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# Bank of America Merrill Lynch
## Leverage Finance Conference

November 30, 2017

Mark Olson

Executive Vice President
and Chief Financial Officer

# Safe Harbor

### 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 forward-looking statements are generally identified by their use of such terms and phrases as “intend,” “goal,” “estimate,” “expect,” “project,” “projections,” “plans,” “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 statements are subject to various risks and uncertainties, many of which are outside our control, including, without limitation, our ability to integrate the BNS business in a timely and cost-effective manner; our reliance on TE Connectivity for transition services for the BNS business; our ability to realize expected growth opportunities and cost savings from the BNS business; 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 our customers operate; product quality or performance issues and associated warranty claims; our ability to maintain effective management information systems and to successfully implement major systems initiatives; cyber-security incidents, including data security breaches 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 for our products; 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 material and components; the risk that contract manufacturers we rely on encounter production, quality, financial or other difficulties; our ability to fully realize anticipated benefits from prior or future acquisitions or equity investments; potential difficulties in realigning global manufacturing capacity and capabilities among our global manufacturing facilities, including delays or challenges related to removing, transporting or reinstalling equipment, that may affect our ability to meet customer demands for products; possible future restructuring actions; substantial indebtedness and maintaining compliance with 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 recover value-added tax receivables; our ability to attract and retain qualified key employees; labor unrest; obligations under our defined benefit employee benefit plans may require 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; cost of protecting or defending intellectual property; costs and challenges of compliance with domestic and foreign environmental laws; and other factors beyond our control. These and other factors are discussed in greater detail in our 2016 Annual Report on Form 10-K. Although the information contained in this presentation represents our best judgment as of the date of this report 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 report, except as otherwise may be required by law.

### Non-GAAP Financial Measures

CommScope management believes that presenting certain non-GAAP financial measures provides meaningful information to investors in understanding operating results and may enhance investors' ability to analyze financial and business trends. 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. In addition, CommScope management believes that these non-GAAP financial measures allow investors to compare period to period more easily by excluding items that could have a disproportionately negative or positive impact on results in any particular period. GAAP to non-GAAP reconciliations are included in this presentation.

# Agenda

- Company Overview
- Financial Priorities & Profile
- Cash Flow & Capital Structure
- Capital Allocation Priorities
- The CommScope Advantages

# Global Leadership and Scale

- CommScope is one of the world's premier network infrastructure providers.
- We help companies around the world design, build and manage their wired and wireless networks.
- The fundamental driver of demand for our solutions continues to be the rapidly growing need for capacity and speed across communication networks.

**CommScope is a global leader in both of its segments:**

| | |
|---|---|
| **Mobility Solutions** | • Leading radio frequency wireless network connectivity, metrocell, DAS and small cell solutions |
| **Connectivity Solutions** | • Connectivity and network intelligence solutions for indoor and outdoor network applications<br>• Indoor network solutions are found in commercial buildings, and in the network, which includes data centers, central offices & cable television headends<br>• Outdoor network solutions are found in access and edge networks |

| Operating Segments | Mobility Solutions | Connectivity Solutions |
|---|---|---|
| Segment Revenue[1] | ~$1.8b | ~$2.8b |
| % of Total | 40% | 60% |
| Global Market Position | • A global leader in fiber connectivity and wireless<br>• Preferred partner to our customers | |
| End Customers | • Wireless network operators<br>• OEMs<br>• Network backhaul operators<br>• Government agencies and municipalities<br>• Neutral hosts and managed service providers<br>• Public venues<br>• Enterprises | • MSOs<br>• Broadband service providers<br>• Telecommunications companies<br>• Global and large multinational companies<br>• Small- to mid-sized businesses<br>• Governments<br>• Data center owners and operators<br>• Wireless network operators<br>• Public venues |

(1) For the twelve months ended September 30, 2017

# Financial Priorities

## Grow Revenue

- Profitable organic growth
- Continue to enhance commercial position
- Strategic acquisitions
- Commitment to R&D and technology investment

## Expand Earnings

- Execute on BNS integration and synergy plan nearly complete
- Profit improvement plans
- Deleveraging
- Drive sustainable adjusted EPS growth
- Attain growth objectives across economic cycles

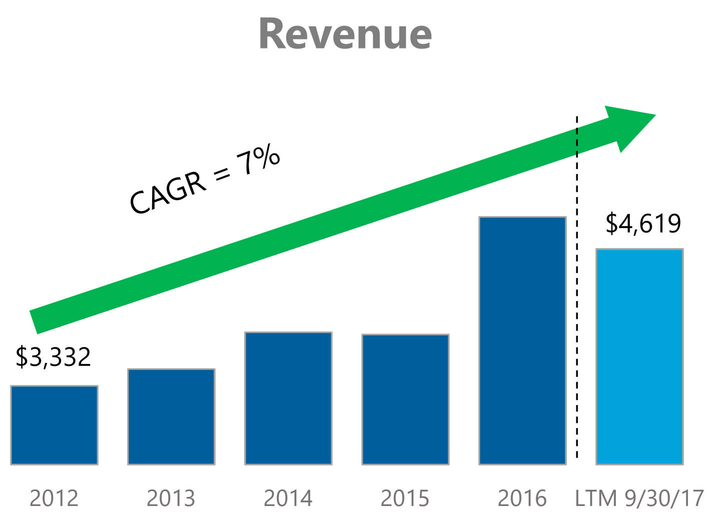
## Drive Cash Flow & Manage Capital Structure

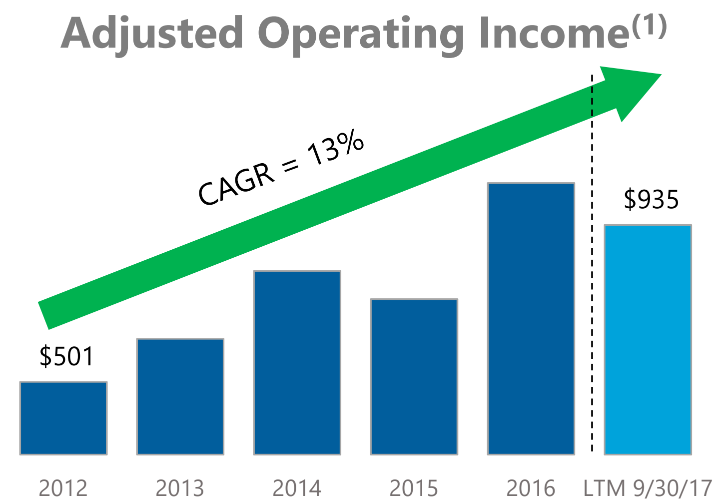
- Deploy free cash flow strategically
- Improve working capital efficiency
- Reduce debt
- Consider other shareholder-friendly actions

Integrity . Agility . Innovation

# Financial Profile

(Dollars in millions)




- Cash Flow from Operations of $425 million during LTM 9/30/17
- Liquidity of $827 million at September 30, 2017 – including availability under revolver plus cash and cash equivalents
- Reduced debt by $990 million since close of BNS acquisition in August 2015

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



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# Near-Term Business Environment

| NAR Telecom Dynamics | |
|---|---|
| | • FirstNet deployment and timing<br>• Outdoor fiber connectivity builds and timing<br>• M&A among customers<br>• Net neutrality<br>• Transition toward 5G |

| Other Business Dynamics | |
|---|---|
| | • International markets<br>• Geographic mix<br>• Data center fiber growth<br>• Additional BNS cost synergies<br>• Higher material costs and variable incentive compensation<br>• U.S. federal tax reform |

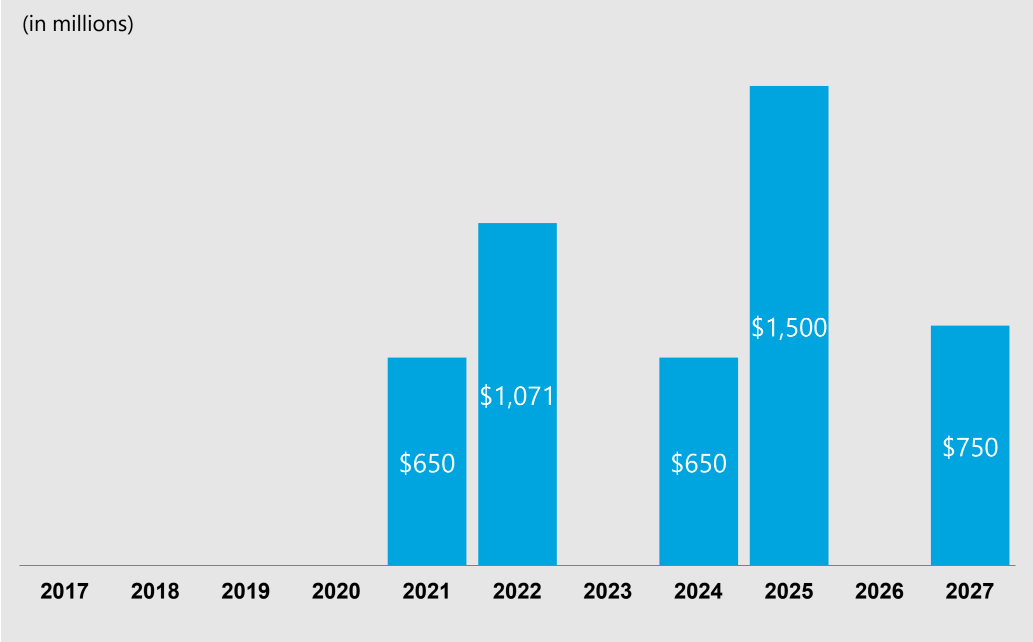
# Cash Flow And Capital Structure

## Capital Summary & Net Leverage Ratio

| (dollars in millions) | 9/30/2017 |
|---|---|
| 5.00% and 5.50% Notes | $ 1,300.0 |
| Term Loans | 1,071.3 |
| 6.00% Notes | 1,500.0 |
| 5.00% 2027 Notes | 750.0 |
| Less: OID & DFF | (73.2) |
| ***Total Debt*** | ***$ 4,548.0*** |
| Cash & Cash Equivalents | 411.2 |
| ***Net Debt (excluding OID & DFF)*** | ***$ 4,210.0*** |
| Stockholders' Equity | 1,550.6 |
| ***Total Capitalization*** | ***$ 6,098.6*** |
| ***LTM Adjusted EBITDA*** | ***$ 1,016.5*** |
| ***Net Leverage Ratio*** | ***4.1x*** |

Note: Components may not sum to total due to rounding.

## Major Debt Maturities as of Sep 30, 2017



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# Capital Allocation Priorities

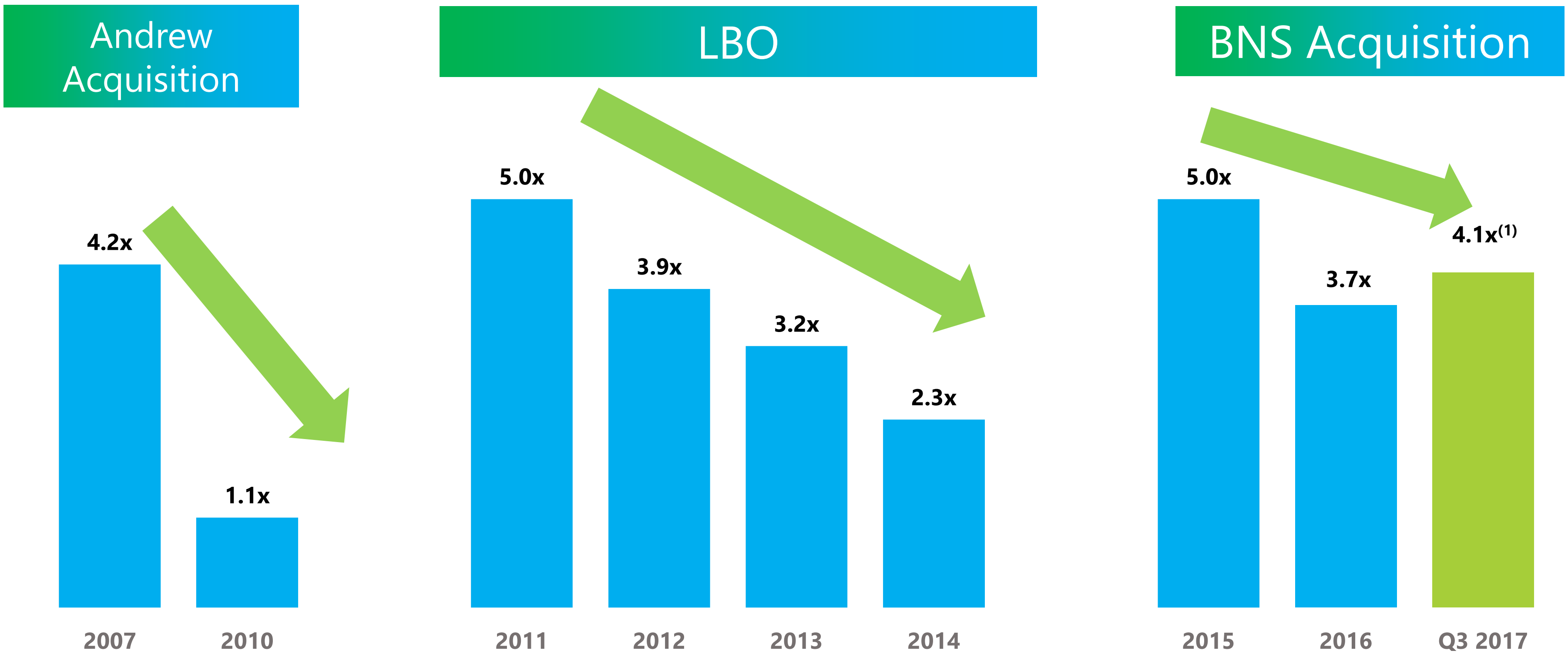
## Priorities for Cash

- Reinvest in the business
- Debt reduction
- Returns to shareholders

## Actions Since 2015 BNS Acquisition

- Invested ~$200m in R&D and ~$70m in Capex annually
- Acquired Airvana & Cable Exchange for ~$165m
- Reduced debt by $990m and expect to reach goal of approx. $1B by year end
- Repurchased $175m of shares

# Proven Track Record of Deleveraging




(1) Includes impact from recent acquisition of Cable Exchange and the repurchase of 4.8m shares for $175m

# The CommScope Advantages

1. Attractive Long-Term Industry Growth Trends
2. Strong Global Position
3. Industry-Leading Technology
4. Operational Excellence
5. Transformational BNS Acquisition
6. Improving Financial Profile

Enabling the Connected Lifestyle

# Appendix

**Non-GAAP Financial Measures**
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# Adjusted Operating Income Reconciliation by Year

(Unaudited -- In millions)

| | LTM September 2017 | Full Year 2016 | Full Year 2015 | Full Year 2014 | Full Year 2013 | Full Year 2012 |
|---|---|---|---|---|---|---|
| **Operating income, as reported** | $ 505.4 | $ 574.8 | $ 181.6 | $ 577.4 | $ 329.7 | $ 238.2 |
| Amortization of purchased intangible assets | 275.8 | 297.2 | 220.6 | 178.3 | 174.9 | 175.7 |
| Restructuring costs, net | 42.9 | 42.9 | 29.5 | 19.3 | 22.1 | 23.0 |
| Equity-based compensation | 40.0 | 35.0 | 28.7 | 21.1 | 16.1 | 7.5 |
| Asset impairments | 15.9 | 38.6 | 90.8 | 12.1 | 45.5 | 40.9 |
| Integration and transaction costs | 55.3 | 62.3 | 96.9 | 12.0 | 27.2 | 6.3 |
| Purchase accounting adjustments | - | 0.7 | 81.7 | (11.9) | 2.5 | - |
| Other | - | - | - | - | 2.1 | 9.4 |
| **Non-GAAP adjusted operating income** | **$ 935.4** | **$ 1,051.4** | **$ 729.8** | **$ 808.4** | **$ 620.1** | **$ 501.0** |
| **Non-GAAP adjusted operating margin %** | **20.3%** | **21.4%** | **19.2%** | **21.1%** | **17.8%** | **15.1%** |

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

# Adjusted Operating Income and Adjusted EBITDA Reconciliation by Quarter

(Unaudited -- In millions)

| | Q3 2017 | Q2 2017 | Q1 2017 | Q4 2016 | Q3 2016 |
|---|---|---|---|---|---|
| **Operating income, as reported** | **$ 126.8** | **$ 137.8** | **$ 121.4** | **$ 119.4** | **$ 180.7** |
| Amortization of purchased intangible assets | 68.3 | 67.0 | 67.6 | 72.9 | 74.6 |
| Restructuring costs, net | 5.4 | 13.8 | 5.4 | 18.4 | 10.8 |
| Equity-based compensation | 11.0 | 11.2 | 9.4 | 8.4 | 8.4 |
| Asset impairments | — | — | — | 15.9 | 7.4 |
| Integration and transaction costs | 12.0 | 12.6 | 13.5 | 17.2 | 14.7 |
| **Non-GAAP adjusted operating income** | **$ 223.5** | **$ 242.4** | **$ 217.3** | **$ 252.2** | **$ 296.7** |
| **Non-GAAP adjusted operating margin %** | **19.8%** | **20.6%** | **19.1%** | **21.4%** | **22.9%** |
| Depreciation | 20.6 | 20.2 | 20.0 | 20.2 | 20.2 |
| **Non-GAAP adjusted EBITDA** | **$ 244.1** | **$ 262.6** | **$ 237.3** | **$ 272.5** | **$ 316.9** |

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

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Thank you.