

May 9, 2024

# First Quarter 2024 Results



# Important information

## Caution Regarding Forward Looking Statements

This presentation includes certain statements that constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which 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,” “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, our dependence on customers’ capital spending on data, communication and entertainment equipment, which could be negatively impacted by a regional or global economic downturn, among other factors; the potential impact of higher than normal inflation; concentration of sales among a limited number of customers and channel partners; risks associated with our sales through channel partners; changes to the regulatory environment in which we and our customers operate; changes in technology; industry competition and the ability to retain customers through product innovation, introduction, and marketing; changes in cost and availability of key raw materials, components and commodities and the potential effect on customer pricing and timing of delivery of products to customers; risks related to our ability to implement price increases on our products and services; risks associated with our dependence on a limited number of key suppliers for certain raw materials and components; risks related to the successful execution of CommScope NEXT and other cost-saving initiatives; 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; the risk that our manufacturing operations, including our contract manufacturers on which we rely, encounter capacity, production, quality, financial or other difficulties causing difficulty in meeting customer demands; our substantial indebtedness and restrictive debt covenants; our ability to incur additional indebtedness and increases in interest rates; our ability to generate cash to service our indebtedness; the divestiture of the Home segment and its effect on our remaining businesses; the potential separation, divestiture or discontinuance of another business or product line, including uncertainty regarding the timing of the separation, achievement of the expected benefits and the potential disruption to the business; our ability to integrate and fully realize anticipated benefits from prior or future divestitures, acquisitions or equity investments; possible future additional impairment charges for fixed or intangible assets, including goodwill; our ability to attract and retain qualified key employees; labor unrest; product quality or performance issues, including those associated with our suppliers or contract manufacturers, 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 use of open standards; the long-term impact of climate change; significant international operations exposing us to economic risks like variability in foreign exchange rates and inflation, as well as political and other risks, including the impact of wars, regional conflicts and terrorism; our ability to comply with governmental anti-corruption laws and regulations worldwide; the impact of export and import controls and sanctions worldwide on our supply chain and ability to compete in international markets; changes in the laws and policies in the United States affecting trade, including the risk and uncertainty related to tariffs or potential trade wars and potential changes to laws and policies, that may impact our products; the costs of protecting or defending intellectual property; costs and challenges of compliance with domestic and foreign social and environmental laws; the impact of litigation and similar regulatory proceedings in which we are involved or may become involved, 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 logistics and the global economy; our stock price volatility; income tax rate variability and ability to recover amounts recorded as deferred tax assets; and other factors beyond our control. These and other factors are discussed in greater detail in our 2023 Annual Report on Form 10-K 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 to the extent required by law.

## Description 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.

# First quarter results<sup>(1)</sup>

- **Lower Net Sales driven by lower market demand and customer inventory corrections**
  - Net sales of \$1.17 billion, declining 30% from prior year
    - Sequential order rate improvement in CCS and OWN indicating potential recovery
    - Further revenue deterioration in the quarter for ANS and NICS
    - Still significant uncertainty for timing and magnitude of demand recovery, particularly in ANS and NICS
- **Adjusted EBITDA Results** –CommScope adjusted EBITDA down \$153 million down 51% from prior year<sup>(2)</sup>
- **Cost Actions** – Continue to implement \$100M savings plan.
- **Backlog returned to historical levels**– Backlog of \$1.16 billion
- **Debt Position** –Q1 net leverage ratio of 9.9x<sup>(3)</sup>

*We expect second quarter revenue and adjusted EBITDA to improve versus first quarter*

(1) Unless otherwise noted, the financial measures discussed reflect the results or otherwise pertain to the performance of CommScope continuing operations and exclude the results of the Home discontinued operations.

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

(3) Net leverage based on pro forma Adj. EBITDA of approximately \$0.9 billion (including \$65 million of annualized savings expected from cost reduction initiatives).

# First quarter results (1)

## CommScope

(In \$millions, except per share amounts)

	1Q'23 Results	1Q'24 Results	Y/Y Change
<b>Net Sales</b>	\$1,664	\$1,168	-30%
<b>Adj. EBITDA<sup>(2)</sup></b>	\$314	\$153	-51%
<b>Adj. EBITDA Margin</b>	18.8%	13.1%	-570 bps.
<b>Adj. EPS<sup>(2)</sup></b>	\$0.34	\$(0.08)	-124%

(1) Unless otherwise noted, the financial measures discussed reflect the results or otherwise pertain to the performance of CommScope continuing operations and exclude the results of the Home discontinued operations.

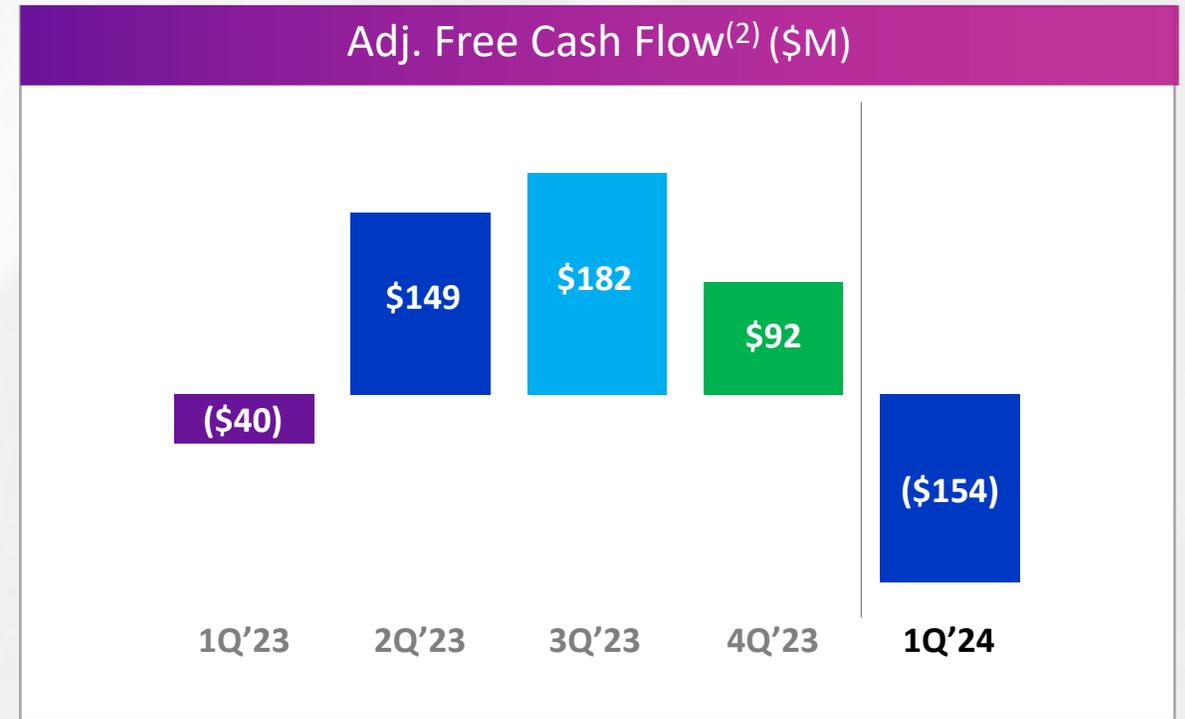
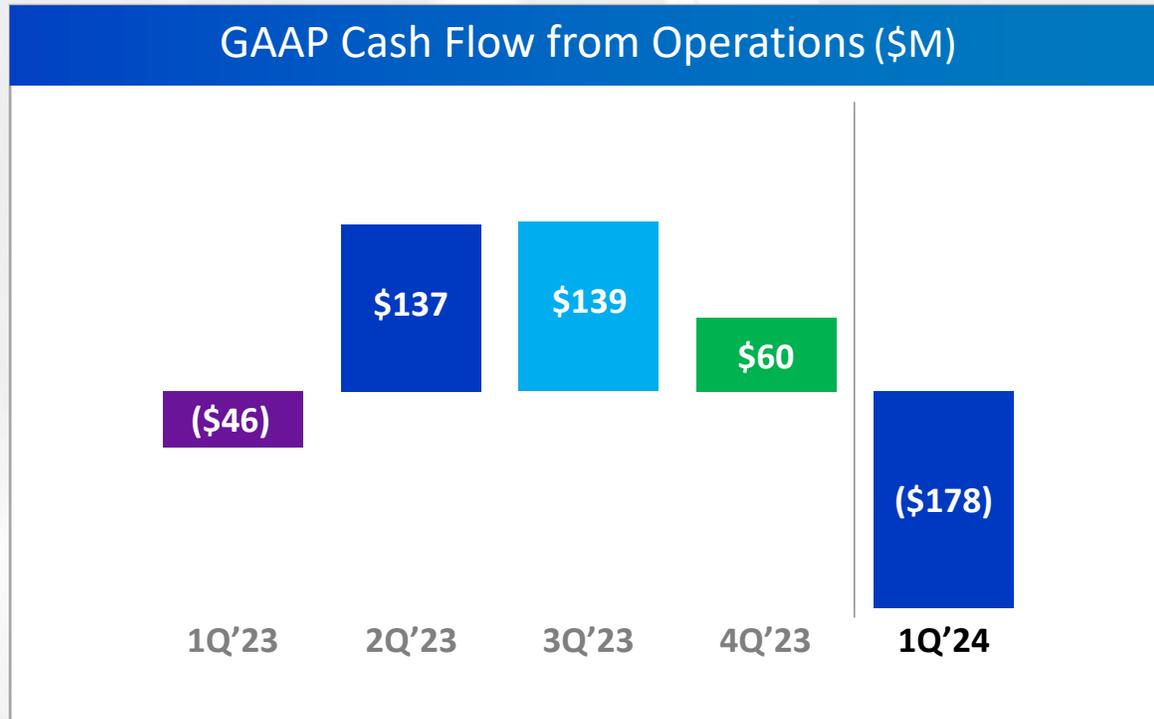
(2) See appendix for reconciliation of non-GAAP adjusted measures.

# First quarter segment highlights

Business Segment		Net Sales (\$M)		Y-Y%	Adj. EBITDA <sup>(1)</sup> (\$M)		Y-Y%	Observations
		1Q'23	1Q'24		1Q'23	1Q'24		
CCS	Connectivity and Cable Solutions	\$821	\$605	-26%	\$151	\$95	-37%	<ul style="list-style-type: none"> <li>Lower YoY revenue driven by high customer inventories and lower demand</li> <li>Sequential order rate improvement indicating potential recovery</li> <li>Launched portfolio of Build America Buy America (BABA) products ready for BEAD projects</li> <li>Cloud and hyperscale solutions seeing increased demand partly due to GenAI projects and builds</li> </ul>
NICS	Networking, Intelligent Cellular and Security Solutions	\$284	\$180	-37%	\$58	(\$1)	-\$59 Million	<ul style="list-style-type: none"> <li>Weaker sales driven by channel partner inventory digestion that will continue during the first half of 2024</li> <li>First quarter revenue and EBITDA is expected to be lowest of the year</li> <li>Extended O-RAN support to ERA, DAS and ONECELL Small cells for indoor Open RAN applications</li> </ul>
OWN	Outdoor Wireless Networks	\$258	\$196	-24%	\$60	\$44	-26%	<ul style="list-style-type: none"> <li>Lower YoY revenue driven by high customer inventories and lower demand</li> <li>Sequential order rate improvement indicating potential recovery</li> <li>Increasing interest and orders in MOSAIC antenna solutions.</li> <li>Multiple operator design wins for new high performance BSA platforms, including SEED™ technology.</li> </ul>
ANS	Access Network Solutions	\$300	\$187	-38%	\$47	\$15	-68%	<ul style="list-style-type: none"> <li>Customers continue to burn inventory and, when coupled with deployment timing, results in a slower pace of revenue which will continue throughout 2024</li> <li>D3.1E beginning to see traction as operators explore alternatives</li> <li>Virtual CMTS (vCMTS) solution in multiple customer lab trials</li> </ul>

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

# Cash flow update <sup>(1)</sup>



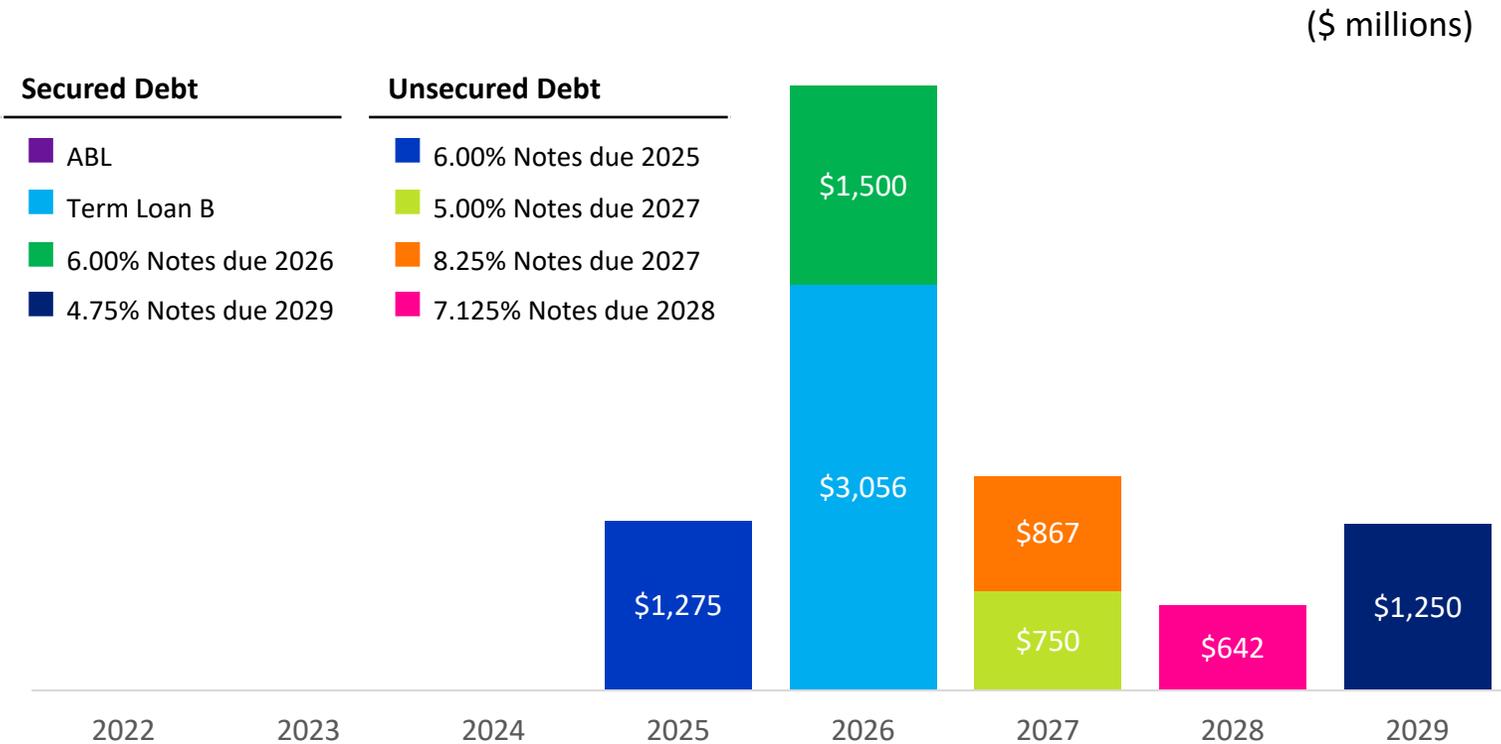
- As expected, there was a significant use of cash during the first quarter as a result of lower EBITDA, annual incentive payout and interest payments
- 2024 Adjusted free cash flow expected to be lower than 2023 primarily driven by working capital needs.

(1) The cash flows related to discontinued operations have not been segregated. Accordingly, this cash flow information includes the results of continuing and discontinued operations.

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

# Strong liquidity & balance sheet management

## Debt Maturities (as of 3/31/24)



## Cash & liquidity remain strong

- Ended the quarter with available liquidity over \$900 million
- No outstanding ABL revolver draws as of 3/31/24

## Leverage <sup>(1)</sup>

- 9.9x net leverage as of 3/31/24

Required TLB amortization payments \$32mm annually for 2024-2025 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 \$0.9 billion (including \$ 65 million of annualized savings expected from cost reduction initiatives). The Carlyle investment is characterized as equity. The ratio of net debt plus preferred equity to pro forma Adj. EBITDA is ~11.2x.



# Closing Remarks



**Chuck Treadway**  
President and Chief Executive Officer

now meets next

Q&A

First Quarter 2024 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	
	March 31,	
	2024	2023
Net sales	\$ 1,168.4	\$ 1,664.4
Cost of sales	766.2	1,034.2
Gross profit	402.2	630.2
Transition service agreement income	9.6	—
Operating expenses:		
Selling, general and administrative	199.7	232.0
Research and development	104.4	125.6
Amortization of purchased intangible assets	74.2	100.6
Restructuring costs (credits), net	30.6	(11.1)
Total operating expenses	408.9	447.1
Operating income	2.9	183.1
Other income (expense), net	(1.1)	5.3
Interest expense	(167.7)	(165.1)
Interest income	3.6	2.5
Income (loss) from continuing operations before income taxes	(162.3)	25.8
Income tax (expense) benefit	(99.8)	4.0
Income (loss) from continuing operations	(262.1)	29.8
Loss from discontinued operations, net of income tax (expense) benefit of \$(17.6) and \$3.8, respectively	(97.1)	(26.4)
Net income (loss)	(359.2)	3.4
Series A convertible preferred stock dividends	(16.0)	(15.1)
Net loss attributable to common stockholders	\$ (375.2)	\$ (11.7)
Basic:		
Earnings (loss) from continuing operations per share	\$ (1.31)	\$ 0.07
Loss from discontinued operations per share	(0.46)	(0.13)
Loss per share	\$ (1.77)	\$ (0.06)
Diluted:		
Earnings (loss) from continuing operations per share	\$ (1.31)	\$ 0.07
Loss from discontinued operations per share	(0.46)	(0.12)
Loss per share	\$ (1.77)	\$ (0.05)
Weighted average shares outstanding:		
Basic	212.3	208.9
Diluted (a)	212.3	212.1
(a) Calculation of diluted loss per share:		
Net loss attributable to common stockholders (basic and diluted)	\$ (375.2)	\$ (11.7)
Weighted average shares (basic)	212.3	208.9
Dilutive effect of equity-based awards	—	3.2
Denominator (diluted)	212.3	212.1

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)

# Balance Sheets

	Unaudited March 31, 2024	December 31, 2023
<b>Assets</b>		
Cash and cash equivalents	\$ 357.2	\$ 543.8
Accounts receivable, net of allowance for doubtful accounts of \$30.0 and \$32.2, respectively	836.9	815.2
Inventories, net	1,044.1	1,079.7
Prepaid expenses and other current assets	169.2	145.4
Current assets held for sale	—	278.6
Total current assets	2,407.4	2,862.7
Property, plant and equipment, net of accumulated depreciation of \$880.9 and \$866.1, respectively	455.8	500.6
Goodwill	3,500.4	3,514.4
Other intangible assets, net	1,499.9	1,582.7
Deferred income taxes	480.2	615.6
Other noncurrent assets	309.9	295.9
Total assets	\$ 8,653.6	\$ 9,371.9
<b>Liabilities and Stockholders' Deficit</b>		
Accounts payable	\$ 454.6	\$ 435.9
Accrued and other liabilities	562.3	634.3
Current portion of long-term debt	32.0	32.0
Current liabilities held for sale	—	307.2
Total current liabilities	1,048.9	1,409.4
Long-term debt	9,244.6	9,246.6
Deferred income taxes	121.4	110.7
Other noncurrent liabilities	392.2	411.9
Total liabilities	10,807.1	11,178.6
Commitments and contingencies		
Series A convertible preferred stock, \$0.01 par value	1,178.1	1,162.1
Stockholders' deficit:		
Preferred stock, \$0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: 1,178,063 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: 212,264,754 and 212,108,634, respectively	2.3	2.3
Additional paid-in capital	2,545.6	2,550.4
Accumulated deficit	(5,312.3)	(4,953.1)
Accumulated other comprehensive loss	(265.3)	(266.7)
Treasury stock, at cost: 14,499,840 shares and 14,424,126 shares, respectively	(301.9)	(301.7)
Total stockholders' deficit	(3,331.6)	(2,968.8)
Total liabilities and stockholders' deficit	\$ 8,653.6	\$ 9,371.9

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

# Statements of Cash Flows

**CommScope Holding Company, Inc.**  
**Condensed Consolidated Statements of Cash Flows <sup>(1)</sup>**  
**(Unaudited -- In millions)**

	Three Months Ended March 31,	
	2024	2023
<b>Operating Activities:</b>		
Net income (loss)	\$ (359.2)	\$ 3.4
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Depreciation and amortization	112.7	164.1
Equity-based compensation	11.2	13.5
Deferred income taxes	87.4	(30.0)
Changes in assets and liabilities:		
Accounts receivable	(19.9)	175.3
Inventories	31.4	(31.9)
Prepaid expenses and other assets	(71.9)	10.2
Accounts payable and other liabilities	(26.8)	(318.3)
Other	57.4	(32.4)
Net cash used in operating activities	(177.7)	(46.1)
<b>Investing Activities:</b>		
Additions to property, plant and equipment	(6.0)	(14.4)
Proceeds from sale of property, plant and equipment	—	41.0
Other	8.6	9.3
Net cash generated by investing activities	2.6	35.9
<b>Financing Activities:</b>		
Long-term debt repaid	(8.0)	(8.0)
Long-term debt repurchases	—	(50.0)
Tax withholding payments for vested equity-based compensation awards	(0.2)	(5.0)
Other	—	1.9
Net cash used in financing activities	(8.2)	(61.1)
Effect of exchange rate changes on cash and cash equivalents	(3.3)	0.5
Change in cash and cash equivalents	(186.6)	(70.8)
Cash and cash equivalents at beginning of period	543.8	398.1
Cash and cash equivalents at end of period	<u>\$ 357.2</u>	<u>\$ 327.3</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.

# 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 March 31,	
	2024	2023
<b>Income (loss) from continuing operations, as reported</b>	<b>\$ (262.1)</b>	<b>\$ 29.8</b>
Income tax expense (benefit), as reported	99.8	(4.0)
Interest income, as reported	(3.6)	(2.5)
Interest expense, as reported	167.7	165.1
Other (income) expense, as reported	1.1	(5.3)
Operating income, as reported	\$ 2.9	\$ 183.1
Adjustments:		
Amortization of purchased intangible assets	74.2	100.6
Restructuring costs (credits), net	30.6	(11.1)
Equity-based compensation	11.2	12.4
Transaction, transformation and integration costs	8.5	0.3
Acquisition accounting adjustments	0.1	0.5
Depreciation	25.5	27.9
Total adjustments to operating income	150.1	130.6
<b>Non-GAAP adjusted EBITDA</b>	<b>\$ 153.0</b>	<b>\$ 313.7</b>
<b>Income (loss) from continuing operations, as reported</b>	<b>\$ (262.1)</b>	<b>\$ 29.8</b>
Adjustments:		
Total pretax adjustments to adjusted EBITDA	124.6	102.7
Pretax amortization of debt issuance costs and OID <sup>(1)</sup>	6.6	6.9
Pretax gain on debt transactions <sup>(2)</sup>	—	(7.5)
Tax effects of adjustments and other tax items <sup>(3)</sup>	110.6	(45.2)
<b>Non-GAAP adjusted net income (loss)</b>	<b>\$ (20.3)</b>	<b>\$ 86.7</b>
<b>GAAP EPS, as reported <sup>(4)</sup></b>	<b>\$ (1.31)</b>	<b>\$ 0.07</b>
<b>Non-GAAP adjusted diluted EPS <sup>(5)</sup></b>	<b>\$ 0.08</b>	<b>\$ 0.34</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 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 255.9 million and 252.1 million for the three months ended March 31, 2024 and 2023, respectively.

See "Non-GAAP Financial Measures" above.

# Sales by Region

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

**Sales by Region**

	<u>Q1 2024</u>	<u>Q1 2023</u>	<b>% Change YOY</b>
United States	\$ 757.1	\$ 1,147.6	(34.0) %
Europe, Middle East and Africa	203.5	264.6	(23.1)
Asia Pacific	135.5	144.5	(6.2)
Caribbean and Latin America	47.7	69.4	(31.3)
Canada	24.6	38.3	(35.8)
<b>Total net sales</b>	<b>\$ 1,168.4</b>	<b>\$ 1,664.4</b>	<b>(29.8) %</b>

# Sales and Adjusted EBITDA by Segment

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

### Segment Net Sales

	Q1 2024	Q1 2023	% Change YOY
CCS	\$ 604.7	\$ 821.1	(26.4) %
NICS	180.3	284.5	(36.6)
OWN	196.0	258.4	(24.1)
ANS	187.4	300.4	(37.6)
<b>Total net sales</b>	<b>\$ 1,168.4</b>	<b>\$ 1,664.4</b>	<b>(29.8) %</b>

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

	Q1 2024	Q1 2023	% Change YOY
CCS	\$ 95.1	\$ 151.0	(37.0) %
NICS	(1.1)	58.0	(101.9)
OWN	44.3	59.5	(25.5)
ANS	14.7	46.7	(68.5)
Corporate and other <sup>(2)</sup>	—	(1.5)	NM
<b>Total segment adjusted EBITDA</b>	<b>\$ 153.0</b>	<b>\$ 313.7</b>	<b>(51.2) %</b>

NM – Not meaningful

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

(2) The prior year period includes general corporate costs that were previously allocated to the Home segment. These indirect costs have been classified as continuing operations for the prior year period, since they were not directly attributable to the discontinued operations of the Home segment. Beginning in the first quarter of 2024, these costs have been reallocated to CommScope's remaining segments and partially offset by income from the Company's transition service agreement with Vantiva SA.

# Adjusted EBITDA Reconciliation by Segment

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

**First Quarter 2024 Segment Adjusted EBITDA Reconciliation**

	CCS	NICS	OWN	ANS	Total
<b>Operating income (loss), as reported</b>	\$ 58.0	\$ (23.0)	\$ 33.6	\$ (65.7)	\$ 2.9
Amortization of purchased intangible assets	18.5	13.9	4.0	37.8	74.2
Restructuring costs, net	0.3	1.2	0.1	29.0	30.6
Equity-based compensation	3.8	3.0	1.6	2.9	11.2
Transaction, transformation and integration costs	0.4	0.8	2.4	4.9	8.5
Depreciation	13.8	3.1	2.7	5.9	25.5
<b>Segment adjusted EBITDA</b>	<b>\$ 95.1</b>	<b>\$ (1.1)</b>	<b>\$ 44.3</b>	<b>\$ 14.7</b>	<b>\$ 153.0</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>15.7%</b>	<b>(0.6%)</b>	<b>22.6%</b>	<b>7.8%</b>	<b>13.1%</b>

**First Quarter 2023 Segment Adjusted EBITDA Reconciliation**

	CCS	NICS	OWN	ANS	Corporate and other <sup>(1)</sup>	Total
<b>Operating income (loss), as reported</b>	\$ 127.9	\$ 34.9	\$ 49.2	\$ (25.7)	\$ (3.2)	\$ 183.1
Amortization of purchased intangible assets	18.9	14.3	5.5	61.7	0.2	100.6
Restructuring costs (credits), net	(14.9)	1.9	—	1.4	0.5	(11.1)
Equity-based compensation	3.9	3.1	1.6	3.3	0.5	12.4
Transaction, transformation and integration costs	0.1	—	0.1	0.1	—	0.3
Acquisition accounting adjustments	—	0.4	—	—	—	0.5
Depreciation	15.2	3.4	3.2	5.9	0.2	27.9
<b>Segment adjusted EBITDA</b>	<b>\$ 151.0</b>	<b>\$ 58.0</b>	<b>\$ 59.5</b>	<b>\$ 46.7</b>	<b>\$ (1.5)</b>	<b>\$ 313.7</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>18.4%</b>	<b>20.4%</b>	<b>23.0%</b>	<b>15.5%</b>	<b>NM</b>	<b>18.8%</b>

(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.

# Adjusted Free Cash Flow Reconciliation

## Adjusted Free Cash Flow (Unaudited -- In millions)

### Adjusted Free Cash Flow

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
<b>Cash flow from operations</b>	<b>\$ (46.1)</b>	<b>\$ 136.8</b>	<b>\$ 138.8</b>	<b>\$ 60.4</b>	<b>\$(177.7)</b>
Capital expenditures	(14.4)	(20.8)	(8.7)	(9.4)	(6.0)
<b>Free cash flow</b>	<b>(60.5)</b>	<b>116.0</b>	<b>130.1</b>	<b>51.0</b>	<b>(183.7)</b>
Transaction, transformation and integration costs	1.4	1.7	11.5	13.4	20.3
Restructuring costs, net	19.4	31.1	40.1	27.1	9.3
<b>Adjusted free cash flow</b>	<b><u>\$ (39.7)</u></b>	<b><u>\$ 148.8</u></b>	<b><u>\$ 181.7</u></b>	<b><u>\$ 91.5</u></b>	<b><u>\$(154.1)</u></b>

See "Non-GAAP Financial Measures" above.

# Adjusted Gross Profit and Adjusted Operating Expense Reconciliations

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

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

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
<b>Gross profit, as reported</b>	<b>\$ 630.2</b>	<b>\$ 568.8</b>	<b>\$ 501.0</b>	<b>\$ 448.3</b>	<b>\$ 402.2</b>
Equity-based compensation	1.6	1.3	1.1	1.2	1.1
Acquisition accounting adjustments	0.5	0.4	0.3	—	0.1
Patent claims and litigation settlements	—	—	(3.5)	—	—
<b>Adjusted gross profit</b>	<b>\$ 632.3</b>	<b>\$ 570.5</b>	<b>\$ 498.9</b>	<b>\$ 449.5</b>	<b>\$ 403.4</b>
<b>Adjusted gross profit as % of sales</b>	<b>38.0%</b>	<b>35.9%</b>	<b>37.0%</b>	<b>37.9%</b>	<b>34.5%</b>

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

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
<b>Selling, general and administrative, as reported</b>	<b>\$ 232.0</b>	<b>\$ 230.0</b>	<b>\$ 209.0</b>	<b>\$ 202.3</b>	<b>\$ 199.7</b>
<b>Research and development, as reported</b>	<b>125.6</b>	<b>128.3</b>	<b>102.6</b>	<b>103.2</b>	<b>104.4</b>
<b>Operating expenses</b>	<b>\$ 357.6</b>	<b>\$ 358.3</b>	<b>\$ 311.6</b>	<b>\$ 305.5</b>	<b>\$ 304.1</b>
Equity-based compensation	10.8	8.6	9.4	9.6	10.1
Transaction, transformation and integration costs	0.3	2.8	14.6	9.4	8.5
Recovery for Russian accounts receivable	—	(2.0)	—	—	—
Cyber incident costs	—	3.6	1.5	0.4	—
<b>Adjusted operating expense</b>	<b>\$ 346.5</b>	<b>\$ 345.3</b>	<b>\$ 286.1</b>	<b>\$ 286.1</b>	<b>\$ 285.5</b>
<b>Adjusted operating expense as % of sales</b>	<b>20.8%</b>	<b>21.7%</b>	<b>21.2%</b>	<b>24.1%</b>	<b>24.4%</b>

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