

# YOUR NETWORK RUNS ON COMMScope™

## First Quarter 2016 Results

April 28, 2016

### **Eddie Edwards**

President and  
Chief Executive Officer

### **Mark Olson**

Executive Vice President and  
Chief Financial Officer

## Caution Regarding Forward Looking Statements

During this presentation or any other oral or written statements made by us or on our behalf may include forward-looking statements 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,” “anticipate,” “should,” “could,” “designed to,” “foreseeable future,” “believe,” “think,” “scheduled,” “outlook,” “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 on 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 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; product performance issues and associated warranty claims; our ability to maintain effective information management 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 and 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; 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 value-added tax receivables; our ability to attract and retain qualified key employees; labor unrest; significant international operations expose 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; 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 2015 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.

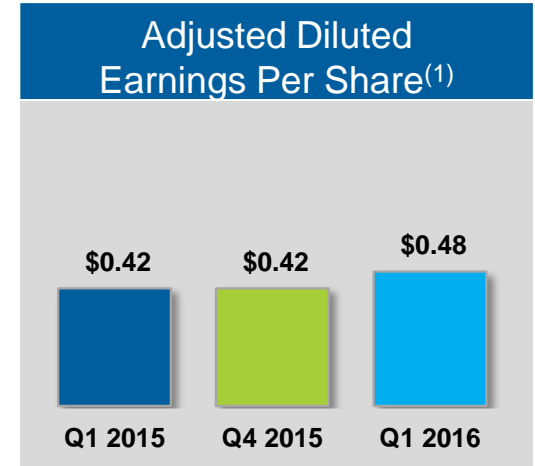
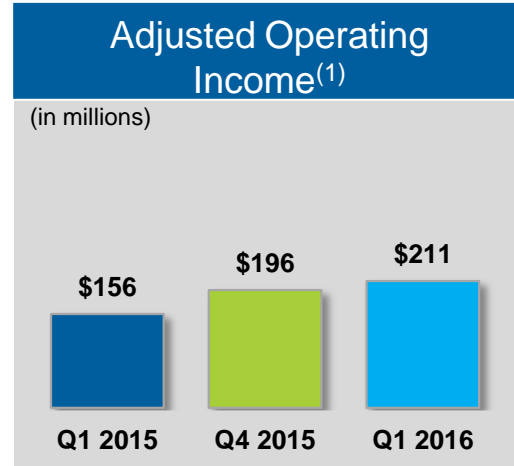
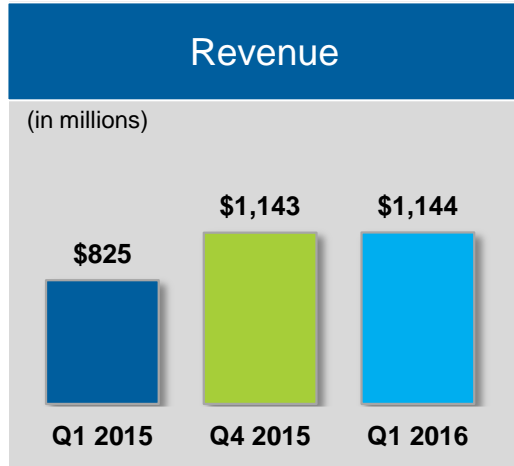
## Non-GAAP Financial Measures

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.

- First quarter 2016 results
- Segment review
- Cash flow, liquidity and capital structure
- Second quarter and calendar year 2016 outlook

**YOUR NETWORK**  
**RUNS ON COMMSCOPE™**





## Sales & Orders:

- Sales of \$1.14 billion, consistent with guidance
  - Excluding BNS and FX, down 6% YOY
- Orders of \$1.34 billion
  - Book-to-bill ratio of 1.17

## Operating Results:

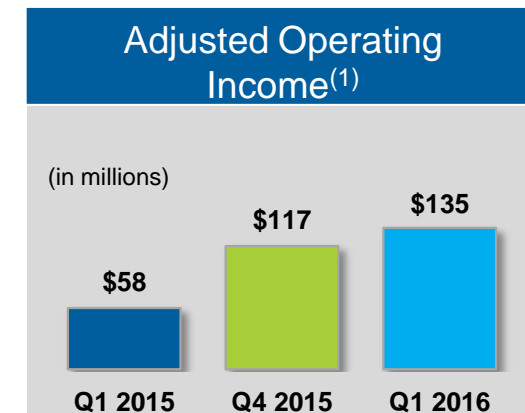
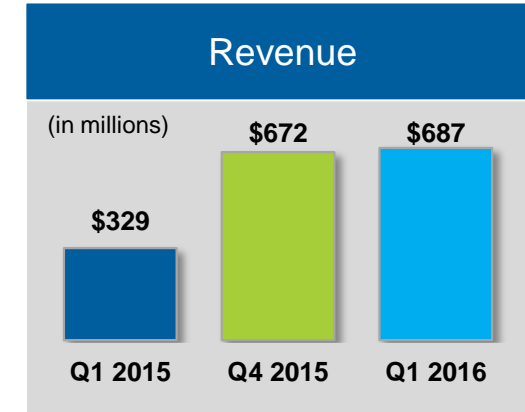
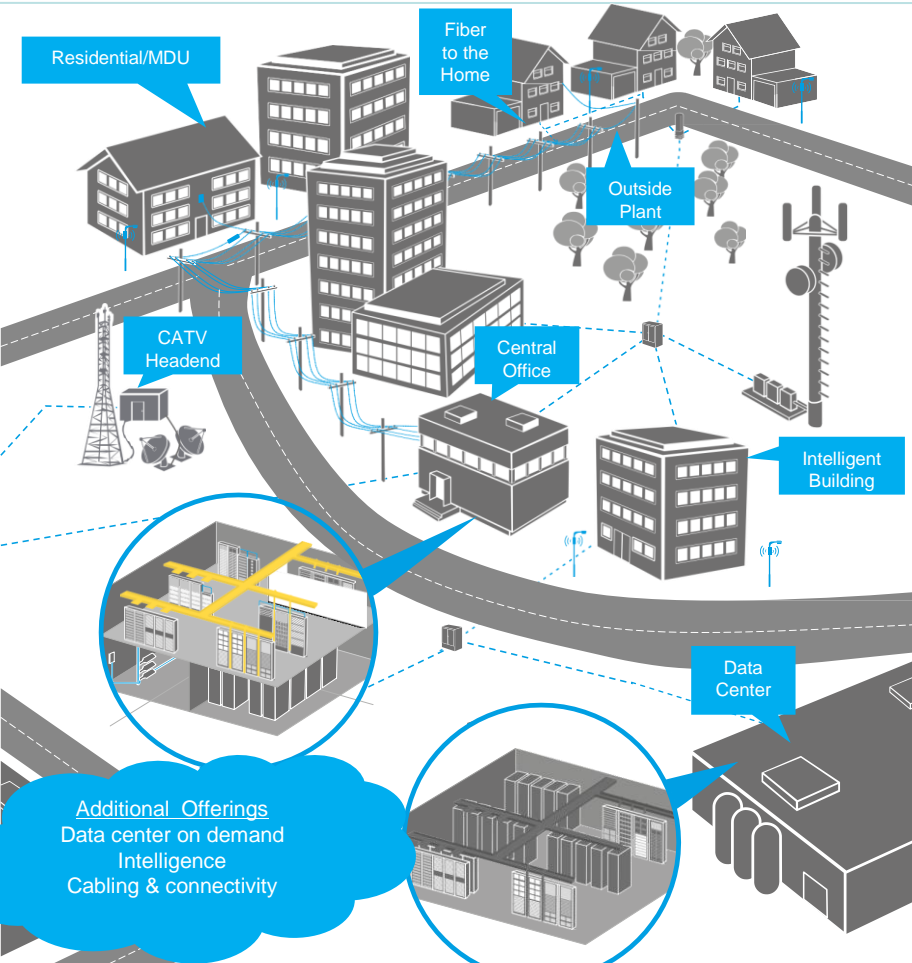
- Gross margin of 39 percent
- GAAP Operating Income of \$91 million
- Adjusted Operating Income<sup>(1)</sup> increased 35% YOY to \$211 million, or 18% of sales
  - BNS cost synergy realization and favorable geographic mix
  - Excluding BNS & Airvana, stable YOY

## Net Income & EPS:

- GAAP Net Income of \$13 million, or \$0.06 per diluted share
- Adjusted Net Income<sup>(1)</sup> of \$94 million, or \$0.48 per diluted share, up 14% YOY

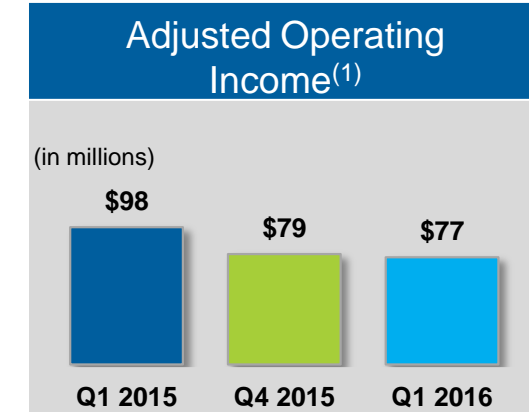
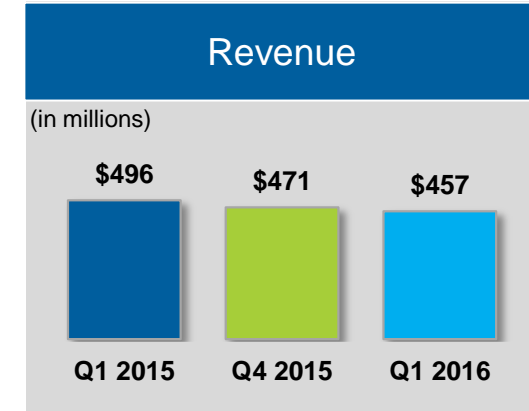
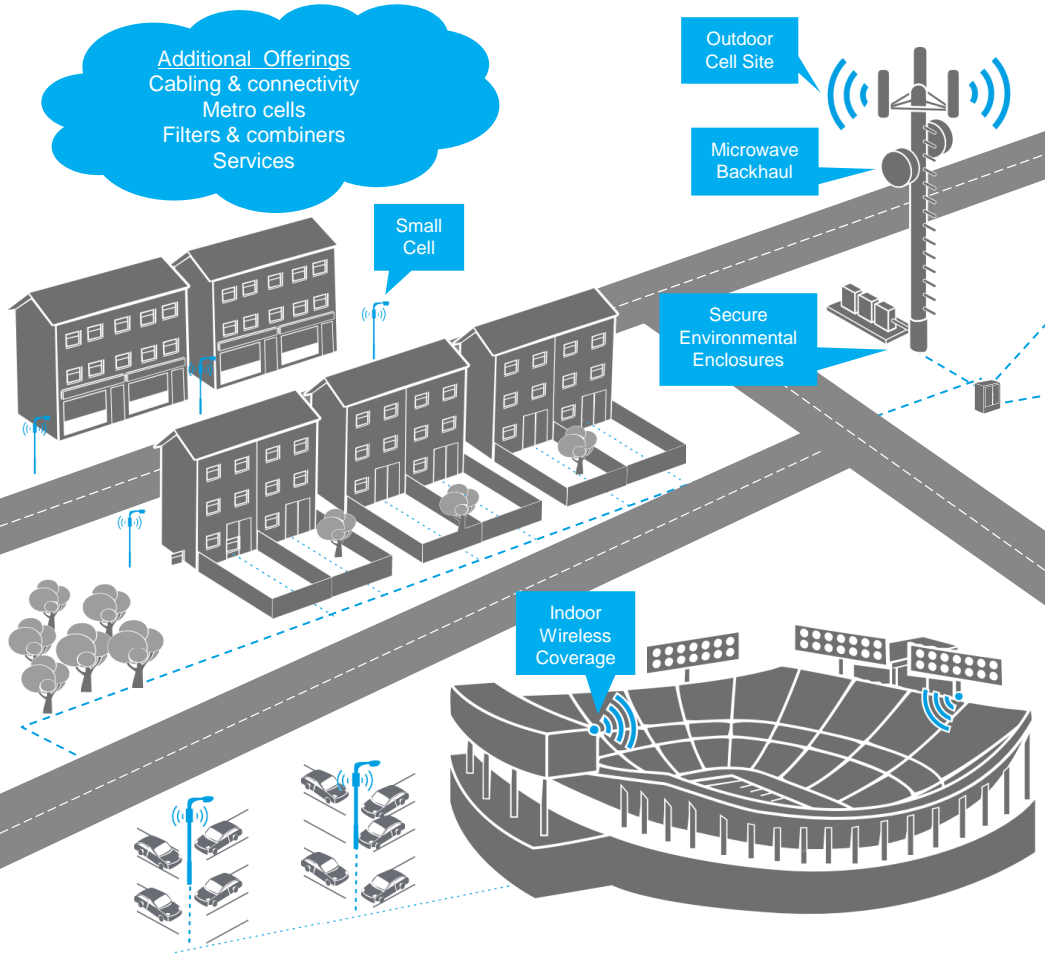
(1) See appendix for reconciliation

# CommScope Connectivity Solutions (CCS)



(1) See appendix for reconciliation of Adjusted Operating Income

# CommScope Mobility Solutions (CMS)



(1) See appendix for reconciliation of Adjusted Operating Income

## Cash Flow Highlights

(in millions)	Q1 2015	Q1 2016	LTM Q1 2015	LTM Q1 2016
Cash flow from operations	\$ 1	\$ 118	\$ 326	\$ 419
Capital expenditures, net of capital expenditures related to BNS integration	(8)	(14)	(38)	(49)
Cash paid for transaction & integration costs	7	16	7	105
Debt redemption premium	--	--	94	--
<b>Adjusted free cash flow</b>	<b>\$ 0</b>	<b>\$ 120</b>	<b>\$ 388</b>	<b>\$ 475</b>
Cash taxes paid	\$ 34	\$ 15	\$ 117	\$ 104
Cash interest paid	\$ 7	\$ 16	\$ 140	\$ 216

Liquidity of \$1.0 billion at March 31, 2016

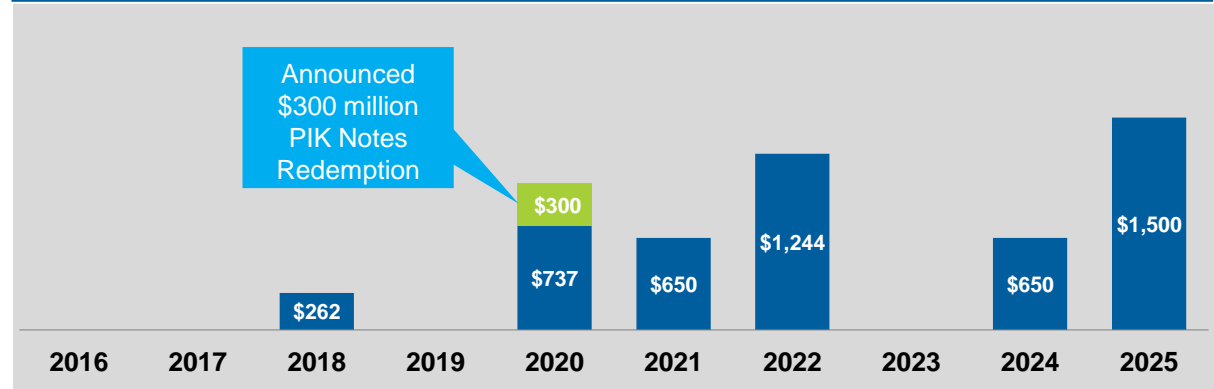
Cash and Cash Equivalents: \$688m

Availability Under Revolver: \$322m

## Capital Summary & Net Leverage Ratio

	Actual 3/31/2016
(dollars in millions)	
5.00% and 5.50% Notes	\$ 1,300.0
PIK Notes	536.6
Term Loans	1,505.6
6.00% Notes	1,500.0
Secured Notes	500.0
Revolver	-
Other Debt	-
Less: OID & DFF	(98.2)
<b>Total Debt</b>	<b>\$ 5,244.0</b>
Cash & Cash Equivalents	688.4
<b>Net Debt (excluding OID &amp; DFF)</b>	<b>\$ 4,653.9</b>
Stockholders' Equity	1,288.5
<b>Total Capitalization</b>	<b>\$ 6,532.5</b>
<b>LTM Adjusted EBITDA</b>	
CommScope	\$ 853.3
Acquisitions (1)	106.4
<b>Combined - no synergies</b>	<b>\$ 959.7</b>
<b>Net Leverage Ratio</b>	<b>4.8x</b>

## Major Debt Maturities as of March 31, 2016<sup>(2)</sup>



Expect net leverage ratio in the low 4x  
by the end of 2016

(1) Includes pro forma adjusted EBITDA for BNS and Airvana for April 1, 2015 to the close of each acquisition

(2) Excludes mandatory prepayments of \$12.5 million annually for \$1.25 billion term loan due 2022



## Q2 2016 Guidance

- Sales of \$1.275 billion - \$1.325 billion
- Adjusted operating income of \$270 million - \$290 million
- Adjusted earnings per diluted share of \$0.67 - \$0.72, based on 196 million weighted average diluted shares, up 42% YOY at the midpoint
- Adjusted effective tax rate of 34% - 35%

## Full Year 2016 Outlook

- Sales of \$4.95 billion – 5.05 billion
- Adjusted operating income of \$990 million - \$1.035 billion
- Adjusted earnings per diluted share of \$2.40 - \$2.50, based on 196 million weighted average diluted shares and up 32% YOY at the midpoint
- Adjusted effective tax rate of 34% - 35%
- Adjusted free cash flow of more than \$425 million

(1) Excludes impact of amortization of purchased intangibles, asset impairments, restructuring costs, transaction and integration costs, purchase accounting and other special items. Assumes relatively stable business conditions.

## 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.

## Pro Forma Results

The unaudited pro forma amounts are presented as though the BNS acquisition had been completed as of January 1, 2015. This pro forma information has not been prepared in accordance with U.S. generally accepted accounting principles. Accordingly, the pro forma financial information should not be relied upon as being indicative of the results that would have been realized.

# Income Statements



(Unaudited -- In thousands)

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
Net sales	\$ 1,143,979	\$ 825,400
Operating costs and expenses:		
Cost of sales	696,888	532,196
Selling, general and administrative	209,197	125,671
Research and development	52,190	27,736
Amortization of purchased intangible assets	73,616	44,786
Restructuring costs, net	6,072	1,871
Asset impairments	15,293	-
Total operating costs and expenses	<u>1,053,256</u>	<u>732,260</u>
Operating income	90,723	93,140
Other income, net	301	2,627
Interest expense	(72,562)	(36,329)
Interest income	2,579	1,029
Income before income taxes	21,041	60,467
Income tax expense	(8,461)	(20,991)
Net income	<u>\$ 12,580</u>	<u>\$ 39,476</u>
Earnings per share:		
Basic	\$ 0.07	\$ 0.21
Diluted (a)	\$ 0.06	\$ 0.20
Weighted average shares outstanding:		
Basic	191,642	188,480
Diluted (a)	195,456	193,137
(a) Calculation of diluted earnings per share:		
Net income (basic)	\$ 12,580	\$ 39,476
Weighted average shares (basic)	191,642	188,480
Dilutive effect of stock options	<u>3,814</u>	<u>4,657</u>
Denominator (diluted)	<u>195,456</u>	<u>193,137</u>

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

# Balance Sheets



(Unaudited -- In thousands)

	March 31, 2016	December 31, 2015
<b>Assets</b>		
Cash and cash equivalents	\$ 688,368	\$ 562,884
Accounts receivable, less allowance for doubtful accounts of \$18,525 and \$19,392, respectively	924,216	833,041
Inventories, net	464,462	441,815
Prepaid expenses and other current assets	149,925	166,900
Total current assets	<u>2,226,971</u>	<u>2,004,640</u>
Property, plant and equipment, net of accumulated depreciation of \$258,890 and \$243,806, respectively	519,931	528,706
Goodwill	2,719,300	2,690,636
Other intangible assets, net	2,077,368	2,147,483
Other noncurrent assets	129,337	131,166
Total assets	<u>\$ 7,672,907</u>	<u>\$ 7,502,631</u>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 388,005	\$ 300,829
Other accrued liabilities	397,657	371,743
Current portion of long-term debt	12,500	12,520
Total current liabilities	<u>798,162</u>	<u>685,092</u>
Long-term debt	5,231,513	5,231,131
Deferred income taxes	190,941	202,487
Pension and other postretirement benefit liabilities	40,334	37,102
Other noncurrent liabilities	123,503	124,099
Total liabilities	<u>6,384,453</u>	<u>6,279,911</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: None at March 31, 2016 or December 31, 2015	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 191,863,546 and 191,368,727 at March 31, 2016 and December 31, 2015, respectively	1,929	1,923
Additional paid-in capital	2,227,241	2,216,202
Retained earnings (accumulated deficit)	(799,814)	(812,394)
Accumulated other comprehensive loss	(126,848)	(171,678)
Treasury stock, at cost: 1,094,031 shares and 986,222 shares at March 31, 2016 and December 31, 2015, respectively	(14,054)	(11,333)
Total stockholders' equity	<u>1,288,454</u>	<u>1,222,720</u>
Total liabilities and stockholders' equity	<u>\$ 7,672,907</u>	<u>\$ 7,502,631</u>

# Statements of Cash Flows



(Unaudited -- In thousands)

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

	Three Months Ended	
	March 31,	
	2016	2015
<b>Operating Activities:</b>		
Net income	\$ 12,580	\$ 39,476
Adjustments to reconcile net income to net cash generated by operating activities:		
Depreciation and amortization	96,938	59,454
Equity-based compensation	8,835	5,253
Deferred income taxes	(10,440)	(13,623)
Asset impairments	15,293	—
Excess tax benefits from equity-based compensation	(1,381)	(10,414)
Changes in assets and liabilities:		
Accounts receivable	(58,760)	(95,317)
Inventories	(9,863)	5,792
Prepaid expenses and other assets	(6,378)	(1,134)
Accounts payable and other liabilities	73,019	12,682
Other	(1,751)	(929)
Net cash generated by operating activities	<u>118,092</u>	<u>1,240</u>
<b>Investing Activities:</b>		
Additions to property, plant and equipment	(14,472)	(8,213)
Proceeds from sale of property, plant and equipment	3,684	125
Net purchase price adjustment	15,355	—
Other	474	2,633
Net cash generated by (used in) investing activities	<u>5,041</u>	<u>(5,455)</u>
<b>Financing Activities:</b>		
Long-term debt repaid	(3,146)	(2,199)
Proceeds from the issuance of common shares under equity-based compensation plans	1,490	11,999
Excess tax benefits from equity-based compensation	1,381	10,414
Tax withholding payments for vested equity-based compensation awards	(2,721)	—
Net cash generated by (used in) financing activities	<u>(2,996)</u>	<u>20,214</u>
Effect of exchange rate changes on cash and cash equivalents	<u>5,347</u>	<u>(10,178)</u>
Change in cash and cash equivalents	125,484	5,821
Cash and cash equivalents, beginning of period	<u>562,884</u>	<u>729,321</u>
Cash and cash equivalents, end of period	<u>\$ 688,368</u>	<u>\$ 735,142</u>

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

# Quarter Segment Information



(Unaudited -- In millions)

## Sales by Segment <sup>(1)</sup>

	Q1 2016	Q4 2015	Q1 2015	% Change	
				Sequential	YOY
Connectivity Solutions	687.0	671.5	329.1	2.3 %	108.8 %
Mobility Solutions	457.0	471.0	496.3	(3.0) %	(7.9) %
<b>Total Net Sales</b>	<u>\$ 1,144.0</u>	<u>\$ 1,142.5</u>	<u>\$ 825.4</u>	0.1 %	38.6 %

## Non-GAAP Adjusted Operating Income by Segment <sup>(1)</sup>

	Q1 2016	Q4 2015	Q1 2015	% Change	
				Sequential	YOY
Connectivity Solutions	134.8	117.4	58.4	14.8 %	130.8 %
Mobility Solutions	76.6	78.9	98.1	(2.9) %	(21.9) %
<b>Total Non-GAAP Adjusted Operating Income</b>	<u>\$ 211.4</u>	<u>\$ 196.4</u>	<u>\$ 156.5</u>	7.6 %	35.1 %

(1) During the three months ended March 31, 2016, the Company began reporting in two operating segments: CommScope Connectivity Solutions (CCS) and CommScope Mobility Solutions (CMS). All prior period amounts have been restated to reflect these operating segment changes.

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

# Pro Forma Sales by Segment



(Unaudited -- In millions)

## **Pro Forma Sales by Segment<sup>(1)</sup>**

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	<b>Q1 2015</b>	<b>Q2 2015</b>	<b>Q3 2015</b>
Connectivity Solutions	\$ 717.6	\$ 781.2	\$ 750.4
Mobility Solutions	532.7	557.0	496.9
<b>Total Pro Forma Net Sales</b>	<b>\$ 1,250.3</b>	<b>\$ 1,338.2</b>	<b>\$ 1,247.3</b>

(1) See Description of Pro Forma Results

# Adjusted Net Income Reconciliation

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

(Unaudited – In millions)

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2016</b>	<b>2015</b>
<b>Operating income, as reported</b>	<b>\$ 90.7</b>	<b>\$ 93.1</b>
Adjustments:		
Amortization of purchased intangible assets	73.6	44.8
Restructuring costs, net	6.1	1.9
Equity-based compensation	8.8	5.3
Asset impairments	15.3	-
Transaction and integration costs	15.9	11.4
Purchase accounting adjustments	1.0	-
Total adjustments to operating income	120.7	63.4
<b>Non-GAAP adjusted operating income</b>	<b>\$ 211.4</b>	<b>\$ 156.5</b>
Income before income taxes, as reported	\$ 21.0	\$ 60.5
Income tax expense, as reported	(8.5)	(21.0)
<b>Net income, as reported</b>	<b>\$ 12.6</b>	<b>\$ 39.5</b>
Adjustments:		
Total pretax adjustments to operating income	120.7	63.4
Pretax amortization of deferred financing costs & OID <sup>(1)</sup>	3.7	3.1
Pretax gains on sale of equity investment <sup>(2)</sup>	(0.4)	(2.4)
Tax effects of adjustments and other tax items <sup>(3)</sup>	(42.2)	(22.2)
<b>Non-GAAP adjusted net income</b>	<b>\$ 94.4</b>	<b>\$ 81.4</b>
<b>Diluted EPS, as reported</b>	<b>\$ 0.06</b>	<b>\$ 0.20</b>
<b>Non-GAAP adjusted diluted EPS</b>	<b>\$ 0.48</b>	<b>\$ 0.42</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.

Note: Components may not sum to total due to rounding



# Adjusted Operating Income Reconciliation by Quarter



(Unaudited -- In millions)

	<u>Q1 2016</u>	<u>Q4 2015</u>	<u>Q3 2015</u>	<u>Q2 2015</u>	<u>Q1 2015</u>
Operating income (loss), as reported	\$ 90.7	\$ 21.6	\$ (42.5)	\$ 109.4	\$ 93.1
Amortization of purchased intangible assets	73.6	76.9	54.3	44.6	44.8
Restructuring costs, net	6.1	18.9	6.9	1.9	1.9
Equity-based compensation	8.8	7.6	5.7	10.1	5.3
Asset impairments	15.3	5.5	85.3	-	-
Transaction and integration costs	15.9	14.8	60.8	9.9	11.4
Purchase accounting adjustments	1.0	51.2	30.5	-	-
<b>Non-GAAP adjusted operating income</b>	<b><u>\$ 211.4</u></b>	<b><u>\$ 196.4</u></b>	<b><u>\$ 201.0</u></b>	<b><u>\$ 175.9</u></b>	<b><u>\$ 156.5</u></b>
<b>Non-GAAP adjusted operating margin %</b>	<b>18.5%</b>	<b>17.2%</b>	<b>20.7%</b>	<b>20.3%</b>	<b>19.0%</b>
Depreciation	19.6	21.9	15.6	11.5	11.6
<b>Non-GAAP adjusted EBITDA</b>	<b><u><u>\$ 231.1</u></u></b>	<b><u><u>\$ 218.2</u></u></b>	<b><u><u>\$ 216.6</u></u></b>	<b><u><u>\$ 187.4</u></u></b>	<b><u><u>\$ 168.1</u></u></b>

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

# Quarterly Adjusted Operating Income Reconciliation by Segment



(Unaudited -- In millions)

## First Quarter 2016 Non-GAAP Adjusted Operating Income Reconciliation by Segment <sup>(1)</sup>

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 50.0	\$ 40.7	\$ 90.7
Amortization of purchased intangible assets	48.2	25.4	73.6
Restructuring costs, net	1.1	5.0	6.1
Equity-based compensation	5.0	3.8	8.8
Asset impairments	15.3	-	15.3
Transaction and integration costs	14.1	1.8	15.9
Purchase accounting adjustments	1.0	-	1.0
<b>Non-GAAP adjusted operating income</b>	<b>\$ 134.8</b>	<b>\$ 76.6</b>	<b>\$ 211.4</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>19.6%</b>	<b>16.8%</b>	<b>18.5%</b>

## Fourth Quarter 2015 Non-GAAP Adjusted Operating Income Reconciliation by Segment <sup>(1)</sup>

	Connectivity Solutions	Mobility Solutions	Total
Operating income (loss), as reported	\$ (17.9)	\$ 39.5	\$ 21.6
Amortization of purchased intangible assets	49.9	27.0	76.9
Restructuring costs, net	11.8	7.1	18.9
Equity-based compensation	5.7	1.9	7.6
Asset impairments	5.5	-	5.5
Transaction and integration costs	13.7	1.1	14.8
Purchase accounting adjustments	48.9	2.2	51.2
<b>Non-GAAP adjusted operating income</b>	<b>\$ 117.4</b>	<b>\$ 78.9</b>	<b>\$ 196.4</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>17.5%</b>	<b>16.8%</b>	<b>17.2%</b>

## First Quarter 2015 Non-GAAP Adjusted Operating Income Reconciliation by Segment <sup>(1)</sup>

	Connectivity Solutions	Mobility Solutions	Total
Operating income, as reported	\$ 28.7	\$ 64.5	\$ 93.1
Amortization of purchased intangible assets	21.7	23.1	44.8
Restructuring costs, net	0.1	1.8	1.9
Equity-based compensation	2.4	2.9	5.3
Transaction and integration costs	5.4	6.0	11.4
<b>Non-GAAP adjusted operating income</b>	<b>\$ 58.4</b>	<b>\$ 98.1</b>	<b>\$ 156.5</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>17.7%</b>	<b>19.8%</b>	<b>19.0%</b>

(1) During the three months ended March 31, 2016, the Company began reporting in two operating segments: CommScope Connectivity Solutions (CCS) and CommScope Mobility Solutions (CMS). All prior period amounts have been restated to reflect these operating segment changes.

Components may not sum to total due to rounding

See Description of Non-GAAP Financial Measures

# Adjusted Free Cash Flow Reconciliation

(Unaudited -- In millions)

	<u>Q1 2016</u>	<u>Q1 2015</u>
Cash flow from operations	\$ 118.1	\$ 1.2
Transaction and integration costs	15.7	6.6
Capital expenditures	(14.5)	(8.2)
Capex related to BNS integration	<u>0.6</u>	<u>-</u>
<b>Adjusted Free Cash Flow</b>	<b><u>\$ 119.9</u></b>	<b><u>\$ (0.4)</u></b>