COMMSCOPE®

Fourth Quarter and Full Year 2019 Results

February 20, 2020

Eddie Edwards
President & CEO

Alex Pease
EVP & CFO

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 of management, as well as assumptions made by, and information currently available to, such 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 ARRIS acquisition, 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 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; our ability to integrate and fully realize anticipated benefits from prior or future divestitures, acquisitions or equity investments; 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; 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 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; the impact of Brexit; 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 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; 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 2018 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2019 , 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.

Such forward-looking statements are also subject to additional risks and uncertainties related to the recently acquired ARRIS business, many of which are outside of our control, including, without limitation: the risk that we will not successfully integrate ARRIS or that we will not realize estimated cost savings, synergies, growth or other anticipated benefits, or that such benefits may take longer to realize than expected; risks relating to unanticipated costs of integration; the potential impact of the acquisition on relationships with third parties, including customers, employees and competitors; failure to manage potential conflicts of interest between or among customers; integration of information technology systems; and other factors beyond our control.

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 provides meaningful information to investors in understanding operating results and may enhance investors' ability to analyze financial and business trends. . 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. 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.

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Business Overview

February 20, 2020

Eddie Edwards
President & CEO

Fourth Quarter 2019 Financial Highlights

4Q'19 FINANCIAL HIGHLIGHTS

- Net sales of $2.3 billion in-line with guidance, adjusted EBITDA of $324 million[1] at the high end of guidance and adjusted EPS of $0.46[1] above the high end of guidance.
- Adjusted EBITDA margins expanded 20 bps to 14.1% on a combined company basis.
- Adjusted free cash flow generation of $323 million (includes a $78 million payable timing benefit) [1].
- $300 million of 5% notes due 2021 redeemed at par; mandatory $8 million principal payment on TLB.
- Additional $100 million of 5% notes due 2021 redeemed at par in February 2020.

"Despite industry headwinds, our team remained focused on managing the elements we could control. Our strong operational discipline allowed us to generate significant cash flow, resulting in $300 million of early debt paydown in the fourth quarter of 2019 and an additional $100 million paydown earlier this week. We are executing on our strategy and surpassing our cash flow and debt paydown expectations."

EDDIE EDWARDS, COMMSCOPE PRESIDENT & CEO

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

Fourth Quarter 2019 Business Highlights

BUSINESS SEGMENT	FOURTH QUARTER HIGHLIGHTS
Connectivity Solutions	• Continued pressure in enterprise indoor copper market. Actively investing in category 6A capabilities for solutions to increase bandwidth and Power over Ethernet needs. • Network cabling and connectivity (outdoor) remained soft due to seasonal declines from international Tier 1 carriers and slower fiber-to-the-home deployments by North American carriers. Tier 2 and 3 broadband operator spending continued to be strong. • Hyperscale and cloud data center growth remained robust. Focused on customized solutions that feed demand for higher fiber counts and greater density.
Mobility Solutions	• Sales decline driven by spending delays due to the potential T-Mobile / Sprint merger. Continue to ship infrastructure for 5G rollouts while helping operators densify and virtualize their 4G networks in preparation for 5G. • MetroCell momentum continues not only in large US urban areas but also in Tier 2 cities and municipalities with growing interest outside the continental US. • DAS (Era™) sales nearly doubled from the prior quarter and OneCell™ received additional approval from a major US operator for next generation of radio points.
Customer Premises Equipment	• Positive field trials of self-installable LTE fixed wireless access gateways. • Sequential and year-over-year increases in gross margins and adjusted EBITDA.
Network and Cloud	• Stronger than expected CMTS license sales. • Continued focus on broadening our virtualized and distributed access platforms. • Plan to complete another major release of vCore (Virtual CMTS) product and prepared to deploy in early 2020. • Completed development of remote-PHY shelf product enabling operators to place multiple RPD modules in a single chassis. • Launched remote optical line terminal (R-OLT) which supports a 10G ethernet PON network. In early field deployments with a major operator in Japan and in trials with US operators.
Ruckus	• Stronger than expected finish to the year. Growth in Wi-Fi 6 orders on the heels of the R750 introduction. • Strength in cloud-managed Wi-Fi subscriptions and recently launched cloud-based analytics platform that uses machine learning to detect network anomalies and provides actionable insights. • As founding members of the CBRS alliance, CBRS initial commercial deployment on track and anticipate decision by FCC to move to full commercial deployment in the coming months.

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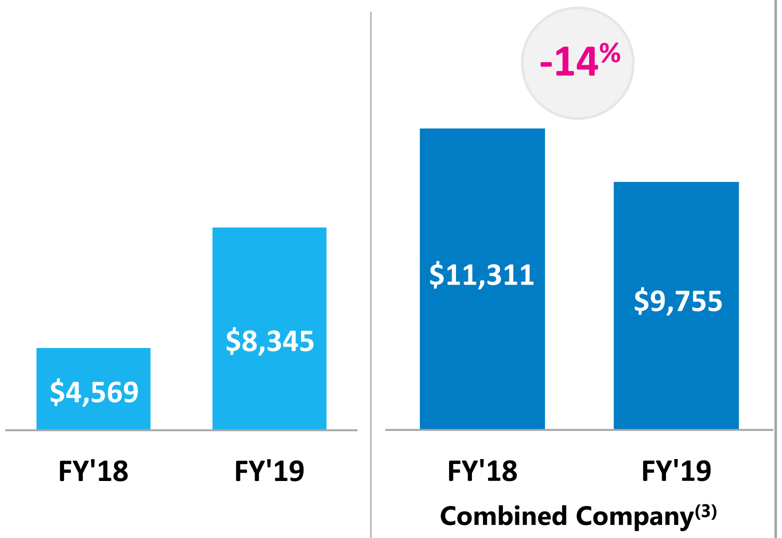
Full Year, Fourth Quarter 2019 Results and First Quarter 2020 Outlook

February 20, 2020

Alex Pease
EVP & CFO

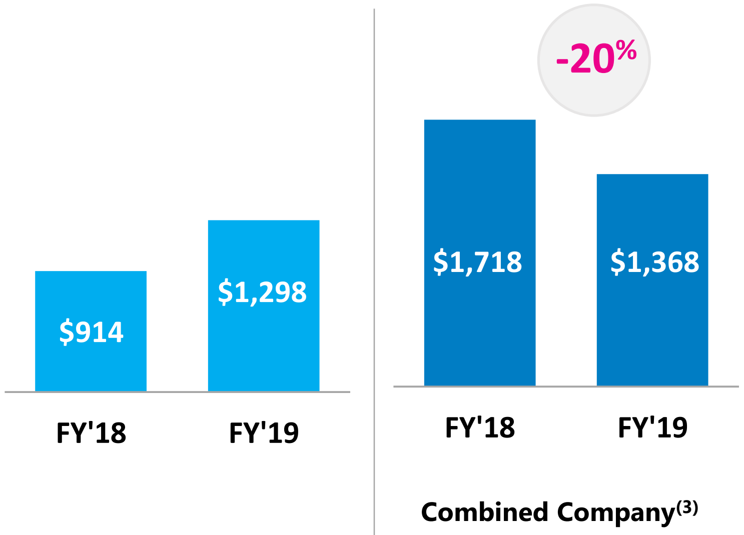
CommScope Full Year 2019 Financial Results

Net Sales [1] ($M)



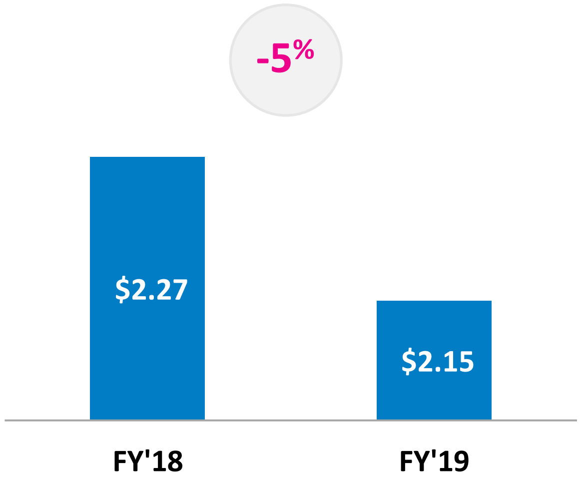
- Excluding FX, combined company net sales decreased 13%.
- Declines primarily due to lower cable operator spend.
- Declines across all geographic regions.

Adj. EBITDA[2] ($M)



- Combined company adj. EBITDA decreased 20% driven by lower sales volumes, partially offset by lower material costs and lower operating expenses.

Adj. EPS[2]

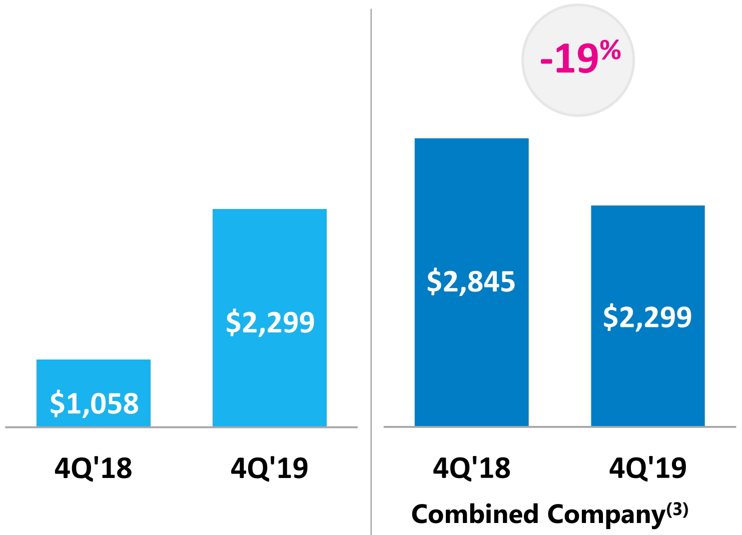


- Non-GAAP adjusted net income increased $36.9 million to $479.4 million for the full year 2019.
- Weighted average diluted shares outstanding increased by 27.8 million shares in 2019 primarily due to assumed conversion of Carlyle convertible preferred stock resulting from $1 billion investment to help fund ARRIS acquisition.

(1) Net sales as presented for FY'19 includes $45.4 million reduction of revenue related to deferred revenue purchase accounting adjustments.
(2) See appendix for reconciliation of non-GAAP adjusted measures.
(3) For comparisons described as combined company, the full year 2018 and January 1 – April 3, 2019 includes historical ARRIS results reflecting certain classification changes to align to CommScope's presentation.

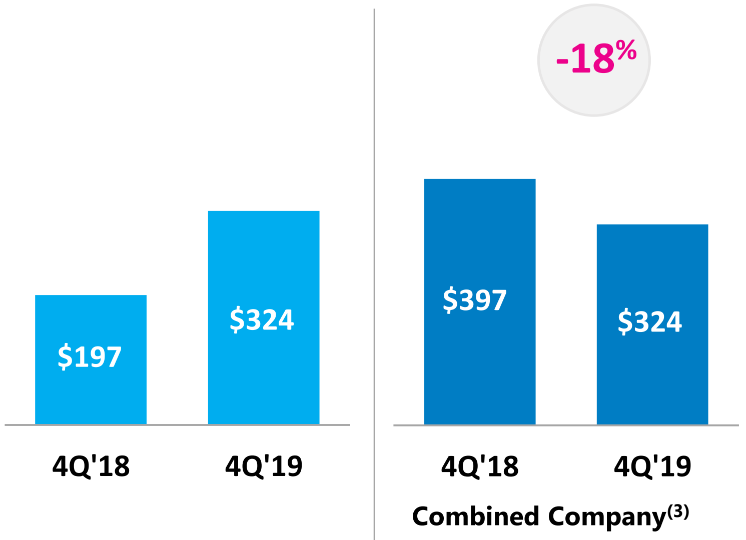
CommScope 4Q’19 Financial Results

Net Sales[1] ($M)



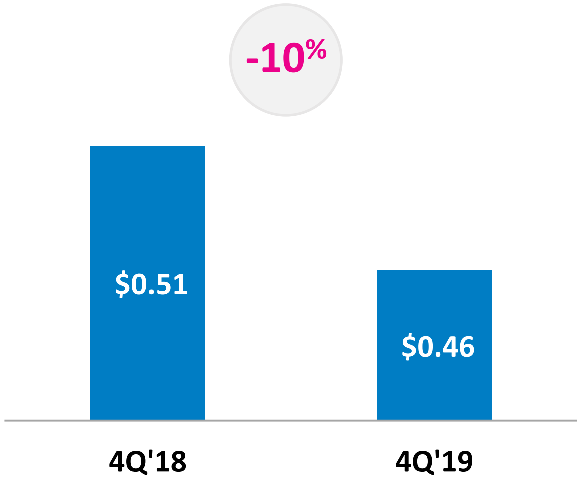
- Declines primarily due to lower cable operator spend.
- Declines across all geographic regions.
- Orders of $2.48 billion; Book-to-bill ratio of 1.08.

Adj. EBITDA[2] ($M)



- Combined company adj. EBITDA driven by lower sales volumes, partially offset by lower material costs and lower operating expenses.

Adj. EPS[2]



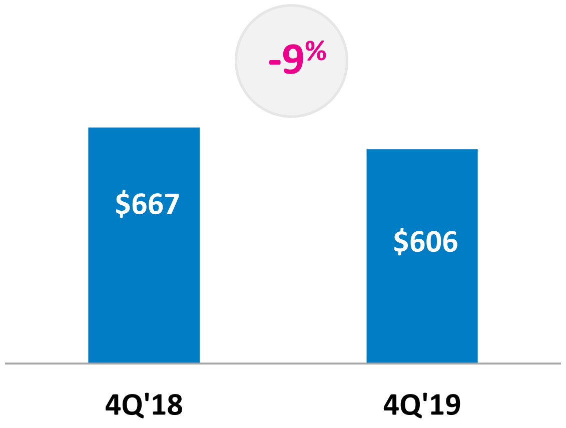
- Decreased adjusted operating profit accompanied with higher interest expense and diluted shares outstanding.
- Favorable adjusted effective tax rate of 20.7% vs. 21.4% in 4Q’18.

(1) Net sales as presented for 4Q’19 includes a $13.2 million reduction of revenue related to deferred revenue purchase accounting adjustments.
(2) See appendix for reconciliation of non-GAAP adjusted measures.
(3) For comparisons described as combined company, the fourth quarter of 2018 includes historical ARRIS results reflecting certain classification changes to align to CommScope’s presentation.

Segment 4Q'19 Financial Results

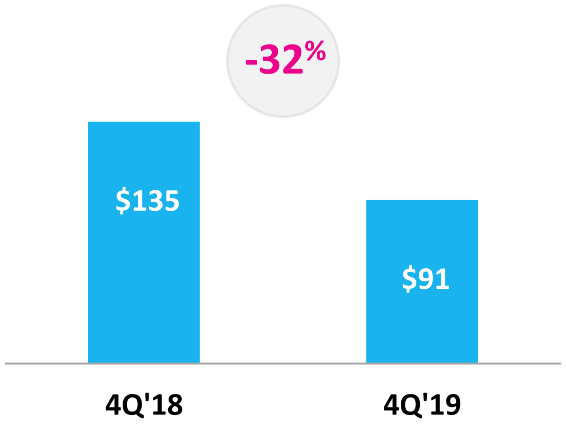
Connectivity Solutions

Net Sales ($M)



- Spending declines with carriers, cable operators, and enterprise copper weakness in China, partially offset by hyperscale growth.

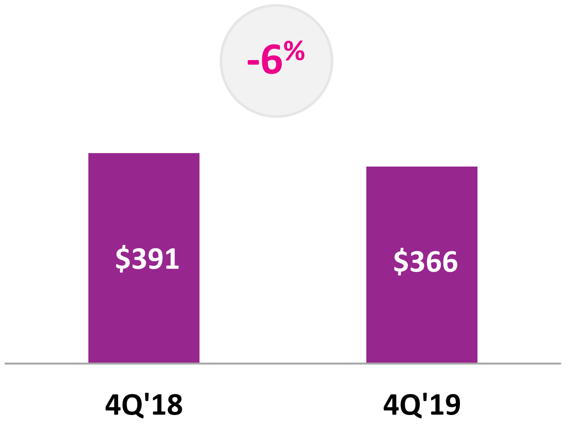
Adj. EBITDA[1] ($M)



- Adj. EBITDA decreased 32% primarily due to lower sales volumes and unfavorable mix.

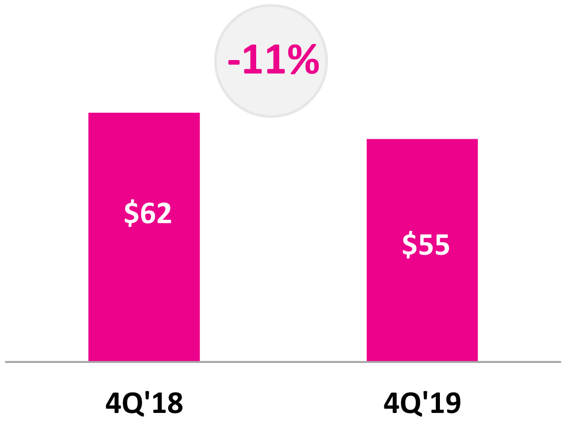
Mobility Solutions

Net Sales ($M)



- Declines in CALA and APAC partially offset by growth in North America and EMEA.
- Sales negatively impacted by ~7% due to a pause in spending related to the pending merger of two large telco customers.

Adj. EBITDA[1] ($M)



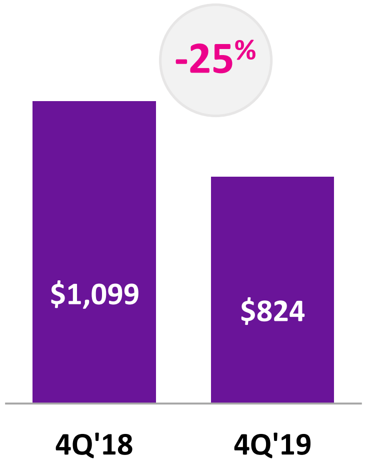
- Adj. EBITDA decreased 11% driven primarily by lower pricing and volume, partially offset by favorable mix and manufacturing cost reductions.

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

Segment 4Q’19 Financial Results

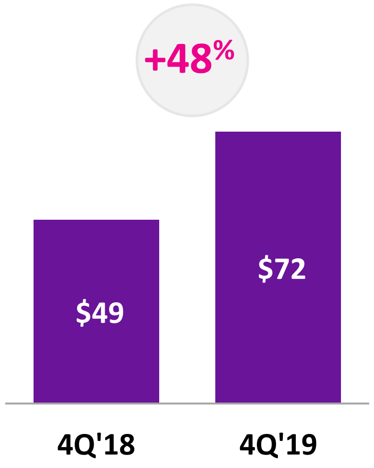
Customer Premises Equipment

Net Sales[1] ($M)



Combined Company[3]

Adj. EBITDA[2] ($M)



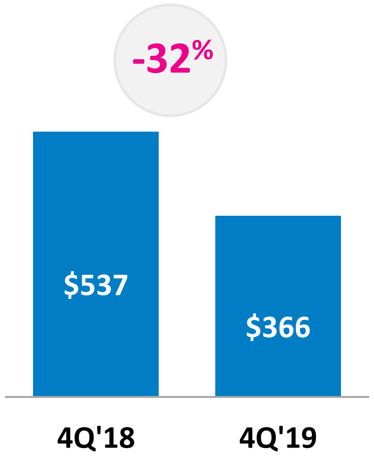
Combined Company[3]

- Declining net sales primarily driven by lower cable and carrier spend.
- Declines in NAR and EMEA sales partially offset by growth in APAC.

- Adj. EBITDA improved primarily due to lower material costs and cost containment, partially offset by volume and pricing.

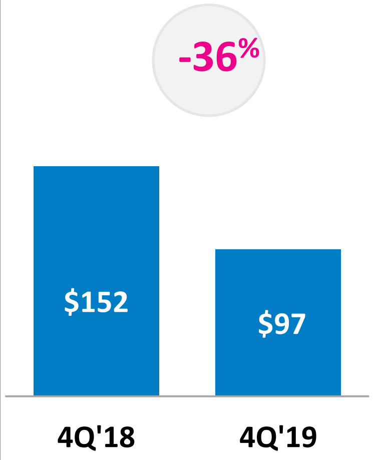
Network and Cloud

Net Sales[1] ($M)



Combined Company[3]

Adj. EBITDA[2] ($M)



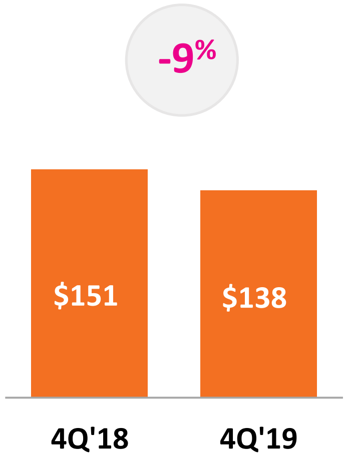
Combined Company[3]

- Declining net sales driven by lower cable operator spending.
- Net sales declined across all regions.

- Adj. EBITDA declined primarily due to lower sales volumes, partially offset by positive mix and cost synergies.

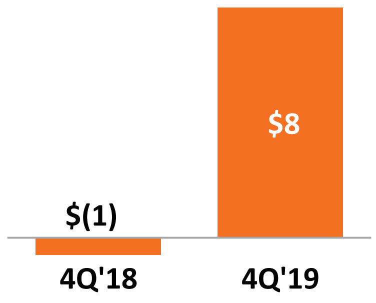
Ruckus Networks

Net Sales[1] ($M)



Combined Company3)

Adj. EBITDA[2] ($M)



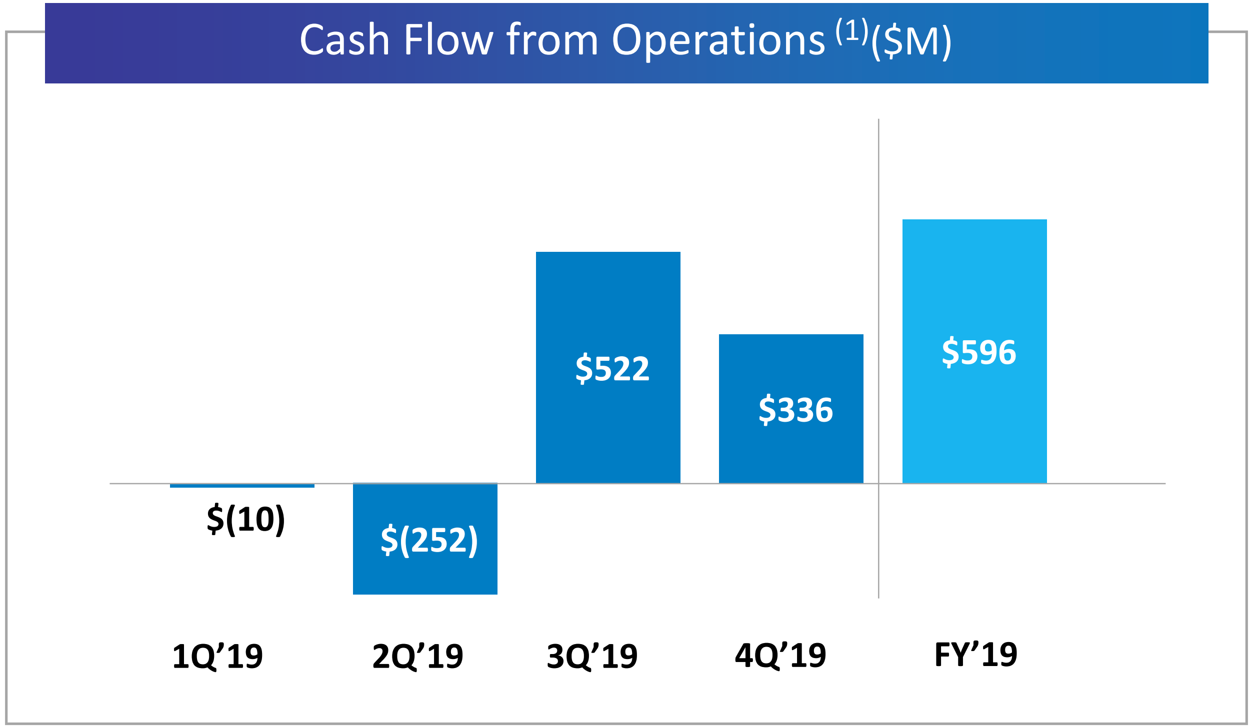
Combined Company[3]

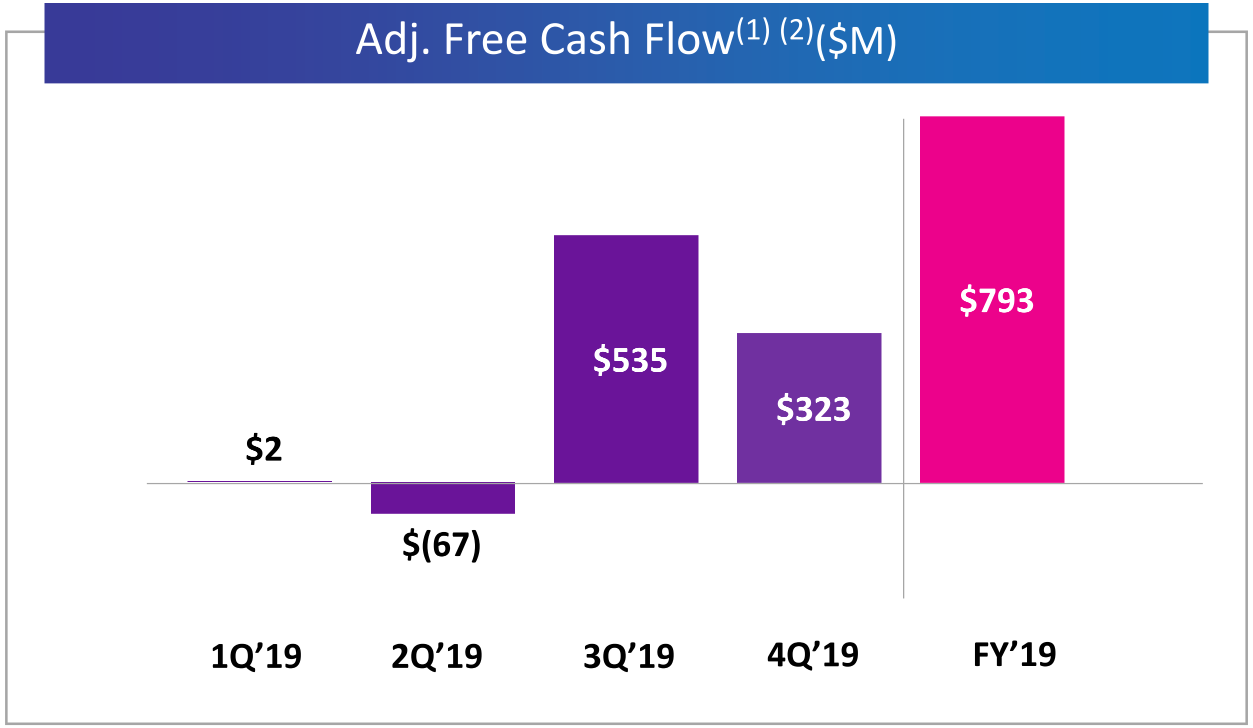
- Declining net sales driven by reduced spending from NAR service provider.
- Net sales declined across all regions.

- Adj. EBITDA improved primarily due to operating efficiencies, synergies and favorable mix, partially offset by lower sales volumes.

(1) Net sales as presented for 4Q’19 include reductions of revenue related to deferred revenue purchase accounting adjustments: $1.3 million for Customer Premises Equipment, $9.1 million for Network and Cloud, and $2.8 million for Ruckus Networks.
(2) See appendix for reconciliation of non-GAAP adjusted measures.
(3) For comparisons described as combined company, the fourth quarter of 2018 includes historical ARRIS results reflecting certain classification changes to align to CommScope’s presentation.

Cash Flow Update





- Second half growth in cash flow from operations primarily due to an **improvement in the cash conversion cycle** driven by lower days inventory outstanding and lower days sales outstanding.
- Adj. Free Cash Flow for the year of $793 million driven by working capital management, particularly achieving significant inventory management efficiencies and sales collections efforts.

(1) Cash Flow from Operations and Adj. Free Cash Flow include a benefit of $78 million due to payments that should have occurred in the fourth quarter of 2019.
(2) See appendix for reconciliation of non-GAAP adjusted measures. Adjusted free cash flow is defined as free cash flow excluding transaction and integration costs and other special items.

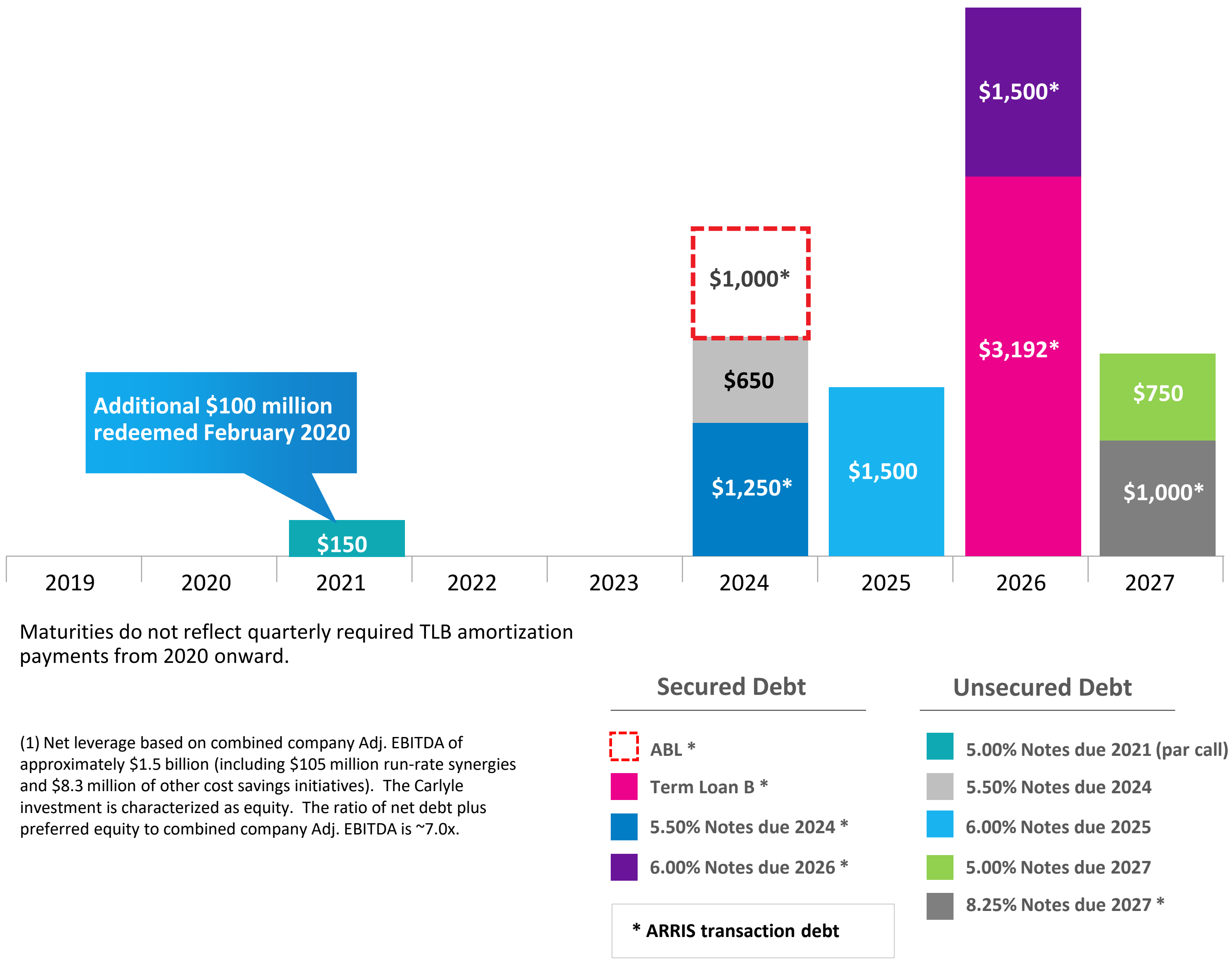
Capital Structure Update

Net Leverage
- 12/31/19 CommScope net leverage: 6.3x[1]
- Long-term target: 2.0x-3.0x

Liquidity of $1.4 billion
- Cash of $598 million as of December 31, 2019
- Undrawn ABL capacity of $797 million

Debt Paydown Update
- $200 million of 5% notes due 2021 redeemed at par on October 20, 2019
- $100 million of 5% notes due 2021 redeemed at par on December 16, 2019
- $8 million mandatory principal payment of term loan on December 31, 2019

Debt Maturities ($M) as of 12/31/2019



Maturities do not reflect quarterly required TLB amortization payments from 2020 onward.

(1) Net leverage based on combined company Adj. EBITDA of approximately $1.5 billion (including $105 million run-rate synergies and $8.3 million of other cost savings initiatives). The Carlyle investment is characterized as equity. The ratio of net debt plus preferred equity to combined company Adj. EBITDA is ~7.0x.

Business Unit Structure Implemented January 2020

2019	2020
Building and Campus (CCS Indoor Copper / Ruckus)	Venue & Campus Networks
Data Centers (CCS Indoor Fiber)	Venue & Campus Networks
Venues (CMS DAS & OneCell)	Venue & Campus Networks
Broadband Access (CCS NCC & Network and Cloud)	Broadband Networks
Video Systems & Security (Network and Cloud)	Broadband Networks
Metro Cells (CMS)	Outdoor Wireless Networks
Macro Cell (CMS)	Outdoor Wireless Networks
CPE	Home Networks

2020 Segment Outlook Commentary

Broadband Networks

- Expect modest sales growth with increases in both Network, Cable and Connectivity, and Network & Cloud based on a modest recovery in cable operator infrastructure spend.
- Sales growth to be led by North America and Europe.
- Expect adj. EBITDA growth from improved sales volumes and lower operating expenses.

Venue & Campus Networks

- Expect mid-single digit sales growth with increases in Ruckus, Indoor Fiber, DAS and OneCell partially offset by a decline in Indoor Copper.
- Sales growth to be led by North America and Europe.
- Expect adj. EBITDA to decline from higher operating expenses partially offset by higher sales volumes and productivity improvement initiatives.

Outdoor Wireless Networks

- Expect sales to modestly decline led by Macro Tower Solutions primarily due to moderating First Net orders and general spending decline from a large North America Tier 1 carrier. Expect continued Metro Cell growth.
- Sales decline to be led North America and MEA partially offset by increases in Europe and APAC.
- Expect adj. EBITDA to decline from lower sales volumes and higher operating expenses partially offset by productivity improvement initiatives.

Home Networks

- Expect sales to decline ~20% from a decline in Video STB primarily from pressure at a large North America Tier 1 carrier, partially offset by increases in Cable and Telco Broadband.
- Sales declines expected across all major geographic regions.
- Expect adj. EBITDA to decline due to lower sales volume and pricing, partially offset by lower input costs.

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2020 Outlook

Committed to delivering shareholder value

Looking forward, 2020 will be a year of continued and active cost structure management while strategically investing in our business to position CommScope for accelerated growth.

We remain confident in the long-term potential of our business and our ability to deliver significant shareholder value.

Net Sales	Modest decline to prior year on a combined-company basis
Non-GAAP Adj. EBITDA	Consistent with prior year on a combined-company basis
Non-GAAP Adj. Effective Tax Rate	26-27%
Weighted Average Diluted Shares	~237 million
Non-GAAP EPS	Decline to prior year on a combined-company basis
Adjusted Free Cash Flow	~$400 million
Long-term Debt Repayment	~450 million
Capital Expenditures	$110 - $130 million
Cash Interest	$570 - $580 million
Cash Taxes	$130 - $150 million
Integration, transaction and restructuring cash payments	$60 - $70 million

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1Q'20 Guidance

Due to the uncertainty regarding the impact of the Coronavirus, we are providing a wider than normal guidance range for the first quarter.

Given that a portion of our raw materials and products are sourced directly from mainland China, and a significant amount of our international shipments are manufactured in China, **we are factoring in approximately $60 million of negative impact from the Coronavirus in our first quarter adjusted EBITDA guidance.**

We are closely monitoring the situation as it unfolds and **expect to recover the majority of this impact as the year progresses.**

Net Sales	$1.9 billion - $2.1 billion
Non-GAAP Adj. EBITDA	$180 million - $260 million
Non-GAAP Adj. Effective Tax Rate	25% - 27%
Weighted Average Diluted Shares	~236 million
Non-GAAP EPS	$0.03 - $0.18

Note: See appendix for reconciliation of non-GAAP adjusted measures.

2020 Outlook Themes

Home Networks

- DOCSIS 4.0, 6GHz spectrum and Wi-Fi 6 enabling new services
- 10Gbps access speeds, more pervasive and powerful home networks, visual assistants

Outdoor Wireless & 5G Networks

- Rollout of 5G
- Densifying and powering up the network
- Driving standards and making technology decisions

Venue and Campus Networks

- New standards, products and services drive demand for bandwidth
- Need for more power over Ethernet (PoE) for edge devices

Data Centers

- 5G drives demand for edge computing
- Artificial intelligence will heighten deployment of new services

Broadband Networks

- Future is 10G
- Four trends will drive changes: upstream bandwidth, smart networks, virtualization, and distribution

In-building Wireless

- Increase demand for capacity and coverage
- New technologies to choose from including Wi-Fi 6, shared spectrum (CBRS), 5G, private networks

Appendix

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Statement of Operations

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

	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2018
Net sales	$ 2,298.7	$ 1,057.7	$ 8,345.1	$ 4,568.5
Cost of sales	1,562.5	676.0	5,941.0	2,935.2
Gross profit	736.2	381.7	2,404.1	1,633.3
Operating expenses:				
Selling, general and administrative	305.1	184.7	1,277.1	674.0
Research and development	179.1	43.3	578.5	185.7
Amortization of purchased intangible assets	205.9	65.1	593.2	264.6
Restructuring costs, net	9.3	24.3	87.7	44.0
Asset impairments	376.1	15.0	376.1	15.0
Total operating expenses	1,075.5	332.4	2,912.6	1,183.3
Operating income (loss)	(339.3)	49.3	(508.5)	450.0
Other expense, net	(2.9)	(39.7)	(6.4)	(44.3)
Interest expense	(153.6)	(55.4)	(577.2)	(242.0)
Interest income	2.2	1.6	18.1	7.0
Income (loss) before income taxes	(493.6)	(44.2)	(1,074.0)	170.7
Income tax (expense) benefit	56.9	20.9	144.5	(30.5)
Net income (loss)	(436.7)	(23.3)	(929.5)	140.2
Series A convertible preferred stock dividend	(13.8)	—	(40.7)	—
Deemed dividend on Series A convertible preferred stock	—	—	(3.0)	—
Net income (loss) attributable to common stockholders	$ (450.5)	$ (23.3)	$ (973.2)	$ 140.2
Earnings (loss) per share:				
Basic	$ (2.32)	$ (0.12)	$ (5.02)	$ 0.73
Diluted (a)	$ (2.32)	$ (0.12)	$ (5.02)	$ 0.72
Weighted average shares outstanding:				
Basic	194.4	192.5	193.7	192.0
Diluted (a)	194.4	192.5	193.7	195.3
(a) Calculation of diluted earnings per share:				
Net income (loss) (basic and diluted)	$ (450.5)	$ (23.3)	$ (973.2)	$ 140.2
Weighted average shares (basic)	194.4	192.5	193.7	192.0
Dilutive effect of stock awards	—	—	—	3.3
Denominator (diluted)	194.4	192.5	193.7	195.3

See notes to consolidated financial statements included in our Form 10-K.

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Balance Sheet

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

	December 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	$ 598.2	$ 458.2
Accounts receivable, less allowance for doubtful accounts of $35.4 and $17.4, respectively	1,698.8	810.4
Inventories, net	975.9	473.3
Prepaid expenses and other current assets	238.9	135.9
Total current assets	3,511.8	1,877.8
Property, plant and equipment, net of accumulated depreciation of $553.8 and $437.7, respectively	723.8	450.9
Goodwill	5,471.7	2,852.3
Other intangible assets, net	4,263.6	1,352.0
Other noncurrent assets	460.7	97.5
Total assets	$ 14,431.6	$ 6,630.5
Liabilities and Stockholders' Equity		
Accounts payable	$ 1,148.0	$ 399.2
Accrued and other liabilities	862.0	291.4
Current portion of long-term debt	32.0	—
Total current liabilities	2,042.0	690.6
Long-term debt	9,800.4	3,985.9
Deferred income taxes	215.1	83.3
Other noncurrent liabilities	537.8	113.9
Total liabilities	12,595.3	4,873.7
Commitments and contingencies		
Series A convertible preferred stock, $0.01 par value	1,000.0	—
Stockholders' equity:		
Preferred stock, $0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: 1,000,000 Series A convertible preferred stock	—	—
Common stock, $0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 194,563,530 and 192,376,255, respectively	2.0	2.0
Additional paid-in capital	2,445.1	2,385.1
Retained earnings (accumulated deficit)	(1,179.3)	(249.8)
Accumulated other comprehensive loss	(197.0)	(159.2)
Treasury stock, at cost: 7,411,382 shares and 6,744,082 shares, respectively	(234.5)	(221.3)
Total stockholders' equity	836.3	1,756.8
Total liabilities and stockholders' equity	$ 14,431.6	$ 6,630.5

See notes to consolidated financial statements included in our Form 10-K.

COMMSCOPE

Statement of Cash Flows

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

	Three Months Ended December 31, 2019	Three Months Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2018
Operating Activities:				
Net income (loss)	$ (436.7)	$ (23.2)	$ (929.5)	$ 140.2
Adjustments to reconcile net income (loss) to net cash generated by operating activities:				
Depreciation and amortization	256.5	84.8	770.9	357.5
Equity-based compensation	32.1	11.2	90.8	44.9
Deferred income taxes	(88.4)	(16.6)	(260.8)	(49.2)
Asset impairments	376.1	15.0	376.1	15.0
Changes in assets and liabilities:				
Accounts receivable	93.5	88.6	258.8	65.1
Inventories	132.8	17.3	489.1	(48.5)
Prepaid expenses and other current assets	6.1	(15.4)	19.5	1.0
Accounts payable and other accrued liabilities	(46.5)	(66.7)	(274.0)	(0.8)
Other noncurrent liabilities	7.6	(1.0)	7.2	(54.6)
Other noncurrent assets	(4.4)	12.2	46.0	(8.0)
Other	7.3	26.1	2.3	31.6
Net cash generated by operating activities	336.0	132.3	596.4	494.1
Investing Activities:				
Additions to property, plant and equipment	(31.8)	(26.9)	(104.1)	(82.3)
Proceeds from sale of property, plant and equipment	0.4	0.2	1.6	12.9
Cash paid for current year acquisitions, net of cash acquired	—	—	(5,053.4)	—
Cash paid for prior year acquisition	—	—	(11.0)	—
Proceeds from sale of long-term investments	—	—	9.3	—
Proceeds upon settlement of net investment hedge	1.6	3.8	2.7	5.1
Net cash used in investing activities	(29.8)	(22.9)	(5,154.9)	(64.3)
Financing Activities:				
Long-term debt repaid	(308.0)	—	(3,061.3)	(550.0)
Long-term debt proceeds	—	—	6,933.0	150.0
Debt issuance and modification costs	—	—	(120.8)	—
Series A convertible preferred stock proceeds	—	—	1,000.0	—
Dividends paid on Series A convertible preferred stock	(13.8)	—	(40.7)	—
Deemed dividend paid on Series A convertible preferred stock	—	—	(3.0)	—
Proceeds from the issuance of common shares under equity-based compensation plans	1.5	1.1	4.6	6.1
Tax withholding payments for vested equity-based compensation awards	(0.9)	(0.1)	(13.2)	(15.7)
Net cash generated by (used in) financing activities	(321.2)	1.0	4,698.6	(409.6)
Effect of exchange rate changes on cash and cash equivalents	4.1	(4.6)	(0.1)	(16.0)
Change in cash and cash equivalents	(10.9)	105.8	140.0	4.2
Cash and cash equivalents at beginning of period	609.1	352.4	458.2	454.0
Cash and cash equivalents at end of period	$ 598.2	$ 458.2	$ 598.2	$ 458.2

See notes to consolidated financial statements included in our Form 10-K.

COMMSCOPE

Adjusted Operating Income, EBITDA, and 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 December 31, 2019	Three Months Ended December 31, 2018	Year Ended December 31, 2019	Year Ended December 31, 2018
Net income (loss), as reported	**$ (436.7)**	**$ (23.2)**	**$ (929.5)**	**$ 140.2**
Income tax expense (benefit), as reported	(56.9)	(20.9)	(144.5)	30.5
Interest income, as reported	(2.2)	(1.7)	(18.1)	(7.0)
Interest expense, as reported	153.6	55.4	577.2	242.0
Other expense, net, as reported	2.9	39.8	6.4	44.3
Operating income (loss), as reported	$ (339.3)	$ 49.4	$ (508.5)	$ 450.0
Adjustments:				
Amortization of purchased intangible assets	205.9	65.2	593.2	264.6
Restructuring costs, net	9.3	24.2	87.7	44.0
Equity-based compensation	32.1	11.2	90.8	44.9
Asset impairments	376.1	15.0	376.1	15.0
Transaction and integration costs	5.3	14.2	195.3	19.5
Purchase accounting adjustments	(8.6)	—	264.2	—
Patent litigation settlement	—	—	55.0	—
Depreciation	42.7	17.4	143.7	75.6
Total adjustments to operating income (loss)	662.8	147.2	1,806.0	463.6
Non-GAAP adjusted EBITDA	**$ 323.6**	**$ 196.6**	**$ 1,297.5**	**$ 913.6**
Income (loss) before income taxes, as reported	$ (493.6)	$ (44.2)	$ (1,074.0)	$ 170.7
Income tax (expense) benefit, as reported	56.9	20.9	144.5	(30.5)
Net income (loss), as reported	**$ (436.7)**	**$ (23.3)**	**$ (929.5)**	**$ 140.2**
Adjustments:				
Total pretax adjustments to adjusted EBITDA	620.2	129.9	1,662.4	388.0
Pretax amortization of debt issuance costs & OID (1)	7.9	2.3	33.4	17.3
Pretax acquisition related interest (1)	—	—	30.2	—
Pretax pension and postretirement benefit plan terminations (2)	—	25.0	—	25.0
Pretax foreign currency loss on entity liquidation (2)	—	14.0	—	14.0
Tax effects of adjustments and other tax items (3)	(84.8)	(48.1)	(317.1)	(142.0)
Non-GAAP adjusted net income	**$ 106.6**	**$ 99.8**	**$ 479.4**	**$ 442.5**
GAAP EPS, as reported (4)	**$ (2.32)**	**$ (0.12)**	**$ (5.02)**	**$ 0.72**
Non-GAAP adjusted diluted EPS	**$ 0.46**	**$ 0.51**	**$ 2.15**	**$ 2.27**

(1) Included in interest expense.
(2) Included in other 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 the three and twelve months ended December 31, 2019, GAAP EPS was calculated using Net income (loss) attributable to common stockholders in the numerator because of the net loss position.

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

COMMSCOPE

Sales by Region

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

Sales by Region

	Q4 2019	Q4 2018	% Change YOY
United States	$ 1,350.8	$ 564.1	139.5 %
Europe, Middle East and Africa	419.3	224.3	86.9
Asia Pacific	253.8	184.5	37.6
Caribbean and Latin America	174.2	65.8	164.7
Canada	100.6	19.0	429.5
Total Net Sales	$ 2,298.7	$ 1,057.7	117.3 %

Sales by Region

	Full Year 2019	Full Year 2018	% Change YOY
United States	$ 4,923.3	$ 2,539.2	93.9 %
Europe, Middle East and Africa	1,543.6	963.0	60.3
Asia Pacific	919.7	735.6	25.0
Caribbean and Latin America	650.7	242.9	167.9
Canada	307.8	87.8	250.6
Total Net Sales	$ 8,345.1	$ 4,568.5	82.7 %

COMMSCOPE

Sales and Adjusted EBITDA by Segment

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

Sales by Segment

	Q4 2019	Combined Company (1) Q4 2018	% Change YOY
Connectivity	$ 605.9	$ 666.9	(9.1) %
Mobility	365.6	390.8	(6.4) %
CPE	823.6	1,099.0	(25.1) %
N&C	366.1	536.8	(31.8) %
Ruckus	137.5	151.3	(9.1) %
Total Net Sales	$ 2,298.7	$ 2,844.8	(19.2) %

Segment Adjusted EBITDA

	Q4 2019	Combined Company (1) Q4 2018	% Change YOY
Connectivity	$ 91.2	$ 134.7	(32.3) %
Mobility	55.4	61.9	(10.5) %
CPE (2)	71.9	48.6	47.9 %
N&C	97.1	152.0	(36.1) %
Ruckus	8.0	(0.6)	NM
Total segment adjusted EBITDA	$ 323.6	$ 396.6	(18.4) %

(1) Periods prior to the acquisition date, April 4, 2019, are presented for the combined company to include previously reported CommScope results plus previously disclosed historical results of the ARRIS segments.

(2) Q4 2018 includes a $13.3 million adjustment to exclude the impact of a gain on the sale of the ARRIS manufacturing facility and fixed assets in Taiwan. This amount was not included as an adjustment in the previously disclosed results of the ARRIS segments. See the reconciliation of GAAP to segment adjusted EBITDA schedule below.

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

COMMSCOPE

Sales and Adjusted EBITDA by Segment

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

Sales by Segment

	As Reported 2019	2019 ARRIS Pre-acquisition [1]	Combined Company [1] 2019	Combined Company [1] 2018	% Change YOY
Connectivity	$ 2,557.4	$ —	$ 2,557.4	$ 2,812.7	(9.1) %
Mobility	1,754.2	—	1,754.2	1,755.8	(0.1) %
CPE	2,539.0	847.6	3,386.6	3,923.8	(13.7) %
N&C	1,073.6	444.0	1,517.6	2,156.6	(29.6) %
Ruckus	420.9	118.3	539.2	662.2	(18.6) %
Total Net Sales	$ 8,345.1	$ 1,409.9	$ 9,755.0	$ 11,311.1	(13.8) %

Segment Adjusted EBITDA

	As Reported 2019	2019 ARRIS Pre-acquisition [1]	Combined Company [1] 2019	Combined Company [1] 2018	% Change YOY
Connectivity	$ 462.1	$ —	$ 462.1	$ 575.2	(19.7) %
Mobility	380.1	—	380.1	338.4	12.3 %
CPE [2]	193.7	34.0	227.7	175.6	29.7 %
N&C	237.0	69.0	306.0	578.8	(47.1) %
Ruckus	24.6	(32.3)	(7.7)	49.8	(115.5) %
Total segment adjusted EBITDA	$ 1,297.5	$ 70.7	$ 1,368.2	$ 1,717.8	(20.4) %

(1) Periods prior to the acquisition date, April 4, 2019, are presented for the combined company to include previously reported CommScope results plus previously disclosed historical results of the ARRIS segments.
(2) 2018 includes an adjustment to exclude the $13.3 million impact of a gain on the sale of the ARRIS manufacturing facility and fixed assets in Taiwan. This amount was not included as an adjustment in the previously disclosed results of the ARRIS segments. See the reconciliation of GAAP to segment adjusted EBITDA schedule below.

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

COMMSCOPE

Adjusted EBITDA Reconciliation by Segment

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

Fourth Quarter 2019 Segment Adjusted EBITDA Reconciliation

	Connectivity	Mobility	CPE	N&C	Ruckus	Total
Operating income (loss), as reported	$ 28.9	$ 23.5	$ (174.8)	$ (166.4)	$ (50.5)	$ (339.2)
Amortization of purchased intangible assets	40.1	17.4	36.5	98.2	13.7	205.9
Restructuring costs, net	(1.4)	2.3	1.3	5.1	2.0	9.4
Equity-based compensation	7.1	4.9	5.6	10.0	4.4	32.0
Asset impairments	—	—	192.8	142.1	41.2	376.1
Transaction and integration costs	3.7	1.7	—	0.1	—	5.3
Purchase accounting adjustments	—	—	0.5	(1.9)	(7.2)	(8.6)
Depreciation	12.9	5.5	10.1	9.9	4.3	42.7
Segment adjusted EBITDA	**$ 91.2**	**$ 55.4**	**$ 71.9**	**$ 97.1**	**$ 8.0**	**$ 323.6**
Segment adjusted EBITDA % of sales	**15.1%**	**15.2%**	**8.7%**	**26.5%**	**5.8%**	**14.1%**

Fourth Quarter 2018 Segment Adjusted EBITDA Reconciliation

	Connectivity	Mobility	Combined Company[1] CPE	Combined Company[1] N&C	Combined Company[1] Ruckus	Combined Company[1] Total
Operating income (loss), as reported	$ 38.5	$ 10.9	$ (1.5)	$ 97.6	$ (28.6)	$ 116.9
Amortization of purchased intangible assets	43.7	21.4	47.7	24.7	17.7	155.2
Restructuring costs, net	17.6	6.7	0.6	4.0	0.3	29.2
Equity-based compensation	6.8	4.4	6.1	11.7	4.4	33.4
Asset impairments	7.5	7.5	—	—	—	15.0
Transaction and integration costs	8.7	5.6	1.5	4.9	2.3	23.0
Purchase accounting adjustments	—	—	—	—	1.7	1.7
Gain on sale of PP&E [2]	—	—	(13.3)	—	—	(13.3)
Depreciation	11.9	5.5	7.5	9.1	1.6	35.6
Segment adjusted EBITDA	**$ 134.7**	**$ 61.9**	**$ 48.6**	**$ 152.0**	**$ (0.6)**	**$ 396.6**
Segment adjusted EBITDA % of sales	**20.2%**	**15.9%**	**4.4%**	**28.3%**	**(0.4)%**	**13.9%**

(1) Periods prior to the acquisition date, April 4, 2019, are presented for the combined company to include previously reported CommScope results plus previously disclosed historical results of the ARRIS segments.

(2) Reflects an adjustment to exclude the impact of a gain on the sale of the ARRIS manufacturing facility and fixed assets in Taiwan. This amount was not included as an adjustment in the previously disclosed results of the ARRIS segments.

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

COMMSCOPE

Adjusted EBITDA Reconciliation by Segment

Reconciliation of GAAP to Segment Adjusted EBITDA
(Unaudited -- In millions)

Year Ended December 31, 2019 Segment Adjusted EBITDA Reconciliation

	Connectivity	Mobility	Combined Company(1) CPE	Combined Company(1) N&C	Combined Company(1) Ruckus	Combined Company(1) Total
Operating income (loss), as reported	**$ 174.4**	**$ 180.7**	**$ (223.5)**	**$ (420.5)**	**$ (284.6)**	**$ (573.5)**
Amortization of purchased intangible assets	161.4	71.1	149.1	236.1	60.2	677.9
Restructuring costs, net	12.4	11.2	23.7	32.2	8.7	88.2
Equity-based compensation	24.6	16.9	20.4	36.2	13.9	112.0
Asset impairments	—	—	192.8	142.1	41.2	376.1
Transaction and integration costs	39.4	23.0	—	104.8	36.3	203.5
Purchase accounting adjustments	—	—	27.8	135.8	102.1	265.7
Patent litigation settlement	—	55.0	—	—	—	55.0
Depreciation	49.9	22.2	37.4	39.3	14.5	163.3
Segment adjusted EBITDA	**$ 462.1**	**$ 380.1**	**$ 227.7**	**$ 306.0**	**$ (7.7)**	**$ 1,368.2**
Segment adjusted EBITDA % of sales	**18.1%**	**21.7%**	**6.7%**	**20.2%**	**-1.4%**	**14.0%**

Year Ended December 31, 2018 Segment Adjusted EBITDA Reconciliation

	Connectivity	Mobility	Combined Company(1) CPE	Combined Company(1) N&C	Combined Company(1) Ruckus	Combined Company(1) Total
Operating income (loss), as reported	**$ 271.9**	**$ 178.1**	**$ (106.5)**	**$ 372.6**	**$ (89.9)**	**$ 626.2**
Amortization of purchased intangible assets	178.6	86.0	211.1	99.2	73.2	648.1
Restructuring costs, net	24.2	19.8	25.7	15.1	0.3	85.1
Equity-based compensation	27.3	17.6	25.2	44.6	15.4	130.1
Asset impairments	7.5	7.5	—	3.4	—	18.4
Transaction and integration costs	12.3	7.3	1.5	4.9	7.7	33.7
Purchase accounting adjustments	—	—	—	—	30.1	30.1
Gain on sale of PP&E (2)	—	—	(13.3)	—	—	(13.3)
Depreciation	53.4	22.2	31.8	38.9	13.1	159.4
Segment adjusted EBITDA	**$ 575.2**	**$ 338.4**	**$ 175.6**	**$ 578.8**	**$ 49.8**	**$ 1,717.8**
Segment adjusted EBITDA % of sales	**20.5%**	**19.3%**	**4.5%**	**26.8%**	**7.5%**	**15.2%**

(1) Periods prior to the acquisition date, April 4, 2019, are presented for the combined company to include previously reported CommScope results plus previously disclosed historical results of the ARRIS segments.

(2) Reflects an adjustment to exclude the impact of a gain on the sale of the ARRIS manufacturing facility and fixed assets in Taiwan. This amount was not included as an adjustment in the previously disclosed results of the ARRIS segments.

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)

<u>Adjusted Free Cash Flow</u>

	Q4 2019	Q4 2018	Full Year 2019	Full Year 2018
Cash flow from operations	**$ 336.0**	**$ 132.3**	**$ 596.4**	**$ 494.1**
Capital expenditures	(31.8)	(26.9)	(104.1)	(82.3)
Free cash flow	**304.2**	**105.4**	**492.3**	**411.8**
Transaction and integration costs	5.5	4.5	210.7	8.3
Restructuring	12.9	9.4	89.9	40.2
Adjusted Free Cash Flow (1)	**$ 322.6**	**$ 119.3**	**$ 792.9**	**$ 460.3**

(1) Non-GAAP adjusted free cash flow reflects a $78.0 million benefit from certain payments that should have occurred in the fourth quarter of 2019 but were made in the first quarter of 2020.

See Description of Non-GAAP Financial Measures

COMMSCOPE

New Segment 2019 Financial Information

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

Net Sales by Segment (1)

	Q1 2019 (2)	Q2 2019 (2)	Q3 2019	Q4 2019	Total (2)
Venue & Campus Networks	$ 499	$ 552	$ 525	$ 510	$ 2,086
Broadband Networks	766	672	695	673	2,806
Outdoor Wireless Networks	392	458	334	292	1,476
Home Networks	824	913	826	824	3,387
Total Net Sales	$ 2,481	$ 2,595	$ 2,380	$ 2,299	$ 9,755

Segment Adjusted EBITDA (1)

	Q1 2019 (2)	Q2 2019 (2)	Q3 2019	Q4 2019	Total (2)
Venue & Campus Networks	$ 20	$ 76	$ 81	$ 59	$ 236
Broadband Networks	137	109	153	144	543
Outdoor Wireless Networks	100	136	76	49	361
Home Networks	36	60	60	72	228
Segment adjusted EBITDA	$ 293	$ 381	$ 370	$ 324	$ 1,368
Segment adjusted EBITDA % of sales	11.8%	14.7%	15.5%	14.1%	14.0%

(1) Represents our preliminary recasting of net sales and segment adjusted EBITDA to conform to our new segment reporting structure effective January 1, 2020. These amounts are subject to change as we finalize the recast in the first quarter of 2020.

(2) Periods prior to the acquisition date, April 4, 2019, are presented for the combined company to include previously reported CommScope results plus previously disclosed historical results of the ARRIS business.

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

Outlook GAAP to Non-GAAP Reconciliation

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

	Outlook
	Three Months Ended March 31, 2020
Net loss	**$(181) - $(151)**
Income tax benefit	$(31) - $(20)
Interest income	$(2) - $0
Interest expense	$150 - $152
Other expense, net	$1 - $5
Operating loss	**$(63) - $(14)**
Adjustments:	
Amortization of purchased intangible assets	$155 - $160
Equity-based compensation	$30 - $36
Restructuring costs, integration costs and other (1)	$13 - $25
Purchase accounting	$3- $7
Depreciation	$42 - $46
Total adjustments to operating loss	$243 - $274
Non-GAAP adjusted EBITDA	**$180 - $260**
Basic loss per share	**$(0.89) - $(0.88)**
Adjustments (2):	
Total adjustments to operating loss	$0.82 - $0.92
Debt-related costs and other special items (3)	$0.09 - $0.10
Impact of Series A convertible preferred stock (4)	$0.01 - $0.04
Non-GAAP adjusted diluted earnings per share	**$0.03 - $0.18**

(1) Reflects projections for restructuring costs, integration costs and other special items. Actual adjustments may vary from projections.
(2) The tax rates applied to projected adjustments reflect the tax expense or benefit based on the expected tax jurisdiction of the entity generating the projected adjustments. There are certain items for which we expect little or no tax effect.
(3) Reflects projections for amortization of debt issuance costs, loss on debt extinguishment, net investment gains or losses and other tax items. Actual adjustments may vary from projections.
(4) Reflects the impacts of the Series A convertible preferred stock on the earnings per share calculation, including the impact of if-converted dilutive shares that were considered anti-dilutive with a GAAP net loss.

Our actual results may be impacted by additional events for which information is not currently available, such as additional restructuring activities, asset impairments, debt extinguishments, additional transaction and integration costs, foreign exchange rate fluctuations and other gains or losses related to events that are not currently known or measurable.

See Caution Regarding Forward-Looking Statements and Description of Non-GAAP Financial Measures.