

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,	
	2024	2023	2024	2023
Net sales	\$ 1,386.9	\$ 1,588.8	\$ 2,555.3	\$ 3,253.2
Cost of sales	839.3	1,019.9	1,605.5	2,054.1
Gross profit	547.6	568.9	949.8	1,199.1
Transition service agreement income	8.4	—	18.0	—
Operating expenses:				
Selling, general and administrative	210.3	230.0	410.0	462.0
Research and development	91.6	128.3	196.0	253.9
Amortization of purchased intangible assets	60.4	75.8	134.6	176.4
Restructuring costs, net	0.9	36.6	31.5	25.5
Total operating expenses	<u>363.2</u>	<u>470.7</u>	<u>772.1</u>	<u>917.8</u>
Operating income	192.8	98.2	195.7	281.3
Other income, net	3.7	1.7	2.6	7.0
Interest expense	(167.5)	(168.5)	(335.2)	(333.6)
Interest income	2.1	1.9	5.7	4.4
Income (loss) from continuing operations before income taxes	31.1	(66.7)	(131.2)	(40.9)
Income tax (expense) benefit	43.7	3.6	(56.1)	7.6
Income (loss) from continuing operations	74.8	(63.1)	(187.3)	(33.3)
Loss from discontinued operations, net of income tax (expense) benefit of \$6.8, \$(12.0), \$(10.8) and \$(8.2), respectively	<u>(30.4)</u>	<u>(37.3)</u>	<u>(127.5)</u>	<u>(63.7)</u>
Net income (loss)	44.4	(100.4)	(314.8)	(97.0)
Series A convertible preferred stock dividends	(16.2)	(15.3)	(32.2)	(30.4)
Net income (loss) attributable to common stockholders	<u>\$ 28.2</u>	<u>\$ (115.7)</u>	<u>\$ (347.0)</u>	<u>\$ (127.4)</u>
Basic:				
Earnings (loss) from continuing operations per share	\$ 0.27	\$ (0.37)	\$ (1.03)	\$ (0.30)
Loss from discontinued operations per share	(0.14)	(0.18)	(0.60)	(0.31)
Earnings (loss) per share	<u>\$ 0.13</u>	<u>\$ (0.55)</u>	<u>\$ (1.63)</u>	<u>\$ (0.61)</u>
Diluted:				
Earnings (loss) from continuing operations per share	\$ 0.27	\$ (0.37)	\$ (1.03)	\$ (0.30)
Loss from discontinued operations per share	(0.14)	(0.18)	(0.60)	(0.31)
Earnings (loss) per share	<u>\$ 0.13</u>	<u>\$ (0.55)</u>	<u>\$ (1.63)</u>	<u>\$ (0.61)</u>
Weighted average shares outstanding:				
Basic	213.5	210.5	212.9	209.7
Diluted (a)	215.5	210.5	212.9	209.7
(a) Calculation of diluted earnings (loss) per share:				
Net income (loss) attributable to common stockholders (basic and diluted)	\$ 28.2	\$ (115.7)	\$ (347.0)	\$ (127.4)
Weighted average shares (basic)	213.5	210.5	212.9	209.7
Dilutive effect of equity-based awards	2.0	—	—	—
Denominator (diluted)	<u>215.5</u>	<u>210.5</u>	<u>212.9</u>	<u>209.7</u>

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 June 30, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 345.9	\$ 543.8
Accounts receivable, net of allowance for doubtful accounts of \$23.4 and \$32.2, respectively	999.8	815.2
Inventories, net	1,041.8	1,079.7
Prepaid expenses and other current assets	177.3	145.4
Current assets held for sale	2.0	278.6
Total current assets	<u>2,566.8</u>	<u>2,862.7</u>
Property, plant and equipment, net of accumulated depreciation of \$890.9 and \$866.1, respectively	436.6	500.6
Goodwill	3,500.3	3,514.4
Other intangible assets, net	1,445.8	1,582.7
Deferred income taxes	559.2	615.6
Other noncurrent assets	312.3	295.9
Total assets	<u>\$ 8,821.0</u>	<u>\$ 9,371.9</u>
Liabilities and Stockholders' Deficit		
Accounts payable	\$ 494.8	\$ 435.9
Accrued and other liabilities	671.7	634.3
Current portion of long-term debt	1,306.6	32.0
Current liabilities held for sale	—	307.2
Total current liabilities	<u>2,473.1</u>	<u>1,409.4</u>
Long-term debt	7,968.2	9,246.6
Deferred income taxes	115.6	110.7
Other noncurrent liabilities	388.6	411.9
Total liabilities	<u>10,945.5</u>	<u>11,178.6</u>
Commitments and contingencies		
Series A convertible preferred stock, \$0.01 par value	1,194.3	1,162.1
Stockholders' deficit:		
Preferred stock, \$0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: 1,194,261 and 1,162,085, respectively, Series A convertible preferred stock	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 215,851,423 and 212,108,634, respectively	2.3	2.3
Additional paid-in capital	2,531.0	2,550.4
Accumulated deficit	(5,267.9)	(4,953.1)
Accumulated other comprehensive loss	(280.7)	(266.7)
Treasury stock, at cost: 15,633,218 shares and 14,424,126 shares, respectively	(303.5)	(301.7)
Total stockholders' deficit	<u>(3,318.8)</u>	<u>(2,968.8)</u>
Total liabilities and stockholders' deficit	<u>\$ 8,821.0</u>	<u>\$ 9,371.9</u>

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

CommScope Holding Company, Inc.
Condensed Consolidated Statements of Cash Flows ⁽¹⁾
(Unaudited -- In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating Activities:				
Net income (loss)	\$ 44.4	\$ (100.4)	\$ (314.8)	\$ (97.0)
Adjustments to reconcile net income (loss) to net cash generated by (used in) operating activities:				
Depreciation and amortization	89.8	139.4	202.5	303.5
Equity-based compensation	1.6	10.7	12.8	24.2
Deferred income taxes	(80.6)	(31.9)	6.8	(61.9)
Asset impairments	17.2	—	17.2	—
Changes in assets and liabilities:				
Accounts receivable	(160.6)	(0.9)	(180.5)	174.4
Inventories	15.3	167.5	46.7	135.6
Prepaid expenses and other assets	(29.7)	6.1	(101.6)	16.3
Accounts payable and other liabilities	144.2	(92.9)	117.4	(411.2)
Other	9.2	39.2	66.6	6.8
Net cash generated by (used in) operating activities	50.8	136.8	(126.9)	90.7
Investing Activities:				
Additions to property, plant and equipment	(5.3)	(20.8)	(11.3)	(35.2)
Proceeds from sale of property, plant and equipment	0.2	0.8	0.2	41.6
Acquisition of a business	(45.1)	—	(45.1)	—
Other	—	11.2	8.6	20.5
Net cash generated by (used in) investing activities	(50.2)	(8.8)	(47.6)	26.9
Financing Activities:				
Long-term debt repaid	(8.0)	(8.0)	(16.0)	(16.0)
Long-term debt repurchases	—	(25.0)	—	(75.0)
Tax withholding payments for vested equity-based compensation awards	(1.6)	(3.9)	(1.8)	(8.9)
Other	—	0.2	—	2.1
Net cash used in financing activities	(9.6)	(36.7)	(17.8)	(97.8)
Effect of exchange rate changes on cash and cash equivalents	(2.3)	(0.5)	(5.6)	0.2
Change in cash and cash equivalents	(11.3)	90.8	(197.9)	20.0
Cash and cash equivalents at beginning of period	357.2	327.3	543.8	398.1
Cash and cash equivalents at end of period	<u>\$ 345.9</u>	<u>\$ 418.1</u>	<u>\$ 345.9</u>	<u>\$ 418.1</u>

(1) The cash flows related to discontinued operations have not been segregated. Accordingly, the Condensed Consolidated Statements of Cash Flows include the results of continuing and discontinued operations.

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		Six Months Ended	
	June 30,		June 30,	
	2024	2023	2024	2023
Income (loss) from continuing operations, as reported	\$ 74.8	\$ (63.1)	\$ (187.3)	\$ (33.3)
Income tax expense (benefit), as reported	(43.7)	(3.6)	56.1	(7.6)
Interest income, as reported	(2.1)	(1.9)	(5.7)	(4.4)
Interest expense, as reported	167.5	168.5	335.2	333.6
Other income, net, as reported	(3.7)	(1.7)	(2.6)	(7.0)
Operating income, as reported	<u>\$ 192.8</u>	<u>\$ 98.2</u>	<u>\$ 195.7</u>	<u>\$ 281.3</u>
Adjustments:				
Amortization of purchased intangible assets	60.4	75.8	134.6	176.4
Restructuring costs, net	0.9	36.6	31.5	25.5
Equity-based compensation	1.6	9.9	12.8	22.2
Transaction, transformation and integration costs	23.7	2.8	32.3	3.1
Acquisition accounting adjustments	—	0.2	—	0.8
Recovery for Russian accounts receivable	—	(2.0)	—	(2.0)
Cyber incident costs	—	3.6	—	3.6
Depreciation	22.7	27.6	48.2	55.5
Total adjustments to operating income	<u>109.3</u>	<u>154.5</u>	<u>259.4</u>	<u>285.1</u>
Non-GAAP adjusted EBITDA	<u>\$ 302.1</u>	<u>\$ 252.7</u>	<u>\$ 455.1</u>	<u>\$ 566.4</u>
Income (loss) from continuing operations, as reported	\$ 74.8	\$ (63.1)	\$ (187.3)	\$ (33.3)
Adjustments:				
Total pretax adjustments to adjusted EBITDA	86.6	126.9	211.2	229.6
Pretax amortization of debt issuance costs and OID ⁽¹⁾	6.7	6.9	13.3	13.8
Pretax gain on debt transactions ⁽²⁾	—	(2.9)	—	(10.4)
Tax effects of adjustments and other tax items ⁽³⁾	(81.2)	(23.6)	29.4	(68.8)
Non-GAAP adjusted net income	<u>\$ 86.9</u>	<u>\$ 44.2</u>	<u>\$ 66.6</u>	<u>\$ 130.9</u>
GAAP earnings (loss) from continuing operations per share, as reported ⁽⁴⁾	\$ 0.27	\$ (0.37)	\$ (1.03)	\$ (0.30)
Non-GAAP adjusted diluted EPS ⁽⁵⁾	\$ 0.34	\$ 0.17	\$ 0.26	\$ 0.52

(1) Included in interest expense.

(2) Included in other income, 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 earnings (loss) from continuing operations per share was calculated using income (loss) from continuing operations in the numerator, which includes the impact of the Series A convertible preferred stock dividend.

(5) Diluted shares used in the calculation of non-GAAP adjusted diluted EPS are 258.3 million and 253.1 million for the three months ended June 30, 2024 and 2023, respectively, and 257.1 million and 252.6 million for the six months ended June 30, 2024 and 2023, respectively.

See “Non-GAAP Financial Measures” above.

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

Sales by Region

	Q2 2024	Q2 2023	% Change YOY
United States	\$ 889.0	\$ 996.7	(10.8) %
Europe, Middle East and Africa	223.4	282.4	(20.9)
Asia Pacific	168.3	173.2	(2.8)
Caribbean and Latin America	58.8	99.3	(40.8)
Canada	47.4	37.2	27.4
Total net sales	\$ 1,386.9	\$ 1,588.8	(12.7) %

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

Segment Net Sales

	Q2 2024	Q2 2023	% Change YOY
CCS	\$ 728.4	\$ 697.0	4.5 %
NICS (excluding DAS)	132.4	236.8	(44.1)
ANS	192.8	335.4	(42.5)
Core net sales ⁽¹⁾	1,053.6	1,269.2	(17.0)
OWN	256.3	228.8	12.0
DAS	77.0	90.8	(15.2)
Total net sales	\$ 1,386.9	\$ 1,588.8	(12.7) %

Segment Adjusted EBITDA ⁽²⁾

	Q2 2024	Q2 2023	% Change YOY
CCS	\$ 171.4	\$ 82.9	106.8 %
NICS (excluding DAS)	(3.5)	55.8	(106.3)
ANS	33.2	63.0	(47.3)
Core adjusted EBITDA ⁽¹⁾	201.1	201.7	(0.3)
OWN	75.4	41.7	80.8
DAS	25.6	19.1	34.0
Corporate and other ⁽³⁾	—	(9.8)	NM
Total segment adjusted EBITDA	\$ 302.1	\$ 252.7	19.5 %

NM – Not meaningful

(1) Core financial measures exclude the results and performance of the OWN segment and DAS business unit in the NICS segment.

(2) See “Non-GAAP Financial Measures” above.

(3) The prior year period includes general corporate costs that were previously allocated to the Home segment and are now classified as continuing operations, since the costs were not directly attributable to the discontinued operations of the Home segment.

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

Second Quarter 2024 Segment Adjusted EBITDA Reconciliation

	CCS	NICS (excluding DAS)	ANS	OWN	DAS	Total
Operating income (loss), as reported	\$ 130.6	\$ (24.8)	\$ 2.1	\$ 62.4	\$ 22.5	\$ 192.8
Amortization of purchased intangible assets	18.3	12.7	24.3	3.8	1.2	60.4
Restructuring costs (credits), net	0.4	1.3	(1.1)	0.2	0.1	0.9
Equity-based compensation	0.7	0.4	0.2	0.3	0.1	1.6
Transaction, transformation and integration costs	7.6	5.4	3.8	6.1	0.9	23.7
Depreciation	13.7	1.5	4.0	2.6	0.9	22.7
Segment adjusted EBITDA	\$ 171.4	\$ (3.5)	\$ 33.2	\$ 75.4	\$ 25.6	\$ 302.1
Segment adjusted EBITDA % of sales	23.5%	(2.6%)	17.2%	29.4%	33.2%	21.8%

Second Quarter 2023 Segment Adjusted EBITDA Reconciliation

	CCS	NICS (excluding DAS)	ANS	OWN	DAS	Corporate and other ⁽¹⁾	Total
Operating income (loss), as reported	\$ 32.7	\$ 33.7	\$ 5.3	\$ 27.4	\$ 11.0	\$ (11.9)	\$ 98.2
Amortization of purchased intangible assets	18.9	12.7	37.4	5.0	1.6	0.2	75.8
Restructuring costs, net	13.2	3.8	9.3	3.8	5.2	1.3	36.6
Equity-based compensation	3.2	2.1	2.7	1.4	0.3	0.2	9.9
Transaction, transformation and integration costs	0.4	0.4	1.7	0.2	—	0.1	2.8
Acquisition accounting adjustments	—	0.3	—	—	—	—	0.2
Recovery of Russian accounts receivable	(2.0)	—	—	—	—	—	(2.0)
Cyber incident costs	1.7	0.5	0.7	0.7	—	—	3.6
Depreciation	14.8	2.5	5.9	3.3	0.8	0.3	27.6
Segment adjusted EBITDA	\$ 82.9	\$ 55.8	\$ 63.0	\$ 41.7	\$ 19.1	\$ (9.8)	\$ 252.7
Segment adjusted EBITDA % of sales	11.9%	23.6%	18.8%	18.2%	21.0%	NM	15.9%

(1) Includes general corporate costs that were previously allocated to the Home segment and are now classified as continuing operations, since the costs were not directly attributable to the discontinued operations of the Home segment.

NM – Not meaningful

Components may not sum to total due to rounding.

See “Non-GAAP Financial Measures” above.

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

Adjusted Free Cash Flow

	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>	<u>Q2 2024</u>
Cash flow from operations	\$ 136.8	\$ 138.8	\$ 60.4	\$ (177.7)	\$ 50.8
Capital expenditures	(20.8)	(8.7)	(9.4)	(6.0)	(5.3)
Free cash flow	116.0	130.1	51.0	(183.7)	45.5
Transaction, transformation and integration costs	1.7	11.5	13.4	20.3	16.2
Restructuring costs, net	31.1	40.1	27.1	9.3	7.0
Adjusted free cash flow	<u>\$ 148.8</u>	<u>\$ 181.7</u>	<u>\$ 91.5</u>	<u>\$ (154.1)</u>	<u>\$ 68.7</u>

See “Non-GAAP Financial Measures” above.

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

GAAP to Non-GAAP Adjusted Gross Profit

	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>	<u>Q2 2024</u>
Gross profit, as reported	\$ 568.8	\$ 501.0	\$ 448.3	\$ 402.2	\$ 547.6
Equity-based compensation	1.3	1.1	1.2	1.1	0.1
Acquisition accounting adjustments	0.4	0.3	—	0.1	—
Patent claims and litigation settlements	—	(3.5)	—	—	—
Adjusted gross profit	\$ 570.5	\$ 498.9	\$ 449.5	\$ 403.4	\$ 547.7
Adjusted gross profit as % of sales	35.9%	37.0%	37.9%	34.5%	39.5%

GAAP to Non-GAAP Adjusted Operating Expense

	<u>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>	<u>Q2 2024</u>
Selling, general and administrative, as reported	\$ 230.0	\$ 209.0	\$ 202.3	\$ 199.7	\$ 210.3
Research and development, as reported	128.3	102.6	103.2	104.4	91.6
Operating expenses	\$ 358.3	\$ 311.6	\$ 305.5	\$ 304.1	\$ 301.9
Equity-based compensation	8.6	9.4	9.6	10.1	1.5
Transaction, transformation and integration costs	2.8	14.6	9.4	8.5	23.7
Recovery for Russian accounts receivable	(2.0)	—	—	—	—
Cyber incident costs	3.6	1.5	0.4	—	—
Adjusted operating expense	\$ 345.3	\$ 286.1	\$ 286.1	\$ 285.5	\$ 276.7
Adjusted operating expense as % of sales	21.7%	21.2%	24.1%	24.4%	20.0%

Components may not sum to total due to rounding.
See “Non-GAAP Financial Measures” above.