

February 17, 2021

Fourth Quarter and Full Year 2020 Results



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 our ability to integrate and fully realize anticipated benefits from prior or future divestitures, acquisitions or equity investments (including the ARRIS acquisition); selling or discontinuing one or more of our product lines; 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; 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 we and 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; 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; 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 and potential changes to laws and policies as a result of a new administration in the United States, 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; 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; 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 2020 Annual Report on Form 10-K and may be updated from time to time in our annual reports, quarterly reports, current reports and other filings we make with the Securities and Exchange Commission.

Although the information contained in this presentation represents our best judgment as of the date of this presentation based on information currently available and reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. Given these uncertainties, we caution you not to place undue reliance on these forward-looking statements, which speak only as of the date made. We are not undertaking any duty or obligation to update this information to reflect developments or information obtained after the date of this presentation, except 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.

“While 2020 was a year of challenge and change, our dedicated team, resilient supply chain and agile operations allowed us to quickly adapt and innovate across all aspects of our business.”



Chuck Treadway
President and Chief Executive Officer

2020 at a glance

BUSINESS

Employee safety

Meeting customer commitments

Manufacturing diversity and resilience

TECHNOLOGY

Progress in 5G and Wi-Fi 6

Future business with C-Band, CBRS and RDOF

New opportunities with virtualization, cloud and analytics

FINANCIALS

4Q'20 bottom-line growth – quarter over quarter and year over year

Leveraged variable cost structure effectively to reduce operating costs throughout business

Delivering over \$150 million in synergies, one year ahead of schedule

CUSTOMERS AND PARTNERS

Strong OEM partnerships

Expanding retail channels to market

Investing in key verticals and geographies

CommScope NEXT

Driving Shareholder Value

Profitable Growth

- Doubling down on growth by further exploring vertical market strategies, capacity constraints, international expansion investments, enhanced channel relationships and development of critical technologies

Business Optimization

- Focusing on efficiency and eliminating unnecessary non-value-added complexity and cost across business by streamlining duplicative systems and redundant processes

Portfolio Review

- Evaluating health of full portfolio and dynamically reallocating capital to our businesses where we have a winning value proposition, industry-leading technology and a clear path to growth and value creation

“We are dedicated to ensuring that as the economy recovers and as industry tailwinds take shape, CommScope will be well positioned to deliver growth and emerge as a stronger, more streamlined company.”



Alex Pease
EVP and Chief Financial Officer

Full year 2020 results

(In \$millions, except per share amounts)

	FY'19 Results	FY'19 Results Combined Company ⁽³⁾	FY'20 Results	Y/Y Change From Combined Company*
Net Sales ⁽¹⁾	\$8,345	\$9,755	\$8,436	-14%*
Adj. EBITDA ⁽²⁾	\$1,298	\$1,368	\$1,215	-11%*
Adj. EPS ⁽²⁾	\$2.15	n/a	\$1.56	-27%
Adj. Free Cash Flow ⁽²⁾	\$793	n/a	\$415	-48%

Innovating across our business and achieving solid Q4 results despite continued market uncertainty

(1) Net sales as presented for FY'20, FY'19 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$20.6 million and \$45.4 million, respectively.

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

(3) For comparisons described as combined company, January 1 – April 3, 2019 includes historical ARRIS results reflecting certain classification changes to align to CommScope's presentation.

Fourth quarter results

(In \$millions, except per share amounts)

	4Q'19 Results	4Q'20 Results	Y/Y Change
Net Sales ⁽¹⁾	\$2,299	\$2,132	-7%
Adj. EBITDA ⁽²⁾	\$324	\$362	+12%
Adj. EPS ⁽²⁾	\$0.46	\$0.59	+28%

Strong bottom-line growth driven by Broadband Networks momentum and focus on cost discipline

(1) Net sales as presented for 4Q'20 and 4Q'19 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$4.9 million and \$13.2 million, respectively.

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

Broadband Networks

Financial Highlights

Net Sales⁽¹⁾ (\$M)



Q-Q% Change: -4%

Y-Y% Change: +17%

- Net sales growth in North America and Caribbean and Latin America
- Growth within both Network Cable & Connectivity and Network & Cloud

Adj. EBITDA⁽²⁾ (\$M)



Q-Q% Change: +5%

Y-Y% Change: +49%

- Adjusted EBITDA growth primarily driven by volume and strong operating expense control

Business Highlights

- Increased video consumption and uplink demand driven by work-from-home, e-learning and tele-medicine driving sustained operator investment
- CMTS license sales strong, as operators continue to address capacity needs
- Video Systems continues to benefit from C-BAND reclamation
- “RDOF” auction provides significant opportunity for fiber cabling and connectivity
- Helping operators migrate to a distributed access architecture (DAA)

(1) Net sales as presented for 4Q'20, 3Q'20 and 4Q'19 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$2.8 million, \$2.8 million and \$9.1 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: -7%

- Net sales declines across all regions except China and Caribbean and Latin America
- Declines in indoor copper and RUCKUS, partially offset by growth in indoor fiber and DAS and Small Cell

Adj. EBITDA⁽²⁾ (\$M)



Q-Q% Change: -13%

Y-Y% Change: -19%

- Adjusted EBITDA declined primarily due to lower volume and commodity costs, partially offset by operating expense control

Business Highlights

- Structured cabling challenged by headwinds associated with COVID-19 pandemic and impact on commercial real estate spend
- Hyperscale & multi-tenant data center growth continued, fueled by work-from-home and increased focus shift to the cloud
- Demand continues for ERA digital DAS platform in large venues
- Growing demand pipeline for ONECELL
- Portfolio of solutions – SF Grand Hyatt chooses CommScope structure cabling, RUCKUS access points and switches and DAS for end-to-end in-building solution

(1) Net sales as presented for 4Q'20, 3Q'20 and 4Q'19 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$1.6 million, \$1.7 million and \$2.8 million, respectively.

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

Outdoor Wireless Networks

Financial Highlights

Net Sales (\$M)



Q-Q% Change: +8%

Y-Y% Change: +1%

- Modest net sales growth driven primarily by Asia Pacific, European and North American regions
- Growth driven by macro towers, partially offset by weakness in metro layer

Adj. EBITDA⁽¹⁾ (\$M)



Q-Q% Change: +12%

Y-Y% Change: +24%

- Adjusted EBITDA growth primarily driven by operating expense control, favorable mix and volume

Business Highlights

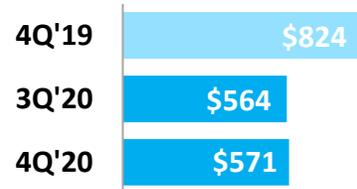
- T-Mobile ramp continues; remainder of US carriers direct capital priorities on C-BAND auction
- Continued momentum for hybrid active/passive antenna radio solutions in collaboration with Nokia – growing opportunities in Europe
- Positive momentum in key Asia Pacific markets driving future international growth potential
- Metro cell deployments remained soft due to permitting challenges; long term outlook remains strong
- C-BAND deployment to be 2H'21 weighted

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

Home Networks

Financial Highlights

Net Sales⁽¹⁾ (\$M)



Q-Q% Change: +1%

Y-Y% Change: -31%

- Declines across all regions
- Growth in broadband gateways more than offset by video declines

Adj. EBITDA⁽²⁾ (\$M)



Q-Q% Change: +42%

Y-Y% Change: -44%

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

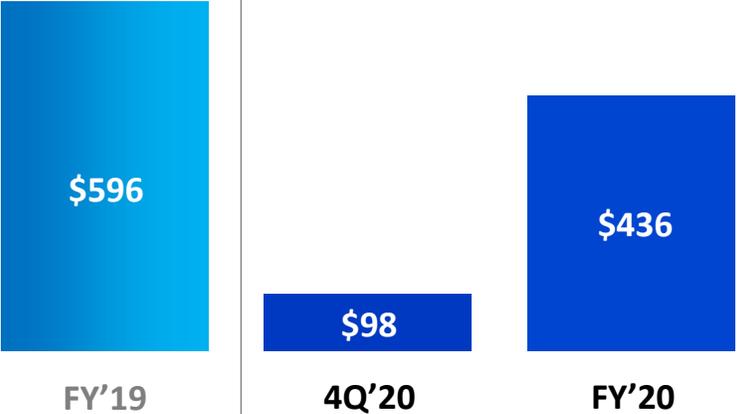
Business Highlights

- Home Media Solutions (Video CPE) remains soft primarily due to continuing OTT trends
- Continue video focus to IP streamers
- Growth in broadband – Vodafone Germany passes 1 million subscribers on CommScope DOCSIS 3.1 gateways
- Global silicon shortage likely to create supply constraints and cost pressure

(1) Net sales as presented for 4Q'20, 3Q'20 and 4Q'19 include reductions of revenue related to deferred revenue acquisition accounting adjustments of \$0.5 million, \$0.5 million and \$1.3 million, respectively. See appendix for reconciliation of non-GAAP adjusted measures.

Cash flow update

GAAP Cash Flow from Operations (\$M)



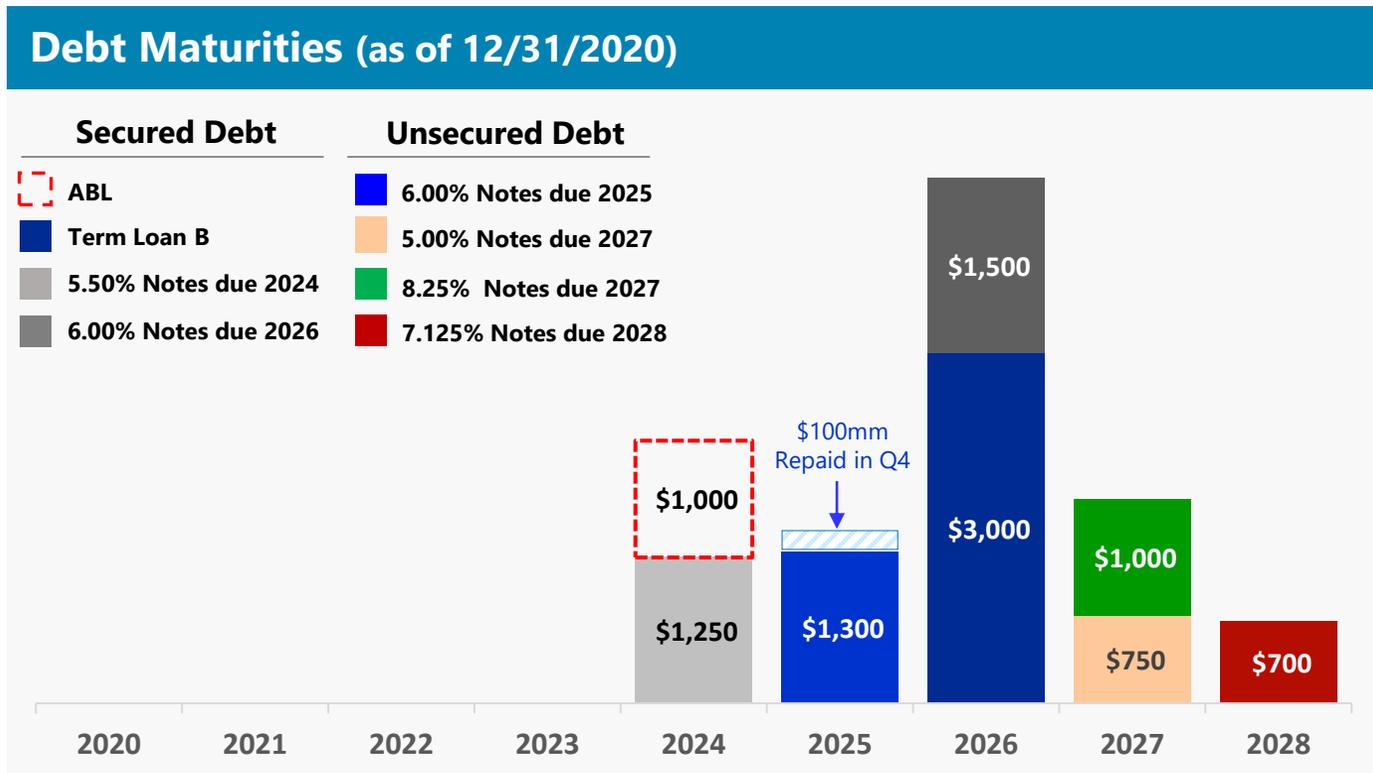
Adj. Free Cash Flow⁽¹⁾ (\$M)



- Full year business continued to generate strong cash flow despite challenging environment
- Fourth quarter working capital was net usage of cash, primarily driven accounts payable and timing of payments

(1) See appendix for reconciliation of non-GAAP adjusted measures. Adjusted free cash flow is defined as free cash flow excluding cash paid for transaction and integration costs and other special items.

Strong liquidity & de-risked capital structure



Required TLB amortization payments (\$32mm annually for 2021-2025) are not shown.

Debt balances do not reflect unamortized OID or deferred financing fees.

(1) Net leverage based on Adj. EBITDA of approximately \$1.3 billion (after giving pro forma effect to certain events, including \$75 million of run-rate synergies and other cost savings initiatives). The Carlyle investment is characterized as equity. The ratio of net debt plus preferred equity to such Adj. EBITDA measure is ~8.0x.

Proactive balance sheet management provides runway before next significant debt maturities

- Since close of ARRIS acquisition, CommScope has repaid over \$800 million of debt with focus on near-term opportunities
 - \$108 million of debt repayment during the fourth quarter

Cash & liquidity remain strong

- Ended the quarter with available liquidity of ~\$1.3 billion

Continued focus on debt repayment & de-leveraging

- 7.1x net leverage as of 12/31/2020⁽¹⁾
- Long-term leverage target of 2.0x – 3.0x
- Continued commitment to prioritizing debt repayment as the business generates excess cash

2021 end markets

Evolving technology trends are expected to provide mostly favorable tailwinds

Market	Demand Outlook	Key 2021 Business Drivers		
 Broadband Networks		 <p>Work-from-home and virtual learning continue to drive operator network spend</p>	 <p>RDOF expected to fund fiber deployments passing millions of underserved homes</p>	 <p>Operators balancing network spend between head-end and outside plant to address capacity needs in both the uplink and downlink</p>
 Outdoor Wireless Networks		 <p>C-BAND auction sets the stage for 2H 2021 macro tower spend</p>	 <p>Potential for international recovery as commodity and currency volatility subside</p>	 <p>Metro layer build outs may face further permitting delays in 1H'21 due to COVID-19</p>
 Venue & Campus Networks		 <p>Migration to cloud driving hyperscale and MTDC</p> <p>5G demand for more robust in-building mobile, Wi-Fi and wired solutions</p>	 <p>Uncertain environment for new commercial real estate, partial offset for retrofits to enable return to work</p>	 <p>Enterprise market will vary by vertical</p>
 Home Networks		 <p>Work-from-home, virtual learning and increased media consumption drive upgrades to broadband CPE</p>	 <p>OTT trends continue to place pressure on video</p>	 <p>Larger component lead times stretch realization of sales backlog</p>



now meets next



Q&A

Fourth Quarter and Full Year 2020 Results

COMMSCOPE®

Appendix

Statements of Operations

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Net sales	\$ 2,131.8	\$ 2,298.7	\$ 8,435.9	\$ 8,345.1
Cost of sales	1,416.8	1,562.5	5,688.1	5,941.0
Gross profit	715.0	736.2	2,747.8	2,404.1
Operating expenses:				
Selling, general and administrative	272.0	305.1	1,170.7	1,277.1
Research and development	162.2	179.1	703.3	578.5
Amortization of purchased intangible assets	157.0	205.9	630.5	593.2
Restructuring costs, net	4.8	9.3	88.4	87.7
Asset impairments	—	376.1	206.7	376.1
Total operating expenses	596.0	1,075.5	2,799.6	2,912.6
Operating income (loss)	119.0	(339.3)	(51.8)	(508.5)
Other income (expense), net	0.9	(2.9)	(29.3)	(6.4)
Interest expense	(139.9)	(153.6)	(577.8)	(577.2)
Interest income	—	2.2	4.4	18.1
Loss before income taxes	(20.0)	(493.6)	(654.5)	(1,074.0)
Income tax benefit	43.9	56.9	81.1	144.5
Net income (loss)	23.9	(436.7)	(573.4)	(929.5)
Series A convertible preferred stock dividend	(14.3)	(13.8)	(56.1)	(40.7)
Deemed dividend on Series A convertible preferred stock	—	—	—	(3.0)
Net income (loss) attributable to common stockholders	\$ 9.6	\$ (450.5)	\$ (629.5)	\$ (973.2)
Earnings (loss) per share:				
Basic	\$ 0.05	\$ (2.32)	\$ (3.20)	\$ (5.02)
Diluted (a)	\$ 0.05	\$ (2.32)	\$ (3.20)	\$ (5.02)
Weighted average shares outstanding:				
Basic	199.4	194.4	196.8	193.7
Diluted (a)	204.2	194.4	196.8	193.7
(a) Calculation of diluted income (loss) per share:				
Net income (loss) (basic and diluted)	\$ 9.6	\$ (450.5)	\$ (629.5)	\$ (973.2)
Weighted average shares (basic)	199.4	194.4	196.8	193.7
Dilutive effect of equity-based awards	4.8	—	—	—
Denominator (diluted)	204.2	194.4	196.8	193.7

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

Balance Sheets

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

	December 31,	
	2020	2019
Assets		
Cash and cash equivalents	\$ 521.9	\$ 598.2
Accounts receivable, less allowance for doubtful accounts of \$40.3 and \$35.4, respectively	1,487.4	1,698.8
Inventories, net	1,088.9	975.9
Prepaid expenses and other current assets	256.3	238.9
Total current assets	3,354.5	3,511.8
Property, plant and equipment, net of accumulated depreciation of \$705.7 and \$553.8, respectively	684.5	723.8
Goodwill	5,286.5	5,471.7
Other intangible assets, net	3,650.4	4,263.6
Other noncurrent assets	600.9	460.7
Total assets	\$ 13,576.8	\$ 14,431.6
Liabilities and Stockholders' Equity		
Accounts payable	\$ 1,010.8	\$ 1,148.0
Accrued and other liabilities	910.6	862.0
Current portion of long-term debt	32.0	32.0
Total current liabilities	1,953.4	2,042.0
Long-term debt	9,488.6	9,800.4
Deferred income taxes	206.2	215.1
Other noncurrent liabilities	531.8	537.8
Total liabilities	12,180.0	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: 200,095,232 and 194,563,530, respectively	2.1	2.0
Additional paid-in capital	2,512.9	2,445.1
Retained earnings (accumulated deficit)	(1,752.7)	(1,179.3)
Accumulated other comprehensive loss	(155.9)	(197.0)
Treasury stock, at cost: 9,223,081 shares and 7,411,382 shares, respectively	(251.4)	(234.5)
Total stockholders' equity	355.0	836.3
Total liabilities and stockholders' equity	\$ 13,576.8	\$ 14,431.6

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

Statements of Cash Flows

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

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2020	2019	2020	2019
Operating Activities:				
Net income (loss)	\$ 23.9	\$ (436.7)	\$ (573.4)	\$ (929.5)
Adjustments to reconcile net income (loss) to net cash generated by operating activities:				
Depreciation and amortization	204.5	256.5	823.3	770.9
Equity-based compensation	25.0	32.1	115.0	90.8
Deferred income taxes	(58.1)	(88.4)	(154.7)	(260.8)
Asset impairments	—	376.1	206.7	376.1
Changes in assets and liabilities:				
Accounts receivable	27.5	93.5	228.4	258.8
Inventories	29.8	132.8	(100.5)	489.1
Prepaid expenses and other current assets	(23.0)	6.1	(17.2)	19.5
Accounts payable and other accrued liabilities	(169.8)	(46.5)	(175.2)	(274.0)
Other noncurrent liabilities	15.6	7.6	(4.0)	7.2
Other noncurrent assets	2.4	(4.4)	28.8	46.0
Other	19.9	7.3	59.0	2.3
Net cash generated by operating activities	97.7	336.0	436.2	596.4
Investing Activities:				
Additions to property, plant and equipment	(47.7)	(31.8)	(121.2)	(104.1)
Proceeds from sale of property, plant and equipment	4.8	0.4	5.0	1.6
Proceeds from sale of long-term investments	—	—	—	9.3
Cash paid for ARRIS acquisition, net of cash acquired	—	—	—	(5,053.4)
Cash paid for Cable Exchange acquisition	—	—	(3.5)	(11.0)
Other	(0.5)	1.6	(0.5)	2.7
Net cash used in investing activities	(43.4)	(29.8)	(120.2)	(5,154.9)
Financing Activities:				
Long-term debt repaid	(108.0)	(308.0)	(1,282.0)	(3,061.3)
Long-term debt proceeds	—	—	950.0	6,933.0
Debt issuance costs	(0.1)	—	(11.7)	(120.8)
Debt extinguishment costs	(3.0)	—	(17.9)	—
Series A convertible preferred stock proceeds	—	—	—	1,000.0
Dividends paid on Series A convertible preferred stock	(14.3)	(13.8)	(14.3)	(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	8.1	1.5	9.0	4.6
Tax withholding payments for vested equity-based compensation awards	(6.6)	(0.9)	(16.9)	(13.2)
Net cash generated by (used in) financing activities	(123.9)	(321.2)	(383.8)	4,698.6
Effect of exchange rate changes on cash and cash equivalents	8.7	4.1	(8.5)	(0.1)
Change in cash and cash equivalents	(60.9)	(10.9)	(76.3)	140.0
Cash and cash equivalents at beginning of period	582.8	609.1	598.2	458.2
Cash and cash equivalents at end of period	\$ 521.9	\$ 598.2	\$ 521.9	\$ 598.2

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

Adjusted EBITDA and Adjusted Net Income Reconciliation

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

	Three Months Ended		Three Months Ended		For the Year Ended	
	September 30,	December 31,	September 30,	December 31,	2020	2019
	2020	2020	2019	2020	2019	
Net income (loss), as reported	\$ (116.3)	\$ 23.9	\$ (436.7)	\$ (573.4)	\$ (929.5)	
Income tax expense (benefit), as reported	9.3	(43.9)	(56.9)	(81.1)	(144.5)	
Interest income, as reported	(1.3)	—	(2.2)	(4.4)	(18.1)	
Interest expense, as reported	147.2	139.9	153.6	577.8	577.2	
Other (income) expense, net, as reported	16.9	(0.9)	2.9	29.3	6.4	
Operating income (loss), as reported	\$ 55.8	\$ 119.0	\$ (339.3)	\$ (51.8)	\$ (508.5)	
Adjustments:						
Amortization of purchased intangible assets	158.1	157.0	205.9	630.5	593.2	
Restructuring costs, net	40.3	4.8	9.3	88.4	87.7	
Equity-based compensation	34.0	25.0	32.1	115.0	90.8	
Asset impairments	—	—	376.1	206.7	376.1	
Transaction and integration costs	4.8	7.1	5.3	24.9	195.3	
Acquisition accounting adjustments	5.1	4.9	(8.6)	20.6	264.2	
Patent claims and litigation settlements	(1.4)	5.0	—	16.3	55.0	
Executive severance	6.3	—	—	6.3	—	
Depreciation	38.9	39.7	42.7	158.3	143.7	
Total adjustments to operating loss	286.1	243.5	662.8	1,267.0	1,806.0	
Non-GAAP adjusted EBITDA	\$ 341.9	\$ 362.2	\$ 323.6	\$ 1,215.2	\$ 1,297.5	
Net income (loss), as reported	\$ (116.3)	\$ 23.9	\$ (436.7)	\$ (573.4)	\$ (929.5)	
Adjustments:						
Total pretax adjustments to adjusted EBITDA	247.2	203.8	620.2	1,108.7	1,662.4	
Pretax amortization of debt issuance costs and OID ⁽¹⁾	12.8	8.0	7.9	34.5	33.4	
Pretax acquisition related interest ⁽¹⁾	—	—	—	—	30.2	
Pretax loss on debt transactions ⁽²⁾	14.9	3.0	—	17.9	—	
Tax effects of adjustments and other tax items ⁽³⁾	(35.5)	(94.9)	(84.8)	(216.7)	(317.1)	
Non-GAAP adjusted net income	\$ 123.1	\$ 143.8	\$ 106.6	\$ 371.0	\$ 479.4	
GAAP EPS, as reported ⁽⁴⁾	\$ (0.66)	\$ 0.05	\$ (2.32)	\$ (3.20)	\$ (5.02)	
Non-GAAP adjusted diluted EPS ⁽⁵⁾	\$ 0.51	\$ 0.59	\$ 0.46	\$ 1.56	\$ 2.15	

(1) Included in interest expense.

(2) Included in other income (expense), net.

(3) The tax rates applied to adjustments reflect the tax expense or benefit based on the tax jurisdiction of the entity generating the adjustment. There are certain items for which we expect little or no tax effect.

(4) For all periods presented, GAAP EPS was calculated using net income (loss) attributable to common stockholders in the numerator, which includes the impact of the Series A convertible preferred stock dividend.

(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

	Q4 2020	Q3 2020	Q4 2019	% Change Sequential	% Change YOY
United States	\$ 1,293.0	\$ 1,318.2	\$ 1,350.8	(1.9) %	(4.3) %
Europe, Middle East and Africa	368.8	407.3	419.3	(9.5)	(12.0)
Asia Pacific	198.7	219.1	253.8	(9.3)	(21.7)
Caribbean and Latin America	178.0	149.9	174.2	18.7	2.2
Canada	93.3	73.6	100.6	26.8	(7.3)
Total net sales	\$ 2,131.8	\$ 2,168.1	\$ 2,298.7	(1.7) %	(7.3) %

Sales by Region

	Full Year 2020	Full Year 2019	% Change YOY
United States	\$ 5,185.3	\$ 4,923.3	5.3 %
Europe, Middle East and Africa	1,530.2	1,543.6	(0.9)
Asia Pacific	797.2	919.7	(13.3)
Caribbean and Latin America	610.3	650.7	(6.2)
Canada	312.9	307.8	1.7
Total net sales	\$ 8,435.9	\$ 8,345.1	1.1 %

Sales and Adjusted EBITDA by Segment

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

Sales by Segment ⁽¹⁾

	<u>Q4 2020</u>	<u>Q3 2020</u>	<u>Q4 2019</u>	<u>% Change Sequential</u>	<u>% Change YOY</u>
Broadband	\$ 789.3	\$ 820.9	\$ 673.1	(3.8) %	17.3 %
Home	571.0	563.6	823.6	1.3	(30.7)
Outdoor Wireless	294.7	271.8	291.6	8.4	1.1
Venue and Campus	476.8	511.8	510.4	(6.8)	(6.6)
Total net sales	\$ 2,131.8	\$ 2,168.1	\$ 2,298.7	(1.7) %	(7.3) %

Segment Adjusted EBITDA ⁽¹⁾

	<u>Q4 2020</u>	<u>Q3 2020</u>	<u>Q4 2019</u>	<u>% Change Sequential</u>	<u>% Change YOY</u>
Broadband	\$ 213.3	\$ 204.2	\$ 143.5	4.5 %	48.6 %
Home	40.4	28.5	71.9	41.8	(43.8)
Outdoor Wireless	60.1	53.6	48.6	12.1	23.7
Venue and Campus	48.4	55.6	59.5	(12.9)	(18.7)
Total segment adjusted EBITDA	\$ 362.2	\$ 341.9	\$ 323.6	5.9 %	11.9 %

(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

Sales and Adjusted EBITDA by Segment

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

Sales by Segment ⁽¹⁾

	As Reported 2020	As Reported ⁽²⁾ 2019	ARRIS Pre-acquisition ⁽²⁾ 2019	Combined Company ⁽²⁾ 2019	% Change YOY
Broadband	\$ 2,895.7	\$ 2,363.8	\$ 444.0	\$ 2,807.8	3.1 %
Home	2,360.0	2,539.0	847.6	3,386.6	(30.3) %
OWN	1,243.7	1,475.0	—	1,475.0	(15.7) %
VCN	1,936.5	1,967.3	118.3	2,085.6	(7.1) %
Total net sales	\$ 8,435.9	\$ 8,345.1	\$ 1,409.9	\$ 9,755.0	(13.5) %

Segment Operating Loss ⁽¹⁾

	As Reported 2020	As Reported ⁽²⁾ 2019	ARRIS Pre-acquisition ⁽²⁾ 2019	Combined Company ⁽²⁾ 2019	% Change YOY
Broadband	\$ 171.5	\$ (326.1)	\$ 21.1	\$ (305.0)	(156.2) %
Home	(289.7)	(196.0)	(27.5)	(223.5)	29.6 %
OWN	181.1	200.3	—	200.3	(9.6) %
VCN	(114.7)	(186.7)	(58.6)	(245.3)	(53.2) %
Total segment operating loss	\$ (51.8)	\$ (508.5)	\$ (65.0)	\$ (573.5)	(91.0) %

Segment Adjusted EBITDA ⁽¹⁾

	As Reported 2020	As Reported ⁽²⁾ 2019	ARRIS Pre-acquisition ⁽²⁾ 2019	Combined Company ⁽²⁾ 2019	% Change YOY
Broadband	\$ 640.5	\$ 473.3	\$ 69.0	\$ 542.3	18.1 %
Home	116.2	193.7	34.0	227.7	(49.0) %
OWN	278.5	361.2	—	361.2	(22.9) %
VCN	180.0	269.3	(32.3)	237.0	(24.1) %
Total segment adjusted EBITDA	\$ 1,215.2	\$ 1,297.5	\$ 70.7	\$ 1,368.2	(11.2) %

(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.

(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.

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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)

Fourth Quarter 2020 Segment Adjusted EBITDA Reconciliation ⁽¹⁾

	Broadband	Home	Outdoor Wireless	Venue and Campus	Total
Operating income (loss), as reported	\$ 104.1	\$ (8.7)	\$ 34.6	\$ (11.0)	\$ 119.0
Amortization of purchased intangible assets	79.7	26.0	11.4	39.9	157.0
Restructuring costs, net	1.0	2.0	5.9	(4.1)	4.8
Equity-based compensation	9.7	4.8	2.9	7.6	25.0
Transaction and integration costs	1.8	2.9	1.0	1.4	7.1
Acquisition accounting adjustments	2.8	0.5	—	1.6	4.9
Patent claims and litigation settlements	—	5.0	—	—	5.0
Depreciation	14.4	7.9	4.3	13.0	39.7
Segment adjusted EBITDA	\$ 213.3	\$ 40.4	\$ 60.1	\$ 48.4	\$ 362.2
Segment adjusted EBITDA % of sales	27.0%	7.1%	20.4%	10.1%	17.0%

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 settlements	—	(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%

Fourth Quarter 2019 Segment Adjusted EBITDA Reconciliation ⁽¹⁾

	Broadband	Home	Outdoor Wireless	Venue and Campus	Total
Operating income (loss), as reported	\$ (145.8)	\$ (174.8)	\$ 27.1	\$ (45.7)	\$ (339.3)
Amortization of purchased intangible assets	113.2	36.5	12.0	44.3	205.9
Restructuring costs, net	5.2	1.3	—	3.0	9.4
Equity-based compensation	12.9	5.6	3.8	9.8	32.0
Asset impairments	142.1	192.8	—	41.2	376.1
Transaction and integration costs	1.8	—	1.4	2.1	5.3
Acquisition accounting adjustments	(1.9)	0.5	—	(7.3)	(8.6)
Depreciation	16.1	10.1	4.3	12.1	42.7
Segment adjusted EBITDA	\$ 143.5	\$ 71.9	\$ 48.6	\$ 59.5	\$ 323.6
Segment adjusted EBITDA % of sales	21.3%	8.7%	16.7%	11.7%	14.1%

(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.

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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)

Year Ended December 31, 2020 Segment Adjusted EBITDA Reconciliation ⁽¹⁾

	Broadband	Home	Outdoor Wireless	Venue and Campus	Total
Operating income (loss), as reported	\$ 171.5	\$ (289.7)	\$ 181.1	\$ (114.7)	\$ (51.8)
Amortization of purchased intangible assets	323.1	103.9	45.8	157.7	630.5
Restructuring costs, net	17.8	30.0	15.7	24.9	88.4
Equity-based compensation	44.4	22.1	13.6	34.9	115.0
Asset impairments	—	206.7	—	—	206.7
Transaction and integration costs	7.9	6.2	4.2	6.7	24.9
Acquisition accounting adjustments	11.4	1.9	—	7.3	20.6
Patent claims and litigation settlements	3.0	(0.3)	—	13.7	16.3
Executive severance	2.2	1.2	1.2	1.7	6.3
Depreciation	59.2	34.3	17.0	47.8	158.3
Segment adjusted EBITDA	\$ 640.5	\$ 116.2	\$ 278.5	\$ 180.0	\$ 1,215.2
Segment adjusted EBITDA % of sales	22.1%	4.9%	22.4%	9.3%	14.4%

Year Ended December 31, 2019 Segment Adjusted EBITDA Reconciliation ⁽¹⁾

	Broadband	Home	Outdoor Wireless	Venue and Campus	Combined Company Total ⁽²⁾
Operating income (loss), as reported	\$ (305.0)	\$ (223.5)	\$ 200.3	\$ (245.3)	\$ (573.5)
Amortization of purchased intangible assets	296.8	149.1	49.5	182.8	678.2
Restructuring costs, net	37.1	23.7	6.9	20.5	88.2
Equity-based compensation	46.6	20.4	12.9	32.2	112.1
Asset impairments	142.1	192.8	—	41.2	376.1
Transaction and integration costs	124.7	—	19.1	59.3	203.1
Acquisition accounting adjustments	135.8	27.8	—	102.1	265.7
Patent claims and litigation settlements	—	—	55.0	—	55.0
Depreciation	64.0	37.5	17.5	44.3	163.3
Segment adjusted EBITDA	\$ 542.2	\$ 227.7	\$ 361.2	\$ 237.1	\$ 1,368.2
Segment adjusted EBITDA % of sales	19.3%	6.7%	24.5%	11.4%	14.0%

(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.

(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

Adjusted Free Cash Flow Reconciliation

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

Adjusted Free Cash Flow

	<u>Q4 2019</u>	<u>Q1 2020</u>	<u>Q2 2020</u>	<u>Q3 2020</u>	<u>Q4 2020</u>	<u>Full Year 2020</u>	<u>Full Year 2019</u>
Cash flow from operations	\$ 336.0	\$ (42.7)	\$ 209.1	\$ 172.2	\$ 97.7	\$ 436.2	\$ 596.4
Capital expenditures	(31.8)	(23.9)	(23.8)	(25.8)	(47.7)	(121.2)	(104.1)
Free cash flow	304.2	(66.6)	185.3	146.4	50.0	315.0	492.3
Transaction and integration costs	5.5	3.4	9.1	4.8	4.3	21.7	210.7
Restructuring	12.9	20.1	23.0	24.8	10.8	78.7	89.9
Adjusted free cash flow	<u>\$ 322.6</u>	<u>\$ (43.1)</u>	<u>\$ 217.4</u>	<u>\$ 176.0</u>	<u>\$ 65.1</u>	<u>\$ 415.4</u>	<u>\$ 792.9</u>

See Description of Non-GAAP Financial Measures

Adjusted Gross Profit and Adjusted Operating Expense Reconciliations

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

GAAP to Non-GAAP Adjusted Gross Profit

	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Full Year 2019
Gross profit, as reported	\$ 736.2	\$ 641.2	\$ 656.1	\$ 735.5	\$ 715.0	\$ 2,747.8	\$ 2,404.1
Equity-based compensation	5.8	3.8	5.2	5.5	4.0	18.5	13.5
Acquisition accounting adjustments	(8.6)	5.5	5.2	5.1	4.8	20.6	264.2
Patent claims and litigation settlements	—	5.3	7.5	(1.4)	5.0	16.3	55.0
Adjusted gross profit	\$ 733.4	\$ 655.8	\$ 674.0	\$ 744.7	\$ 728.8	\$ 2,803.2	\$ 2,736.8
Adjusted gross profit as % of sales	31.9%	32.3%	32.1%	34.3%	34.2%	33.2%	32.8%

GAAP to Non-GAAP Adjusted Operating Expense

	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full Year 2020	Full Year 2019
Selling, general and administrative, as reported	\$ 305.1	\$ 311.1	\$ 290.9	\$ 296.7	\$ 272.0	\$ 1,170.7	\$ 1,277.1
Research and development, as reported	179.1	180.4	176.1	184.6	162.2	703.3	578.5
Operating expenses	\$ 484.2	\$ 491.5	\$ 467.0	\$ 481.3	\$ 434.2	\$ 1,874.0	\$ 1,855.6
Equity-based compensation	26.2	19.7	27.3	28.5	21.0	96.5	77.3
Transaction and integration costs	5.3	5.4	7.6	4.8	7.1	24.9	195.3
Executive severance	—	—	—	6.3	—	6.3	—
Adjusted operating expense	\$ 452.7	\$ 466.4	\$ 432.1	\$ 441.7	\$ 406.1	\$ 1,746.3	\$ 1,583.0
Adjusted operating expense as % of sales	19.7%	22.9%	20.5%	20.4%	19.0%	20.7%	19.0%

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