract and retain qualified key employees; labor unrest; obligations under our defined benefit employee benefit plans requiring plan contributions in excess of current estimates; significant international operations exposing us to economic, political and other risks, including the impact of variability in foreign exchange rates; our ability to comply with governmental anti-corruption laws and regulations and export and import controls worldwide; our ability to compete in international markets due to export and import controls to which we may be subject; changes in the laws and policies in the United States affecting trade, including the risk and uncertainty related to tariffs or a potential global trade war and potential changes to laws and policies as a result of a new administration in the United States, that may impact our products; cost of protecting or defending intellectual property; costs and challenges of compliance with domestic and foreign environmental laws; the impact of litigation and similar regulatory proceedings that we are involved in or may become involved in, including the costs of such litigation; the scope, duration and impact of disease outbreaks and pandemics, such as COVID-19, on our business including employees, sites, operations, customers, supply chain and the global economy; risks associated with stockholder activism, which could cause us to incur significant expense, hinder execution of our business strategy and impact the trading value of our securities; and other factors beyond our control. These and other factors are discussed in greater detail in our 2020 Annual Report on Form 10-K and in Part II, Item 1A, “Risk Factors” of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, and may be updated from time to time in our annual reports, quarterly reports, current reports and other filings we make with the Securities and Exchange Commission.

Although the information contained in this presentation represents our best judgment as of the date of this presentation based on information currently available and reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. Given these uncertainties, we caution you not to place undue reliance on these forward-looking statements, which speak only as of the date made. We are not undertaking any duty or obligation to update this information to reflect developments or information obtained after the date of this presentation, except as otherwise may be required by law.

## Use of Non-GAAP Financial Measures

CommScope management believes that presenting certain non-GAAP financial measures enhances an investor’s understanding of our financial performance. In addition, CommScope management believes that these non-GAAP financial measures are useful in assessing CommScope’s operating performance from period to period by excluding certain items that we believe are not representative of our core business. Non-GAAP measures are not a substitute for GAAP measures and should be considered together with the GAAP financial measures. As calculated, our non-GAAP measures may not be comparable to other similarly titled measures of other companies.

“Looking ahead, while we expect these challenges to continue, with our strong demand environment and ability to adapt, we remain confident in our ability to build on our track record of value creation and to successfully execute our CommScope NEXT strategy.”



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**Chuck Treadway**  
President and Chief Executive Officer

# Key drivers of CommScope's ongoing evolution



**CommScope has built a leading technology portfolio**



**Well-positioned to take advantage of some of the most powerful tailwinds in the communications industry**



**Infrastructure and networking markets starting to normalize**



**Leaning into the strength of CommScope's people and desire to win**

# Second quarter highlights

## Core CommScope

### Broadband Networks, Venue and Campus Networks, Outdoor Wireless Networks

- **Broadband Networks**  
Strength in node splitting, fiber cabling and connectivity; investing for future growth
- **Venue and Campus Networks**  
Business demand beginning to firm; strong performance in cabling for enterprise and hyperscale customers and RUCKUS
- **Outdoor Wireless Networks**  
North American carrier demand beginning to build; initial focus on site preparation

## Home Networks

- Transitory supply challenges for semiconductors impact ability to serve robust demand
- Large and growing backlog equipped to capitalize upon supply chain recovery; optimized cost structure enables profitability for ensuing demand
- Progress toward creating standalone organization structures ahead of planned spin-off

# Early Wins Under CommScope NEXT

Expect to generate at least \$500 million in non-GAAP adjusted EBITDA



## We are generating new growth opportunities

- “Fiber everywhere”, home broadband competition and government stimulus fueling demand for cabling and connectivity
- Launched a capital investment program to ramp production capacity
- Expected to support \$350-400 million of annual incremental revenue growth by 2023

## We are capitalizing on our cost optimization opportunities

- ~\$500 million of annual indirect spend opportunity
- Launched cost control tower pilots at NC manufacturing facilities
- Pilot program reduced spending 8-14% across multiple spend categories



Alex Pease  
EVP and Chief Financial Officer

“CommScope continues to position itself to reinvest in our core strategic markets and technologies, capitalizing on growth opportunities in our Broadband, Outdoor Wireless and Venue and Campus segments. As we move into the second half of the year, growth, cost control and portfolio optimization will continue to be our priorities.”

# Second quarter results

Consolidated CommScope (In \$millions, except per share amounts)				Core CommScope <sup>(1)</sup> (In \$millions)			
	2Q'20 Results	2Q'21 Results	Y/Y Change		2Q'20 Results	2Q'21 Results	Y/Y Change
<b>Net Sales <sup>(2)</sup></b>	\$2,103	\$2,185	+3.9%	<b>Net Sales <sup>(2)</sup></b>	\$1,468	\$1,729	+17.8%
<b>Adj. EBITDA <sup>(3)</sup></b>	\$280	\$308	+10%	<b>Adj. EBITDA <sup>(3)</sup></b>	\$241	\$293	+21.4%
<b>Adj. EBITDA Margin <sup>(3)</sup></b>	13.3%	14.1%	+80 bps.	<b>Adj. EBITDA Margin <sup>(3)</sup></b>	16.4%	17.0%	+60 bps.
<b>Adj. EPS <sup>(3)</sup></b>	\$0.32	\$0.43	+34.4%				

*Year-over-year growth in sales and profitability*

(1) "Core" financial measures reflect the results or otherwise pertain to the performance of the Broadband Networks, Outdoor Wireless Networks and Venue and Campus Networks segments, in the aggregate. Core financial measures exclude the results of the Home Networks segment.

(2) Net sales as presented for 2Q'21 and 2Q'20 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$3.0 million and \$5.2 million, respectively.

(3) See appendix for reconciliation of non-GAAP adjusted measures.

# Broadband Networks

## Financial Highlights

### Net Sales<sup>(1)</sup> (\$M)



Y-Y% Change: +22%

- Net sales growth in all regions except Asia-Pacific
- Growth within both Network Cable & Connectivity and Access Technologies

### Adj. EBITDA<sup>(2)</sup> (\$M)



Y-Y% Change: +21%

- Adjusted EBITDA growth primarily driven by higher sales volume

## Business Highlights

- Continued strength in order entry and growing backlog
- Meaningful progress in build direction for “RDOF” and operators continuing to drive fiber deeper into their networks
- HFC network spend moving further to the edge
- Early investment and testing for DOCSIS 4.0
- Capacity investments in fiber and connectivity to continue coming online for the coming quarters

(1) Net sales as presented for 2Q'21 and 2Q'20 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$1.2 million and \$3.0 million, respectively.

(2) See appendix for reconciliation of non-GAAP adjusted measures.

# Venue and Campus Networks

## Financial Highlights

### Net Sales<sup>(1)</sup> (\$M)



Y-Y% Change: +18%

- Net sales growth across all regions
- Growth in indoor copper, fiber and RUCKUS

### Adj. EBITDA<sup>(2)</sup> (\$M)



Y-Y% Change: +55%

- Adjusted EBITDA growth primarily due to higher sales volume, partially offset by larger input costs in copper, resins and freight

## Business Highlights

- Copper growth fueled by normalizing infrastructure spend and government stimulus projects
- Growth in multi-tenant and hyperscale
- DAS and small cell focus on smaller-scale projects in comparison to large stadium buildouts from prior year
- ONECELL gaining traction with carriers in global markets; driving additional carrier approvals in US
- RUCKUS strength fueled by strategic verticals, Wi-Fi 5 & 6 spending, government stimulus and recovery in hospitality

(1) Net sales as presented for 2Q'21 and 2Q'20 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$1.3 million and \$1.7 million, respectively.

(2) See appendix for reconciliation of non-GAAP adjusted measures.

# Outdoor Wireless Networks

## Financial Highlights



- Net sales growth primarily driven by North America and Asia-Pacific
- Growth in both macro towers and metro layer



- Adjusted EBITDA growth primarily driven by higher sales volume, partially offset rising input costs

## Business Highlights

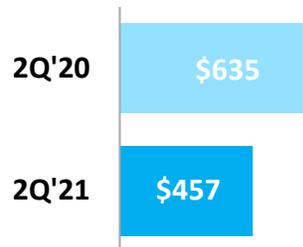
- North America 5G activity gaining traction; initial focus on site preparations
- Growing success in Canadian markets
- European market opportunities for active/passive antenna radio solutions through Nokia collaboration
- Deployment strategy will vary by customer and region – tower congestion and power needs remain a key focus

(1) See appendix for reconciliation of non-GAAP adjusted measures.

# Home Networks

## Financial Highlights

### Net Sales<sup>(1)</sup> (\$M)



Y-Y% Change: -28%

- Net sales declines across all regions except Middle East and Africa
- Declines in both video and broadband gateways

### Adj. EBITDA<sup>(2)</sup> (\$M)



Y-Y% Change: -62%

- Adjusted EBITDA declines primarily driven by lower sales volumes

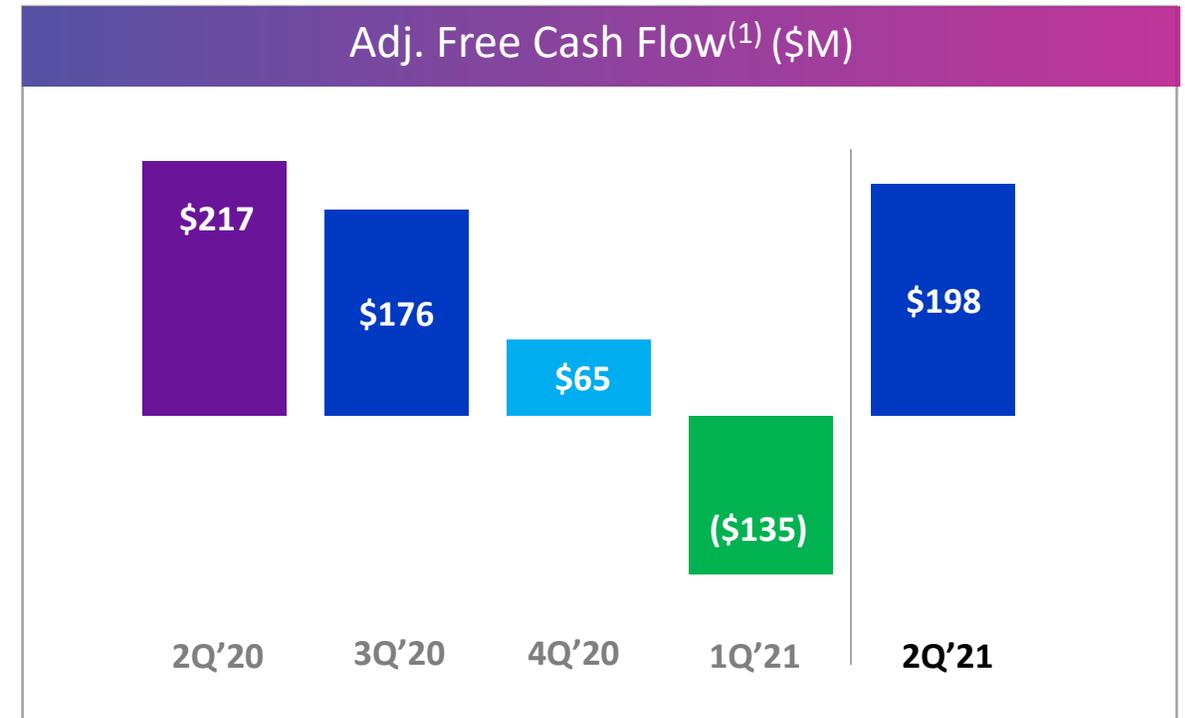
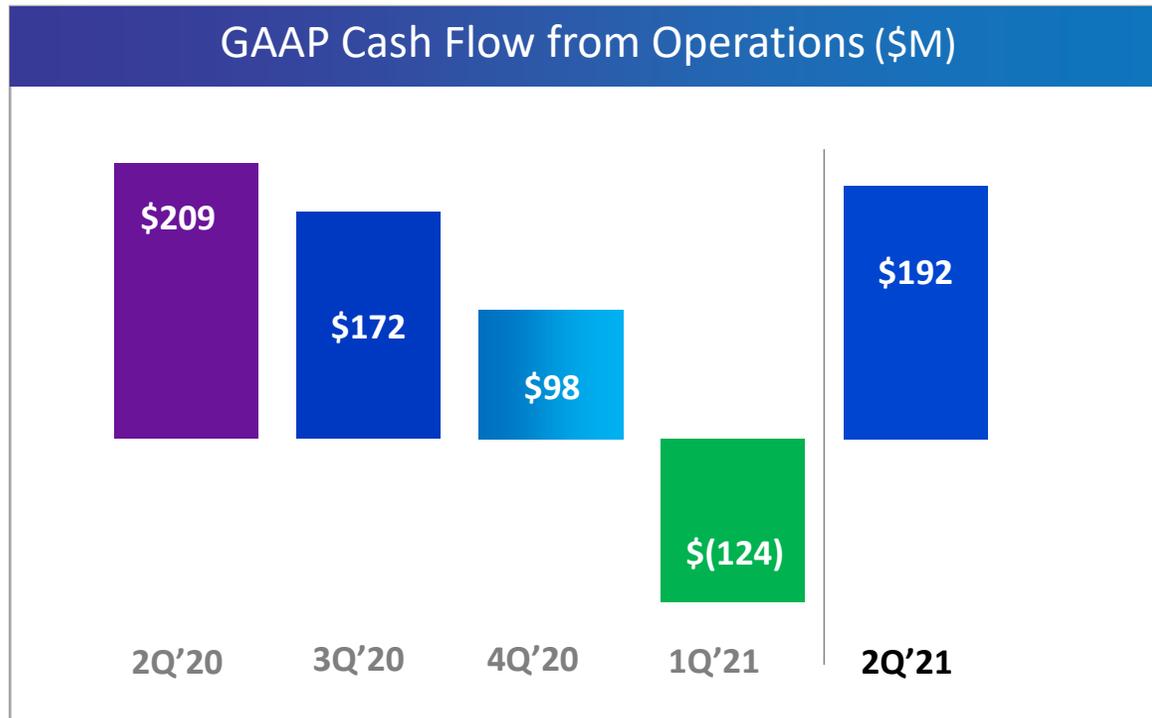
## Business Highlights

- Planned spin-off progressing; on track to complete spin-off during second quarter 2022; creating standalone organization structures ahead of spin
- Strong backlog and demand continues; global silicon shortage remains a likely headwind into FY'22
- XB7 syndication strength in Canadian markets
- Gateway wins for PON and FWA
- Retail expansion for Wi-Fi 6 mesh products

(1) Net sales as presented for 2Q'21 and 2Q'20 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$0.5 million and \$0.5 million, respectively.

(2) See appendix for reconciliation of non-GAAP adjusted measures.

# Cash flow update

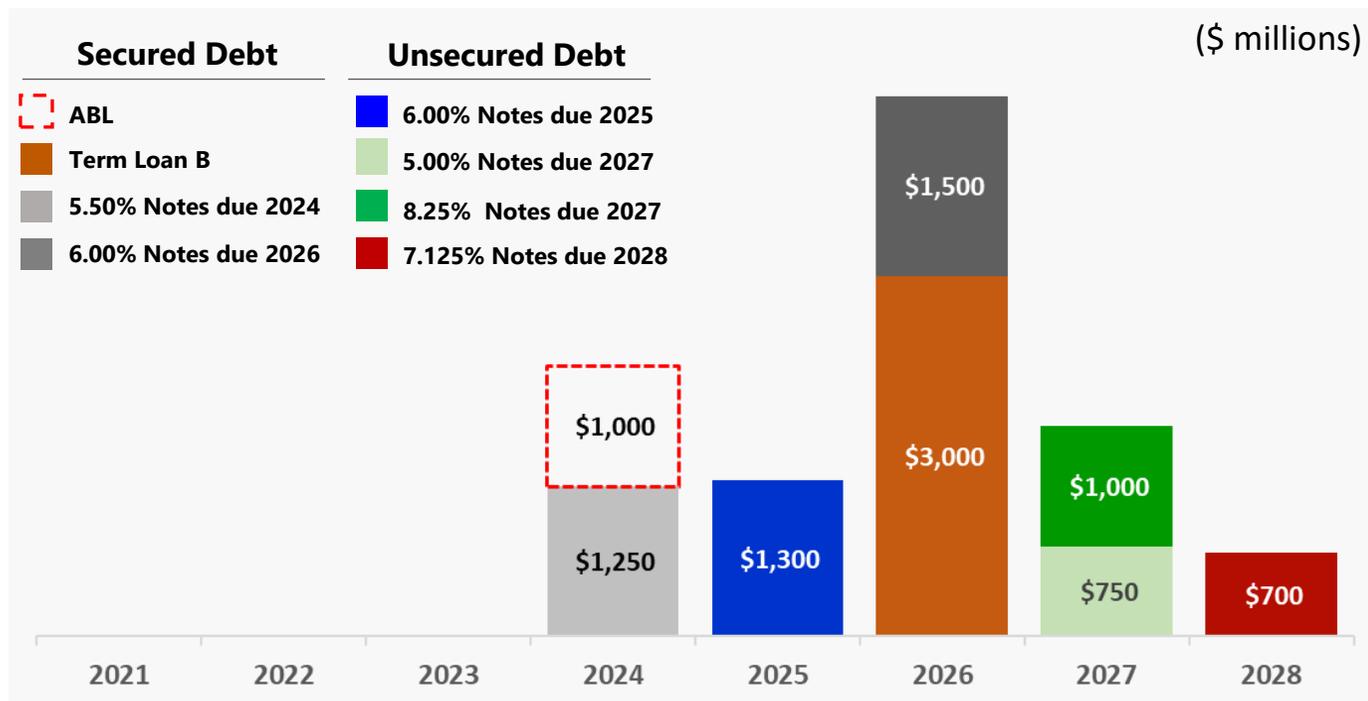


- Second quarter working capital was net usage of cash, primarily driven by inventory
- Expect seasonally stronger second half cash flow generation; full year cash generation to be moderated by growth investments and supply chain considerations

(1) See appendix for reconciliation of non-GAAP adjusted measures. Adjusted free cash flow is defined as free cash flow excluding cash paid for transaction, transformation and integration costs and other special items.

# Strong liquidity & de-risked capital structure

## Debt Maturities (as of 06/30/2021)



Required TLB amortization payments (\$16mm for 2021 and \$32mm annually for 2022-2025) are not shown.

Debt balances do not reflect unamortized OID or deferred financing fees.

(1) Net leverage based on pro forma Adj. EBITDA of approximately \$1.4 billion (including \$101 million of run-rate synergies and other cost savings initiatives). The Carlyle investment is characterized as equity. The ratio of net debt plus preferred equity to pro forma Adj. EBITDA is ~7.3x.

## Proactive balance sheet management provides runway before next significant debt maturities

- Since close of ARRIS acquisition, CommScope has repaid over \$850 million of debt with focus on near-term opportunities.

## Cash & liquidity remain strong

- Ended the quarter with available liquidity of ~\$1.2 billion

## Continued focus on debt repayment & de-leveraging

- 6.6x net leverage as of 06/30/2021

# End-market demand

Market	Demand Outlook	2H'21 Demand Drivers	
 <b>Broadband Networks</b>		 <p>Continued operator network investment; focus shifting to network edge</p>	 <p>Footprint expansion, driving “fiber deeper” and “RDOF” build plans materializing</p>
 <b>Venue and Campus Networks</b>		 <p>Cloud migration drives MTDC and hyperscale Growing ONECELL funnel; DAS opportunities in casinos, airports, hospitals</p>	 <p>Firming infrastructure and networking environment, alongside stimulus, driving demand for copper and RUCKUS</p>
 <b>Outdoor Wireless Networks</b>		 <p>North American carriers focusing on macro site preparation; tower congestion and power management</p>	 <p>Growing stages of opportunity for international business</p>
 <b>Home Networks</b>		 <p>Backlog demand and customer forecast visibility growing; strengthening syndication opportunities</p>	 <p>OTT trends continue to place pressure on video</p>

*Growing demand environment will be balanced by carefully navigating a tightening supply chain*

now meets next

Q&A

Second Quarter 2021 Results

COMMSCOPE®

Appendix

# Statements of Operations

**CommScope Holding Company, Inc.**  
**Condensed Consolidated Statements of Operations**  
(Unaudited -- In millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net sales	\$ 2,185.3	\$ 2,102.8	\$ 4,257.3	\$ 4,136.0
Cost of sales	1,512.0	1,446.7	2,911.8	2,838.7
Gross profit	673.3	656.1	1,345.5	1,297.3
Operating expenses:				
Selling, general and administrative	302.3	290.9	595.0	602.0
Research and development	176.3	176.1	347.8	356.5
Amortization of purchased intangible assets	154.2	157.6	308.9	315.4
Restructuring costs, net	58.9	19.6	103.3	43.3
Asset impairments	—	206.7	—	206.7
Total operating expenses	691.7	850.9	1,355.0	1,523.9
Operating loss	(18.4)	(194.8)	(9.5)	(226.6)
Other income (expense), net	1.5	(0.8)	2.5	(13.3)
Interest expense	(138.0)	(141.4)	(275.5)	(290.5)
Interest income	0.5	0.8	1.0	2.9
Loss before income taxes	(154.4)	(336.2)	(281.5)	(527.5)
Income tax benefit	0.6	15.1	30.1	46.5
Net loss	(153.8)	(321.1)	(251.4)	(481.0)
Series A convertible preferred stock dividend	(14.3)	(13.9)	(28.7)	(27.7)
Net loss attributable to common stockholders	\$ (168.1)	\$ (335.0)	\$ (280.1)	\$ (508.7)
Loss per share:				
Basic	\$ (0.82)	\$ (1.71)	\$ (1.38)	\$ (2.60)
Diluted (a)	\$ (0.82)	\$ (1.71)	\$ (1.38)	\$ (2.60)
Weighted average shares outstanding:				
Basic	204.1	195.9	202.9	195.4
Diluted (a)	204.1	195.9	202.9	195.4
(a) Calculation of diluted loss per share:				
Net loss (basic and diluted)	\$ (168.1)	\$ (335.0)	\$ (280.1)	\$ (508.7)
Weighted average shares (basic)	204.1	195.9	202.9	195.4
Dilutive effect of equity-based awards	—	—	—	—
Denominator (diluted)	204.1	195.9	202.9	195.4

See notes to unaudited condensed consolidated financial statements included in our Form 10-Q.

# Balance Sheets

CommScope Holding Company, Inc.  
Condensed Consolidated Balance Sheets  
(In millions, except share amounts)

	Unaudited June 30, 2021	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	\$ 446.2	\$ 521.9
Accounts receivable, less allowance for doubtful accounts of \$30.8 and \$40.3, respectively	1,653.9	1,487.4
Inventories, net	1,150.2	1,088.9
Prepaid expenses and other current assets	247.1	256.3
Total current assets	3,497.4	3,354.5
Property, plant and equipment, net of accumulated depreciation of \$759.1 and \$705.7, respectively	667.7	684.5
Goodwill	5,272.3	5,286.5
Other intangible assets, net	3,336.9	3,650.4
Other noncurrent assets	653.5	600.9
Total assets	\$ 13,427.8	\$ 13,576.8
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 1,080.1	\$ 1,010.8
Accrued and other liabilities	983.9	910.6
Current portion of long-term debt	32.0	32.0
Total current liabilities	2,096.0	1,953.4
Long-term debt	9,484.8	9,488.6
Deferred income taxes	202.5	206.2
Other noncurrent liabilities	533.8	531.8
Total liabilities	12,317.1	12,180.0
Commitments and contingencies		
Series A convertible preferred stock, \$0.01 par value	1,041.8	1,041.8
Stockholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: 1,041,819 Series A convertible preferred stock	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; issued and outstanding shares: 204,154,201 and 200,095,232, respectively	2.1	2.1
Additional paid-in capital	2,528.1	2,512.9
Retained earnings (accumulated deficit)	(2,004.1)	(1,752.7)
Accumulated other comprehensive loss	(181.2)	(155.9)
Treasury stock, at cost: 10,834,613 shares and 9,223,081 shares, respectively	(276.0)	(251.4)
Total stockholders' equity	68.9	355.0
Total liabilities and stockholders' equity	\$ 13,427.8	\$ 13,576.8

# Statements of Cash Flows

**CommScope Holding Company, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(Unaudited -- In millions)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
<b>Operating Activities:</b>				
Net loss	\$ (153.8)	\$ (321.1)	\$ (251.4)	\$ (481.0)
Adjustments to reconcile net loss to net cash generated by operating activities:				
Depreciation and amortization	193.6	203.5	392.8	408.9
Equity-based compensation	16.4	32.5	40.0	56.0
Deferred income taxes	(27.7)	(31.1)	(81.1)	(69.4)
Asset impairments	—	206.7	—	206.7
Changes in assets and liabilities:				
Accounts receivable	(9.7)	(35.5)	(173.9)	33.5
Inventories	(54.2)	(124.1)	(64.9)	(73.5)
Prepaid expenses and other assets	28.3	(3.5)	32.3	11.7
Accounts payable and other liabilities	192.9	279.9	169.0	62.7
Other	5.8	1.8	4.8	10.7
Net cash generated by operating activities	191.6	209.1	67.6	166.3
<b>Investing Activities:</b>				
Additions to property, plant and equipment	(33.8)	(23.8)	(60.2)	(47.7)
Proceeds from sale of property, plant and equipment	0.3	—	1.3	0.1
Payments upon settlement of net investment hedge	(18.0)	—	(18.0)	—
Net cash used in investing activities	(51.5)	(23.8)	(76.9)	(47.6)
<b>Financing Activities:</b>				
Long-term debt repaid	(8.0)	(8.0)	(16.0)	(116.0)
Long-term debt proceeds	—	250.0	—	250.0
Dividends paid on Series A convertible preferred stock	(14.3)	—	(28.7)	—
Proceeds from the issuance of common shares under equity-based compensation plans	—	—	3.9	0.9
Tax withholding payments for vested equity-based compensation awards	(0.3)	(0.4)	(24.6)	(6.3)
Net cash generated by (used in) financing activities	(22.6)	241.6	(65.4)	128.6
Effect of exchange rate changes on cash and cash equivalents	2.8	2.2	(1.0)	(22.1)
Change in cash and cash equivalents	120.3	429.1	(75.7)	225.2
Cash and cash equivalents at beginning of period	325.9	394.3	521.9	598.2
Cash and cash equivalents at end of period	\$ 446.2	\$ 823.4	\$ 446.2	\$ 823.4

See notes to unaudited condensed consolidated financial statements included in our Form 10-Q.

# Adjusted EBITDA and Adjusted Net Income Reconciliation

CommScope Holding Company, Inc.  
**Reconciliation of GAAP Measures to Non-GAAP Adjusted Measures**  
(Unaudited -- In millions, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
<b>Net loss, as reported</b>	<b>\$ (153.8)</b>	<b>\$ (321.1)</b>	<b>\$ (251.4)</b>	<b>\$ (481.0)</b>
Income tax benefit, as reported	(0.6)	(15.1)	(30.1)	(46.5)
Interest income, as reported	(0.5)	(0.8)	(1.0)	(2.9)
Interest expense, as reported	138.0	141.4	275.5	290.5
Other (income) expense, net, as reported	(1.5)	0.8	(2.5)	13.3
Operating loss, as reported	\$ (18.4)	\$ (194.8)	\$ (9.5)	\$ (226.6)
Adjustments:				
Amortization of purchased intangible assets	154.2	157.6	308.9	315.4
Restructuring costs, net	58.9	19.6	103.3	43.3
Equity-based compensation	16.4	32.5	40.0	56.0
Asset impairments	—	206.7	—	206.7
Transaction, transformation and integration costs	21.0	7.6	36.7	13.0
Acquisition accounting adjustments	3.0	5.2	6.2	10.7
Patent claims and litigation settlements	40.0	7.5	41.5	12.8
Depreciation	32.6	37.9	70.3	79.7
Total adjustments to operating loss	326.1	474.5	606.9	737.6
<b>Non-GAAP adjusted EBITDA</b>	<b>\$ 307.7</b>	<b>\$ 279.8</b>	<b>\$ 597.4</b>	<b>\$ 511.0</b>
<b>Net loss, as reported</b>	<b>\$ (153.8)</b>	<b>\$ (321.1)</b>	<b>\$ (251.4)</b>	<b>\$ (481.0)</b>
Adjustments:				
Total pretax adjustments to operating loss other than depreciation	293.5	436.7	536.6	657.9
Pretax amortization of debt issuance costs and OID <sup>(1)</sup>	6.7	6.7	13.5	13.7
Tax effects of adjustments and other tax items <sup>(2)</sup>	(40.7)	(45.3)	(104.5)	(86.6)
<b>Non-GAAP adjusted net income</b>	<b>\$ 105.7</b>	<b>\$ 76.9</b>	<b>\$ 194.0</b>	<b>\$ 104.0</b>
<b>GAAP EPS, as reported <sup>(3)</sup></b>	<b>\$ (0.82)</b>	<b>\$ (1.71)</b>	<b>\$ (1.38)</b>	<b>\$ (2.60)</b>
<b>Non-GAAP adjusted diluted EPS <sup>(4)</sup></b>	<b>\$ 0.43</b>	<b>\$ 0.32</b>	<b>\$ 0.79</b>	<b>\$ 0.44</b>

(1) Included in interest expense.

(2) The tax rates applied to adjustments reflect the tax expense or benefit based on the tax jurisdiction of the entity generating the adjustment. There are certain items for which we expect little or no tax effect.

(3) For all periods presented, GAAP EPS was calculated using net income (loss) attributable to common stockholders in the numerator, which includes the impact of the Series A convertible preferred stock dividend.

(4) The Company's definition of non-GAAP adjusted diluted EPS is non-GAAP adjusted net income, excluding the Series A convertible preferred stock dividend, divided by weighted average shares outstanding assuming the if-converted method, which reflects the conversion of the Series A convertible preferred stock.

Note: Components may not sum to total due to rounding  
See Description of Non-GAAP Financial Measures

# Sales by Region

**CommScope Holding Company, Inc.**  
**Sales by Region**  
 (Unaudited -- In millions)

**Sales by Region**

	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>% Change YOY</b>
United States	\$ 1,254.2	\$ 1,353.6	(7.3) %
Europe, Middle East and Africa	408.8	359.0	13.9
Asia Pacific	244.1	201.9	20.9
Caribbean and Latin America	190.3	124.0	53.5
Canada	87.9	64.3	36.7
<b>Total net sales</b>	<b>\$ 2,185.3</b>	<b>\$ 2,102.8</b>	<b>3.9 %</b>

**Sales by Region**

	<b>Q2 2021</b>	<b>Q1 2021</b>	<b>% Change Sequential</b>
United States	\$ 1,254.2	\$ 1,191.9	5.2 %
Europe, Middle East and Africa	408.8	385.7	6.0
Asia Pacific	244.1	225.4	8.3
Caribbean and Latin America	190.3	192.1	(0.9)
Canada	87.9	76.9	14.3
<b>Total net sales</b>	<b>\$ 2,185.3</b>	<b>\$ 2,072.0</b>	<b>5.5 %</b>

# Sales and Adjusted EBITDA by Segment

**CommScope Holding Company, Inc.**  
**Segment Information**  
(Unaudited -- In millions)

**Segment Net Sales**

	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>% Change</b>
			<b>YOY</b>
Broadband	\$ 807.9	\$ 660.6	22.3 %
Outdoor Wireless	358.1	328.4	9.0
Venue and Campus	562.8	478.5	17.6
Core net sales <sup>(1)</sup>	1,728.8	1,467.5	17.8
Home	456.5	635.3	(28.1)
<b>Total net sales</b>	<b>\$ 2,185.3</b>	<b>\$ 2,102.8</b>	<b>3.9 %</b>

**Segment Adjusted EBITDA <sup>(2)</sup>**

	<b>Q2 2021</b>	<b>Q2 2020</b>	<b>% Change</b>
			<b>YOY</b>
Broadband	\$ 154.0	\$ 127.2	21.1 %
Outdoor Wireless	80.0	76.0	5.3
Venue and Campus	59.1	38.2	54.7
Core adjusted EBITDA <sup>(1)</sup>	293.1	241.4	21.4
Home	14.6	38.4	(62.0)
<b>Total segment adjusted EBITDA</b>	<b>\$ 307.7</b>	<b>\$ 279.8</b>	<b>10.0 %</b>

(1) "Core" financial measures reflect the results or otherwise pertain to the performance of the Broadband Networks, Outdoor Wireless Networks and Venue and Campus Networks segments, in the aggregate. Core financial measures exclude the results of our Home Networks segment.

(2) See Description of Non-GAAP Financial Measures

# Adjusted EBITDA Reconciliation by Segment

CommScope Holding Company, Inc.  
Reconciliation of GAAP to Segment Adjusted EBITDA  
(Unaudited -- In millions)

## Second Quarter 2021 Segment Adjusted EBITDA Reconciliation

	Broadband	Outdoor Wireless	Venue and Campus	Home	Total
<b>Operating income (loss), as reported</b>	\$ (35.1)	\$ 64.0	\$ 6.1	\$ (53.4)	\$ (18.4)
Amortization of purchased intangible assets	80.7	8.3	39.3	26.0	154.2
Restructuring costs, net	62.7	0.5	(6.2)	1.9	58.9
Equity-based compensation	6.8	1.7	5.3	2.8	16.4
Transaction, transformation and integration costs	4.3	1.8	2.9	11.8	21.0
Acquisition accounting adjustments	1.2	—	1.3	0.5	3.0
Patent claims and litigation settlements	20.0	—	—	20.0	40.0
Depreciation	13.4	3.8	10.3	5.1	32.6
<b>Segment adjusted EBITDA</b>	<b>\$ 154.0</b>	<b>\$ 80.0</b>	<b>\$ 59.1</b>	<b>\$ 14.6</b>	<b>\$ 307.7</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>19.1%</b>	<b>22.3%</b>	<b>10.5%</b>	<b>3.2%</b>	<b>14.1%</b>

## Second Quarter 2020 Segment Adjusted EBITDA Reconciliation

	Broadband	Outdoor Wireless	Venue and Campus	Home	Total
<b>Operating income (loss), as reported</b>	\$ 11.0	\$ 54.8	\$ (24.9)	\$ (235.7)	\$ (194.8)
Amortization of purchased intangible assets	81.0	11.4	39.2	26.0	157.6
Restructuring costs, net	(0.2)	0.5	(1.2)	20.5	19.6
Equity-based compensation	12.5	3.8	9.9	6.2	32.5
Asset impairments	—	—	—	206.7	206.7
Transaction, transformation and integration costs	2.7	1.4	2.1	1.4	7.6
Acquisition accounting adjustments	3.0	—	1.7	0.5	5.2
Patent claims and litigation settlements	3.0	—	—	4.5	7.5
Depreciation	14.3	4.0	11.4	8.2	37.9
<b>Segment adjusted EBITDA</b>	<b>\$ 127.2</b>	<b>\$ 76.0</b>	<b>\$ 38.2</b>	<b>\$ 38.4</b>	<b>\$ 279.8</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>19.3%</b>	<b>23.1%</b>	<b>8.0%</b>	<b>6.0%</b>	<b>13.3%</b>

Components may not sum to total due to rounding  
See Description of Non-GAAP Financial Measures

# Adjusted Free Cash Flow Reconciliation

## CommScope Holding Company, Inc.

### Adjusted Free Cash Flow

(Unaudited -- In millions)

#### Adjusted Free Cash Flow

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>Cash flow from operations</b>	<b>\$ 209.1</b>	<b>\$ 172.2</b>	<b>\$ 97.7</b>	<b>\$ (124.0)</b>	<b>\$ 191.6</b>
Capital expenditures	(23.8)	(25.8)	(47.7)	(26.4)	(33.8)
<b>Free cash flow</b>	<b>185.3</b>	<b>146.4</b>	<b>50.0</b>	<b>(150.4)</b>	<b>157.8</b>
Transaction, transformation and integration costs	9.1	4.8	4.3	8.2	15.2
Restructuring costs, net	23.0	24.8	10.8	7.2	24.8
<b>Adjusted free cash flow</b>	<b><u>\$ 217.4</u></b>	<b><u>\$ 176.0</u></b>	<b><u>\$ 65.1</u></b>	<b><u>\$ (135.0)</u></b>	<b><u>\$ 197.8</u></b>

See Description of Non-GAAP Financial Measures

# Adjusted Gross Profit and Adjusted Operating Expense Reconciliations

**CommScope Holding Company, Inc.**  
**Quarterly Adjusted Gross Profit and Adjusted Operating Expense**  
(Unaudited -- In millions)

**GAAP to Non-GAAP Adjusted Gross Profit**

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>Gross profit, as reported</b>	<b>\$ 656.1</b>	<b>\$ 735.5</b>	<b>\$ 715.0</b>	<b>\$ 672.2</b>	<b>\$ 673.3</b>
Equity-based compensation	5.2	5.5	4.0	3.9	2.7
Acquisition accounting adjustments	5.2	5.1	4.8	3.3	3.0
Patent claims and litigation settlements	7.5	(1.4)	5.0	1.5	40.0
<b>Adjusted gross profit</b>	<b>\$ 674.0</b>	<b>\$ 744.7</b>	<b>\$ 728.8</b>	<b>\$ 680.9</b>	<b>\$ 719.0</b>
<b>Adjusted gross profit as % of sales</b>	<b>32.1%</b>	<b>34.3%</b>	<b>34.2%</b>	<b>32.9%</b>	<b>32.9%</b>

**GAAP to Non-GAAP Adjusted Operating Expense**

	Q2 2020	Q3 2020	Q4 2020	Q1 2021	Q2 2021
<b>Selling, general and administrative, as reported</b>	<b>\$ 290.9</b>	<b>\$ 296.7</b>	<b>\$ 272.0</b>	<b>\$ 292.7</b>	<b>\$ 302.3</b>
<b>Research and development, as reported</b>	<b>176.1</b>	<b>184.6</b>	<b>162.2</b>	<b>171.5</b>	<b>176.3</b>
<b>Operating expenses</b>	<b>\$ 467.0</b>	<b>\$ 481.3</b>	<b>\$ 434.2</b>	<b>\$ 464.2</b>	<b>\$ 478.6</b>
Equity-based compensation	27.3	28.5	21.0	19.6	13.7
Transaction, transformation and integration costs	7.6	4.8	7.1	15.7	21.0
Executive severance	—	6.3	—	—	—
<b>Adjusted operating expense</b>	<b>\$ 432.1</b>	<b>\$ 441.7</b>	<b>\$ 406.1</b>	<b>\$ 428.9</b>	<b>\$ 443.9</b>
<b>Adjusted operating expense as % of sales</b>	<b>20.5%</b>	<b>20.4%</b>	<b>19.0%</b>	<b>20.7%</b>	<b>20.3%</b>

Components may not sum to total due to rounding  
See Description of Non-GAAP Financial Measures

# New Segment 2020 and 2019 Financial Information

## CommScope Holding Company, Inc.

### New Segment Information

(Unaudited -- In millions)

#### Segment Net Sales <sup>(1)</sup>

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Full Year 2019
Broadband	\$ 598.1	\$ 660.6	\$ 811.0	\$ 778.2	\$ 2,848.2	\$ 2,324.0
Outdoor Wireless	348.9	328.4	271.8	294.8	1,243.7	1,475.0
Venue and Campus	469.5	478.5	511.8	476.8	1,936.5	1,967.3
Home	616.7	635.3	573.5	582.0	2,407.5	2,578.8
<b>Total net sales</b>	<b>\$ 2,033.2</b>	<b>\$ 2,102.8</b>	<b>\$ 2,168.1</b>	<b>\$ 2,131.8</b>	<b>\$ 8,435.9</b>	<b>\$ 8,345.1</b>

#### Segment Adjusted EBITDA <sup>(1)</sup>

	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Full Year 2019
Broadband	\$ 85.3	\$ 127.2	\$ 202.3	\$ 210.5	\$ 625.4	\$ 456.5
Outdoor Wireless	88.9	76.0	53.6	60.1	278.5	361.2
Venue and Campus	37.7	38.2	55.6	48.4	180.0	269.3
Home	19.3	38.4	30.4	43.2	131.3	210.5
<b>Total segment adjusted EBITDA</b>	<b>\$ 231.2</b>	<b>\$ 279.8</b>	<b>\$ 341.9</b>	<b>\$ 362.2</b>	<b>\$ 1,215.2</b>	<b>\$ 1,297.5</b>

(1) In the second quarter of 2021, management shifted certain product lines from the Company's Broadband segment to its Home segment to better align with how the business is being managed in light of the planned spin-off of the Home Networks business. All prior period amounts have been recast to reflect these operating segment changes.

Components may not sum to total due to rounding  
See Description of Non-GAAP Financial Measures