

May 4, 2023

First Quarter 2023 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 and expectations of management, as well as assumptions made by, and information currently available to, 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, our dependence on customers’ capital spending on data, communication and entertainment equipment, which could be negatively impacted by a regional or global economic downturn, among other factors; the potential impact of higher than normal inflation; concentration of sales among a limited number of customers and channel partners; risks associated with our sales through channel partners; changes to the regulatory environment in which we and our customers operate; changes in technology; industry competition and the ability to retain customers through product innovation, introduction, and marketing; changes in cost and availability of key raw materials, components and commodities and the potential effect on customer pricing and timing of delivery of products to customers; risks related to our ability to implement price increases on our products and services; risks associated with our dependence on a limited number of key suppliers for certain raw materials and components; risks related to the successful execution of CommScope NEXT; potential difficulties in realigning global manufacturing capacity and capabilities among our global manufacturing facilities or those of our contract manufacturers that may affect our ability to meet customer demands for products; possible future restructuring actions; the risk that our manufacturing operations, including our contract manufacturers on which we rely, encounter capacity, production, quality, financial or other difficulties causing difficulty in meeting customer demands; substantial indebtedness and restrictive debt covenants; our ability to incur additional indebtedness and increases in interest rates; our ability to generate cash to service our indebtedness; the potential separation, divestiture or discontinuance of a business or product line, including uncertainty regarding the timing of the separation, achievement of the expected benefits and the potential disruption to the business; our ability to integrate and fully realize anticipated benefits from prior or future divestitures, acquisitions or equity investments; possible future impairment charges for fixed or intangible assets, including goodwill; our ability to attract and retain qualified key employees; labor unrest; product quality or performance issues, including those associated with our suppliers or contract manufacturers, and associated warranty claims; our ability to maintain effective management information technology systems and to successfully implement major systems initiatives; cyber-security incidents, including data security breaches, ransomware or computer viruses; the use of open standards; the long-term impact of climate change; significant international operations exposing us to economic risks like variability in foreign exchange rates and inflation, as well as political and other risks, including the impact of wars, regional conflicts and terrorism; our ability to comply with governmental anti-corruption laws and regulations worldwide; the impact of export and import controls and sanctions worldwide on our supply chain and ability to compete in international markets; changes in the laws and policies in the United States affecting trade, including the risk and uncertainty related to tariffs or potential trade wars and potential changes to laws and policies, that may impact our products; cost of protecting or defending intellectual property; costs and challenges of compliance with domestic and foreign social and environmental laws; the impact of litigation and similar regulatory proceedings in which we are involved or may become involved, including the costs of such litigation; the scope, duration and impact of disease outbreaks and pandemics, such as COVID-19, on our business including employees, sites, operations, customers, supply chain logistics and the global economy; our stock price volatility; income tax rate variability and ability to recover amounts recorded as deferred tax assets; and other factors beyond our control. These and other factors are discussed in greater detail in our 2022 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.

Description of Non-GAAP Financial Measures

CommScope management believes that presenting certain non-GAAP financial measures enhances an investor’s understanding of our financial performance. In addition, CommScope management believes that these non-GAAP financial measures are useful in assessing CommScope’s operating performance from period to period by excluding certain items that we believe are not representative of our core business. Non-GAAP measures are not a substitute for GAAP measures and should be considered together with the GAAP financial measures. As calculated, our non-GAAP measures may not be comparable to other similarly titled measures of other companies.

First quarter results

- **Net Sales** – Core⁽¹⁾ net sales of \$1.66 billion, declining 4% from prior year; Consolidated CommScope net sales of \$2.00 billion, declining 10% from prior year
- **Adjusted EBITDA** – Core⁽¹⁾ adjusted EBITDA of \$315 million⁽²⁾ and Consolidated CommScope adjusted EBITDA of \$312 million⁽²⁾
- **Margin recovery through pricing** – Core⁽¹⁾ adjusted EBITDA margin of 18.9% improved 560 basis points from prior year; expect margin recovery to continue through remainder of 2023
- **Backlog remains strong** – Core⁽¹⁾ backlog of \$2.39 billion
- **Deleveraged Debt** –Q1 net leverage ratio down to 6.6x⁽³⁾

Driven by strength in the 2nd half we expect to deliver FY'23 Core Adjusted EBITDA in the range of \$1.35 – 1.50 billion⁽²⁾

(1) "Core" financial measures reflect the results or otherwise pertain to the performance of CCS, OWN, NICS and ANS, in the aggregate. Core financial measures exclude the results of the Home segment.

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

(3) Net leverage based on pro forma Adj. EBITDA of approximately \$1.4 billion (including \$65 million of annualized savings expected from cost reduction initiatives).

First quarter results

Consolidated CommScope (In \$millions, except per share amounts)				Core CommScope ⁽¹⁾ (In \$millions)			
	1Q'22 Results	1Q'23 Results	Y/Y Change		1Q'22 Results	1Q'23 Results	Y/Y Change
Net Sales	\$2,229	\$2,002	-10%	Net Sales	\$1,733	\$1,664	-4%
Adj. EBITDA⁽²⁾	\$253	\$312	+23%	Adj. EBITDA⁽²⁾	\$230	\$315	+37%
Adj. EBITDA Margin	11.4%	15.6%	+420 bps.	Adj. EBITDA Margin	13.3%	18.9%	+560 bps.
Adj. EPS⁽²⁾	\$0.26	\$0.35	+35%				

(1) "Core" financial measures reflect the results or otherwise pertain to the performance of CCS, OWN, NICS and ANS, in the aggregate. Core financial measures exclude the results of the Home segment.

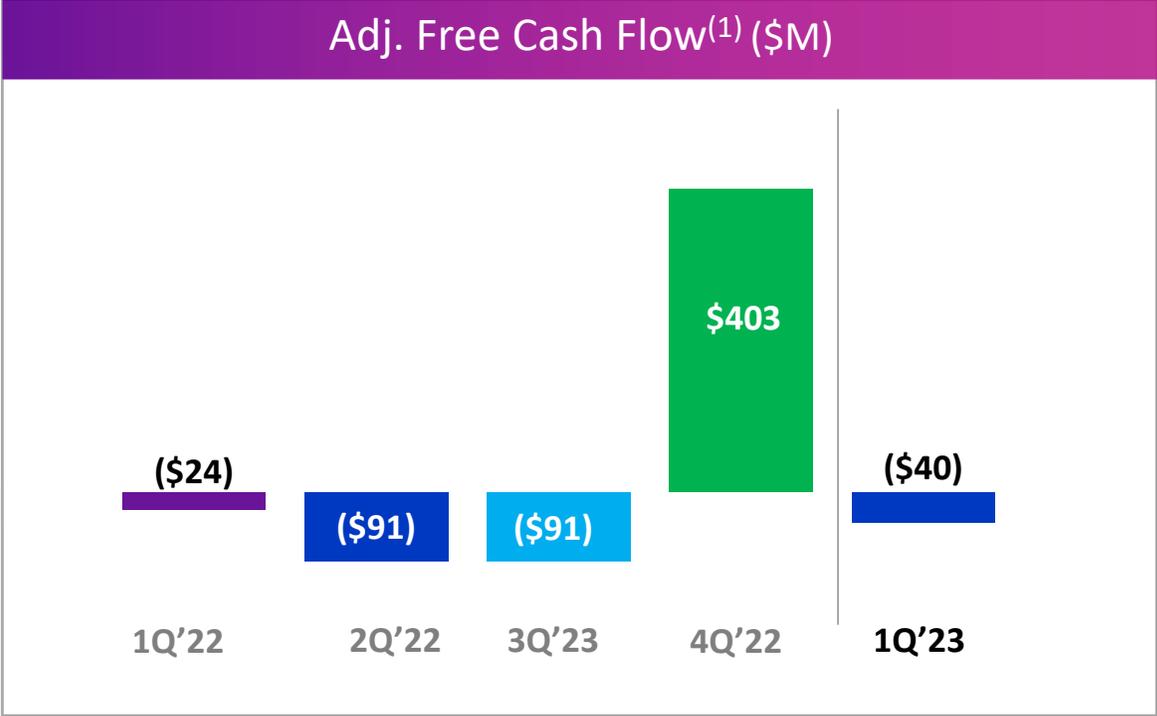
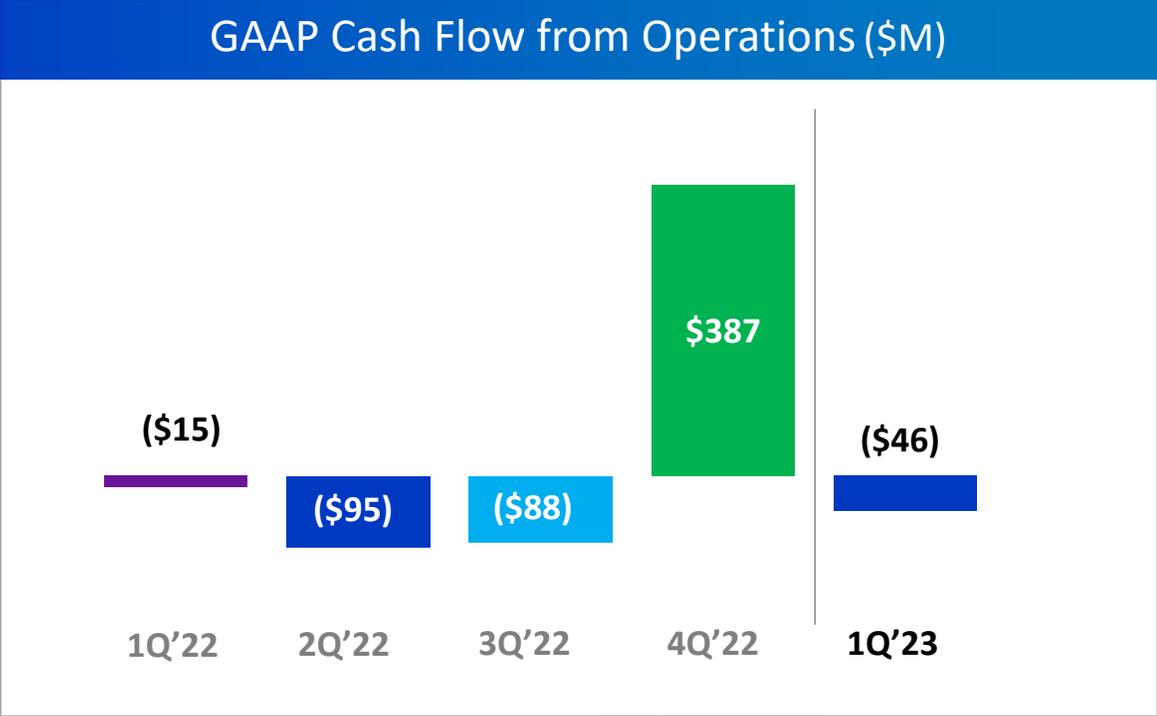
(2) See appendix for reconciliation of non-GAAP adjusted measures.

First quarter segment highlights

Business Segment		Net Sales (\$M)		Y-Y%	Adj. EBITDA ⁽¹⁾ (\$M)		Y-Y%	Observations
		1Q'22	1Q'23		1Q'22	1Q'23		
CCS	Connectivity and Cable Solutions	\$838	\$823	-2%	\$99	\$148	+50%	<ul style="list-style-type: none"> Strong execution of Connectivity and Cable due to strong backlog; offset by declines in the enterprise market Efficiency and price helped to continue to drive margin improvement Introduction of HeliARC™ Fiber Optic Cable for rural deployments
NICS	Networking, Intelligent Cellular and Security Solutions	\$188	\$285	+51%	(\$14)	\$58	+\$72 Million	<ul style="list-style-type: none"> Third consecutive record net sales quarter in Ruckus Strong execution in challenged supply environment Expect continuation of strong and profitable performance to continue in second quarter
OWN	Outdoor Wireless Networks	\$390	\$258	-34%	\$71	\$60	-16%	<ul style="list-style-type: none"> Revenue impacted by reduction in North American Service provider deployment and customer inventory adjustments Continued to drive efficiencies and cost reductions across the business, which are being realized in the form of margin improvements
ANS	Access Network Solutions	\$317	\$299	-6%	\$74	\$50	-33%	<ul style="list-style-type: none"> Revenue and adjusted EBITDA down driven by project timing Continued mix shift from Headend to the Edge driving lower margin Project timing should drive improvement in rest of year performance
HN	Home Networks	\$496	\$337	-32%	\$23	(\$3)	-\$27 Million	<ul style="list-style-type: none"> Revenue decline driven by weak demand environment in all of key business units Implementing transformation plan to improve performance

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

Cash flow update

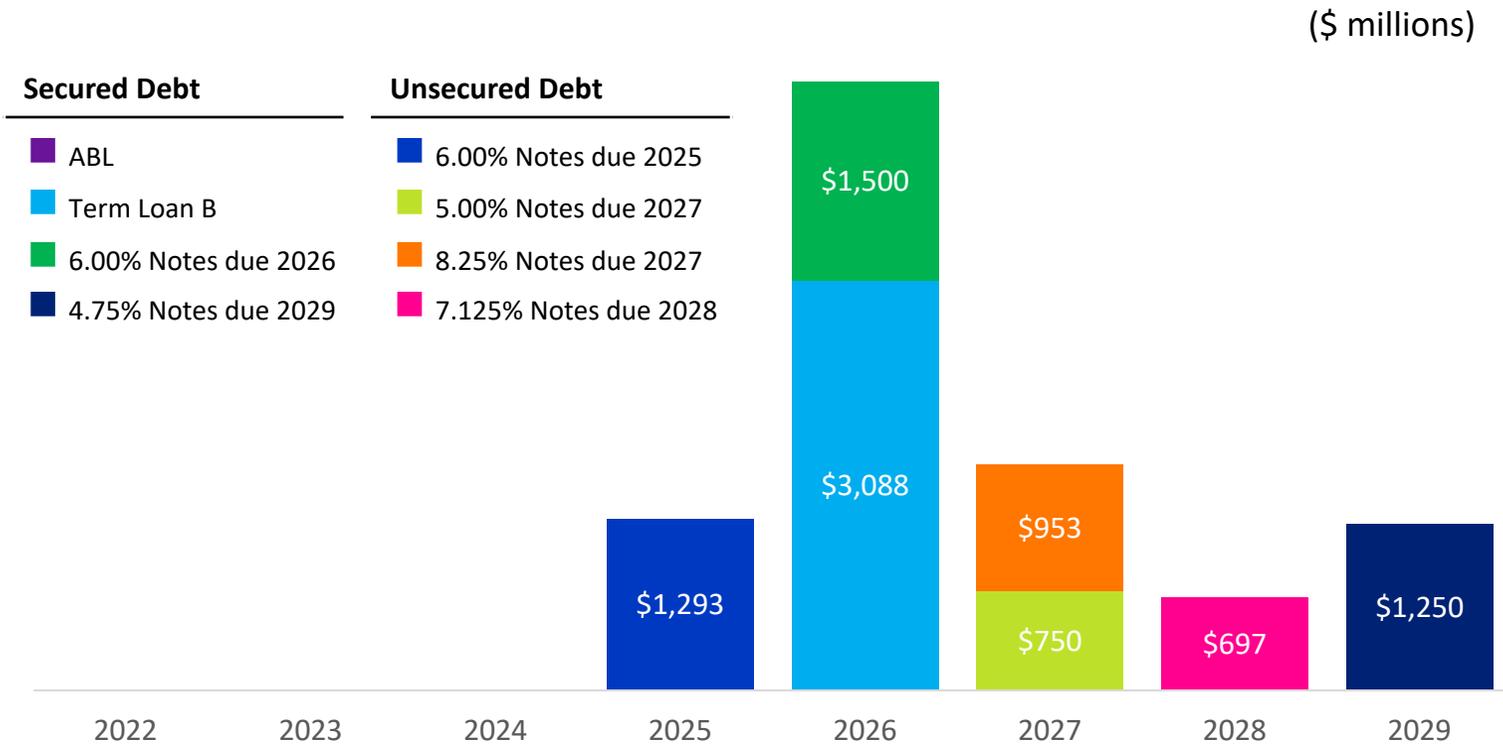


- As expected First quarter cash flow followed typical softness due to annual incentive payout and interest payments
- Expect meaningfully improved cash generation for the remainder of FY'23

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

Strong liquidity & balance sheet management

Debt Maturities (as of 3/31/23)



Cash & liquidity remain strong

- Ended the quarter with available liquidity of ~\$1.2 billion
- No outstanding ABL revolver draws as of 3/31/23

Leverage ⁽¹⁾

- 6.6x net leverage as of 3/31/23
- Remain on track to reduce net leverage within the range of 5.5x – 6.5x by 12/31/2023
- Repurchased \$57 million of debt during the quarter

Required TLB amortization payments \$32mm annually for 2024-2025 are not shown.

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

(1) Net leverage based on pro forma Adj. EBITDA of approximately \$1.4 billion (including \$65 million of annualized savings expected from cost reduction initiatives). The Carlyle investment is characterized as equity. The ratio of net debt plus preferred equity to pro forma Adj. EBITDA is ~7.4x.



Closing Remarks



Chuck Treadway
President and Chief Executive Officer



now meets next

Q&A

First Quarter 2023 Results

COMMScope®

Appendix

Statements of Operations

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

	Three Months Ended	
	March 31,	
	2023	2022
Net sales	\$ 2,001.5	\$ 2,228.6
Cost of sales	1,309.8	1,592.3
Gross profit	691.7	636.3
Operating expenses:		
Selling, general and administrative	263.5	286.0
Research and development	153.4	170.7
Amortization of purchased intangible assets	126.4	140.7
Restructuring costs (credits), net	(4.1)	12.1
Total operating expenses	539.2	609.5
Operating income	152.5	26.8
Other income, net	5.7	—
Interest expense	(165.1)	(136.5)
Interest income	2.5	0.7
Loss before income taxes	(4.4)	(109.0)
Income tax (expense) benefit	7.8	(30.9)
Net income (loss)	3.4	(139.9)
Series A convertible preferred stock dividends	(15.1)	(14.5)
Net loss attributable to common stockholders	\$ (11.7)	\$ (154.4)
Loss per share:		
Basic	\$ (0.06)	\$ (0.75)
Diluted (a)	\$ (0.06)	\$ (0.75)
Weighted average shares outstanding:		
Basic	208.9	205.4
Diluted (a)	208.9	205.4
(a) Calculation of diluted loss per share:		
Net loss (basic and diluted)	\$ (11.7)	\$ (154.4)
Weighted average shares (basic)	208.9	205.4
Dilutive effect of equity-based awards	—	—
Denominator (diluted)	208.9	205.4

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

Balance Sheets

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

	Unaudited March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 327.3	\$ 398.1
Accounts receivable, net of allowance for doubtful accounts of \$81.2 and \$82.8, respectively	1,352.5	1,523.6
Inventories, net	1,622.2	1,588.1
Prepaid expenses and other current assets	207.8	216.4
Total current assets	3,509.8	3,726.2
Property, plant and equipment, net of accumulated depreciation of \$905.8 and \$873.5, respectively	580.2	609.6
Goodwill	4,078.0	4,072.4
Other intangible assets, net	2,348.0	2,473.5
Other noncurrent assets	821.0	803.7
Total assets	<u>\$ 11,337.0</u>	<u>\$ 11,685.4</u>
Liabilities and Stockholders' Deficit		
Accounts payable	\$ 905.4	\$ 1,025.5
Accrued and other liabilities	864.9	1,050.0
Current portion of long-term debt	32.0	32.0
Total current liabilities	1,802.3	2,107.5
Long-term debt	9,410.5	9,469.6
Deferred income taxes	163.8	173.4
Other noncurrent liabilities	375.4	380.6
Total liabilities	11,752.0	12,131.1
Commitments and contingencies		
Series A convertible preferred stock, \$0.01 par value	1,115.4	1,100.3
Stockholders' deficit:		
Preferred stock, \$0.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: 1,115,439 and 1,100,310, respectively, Series A convertible preferred stock	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 209,777,988 and 208,371,426, respectively	2.2	2.2
Additional paid-in capital	2,541.3	2,542.9
Accumulated deficit	(3,498.8)	(3,502.2)
Accumulated other comprehensive loss	(277.5)	(296.3)
Treasury stock, at cost: 13,427,361 shares and 12,726,695 shares, respectively	(297.6)	(292.6)
Total stockholders' deficit	(1,530.4)	(1,546.0)
Total liabilities and stockholders' deficit	<u>\$ 11,337.0</u>	<u>\$ 11,685.4</u>

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

Statements of Cash Flows

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

	Three Months Ended	
	March 31,	
	2023	2022
Operating Activities:		
Net income (loss)	\$ 3.4	\$ (139.9)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	164.1	180.2
Equity-based compensation	13.5	16.5
Deferred income taxes	(30.0)	2.3
Changes in assets and liabilities:		
Accounts receivable	175.3	(60.5)
Inventories	(31.9)	(73.7)
Prepaid expenses and other assets	10.2	29.6
Accounts payable and other liabilities	(318.3)	23.5
Other	(32.4)	7.4
Net cash used in operating activities	(46.1)	(14.6)
Investing Activities:		
Additions to property, plant and equipment	(14.4)	(27.4)
Proceeds from sale of property, plant and equipment	41.0	—
Other	9.3	11.4
Net cash generated by (used in) investing activities	35.9	(16.0)
Financing Activities:		
Long-term debt repaid	(8.0)	(93.0)
Long-term debt repurchases	(50.0)	—
Long-term debt proceeds	—	85.0
Proceeds from the issuance of common shares under equity-based compensation	—	0.1
Tax withholding payments for vested equity-based compensation awards	(5.0)	(10.6)
Other	1.9	1.3
Net cash used in financing activities	(61.1)	(17.2)
Effect of exchange rate changes on cash and cash equivalents	0.5	2.2
Change in cash and cash equivalents	(70.8)	(45.6)
Cash and cash equivalents at beginning of period	398.1	360.3
Cash and cash equivalents at end of period	<u>\$ 327.3</u>	<u>\$ 314.7</u>

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

Adjusted EBITDA and Adjusted Net Income Reconciliation

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

	Three Months Ended	
	March 31,	
	2023	2022
Net income (loss), as reported	\$ 3.4	\$ (139.9)
Income tax expense (benefit), as reported	(7.8)	30.9
Interest income, as reported	(2.5)	(0.7)
Interest expense, as reported	165.1	136.5
Other income, net, as reported	(5.7)	—
Operating income, as reported	\$ 152.5	\$ 26.8
Adjustments:		
Amortization of purchased intangible assets	126.4	140.7
Restructuring costs (credits), net	(4.1)	12.1
Equity-based compensation	13.5	16.5
Transaction, transformation and integration costs	2.6	15.6
Acquisition accounting adjustments	0.8	2.0
Patent claims and litigation settlements	(11.0)	1.2
Reserve for Russian accounts receivable	—	5.4
Depreciation	31.3	33.0
Total adjustments to operating income	159.5	226.5
Non-GAAP adjusted EBITDA	\$ 312.0	\$ 253.3
Net income (loss), as reported	\$ 3.4	\$ (139.9)
Adjustments:		
Total pretax adjustments to adjusted EBITDA	128.2	193.5
Pretax amortization of debt issuance costs and OID ⁽¹⁾	6.9	6.4
Pretax gain on debt transactions ⁽²⁾	(7.5)	—
Tax effects of adjustments and other tax items ⁽³⁾	(42.1)	4.5
Non-GAAP adjusted net income	\$ 88.9	\$ 64.4
GAAP EPS, as reported ⁽⁴⁾	\$ (0.06)	\$ (0.75)
Non-GAAP adjusted diluted EPS ⁽⁵⁾	\$ 0.35	\$ 0.26

(1) Included in interest expense.

(2) Included in other income, 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 loss attributable to common stockholders in the numerator, which includes the impact of the Series A convertible preferred stock dividend.

(5) Diluted shares used in the calculation of non-GAAP adjusted diluted EPS are 252.1 million and 247.4 million for the three months ended March 31, 2023 and 2022, respectively.

See Description of Non-GAAP Financial Measures

Sales by Region

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

Sales by Region

	<u>Q1 2023</u>	<u>Q1 2022</u>	<u>% Change YOY</u>
United States	\$ 1,318.0	\$ 1,347.1	(2.2) %
Europe, Middle East and Africa	326.5	406.4	(19.7)
Asia Pacific	158.9	203.4	(21.9)
Caribbean and Latin America	107.9	162.3	(33.5)
Canada	90.2	109.4	(17.6)
Total net sales	<u>\$ 2,001.5</u>	<u>\$ 2,228.6</u>	(10.2) %

Sales and Adjusted EBITDA by Segment

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

Segment Net Sales

	Q1 2023	Q1 2022	% Change YOY
Connectivity and Cable Solutions	\$ 822.8	\$ 838.0	(1.8) %
Networking, Intelligent Cellular and Security Solutions	284.5	188.0	51.3
Outdoor Wireless Networks	258.4	390.1	(33.8)
Access Network Solutions	298.7	316.8	(5.7)
Core net sales ⁽¹⁾	1,664.4	1,732.9	(4.0)
Home Networks	337.1	495.7	(32.0)
Total net sales	\$ 2,001.5	\$ 2,228.6	(10.2) %

Segment Adjusted EBITDA ⁽²⁾

	Q1 2023	Q1 2022	% Change YOY
Connectivity and Cable Solutions	\$ 147.7	\$ 98.6	49.8 %
Networking, Intelligent Cellular and Security Solutions	58.0	(13.8)	NM
Outdoor Wireless Networks	59.5	71.0	(16.2)
Access Network Solutions	50.1	74.2	(32.5)
Core adjusted EBITDA ⁽¹⁾	315.3	230.0	37.1
Home Networks	(3.3)	23.3	(114.2)
Total segment adjusted EBITDA	\$ 312.0	\$ 253.3	23.2 %

NM – Not meaningful

(1) “Core” financial measures reflect the results of the Connectivity and Cable Solutions, Networking, Intelligent Cellular and Security Solutions, Outdoor Wireless Networks and Access Network Solutions segments, in the aggregate, and exclude the results of the Home Networks segment.

(2) 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)

First Quarter 2023 Segment Adjusted EBITDA Reconciliation

	CCS	NICS	OWN	ANS	Home	Total
Operating income (loss), as reported	\$ 124.0	\$ 34.9	\$ 49.2	\$ (21.9)	\$ (33.7)	\$ 152.5
Amortization of purchased intangible assets	18.9	14.3	5.5	61.7	26.0	126.4
Restructuring costs (credits), net	(14.9)	1.9	—	1.4	7.5	(4.1)
Equity-based compensation	4.0	3.1	1.6	3.1	1.7	13.5
Transaction, transformation and integration costs	0.1	—	0.1	—	2.4	2.6
Acquisition accounting adjustments	—	0.4	—	—	0.3	0.8
Patent claims and litigation settlements	—	—	—	—	(11.0)	(11.0)
Depreciation	15.4	3.4	3.2	5.7	3.6	31.3
Segment adjusted EBITDA	\$ 147.7	\$ 58.0	\$ 59.5	\$ 50.1	\$ (3.3)	\$ 312.0
Segment adjusted EBITDA % of sales	18.0%	20.4%	23.0%	16.8%	(1.0%)	15.6%

First Quarter 2022 Segment Adjusted EBITDA Reconciliation

	CCS	NICS	OWN	ANS	Home	Total
Operating income (loss), as reported	\$ 37.3	\$ (43.0)	\$ 52.9	\$ (6.6)	\$ (13.8)	\$ 26.8
Amortization of purchased intangible assets	29.4	15.5	8.1	61.7	26.0	140.7
Restructuring costs, net	2.9	3.6	2.2	2.6	0.8	12.1
Equity-based compensation	4.0	3.6	1.9	4.2	2.9	16.5
Transaction, transformation and integration costs	4.4	1.2	1.8	5.5	2.6	15.6
Acquisition accounting adjustments	—	0.6	—	0.8	0.4	2.0
Patent claims and litigation settlements	1.6	—	—	—	(0.4)	1.2
Reserve for Russian accounts receivable	4.9	0.4	0.1	—	—	5.4
Depreciation	14.0	4.4	3.8	6.0	4.8	33.0
Segment adjusted EBITDA	\$ 98.6	\$ (13.8)	\$ 71.0	\$ 74.2	\$ 23.3	\$ 253.3
Segment adjusted EBITDA % of sales	11.8%	(7.3%)	18.2%	23.4%	4.7%	11.4%

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>Q1</u> <u>2022</u>	<u>Q2</u> <u>2022</u>	<u>Q3</u> <u>2022</u>	<u>Q4</u> <u>2022</u>	<u>Q1</u> <u>2023</u>
Cash flow from operations	\$ (14.6)	\$ (94.6)	\$ (87.6)	\$ 386.8	\$ (46.1)
Capital expenditures	(27.4)	(27.7)	(23.6)	(22.6)	(14.4)
Free cash flow	(42.0)	(122.3)	(111.2)	364.2	(60.5)
Transaction, transformation and integration costs	10.0	13.0	8.7	18.7	1.4
Restructuring costs, net	7.9	18.7	11.5	19.9	19.4
Adjusted free cash flow	<u><u>\$ (24.1)</u></u>	<u><u>\$ (90.6)</u></u>	<u><u>\$ (91.0)</u></u>	<u><u>\$ 402.8</u></u>	<u><u>\$ (39.7)</u></u>

See Description of Non-GAAP Financial Measures

Adjusted Gross Profit and Adjusted Operating Expense Reconciliations

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

GAAP to Non-GAAP Adjusted Gross Profit

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Gross profit, as reported	\$ 636.3	\$ 683.2	\$ 736.3	\$ 748.3	\$ 691.7
Equity-based compensation	2.2	1.6	2.2	2.2	1.7
Acquisition accounting adjustments	2.0	1.8	1.8	1.7	0.8
Patent claims and litigation settlements	1.2	1.0	0.1	26.2	(11.0)
Adjusted gross profit	\$ 641.7	\$ 687.6	\$ 740.4	\$ 778.4	\$ 683.2
Adjusted gross profit as % of sales	28.8%	29.9%	31.1%	33.6%	34.1%

GAAP to Non-GAAP Adjusted Operating Expense

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Selling, general and administrative, as reported	\$ 286.0	\$ 277.2	\$ 281.7	\$ 290.1	\$ 263.5
Research and development, as reported	170.7	165.4	161.9	159.4	153.4
Operating expenses	\$ 456.7	\$ 442.6	\$ 443.6	\$ 449.5	\$ 416.9
Equity-based compensation	14.3	10.7	14.2	13.7	11.8
Transaction, transformation and integration costs	15.6	14.9	5.9	1.9	2.6
Reserve (recovery) for Russian accounts receivable	5.4	(1.7)	(1.1)	—	—
Adjusted operating expense	\$ 421.4	\$ 418.7	\$ 424.6	\$ 433.9	\$ 402.5
Adjusted operating expense as % of sales	18.9%	18.2%	17.8%	18.7%	20.1%

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

Outlook Core Segment Adjusted EBITDA Reconciliation

CommScope Holding Company, Inc.
Reconciliation of GAAP Measures to Non-GAAP Adjusted Measures
(Unaudited – In millions)

	Outlook Range	
	2023	
Core segment operating income ⁽¹⁾	\$ 825	\$ 947
Adjustments:		
Amortization of purchased intangible assets	325	326
Equity-based compensation	55	60
Restructuring costs, net and transaction, transformation and integration costs	30	50
Acquisition accounting adjustments	1	1
Depreciation	114	116
Total adjustments to core operating income ⁽¹⁾	525	553
Core segment adjusted EBITDA	\$ 1,350	\$ 1,500

(1) “Core” financial measures reflect the results of the CCS, NICS, OWN and ANS segments, in the aggregate, and exclude the results of the Home segment.

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

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