

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

	Three Months Ended	
	March 31,	
	2021	2020
Net sales	\$ 2,072.0	\$ 2,033.2
Cost of sales	1,399.8	1,392.0
Gross profit	672.2	641.2
Operating expenses:		
Selling, general and administrative	292.7	311.1
Research and development	171.5	180.4
Amortization of purchased intangible assets	154.7	157.8
Restructuring costs, net	44.4	23.7
Total operating expenses	663.3	673.0
Operating income (loss)	8.9	(31.8)
Other income (expense), net	1.0	(12.5)
Interest expense	(137.5)	(149.1)
Interest income	0.5	2.1
Loss before income taxes	(127.1)	(191.3)
Income tax benefit	29.5	31.4
Net loss	(97.6)	(159.9)
Series A convertible preferred stock dividend	(14.3)	(13.8)
Net loss attributable to common stockholders	\$ (111.9)	\$ (173.7)
Loss per share:		
Basic	\$ (0.55)	\$ (0.89)
Diluted (a)	\$ (0.55)	\$ (0.89)
Weighted average shares outstanding:		
Basic	201.7	194.9
Diluted (a)	201.7	194.9
(a) Calculation of diluted loss per share:		
Net loss (basic and diluted)	\$ (111.9)	\$ (173.7)
Weighted average shares (basic)	201.7	194.9
Dilutive effect of equity-based awards	—	—
Denominator (diluted)	201.7	194.9

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

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

	Unaudited March 31, 2021	December 31, 2020
<b>Assets</b>		
Cash and cash equivalents	\$ 325.9	\$ 521.9
Accounts receivable, less allowance for doubtful accounts of \$32.1 and \$40.3, respectively	1,639.2	1,487.4
Inventories, net	1,093.5	1,088.9
Prepaid expenses and other current assets	265.9	256.3
Total current assets	3,324.5	3,354.5
Property, plant and equipment, net of accumulated depreciation of \$730.1 and \$705.7, respectively	668.4	684.5
Goodwill	5,262.3	5,286.5
Other intangible assets, net	3,489.7	3,650.4
Other noncurrent assets	616.3	600.9
Total assets	\$ 13,361.2	\$ 13,576.8
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 1,059.4	\$ 1,010.8
Accrued and other liabilities	835.5	910.6
Current portion of long-term debt	32.0	32.0
Total current liabilities	1,926.9	1,953.4
Long-term debt	9,486.7	9,488.6
Deferred income taxes	189.6	206.2
Other noncurrent liabilities	508.4	531.8
Total liabilities	12,111.6	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: 203,996,914 and 200,095,232, respectively		
	2.1	2.1
Additional paid-in capital	2,526.0	2,512.9
Retained earnings (accumulated deficit)	(1,850.3)	(1,752.7)
Accumulated other comprehensive loss	(194.3)	(155.9)
Treasury stock, at cost: 10,818,615 shares and 9,223,081 shares, respectively	(275.7)	(251.4)
Total stockholders' equity	207.8	355.0
Total liabilities and stockholders' equity	\$ 13,361.2	\$ 13,576.8

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

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Operating Activities:</b>		
Net loss	\$ (97.6)	\$ (159.9)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	199.2	205.4
Equity-based compensation	23.5	23.5
Deferred income taxes	(53.4)	(38.3)
Changes in assets and liabilities:		
Accounts receivable	(164.2)	69.0
Inventories	(10.7)	50.6
Prepaid expenses and other assets	4.1	15.2
Accounts payable and other liabilities	(23.9)	(217.2)
Other	(1.0)	9.0
Net cash used in operating activities	(124.0)	(42.7)
<b>Investing Activities:</b>		
Additions to property, plant and equipment	(26.4)	(23.9)
Proceeds from sale of property, plant and equipment	1.0	0.1
Net cash used in investing activities	(25.4)	(23.8)
<b>Financing Activities:</b>		
Long-term debt repaid	(8.0)	(108.0)
Dividends paid on Series A convertible preferred stock	(14.3)	—
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	(24.3)	(5.9)
Net cash used in financing activities	(42.7)	(113.0)
Effect of exchange rate changes on cash and cash equivalents	(3.9)	(24.4)
Change in cash and cash equivalents	(196.0)	(203.9)
Cash and cash equivalents at beginning of period	521.9	598.2
Cash and cash equivalents at end of period	<u>\$ 325.9</u>	<u>\$ 394.3</u>

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

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

	Three Months Ended	
	March 31,	
	2021	2020
<b>Net income (loss), as reported</b>	<b>\$ (97.6)</b>	<b>\$ (159.9)</b>
Income tax benefit, as reported	(29.5)	(31.4)
Interest income, as reported	(0.5)	(2.1)
Interest expense, as reported	137.5	149.1
Other (income) expense, net, as reported	(1.0)	12.5
Operating income (loss), as reported	<u>\$ 8.9</u>	<u>\$ (31.8)</u>
Adjustments:		
Amortization of purchased intangible assets	154.7	157.8
Restructuring costs, net	44.4	23.7
Equity-based compensation	23.5	23.5
Transaction, transformation and integration costs	15.7	5.4
Acquisition accounting adjustments	3.3	5.5
Patent claims and litigation settlements	1.5	5.3
Depreciation	37.7	41.8
Total adjustments to operating income (loss)	<u>280.8</u>	<u>263.0</u>
<b>Non-GAAP adjusted EBITDA</b>	<b><u>\$ 289.7</u></b>	<b><u>\$ 231.2</u></b>
<b>Net income (loss), as reported</b>	<b>\$ (97.6)</b>	<b>\$ (159.9)</b>
Adjustments:		
Total pretax adjustments to adjusted EBITDA	243.1	221.2
Pretax amortization of debt issuance costs and OID (1)	6.8	6.9
Pretax loss on debt transactions (2)	—	—
Tax effects of adjustments and other tax items (3)	(64.0)	(41.0)
<b>Non-GAAP adjusted net income</b>	<b><u>\$ 88.3</u></b>	<b><u>\$ 27.2</u></b>
<b>GAAP EPS, as reported (4)</b>	<b><u>\$ (0.55)</u></b>	<b><u>\$ (0.89)</u></b>
<b>Non-GAAP adjusted diluted EPS (5)</b>	<b><u>\$ 0.36</u></b>	<b><u>\$ 0.12</u></b>

(1) Included in interest expense.

(2) Included in other income (expense), net.

(3) 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.

(4) 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.

(5) 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

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

**Sales by Region**

	<u>Q1 2021</u>	<u>Q1 2020</u>	<u>% Change</u> <u>YOY</u>
United States	\$ 1,191.9	\$ 1,220.5	(2.3) %
Europe, Middle East and Africa	385.7	395.1	(2.4)
Asia Pacific	225.4	177.5	27.0
Caribbean and Latin America	192.1	158.4	21.3
Canada	76.9	81.7	(5.9)
<b>Total net sales</b>	<u>\$ 2,072.0</u>	<u>\$ 2,033.2</u>	1.9 %

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

**Segment Net Sales**

	<u>Q1 2021</u>	<u>Q1 2020</u>	<u>% Change</u> <u>YOY</u>
Broadband	\$ 790.7	\$ 613.4	28.9 %
Outdoor Wireless	322.5	348.9	(7.6)
Venue and Campus	469.6	469.5	—
Core net sales (1)	1,582.8	1,431.8	10.5
Home	489.2	601.4	(18.7)
<b>Total net sales</b>	<u>\$ 2,072.0</u>	<u>\$ 2,033.2</u>	1.9 %

**Segment Adjusted EBITDA (2)**

	<u>Q1 2021</u>	<u>Q1 2020</u>	<u>% Change</u> <u>YOY</u>
Broadband	\$ 179.3	\$ 92.7	93.4 %
Outdoor Wireless	74.0	88.9	(16.8)
Venue and Campus	20.0	37.7	(46.9)
Core adjusted EBITDA (1)	273.3	219.3	24.6
Home	16.4	11.9	37.8
<b>Total segment adjusted EBITDA</b>	<u>\$ 289.7</u>	<u>\$ 231.2</u>	25.3 %

(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

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

**First Quarter 2021 Segment Adjusted EBITDA Reconciliation**

	<u>Broadband</u>	<u>Outdoor Wireless</u>	<u>Venue and Campus</u>	<u>Home</u>	<u>Total</u>
<b>Operating income (loss), as reported</b>	\$ 57.3	\$ 51.3	\$ (65.2)	\$ (34.5)	\$ 8.9
Amortization of purchased intangible assets	80.7	8.8	39.3	26.0	154.7
Restructuring costs, net	10.4	5.7	22.3	5.9	44.4
Equity-based compensation	9.6	2.4	7.5	3.9	23.5
Transaction, transformation and integration costs	4.7	1.9	3.1	6.0	15.7
Acquisition accounting adjustments	1.2	—	1.5	0.5	3.3
Patent claims and litigation settlements	—	—	0.3	1.2	1.5
Depreciation	15.4	3.8	11.1	7.4	37.7
<b>Segment adjusted EBITDA</b>	<b>\$ 179.3</b>	<b>\$ 74.0</b>	<b>\$ 20.0</b>	<b>\$ 16.4</b>	<b>\$ 289.7</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>22.7%</b>	<b>22.9%</b>	<b>4.3%</b>	<b>3.4%</b>	<b>14.0%</b>

**First Quarter 2020 Segment Adjusted EBITDA Reconciliation**

	<u>Broadband</u>	<u>Outdoor Wireless</u>	<u>Venue and Campus</u>	<u>Home</u>	<u>Total</u>
<b>Operating income (loss), as reported</b>	\$ (23.0)	\$ 65.7	\$ (35.7)	\$ (38.8)	\$ (31.8)
Amortization of purchased intangible assets	81.2	11.6	39.1	26.0	157.8
Restructuring costs, net	5.4	3.4	11.3	3.6	23.7
Equity-based compensation	9.0	2.8	7.1	4.5	23.5
Transaction, transformation and integration costs	1.7	0.9	1.9	0.9	5.4
Acquisition accounting adjustments	2.8	—	2.2	0.5	5.5
Patent claims and litigation settlements	—	—	—	5.3	5.3
Depreciation	15.6	4.5	11.7	10.0	41.8
<b>Segment adjusted EBITDA</b>	<b>\$ 92.7</b>	<b>\$ 88.9</b>	<b>\$ 37.7</b>	<b>\$ 11.9</b>	<b>\$ 231.2</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>15.1%</b>	<b>25.5%</b>	<b>8.0%</b>	<b>2.0%</b>	<b>11.4%</b>

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

**CommScope Holding Company, Inc.**  
**Adjusted Free Cash Flow**  
(Unaudited -- In millions)

**Adjusted Free Cash Flow**

	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020</u>	<u>Q4 2020</u>	<u>Q1 2021</u>
<b>Cash flow from operations</b>	<b>\$ (42.7)</b>	<b>\$ 209.1</b>	<b>\$ 172.2</b>	<b>\$ 97.7</b>	<b>\$ (124.0)</b>
Capital expenditures	(23.9)	(23.8)	(25.8)	(47.7)	(26.4)
<b>Free cash flow</b>	<b>(66.6)</b>	<b>185.3</b>	<b>146.4</b>	<b>50.0</b>	<b>(150.4)</b>
Transaction, transformation and integration costs	3.4	9.1	4.8	4.3	8.2
Restructuring	20.1	23.0	24.8	10.8	7.2
<b>Adjusted free cash flow</b>	<b><u>\$ (43.1)</u></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>

See Description of Non-GAAP Financial Measures

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

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

	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020</u>	<u>Q4 2020</u>	<u>Q1 2021</u>
<b>Gross profit, as reported</b>	<b>\$ 641.2</b>	<b>\$ 656.1</b>	<b>\$ 735.5</b>	<b>\$ 715.0</b>	<b>\$ 672.2</b>
Equity-based compensation	3.8	5.2	5.5	4.0	3.9
Acquisition accounting adjustments	5.5	5.2	5.1	4.8	3.3
Patent claims and litigation settlements	5.3	7.5	(1.4)	5.0	1.5
<b>Adjusted gross profit</b>	<b>\$ 655.8</b>	<b>\$ 674.0</b>	<b>\$ 744.7</b>	<b>\$ 728.8</b>	<b>\$ 680.9</b>
<b>Adjusted gross profit as % of sales</b>	<b>32.3%</b>	<b>32.1%</b>	<b>34.3%</b>	<b>34.2%</b>	<b>32.9%</b>

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

	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020</u>	<u>Q4 2020</u>	<u>Q1 2021</u>
<b>Selling, general and administrative, as reported</b>	<b>\$ 311.1</b>	<b>\$ 290.9</b>	<b>\$ 296.7</b>	<b>\$ 272.0</b>	<b>\$ 292.7</b>
<b>Research and development, as reported</b>	<b>180.4</b>	<b>176.1</b>	<b>184.6</b>	<b>162.2</b>	<b>171.5</b>
<b>Operating expenses</b>	<b>\$ 491.5</b>	<b>\$ 467.0</b>	<b>\$ 481.3</b>	<b>\$ 434.2</b>	<b>\$ 464.2</b>
Equity-based compensation	19.7	27.3	28.5	21.0	19.6
Transaction, transformation and integration costs	5.4	7.6	4.8	7.1	15.7
Executive severance	—	—	6.3	—	—
<b>Adjusted operating expense</b>	<b>\$ 466.4</b>	<b>\$ 432.1</b>	<b>\$ 441.7</b>	<b>\$ 406.1</b>	<b>\$ 428.9</b>
<b>Adjusted operating expense as % of sales</b>	<b>22.9%</b>	<b>20.5%</b>	<b>20.4%</b>	<b>19.0%</b>	<b>20.7%</b>

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