

An aerial photograph of a city at sunset. A radio tower is visible on a hill in the upper left. The sky is filled with dramatic, dark clouds. The city lights are beginning to glow. Overlaid on the image are several colorful, semi-transparent geometric shapes: a large pink trapezoid at the bottom left, a blue trapezoid above it, a green trapezoid to the right, and a yellow trapezoid at the top right. The text 'COMMScope' is in the top left, 'Third Quarter 2020 Results' is in the middle right, and 'November 5, 2020' is below it. The footer is at the bottom center.

COMMScope[®]

Third Quarter 2020 Results

November 5, 2020

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 (including risks associated with the integration of the business and systems and that we may not realize estimated cost savings, synergies, growth or other anticipated benefits), 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; the scope, duration and impact of disease outbreaks and pandemics, such as COVID-19, on our business including employees, sites, operations, customers and supply chain; 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 restrictive 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 2019 Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 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 as otherwise may be required by law.

Use 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.



“As we look ahead, the Board and management team are focused on growing our business and creating long-term, profitable growth through a combination of investment opportunities and cost cutting measures.

While there remains much to do, we are confident in our ability to deliver enhanced profitability and unlock even greater value for CommScope and our shareholders.”

Chuck Treadway

President and Chief Executive Officer

Building on a strong foundation

Initial Observations

- Talented and experienced management team
- Deep technology expertise
- Extensive customer relationships
- Best-in-class supply chain
- Robust cash flow generation



Focused on extending CommScope's legacy of innovation and industry leadership



"CommScope provides the fundamental networks for communication, bringing people together and enabling more economic activity than at any time in human history. When you see someone using a cell phone, watching TV, or on the internet, you know you've helped to make that happen."

Morgan Kurk

EVP and Chief Technology Officer

Continued progress across key programs



BROADBAND NETWORKS

Expanding portfolio and deployment of DAA and Virtualized platforms

NOVUX gaining traction

Strong market outlook driving investments to expand fiber capacity



VENUE AND CAMPUS NETWORKS

RUCKUS Wi-Fi 6 and cloud program gaining momentum

ONECELL feature development: 5G and virtualization

Hyperscale high-density fiber solutions driving share gains



OUTDOOR WIRELESS NETWORKS

Active/passive antenna interface innovation for 3.5 GHz

Pre-termination and modularization of macro tower fiber and power solutions

Metro cell power solutions and modularity design innovation



HOME NETWORKS

Managing shift to IP streaming platforms with key design wins globally

Strong shift to Wi-Fi 6 underway with continued focus and strength with home broadband products

Retail broadband gateways critical for home connectivity

Well positioned to capitalize on trends in 2021 and beyond

- 5G spectrum (C-Band / CBRS / 2.5GHz) deployment strategies and key technology decisions
- Continued technology evolution of **broadband networks** including distributed access architectures (DAA), passive optical networks (PON) and the virtualization of network functions
- Increasing **upstream frequency and node segmentations** to improve upstream DOCSIS network capacity
- Accelerating **fiber deployments Worldwide** including the United States, Rural Digital Opportunity Fund (RDOF)
- Progression to **Wi-Fi 6E** and new product enablement



“While we continue to expect that the current macroeconomic uncertainty will persist in the near-term, we are focused on balancing actions to improve our financial performance and flexibility, while also investing in our future.”

Alex Pease

EVP and Chief Financial Officer

Third quarter results

(In \$millions, except per share amounts)

	2Q'20 Results	3Q'20 Results	Q/Q Change	<i>Results vs. Outlook</i>
Net Sales ⁽¹⁾	\$2,103	\$2,168	+3%	<i>In-line</i>
Adj. EBITDA ⁽²⁾	\$280	\$342	+22%	<i>Significant outperformance</i>
Adj. EPS ⁽²⁾	\$0.32	\$0.51	+59%	
Adj. Free Cash Flow ⁽²⁾	\$217	\$176	-19%	<i>N/A</i>

Strong execution delivers better than expected adjusted EBITDA and adjusted EPS

(1) Net sales as presented for 3Q'20, 2Q'20 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$5.1 million and \$5.2 million, respectively.

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

Broadband Networks

Financial Highlights

Net Sales⁽¹⁾ (\$M)



Q-Q% Change: +22%

Y-Y% Change: +18%

- Sequential growth in all geographic regions led by North America
- Sequential growth within both Network Cable & Connectivity and Network & Cloud

Adj. EBITDA⁽²⁾ (\$M)



Q-Q% Change: +57%

Y-Y% Change: +32%

- Sequential adjusted EBITDA growth primarily driven by volume and favorable product and geographic mix

Business Highlights

- Operator demand continued to increase through the quarter driven by plant upgrades to support increased bandwidth for work-from-home and e-learning
- Video systems order input higher as programmers plan for new distribution models driven by pending C-Band auctions
- Fiber cable and connectivity order input continued to be strong throughout the quarter driven by increased fiber upgrades with most operators
- CARES Act funding in 2020 and Rural Digital Opportunity Fund (RDOF) initiative in 2021 expected to be growth drivers in Tier 2/3 and Rural Utilities
- Increasing investment for fiber cable and connectivity production capacity to meet higher demand and support continued growth in 2021

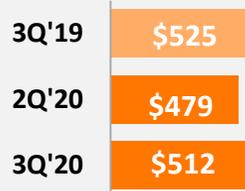
(1) Net sales as presented for 3Q'20, 2Q'20 and 3Q'19 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$2.8 million, \$3.0 million and \$7.0 million, respectively.

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

Venue and Campus Networks

Financial Highlights

Net Sales ⁽¹⁾ (\$M)



Q-Q% Change: +7%

Y-Y% Change: -2%

- Sequential growth led primarily by Europe, North America and China
- Sequential growth across all business units, most significantly RUCKUS

Adj. EBITDA ⁽²⁾ (\$M)



Q-Q% Change: +47%

Y-Y% Change: -31%

- Sequential adjusted EBITDA increased primarily due to higher volumes and operating expense control

Business Highlights

- Enterprise copper and fiber infrastructure down YoY in North America due to COVID-related construction delays, partially offset by APAC recovery and government stimulus
- Hyperscale data center growth continued, fueled by heavy cloud usage by work-from-home
- DAS deployments in North America for both enterprise and public venue continued to be strong; in-train projects in Europe accelerated with easing COVID restrictions
- RUCKUS strength driven by growing mix of Wi-Fi 6, outdoor Wi-Fi deployments, and cloud subscriptions; RUCKUS joined the Google Orion WiFi ecosystem as a Wi-Fi roaming partner for a simple and secure user experience
- ONECELL live deployments continued to accelerate, and funnel for future projects strengthened

(1) Net sales as presented for 3Q'20, 2Q'20 and 3Q'19 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$1.7 million, \$1.7 million and \$3.6 million, respectively.

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

Outdoor Wireless Networks

Financial Highlights

Net Sales (\$M)



Q-Q% Change: -17%

Y-Y% Change: -19%

- Sequential decline primarily in North America and Middle East and Africa, partially offset by growth in Central and Latin America
- Sequential decline driven by both macro towers and metro layer

Adj. EBITDA⁽¹⁾ (\$M)



Q-Q% Change: -29%

Y-Y% Change: -28%

- Sequential adjusted EBITDA decline primarily driven by lower volume and geographic mix, partially offset from operating expense control

Business Highlights

- 5G investments continuing in EU; participating in discussions with several operators on their network
- Growing momentum for hybrid active/passive antenna radio solutions in collaboration with Nokia
- Most North America carrier capital expenditures first-half of 2020 weighted; T-Mobile spending increased in the third quarter and remains on track for remainder of 2020
- Emerging markets remain under pressure due to budget constraints created by COVID-19
- Metro cell deployments remained soft due to permitting challenges; long term outlook remains strong

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

Home Networks

Financial Highlights

Net Sales⁽¹⁾ (\$M)



Q-Q% Change: -10%

Y-Y% Change: -32%

- Sequential decline primarily driven by North America, partially offset by growth in Europe and Central and Latin America
- Sequential decline in video, partially offset by growth in broadband gateways

Adj. EBITDA⁽²⁾ (\$M)



Q-Q% Change: -17%

Y-Y% Change: -52%

- Sequential adjusted EBITDA decline primarily driven by lower volume, partially offset by operating expense control

Business Highlights

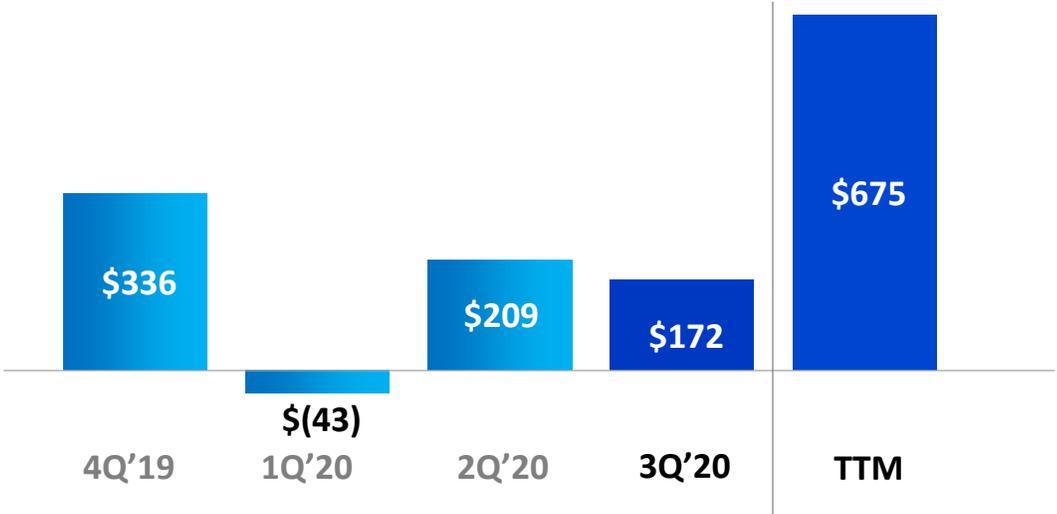
- Home Media Solutions (Video CPE) remains soft primarily due to continuing OTT trends, COVID-19 constraining video activations and high customer inventory levels from Q2
- Won multiple key video streamer awards that will launch next year stabilizing our video outlook
- Broadband gateway and modem market stable, sales increased sequentially; launched a Wi-Fi 6 gateway with a key North American customer
- Retail demand remains strong; supply constraints impacting near-term shipments
- Continued focus on optimizing operational and execution efficiency to maximize cash flow generation

(1) Net sales as presented for 3Q'20, 2Q'20 and 3Q'19 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$0.5 million, \$0.5 million and \$3.3 million, respectively.

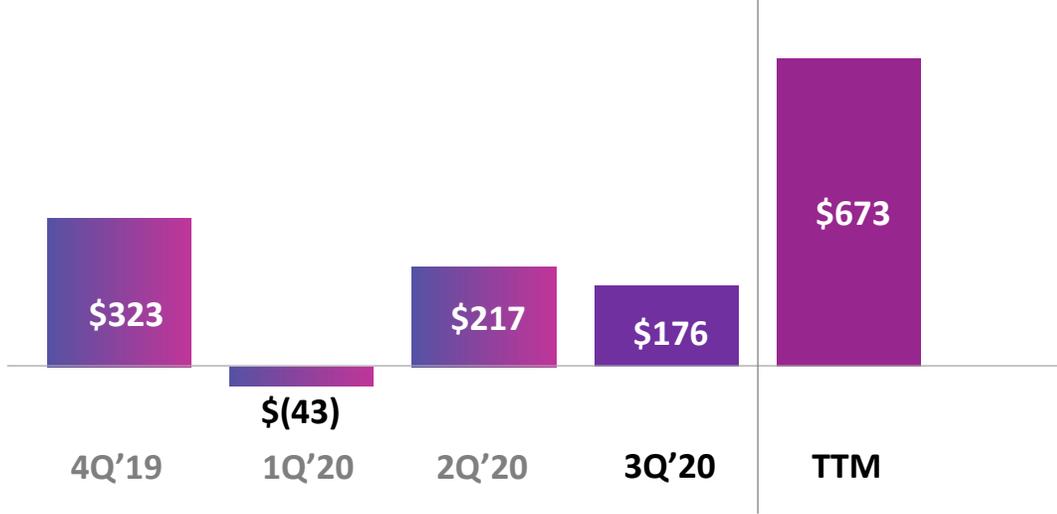
(2) See appendix for reconciliation of non-GAAP adjusted measures.

Generated significant free cash flow

GAAP Cash Flow from Operations ⁽¹⁾(\$M)



Adj. Free Cash Flow ^{(1) (2)}(\$M)

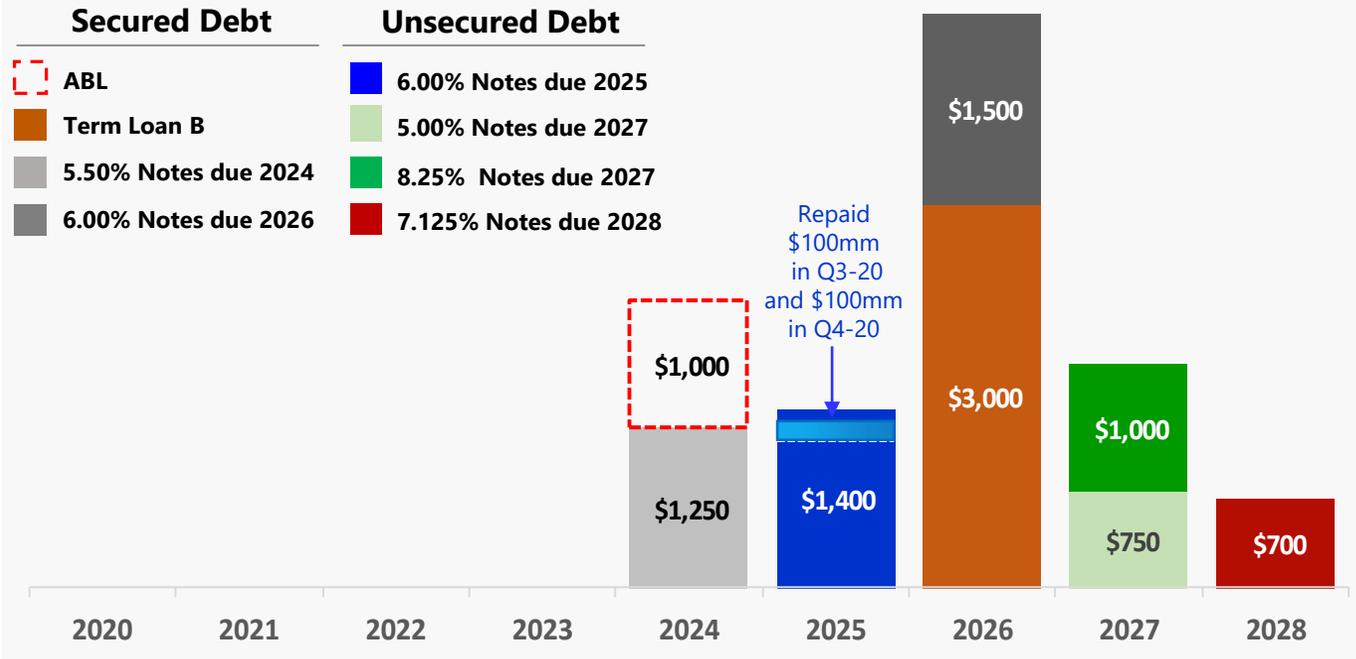


- Strong cash flow from operations and adjusted free cash flow; above expectations
- Adj. EBITDA above expectations; focused on working capital execution, further improvements to DSO

(1) Cash Flow from Operations and Adj. Free Cash Flow include an unfavorable impact in 1Q'20 and a benefit in 4Q'19 of \$78 million due to payments that should have occurred in the fourth quarter of 2019 but were paid in the first quarter of 2020.
 (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.

Strong liquidity & de-risked capital structure

Debt Maturities (as of 9/30/2020)



\$250mm ABL repaid on 7/8/2020. Required TLB amortization payments (\$8mm remaining in 2020 and \$32mm annually for 2021-2025) 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 \$1.3 billion (including \$45.8 million run-rate synergies and \$59.1 million of other cost savings initiatives). The Carlyle investment is characterized as equity. The ratio of net debt plus preferred equity to pro forma Adj. EBITDA is ~8.0x.

Proactive balance sheet management provides long runway before next significant debt maturities

- Since close of Arris acquisition, CommScope has repaid over \$800 million of debt with focus on near-term maturities
 - \$108 million of debt repayment during the third quarter, with another \$100 million repaid in October 2020
- The Company further de-risked its balance sheet by refinancing notes due in 2021 & 2024 with \$700 million of new 7.125% Notes due in 2028

Cash & liquidity remain strong

- CommScope fully repaid precautionary \$250 million ABL revolver draw using cash on hand
- Ended the quarter with available liquidity in excess of \$1.3 billion

Continued focus on debt repayment & de-leveraging

- 7.2x net leverage as of 9/30/2020 ⁽¹⁾
- Long-term leverage target of 2.0x – 3.0x
- After temporary pause associated with COVID-related business uncertainty, CommScope renewed focus on debt repayment during the third quarter



COMMSCOPE[®]

Q&A

Third Quarter 2020 Results

now meets next

COMMScope®

Appendix

Statement of operations

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Net sales	\$ 2,168.1	\$ 2,380.2	\$ 6,304.1	\$ 6,046.4
Cost of sales	1,432.6	1,770.3	4,271.3	4,378.5
Gross profit	735.5	609.9	2,032.8	1,667.9
Operating expenses:				
Selling, general and administrative	296.7	305.8	898.7	972.0
Research and development	184.6	171.5	541.1	399.5
Amortization of purchased intangible assets	158.1	163.9	473.5	387.3
Restructuring costs, net	40.3	19.5	83.6	78.3
Asset impairments	—	—	206.7	—
Total operating expenses	679.7	660.7	2,203.6	1,837.1
Operating income (loss)	55.8	(50.8)	(170.8)	(169.2)
Other income (expense), net	(16.9)	1.5	(30.2)	(3.6)
Interest expense	(147.2)	(160.7)	(437.7)	(423.5)
Interest income	1.3	1.8	4.2	15.9
Loss before income taxes	(107.0)	(208.2)	(634.5)	(580.4)
Income tax (expense) benefit	(9.3)	51.7	37.2	87.6
Net loss	(116.3)	(156.5)	(597.3)	(492.8)
Series A convertible preferred stock dividend	(14.1)	(13.8)	(41.8)	(26.9)
Deemed dividend on Series A convertible preferred stock	—	—	—	(3.0)
Net loss attributable to common stockholders	\$ (130.4)	\$ (170.3)	\$ (639.1)	\$ (522.7)
Loss per share:				
Basic	\$ (0.66)	\$ (0.88)	\$ (3.26)	\$ (2.70)
Diluted (a)	\$ (0.66)	\$ (0.88)	\$ (3.26)	\$ (2.70)
Weighted average shares outstanding:				
Basic	196.9	194.1	195.9	193.5
Diluted (a)	196.9	194.1	195.9	193.5
(a) Calculation of diluted loss per share:				
Net loss (basic and diluted)	\$ (130.4)	\$ (170.3)	\$ (639.1)	\$ (522.7)
Weighted average shares (basic)	196.9	194.1	195.9	193.5
Dilutive effect of equity-based awards	—	—	—	—
Denominator (diluted)	196.9	194.1	195.9	193.5

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

Balance sheet

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

	Unaudited September 30, 2020	December 31, 2019
Assets		
Cash and cash equivalents	\$ 582.8	\$ 598.2
Accounts receivable, less allowance for doubtful accounts of \$43.1 and \$35.4, respectively	1,497.2	1,698.8
Inventories, net	1,104.5	975.9
Prepaid expenses and other current assets	230.9	238.9
Total current assets	3,415.4	3,511.8
Property, plant and equipment, net of accumulated depreciation of \$665.5 and \$553.8, respectively	673.3	723.8
Goodwill	5,254.1	5,471.7
Other intangible assets, net	3,795.5	4,263.6
Other noncurrent assets	562.7	460.7
Total assets	<u>\$ 13,701.0</u>	<u>\$ 14,431.6</u>
Liabilities and Stockholders' Equity		
Accounts payable	\$ 1,147.3	\$ 1,148.0
Accrued and other liabilities	878.3	862.0
Current portion of long-term debt	32.0	32.0
Total current liabilities	2,057.6	2,042.0
Long-term debt	9,589.3	9,800.4
Deferred income taxes	217.7	215.1
Other noncurrent liabilities	540.5	537.8
Total liabilities	12,405.1	12,595.3
Commitments and contingencies		
Series A convertible preferred stock, \$0.01 par value	1,041.8	1,000.0
Stockholders' equity:		
Preferred stock, \$0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: 1,041,819 Series A convertible preferred stock	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 196,990,667 and 194,563,530, respectively	2.1	2.0
Additional paid-in capital	2,494.2	2,445.1
Retained earnings (accumulated deficit)	(1,776.6)	(1,179.3)
Accumulated other comprehensive loss	(220.8)	(197.0)
Treasury stock, at cost: 8,498,082 shares and 7,411,382 shares, respectively	(244.8)	(234.5)
Total stockholders' equity	254.1	836.3
Total liabilities and stockholders' equity	<u>\$ 13,701.0</u>	<u>\$ 14,431.6</u>

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

Statement of cash flows

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Operating Activities:				
Net loss	\$ (116.3)	\$ (156.5)	\$ (597.3)	\$ (492.8)
Adjustments to reconcile net loss to net cash generated by operating activities:				
Depreciation and amortization	209.9	213.5	618.8	514.5
Equity-based compensation	34.0	28.0	90.0	58.7
Deferred income taxes	(27.2)	(66.9)	(96.6)	(172.4)
Asset impairments	—	—	206.7	—
Changes in assets and liabilities:				
Accounts receivable	167.4	469.3	200.9	165.3
Inventories	(56.8)	224.0	(130.3)	356.3
Prepaid expenses and other assets	20.5	39.6	32.2	63.8
Accounts payable and other liabilities	(87.7)	(226.9)	(25.0)	(228.0)
Other	28.4	(2.0)	39.1	(5.0)
Net cash generated by operating activities	172.2	522.1	338.5	260.4
Investing Activities:				
Additions to property, plant and equipment	(25.8)	(24.3)	(73.5)	(72.3)
Proceeds from sale of property, plant and equipment	0.1	0.5	0.2	1.2
Proceeds from sale of long-term investments	—	3.8	—	9.3
Cash paid for ARRIS acquisition, net of cash acquired	—	(3.5)	—	(5,053.4)
Cash paid for Cable Exchange acquisition	(3.5)	—	(3.5)	(11.0)
Other	—	—	—	1.1
Net cash used in investing activities	(29.2)	(23.5)	(76.8)	(5,125.1)
Financing Activities:				
Long-term debt repaid	(1,058.0)	(200.0)	(1,174.0)	(2,753.3)
Long-term debt proceeds	700.0	—	950.0	6,933.0
Debt issuance costs	(11.6)	(2.7)	(11.6)	(120.8)
Debt extinguishment costs	(14.9)	—	(14.9)	—
Series A convertible preferred stock proceeds	—	—	—	1,000.0
Dividends paid on Series A convertible preferred stock	—	(26.9)	—	(29.9)
Proceeds from the issuance of common shares under equity-based compensation plans	0.1	0.3	1.0	3.0
Tax withholding payments for vested equity-based compensation awards	(4.0)	(2.9)	(10.3)	(12.3)
Net cash generated by (used in) financing activities	(388.4)	(232.2)	(259.8)	5,019.7
Effect of exchange rate changes on cash and cash equivalents	4.8	(5.3)	(17.3)	(4.1)
Change in cash and cash equivalents	(240.6)	261.1	(15.4)	150.9
Cash and cash equivalents at beginning of period	823.4	348.0	598.2	458.2
Cash and cash equivalents at end of period	\$ 582.8	\$ 609.1	\$ 582.8	\$ 609.1

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

Adjusted 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		Three Months Ended		Nine Months Ended	
	June 30,		September 30,		September 30,	
	2020	2020	2019	2020	2019	
Net loss, as reported	\$ (321.1)	\$ (116.3)	\$ (156.5)	\$ (597.3)	\$ (492.8)	
Income tax (benefit) expense, as reported	(15.1)	9.3	(51.7)	(37.2)	(87.6)	
Interest income, as reported	(0.8)	(1.3)	(1.8)	(4.2)	(15.9)	
Interest expense, as reported	141.4	147.2	160.7	437.7	423.5	
Other (income) expense, net, as reported	0.8	16.9	(1.5)	30.2	3.6	
Operating income (loss), as reported	\$ (194.8)	\$ 55.8	\$ (50.8)	\$ (170.8)	\$ (169.2)	
Adjustments:						
Amortization of purchased intangible assets	157.6	158.1	163.9	473.5	387.3	
Restructuring costs, net	19.6	40.3	19.5	83.6	78.3	
Equity-based compensation	32.5	34.0	28.0	90.0	58.7	
Asset impairments	206.7	—	—	206.7	—	
Transaction and integration costs	7.6	4.8	2.2	17.8	189.8	
Acquisition accounting adjustments	5.2	5.1	108.7	15.8	272.9	
Patent claims and litigation	7.5	(1.4)	55.0	11.4	55.0	
Executive severance	—	6.3	—	6.3	—	
Depreciation	37.9	38.9	43.3	118.7	101.0	
Total adjustments to operating loss	474.5	286.1	420.6	1,023.8	1,143.0	
Non-GAAP adjusted EBITDA	\$ 279.8	\$ 341.9	\$ 369.8	\$ 853.0	\$ 973.8	
Net loss, as reported	\$ (321.1)	\$ (116.3)	\$ (156.5)	\$ (597.3)	\$ (492.8)	
Adjustments:						
Total pretax adjustments to adjusted EBITDA	436.7	247.2	377.3	905.1	1,042.0	
Pretax amortization of debt issuance costs and OID ⁽¹⁾	6.7	12.8	7.4	26.5	25.5	
Pretax acquisition related interest ⁽¹⁾	—	—	—	—	30.2	
Pretax loss on debt transactions ⁽²⁾	—	14.9	—	14.9	—	
Tax effects of adjustments and other tax items ⁽³⁾	(45.3)	(35.5)	(101.3)	(122.1)	(232.2)	
Non-GAAP adjusted net income	\$ 76.9	\$ 123.1	\$ 126.9	\$ 227.1	\$ 372.7	
GAAP EPS, as reported⁽⁴⁾	\$ (1.71)	\$ (0.66)	\$ (0.88)	\$ (3.26)	\$ (2.70)	
Non-GAAP adjusted diluted EPS⁽⁵⁾	\$ 0.32	\$ 0.51	\$ 0.55	\$ 0.96	\$ 1.70	

(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 the three months ended June 30, 2020 and the three and nine months ended September 30, 2020 and 2019, GAAP EPS was calculated using net loss attributable to common stockholders in the numerator, which includes the impact of the Series A convertible preferred stock dividend, because of the net loss position.

(5) The Company's definition of non-GAAP adjusted diluted EPS is non-GAAP adjusted net income, excluding the Series A convertible preferred stock dividend, divided by weighted average shares outstanding assuming the if-converted method, which reflects the conversion of the Series A convertible preferred stock.

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

Sales by region

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

Sales by Region

	<u>Q3 2020</u>	<u>Q2 2020</u>	<u>Q3 2019</u>	<u>% Change</u> <u>Sequential</u>	<u>% Change</u> <u>YOY</u>
United States	\$1,318.2	\$1,353.6	\$1,432.7	(2.6) %	(8.0) %
Europe, Middle East and Africa	407.3	359.0	423.1	13.5	(3.7)
Asia Pacific	219.1	201.9	251.3	8.5	(12.8)
Caribbean and Latin America	149.9	124.0	187.6	20.9	(20.1)
Canada	73.6	64.3	85.5	14.5	(13.9)
Total net sales	<u>\$2,168.1</u>	<u>\$2,102.8</u>	<u>\$2,380.2</u>	3.1 %	(8.9) %

Sales and adjusted EBITDA by segment

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

Sales by Segment ⁽¹⁾

	Q3 2020	Q2 2020	Q3 2019	% Change Sequential		% Change YOY	
Broadband	\$ 820.9	\$ 671.9	\$ 694.8	22.2	%	18.1	%
Home	563.6	624.0	826.4	(9.7)		(31.8)	
Outdoor Wireless	271.8	328.4	334.4	(17.2)		(18.7)	
Venue and Campus	511.8	478.5	524.6	7.0		(2.4)	
Total net sales	\$2,168.1	\$2,102.8	\$ 2,380.2	3.1	%	(8.9)	%

Segment Adjusted EBITDA ⁽¹⁾

	Q3 2020	Q2 2020	Q3 2019	% Change Sequential		% Change YOY	
Broadband	\$ 204.2	\$ 130.2	\$ 153.5	56.8	%	33.0	%
Home	28.5	35.4	59.7	(19.5)		(52.3)	
Outdoor Wireless	53.6	76.0	75.3	(29.5)		(28.8)	
Venue and Campus	55.6	38.2	81.3	45.5		(31.6)	
Total segment adjusted EBITDA	\$ 341.9	\$ 279.8	\$ 369.8	22.2	%	(7.5)	%

(1) As of January 1, 2020, the Company began reporting in the following four operating segments: Broadband Networks, Home Networks, Outdoor Wireless Networks and Venue and Campus Networks. 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 EBITDA reconciliation by segment

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

Third Quarter 2020 Segment Adjusted EBITDA Reconciliation ⁽¹⁾

	Broadband	Home	Outdoor Wireless	Venue and Campus	Total
Operating income (loss), as reported	\$ 76.7	\$ (3.7)	\$ 26.0	\$ (43.2)	\$ 55.8
Amortization of purchased intangible assets	81.2	26.0	11.4	39.6	158.1
Restructuring costs, net	11.7	3.8	5.9	18.9	40.3
Equity-based compensation	13.1	6.5	4.0	10.3	34.0
Transaction and integration costs	1.7	0.9	0.9	1.3	4.8
Acquisition accounting adjustments	2.8	0.5	—	1.7	5.1
Patent claims and litigation	—	(15.1)	—	13.7	(1.4)
Executive severance	2.2	1.2	1.2	1.7	6.3
Depreciation	14.8	8.3	4.1	11.7	38.9
Segment adjusted EBITDA	\$ 204.2	\$ 28.5	\$ 53.6	\$ 55.6	\$ 341.9
Segment adjusted EBITDA % of sales	24.9%	5.1%	19.7%	10.9%	15.8%

Second Quarter 2020 Segment Adjusted EBITDA Reconciliation ⁽¹⁾

	Broadband	Home	Outdoor Wireless	Venue and Campus	Total
Operating income (loss), as reported	\$ 8.9	\$(222.9)	\$ 51.4	\$ (32.2)	\$(194.8)
Amortization of purchased intangible assets	76.8	26.0	11.4	43.4	157.5
Restructuring costs, net	8.9	4.9	3.9	1.9	19.6
Equity-based compensation	12.5	6.2	3.8	9.9	32.5
Asset impairments	—	206.7	—	—	206.7
Transaction and integration costs	2.7	1.4	1.4	2.1	7.6
Acquisition accounting adjustments	3.0	0.5	—	1.7	5.2
Patent claims and litigation	3.0	4.5	—	—	7.5
Depreciation	14.5	8.0	4.0	11.4	37.9
Segment adjusted EBITDA	\$ 130.2	\$ 35.4	\$ 76.0	\$ 38.2	\$ 279.8
Segment adjusted EBITDA % of sales	19.4%	5.7%	23.1%	8.0%	13.3%

Third Quarter 2019 Segment Adjusted EBITDA Reconciliation ⁽¹⁾

	Broadband	Home	Outdoor Wireless	Venue and Campus	Total
Operating income (loss), as reported	\$ (13.0)	\$ 3.8	\$ (2.2)	\$ (39.4)	\$ (50.8)
Amortization of purchased intangible assets	72.0	33.7	12.2	45.8	163.9
Restructuring costs, net	5.6	6.8	1.1	5.9	19.5
Equity-based compensation	11.2	4.9	3.5	8.4	28.0
Transaction and integration costs	2.0	(3.5)	1.4	2.2	2.2
Acquisition accounting adjustments	57.7	3.3	—	47.8	108.7
Patent claims and litigation	—	—	55.0	—	55.0
Depreciation	17.7	10.7	4.3	10.6	43.3
Segment adjusted EBITDA	\$ 153.5	\$ 59.7	\$ 75.3	\$ 81.3	\$ 369.8
Segment adjusted EBITDA % of sales	22.1%	7.2%	22.5%	15.5%	15.5%

(1) As of January 1, 2020, the Company began reporting in the following four operating segments: Broadband Networks, Home Networks, Outdoor Wireless Networks and Venue and Campus Networks. 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

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

Adjusted Free Cash Flow

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Cash flow from operations	\$ 522.1	\$ 336.0	\$ (42.7)	\$ 209.1	\$ 172.2
Capital expenditures	(24.3)	(31.8)	(23.9)	(23.8)	(25.8)
Free cash flow	497.8	304.2	(66.6)	185.3	146.4
Transaction and integration costs	10.0	5.5	3.4	9.1	4.8
Restructuring	27.2	12.9	20.1	23.0	24.8
Adjusted Free Cash Flow	\$ 535.0	\$ 322.6	\$ (43.1)	\$ 217.4	\$ 176.0

See Description of Non-GAAP Financial Measures

Adjusted gross profit and adjusted operating expense

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

GAAP to Non-GAAP Adjusted Gross Profit

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Gross profit, as reported	\$ 609.9	\$ 736.2	\$ 641.2	\$ 656.1	\$ 735.5
Equity-based compensation	3.7	5.8	3.8	5.2	5.5
Acquisition accounting adjustments	108.7	(8.6)	5.5	5.2	5.1
Patent claims and litigation	55.0	—	5.3	7.5	(1.4)
Adjusted gross profit	\$ 777.3	\$ 733.4	\$ 655.8	\$ 674.0	\$ 744.7
Adjusted gross profit as % of sales	32.7%	31.9%	32.3%	32.1%	34.3%

GAAP to Non-GAAP Adjusted Operating Expense

	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Selling, general and administrative, as reported	\$ 305.8	\$ 305.1	\$ 311.1	\$ 290.9	\$ 296.7
Research and development, as reported	171.5	179.1	180.4	176.1	184.6
Operating expenses	\$ 477.3	\$ 484.2	\$ 491.5	\$ 467.0	\$ 481.3
Equity-based compensation	24.3	26.2	19.7	27.3	28.5
Transaction and integration costs	2.2	5.3	5.4	7.6	4.8
Executive severance	—	—	—	—	6.3
Adjusted operating expense	\$ 450.8	\$ 452.7	\$ 466.4	\$ 432.1	\$ 441.7
Adjusted operating expense as % of sales	18.9%	19.7%	22.9%	20.5%	20.4%

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