

**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.

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

	December 31,	
	2020	2019
<b>Assets</b>		
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	<u>\$ 13,576.8</u>	<u>\$ 14,431.6</u>
<b>Liabilities and Stockholders' Equity</b>		
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	<u>\$ 13,576.8</u>	<u>\$ 14,431.6</u>

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

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

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
<b>Operating Activities:</b>				
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
<b>Investing Activities:</b>				
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)
<b>Financing Activities:</b>				
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	<u>\$ 521.9</u>	<u>\$ 598.2</u>	<u>\$ 521.9</u>	<u>\$ 598.2</u>

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

**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,		December 31,	
	2020	2020	2019	2020	2019	2019
<b>Net income (loss), as reported</b>	<b>\$ (116.3)</b>	<b>\$ 23.9</b>	<b>\$ (436.7)</b>	<b>\$ (573.4)</b>	<b>\$ (929.5)</b>	
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	<u>\$ 55.8</u>	<u>\$ 119.0</u>	<u>\$ (339.3)</u>	<u>\$ (51.8)</u>	<u>\$ (508.5)</u>	
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	<u>286.1</u>	<u>243.5</u>	<u>662.8</u>	<u>1,267.0</u>	<u>1,806.0</u>	
<b>Non-GAAP adjusted EBITDA</b>	<b><u>\$ 341.9</u></b>	<b><u>\$ 362.2</u></b>	<b><u>\$ 323.6</u></b>	<b><u>\$ 1,215.2</u></b>	<b><u>\$ 1,297.5</u></b>	
<b>Net income (loss), as reported</b>	<b>\$ (116.3)</b>	<b>\$ 23.9</b>	<b>\$ (436.7)</b>	<b>\$ (573.4)</b>	<b>\$ (929.5)</b>	
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 <sup>(1)</sup>	12.8	8.0	7.9	34.5	33.4	
Pretax acquisition related interest <sup>(1)</sup>	—	—	—	—	30.2	
Pretax loss on debt transactions <sup>(2)</sup>	14.9	3.0	—	17.9	—	
Tax effects of adjustments and other tax items <sup>(3)</sup>	(35.5)	(94.9)	(84.8)	(216.7)	(317.1)	
<b>Non-GAAP adjusted net income</b>	<b><u>\$ 123.1</u></b>	<b><u>\$ 143.8</u></b>	<b><u>\$ 106.6</u></b>	<b><u>\$ 371.0</u></b>	<b><u>\$ 479.4</u></b>	
<b>GAAP EPS, as reported <sup>(4)</sup></b>	<b><u>\$ (0.66)</u></b>	<b><u>\$ 0.05</u></b>	<b><u>\$ (2.32)</u></b>	<b><u>\$ (3.20)</u></b>	<b><u>\$ (5.02)</u></b>	
<b>Non-GAAP adjusted diluted EPS <sup>(5)</sup></b>	<b><u>\$ 0.51</u></b>	<b><u>\$ 0.59</u></b>	<b><u>\$ 0.46</u></b>	<b><u>\$ 1.56</u></b>	<b><u>\$ 2.15</u></b>	

(1) Included in interest expense.

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

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

(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

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

**Sales by Region**

	<u>Q4 2020</u>	<u>Q3 2020</u>	<u>Q4 2019</u>	<u>% Change</u> <u>Sequential</u>	<u>% Change</u> <u>YOY</u>
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)
<b>Total net sales</b>	<u>\$ 2,131.8</u>	<u>\$ 2,168.1</u>	<u>\$ 2,298.7</u>	(1.7)%	(7.3)%

**Sales by Region**

	<u>Full Year</u> <u>2020</u>	<u>Full Year</u> <u>2019</u>	<u>% Change</u> <u>YOY</u>
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
<b>Total net sales</b>	<u>\$ 8,435.9</u>	<u>\$ 8,345.1</u>	1.1 %

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

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

	<u>Q4 2020</u>	<u>Q3 2020</u>	<u>Q4 2019</u>	<u>% Change</u> <u>Sequential</u>	<u>% Change</u> <u>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)
<b>Total net sales</b>	<b>\$ 2,131.8</b>	<b>\$ 2,168.1</b>	<b>\$ 2,298.7</b>	<b>(1.7) %</b>	<b>(7.3) %</b>

**Segment Adjusted EBITDA** <sup>(1)</sup>

	<u>Q4 2020</u>	<u>Q3 2020</u>	<u>Q4 2019</u>	<u>% Change</u> <u>Sequential</u>	<u>% Change</u> <u>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)
<b>Total segment adjusted EBITDA</b>	<b>\$ 362.2</b>	<b>\$ 341.9</b>	<b>\$ 323.6</b>	<b>5.9 %</b>	<b>11.9 %</b>

(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

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

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

	As Reported 2020	As Reported <sup>(2)</sup> 2019	ARRIS Pre- acquisition <sup>(2)</sup> 2019	Combined Company <sup>(2)</sup> 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) %
<b>Total net sales</b>	<b>\$ 8,435.9</b>	<b>\$ 8,345.1</b>	<b>\$ 1,409.9</b>	<b>\$ 9,755.0</b>	<b>(13.5) %</b>

**Segment Operating Loss** <sup>(1)</sup>

	As Reported 2020	As Reported <sup>(2)</sup> 2019	ARRIS Pre- acquisition <sup>(2)</sup> 2019	Combined Company <sup>(2)</sup> 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) %
<b>Total segment operating loss</b>	<b>\$ (51.8)</b>	<b>\$ (508.5)</b>	<b>\$ (65.0)</b>	<b>\$ (573.5)</b>	<b>(91.0) %</b>

**Segment Adjusted EBITDA** <sup>(1)</sup>

	As Reported 2020	As Reported <sup>(2)</sup> 2019	ARRIS Pre- acquisition <sup>(2)</sup> 2019	Combined Company <sup>(2)</sup> 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) %
<b>Total segment adjusted EBITDA</b>	<b>\$ 1,215.2</b>	<b>\$ 1,297.5</b>	<b>\$ 70.7</b>	<b>\$ 1,368.2</b>	<b>(11.2) %</b>

(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

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

**Fourth Quarter 2020 Segment Adjusted EBITDA Reconciliation <sup>(1)</sup>**

	<u>Broadband</u>	<u>Home</u>	<u>Outdoor Wireless</u>	<u>Venue and Campus</u>	<u>Total</u>
<b>Operating income (loss), as reported</b>	<b>\$ 104.1</b>	<b>\$ (8.7)</b>	<b>\$ 34.6</b>	<b>\$ (11.0)</b>	<b>\$ 119.0</b>
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
<b>Segment adjusted EBITDA</b>	<b>\$ 213.3</b>	<b>\$ 40.4</b>	<b>\$ 60.1</b>	<b>\$ 48.4</b>	<b>\$ 362.2</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>27.0%</b>	<b>7.1%</b>	<b>20.4%</b>	<b>10.1%</b>	<b>17.0%</b>

**Third Quarter 2020 Segment Adjusted EBITDA Reconciliation <sup>(1)</sup>**

	<u>Broadband</u>	<u>Home</u>	<u>Outdoor Wireless</u>	<u>Venue and Campus</u>	<u>Total</u>
<b>Operating income (loss), as reported</b>	<b>\$ 76.7</b>	<b>\$ (3.7)</b>	<b>\$ 26.0</b>	<b>\$ (43.2)</b>	<b>\$ 55.8</b>
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
<b>Segment adjusted EBITDA</b>	<b>\$ 204.2</b>	<b>\$ 28.5</b>	<b>\$ 53.6</b>	<b>\$ 55.6</b>	<b>\$ 341.9</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>24.9%</b>	<b>5.1%</b>	<b>19.7%</b>	<b>10.9%</b>	<b>15.8%</b>

**Fourth Quarter 2019 Segment Adjusted EBITDA Reconciliation <sup>(1)</sup>**

	<u>Broadband</u>	<u>Home</u>	<u>Outdoor Wireless</u>	<u>Venue and Campus</u>	<u>Total</u>
<b>Operating income (loss), as reported</b>	<b>\$ (145.8)</b>	<b>\$ (174.8)</b>	<b>\$ 27.1</b>	<b>\$ (45.7)</b>	<b>\$ (339.3)</b>
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
<b>Segment adjusted EBITDA</b>	<b>\$ 143.5</b>	<b>\$ 71.9</b>	<b>\$ 48.6</b>	<b>\$ 59.5</b>	<b>\$ 323.6</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>21.3%</b>	<b>8.7%</b>	<b>16.7%</b>	<b>11.7%</b>	<b>14.1%</b>

(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



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

**Year Ended December 31, 2020 Segment Adjusted EBITDA Reconciliation <sup>(1)</sup>**

	<u>Broadband</u>	<u>Home</u>	<u>Outdoor Wireless</u>	<u>Venue and Campus</u>	<u>Total</u>
<b>Operating income (loss), as reported</b>	<b>\$ 171.5</b>	<b>\$ (289.7)</b>	<b>\$ 181.1</b>	<b>\$ (114.7)</b>	<b>\$ (51.8)</b>
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
<b>Segment adjusted EBITDA</b>	<b>\$ 640.5</b>	<b>\$ 116.2</b>	<b>\$ 278.5</b>	<b>\$ 180.0</b>	<b>\$ 1,215.2</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>22.1%</b>	<b>4.9%</b>	<b>22.4%</b>	<b>9.3%</b>	<b>14.4%</b>

**Year Ended December 31, 2019 Segment Adjusted EBITDA Reconciliation <sup>(1)</sup>**

	<u>Broadband</u>	<u>Home</u>	<u>Outdoor Wireless</u>	<u>Venue and Campus</u>	<u>Combined Company Total <sup>(2)</sup></u>
<b>Operating income (loss), as reported</b>	<b>\$ (305.0)</b>	<b>\$ (223.5)</b>	<b>\$ 200.3</b>	<b>\$ (245.3)</b>	<b>\$ (573.5)</b>
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
<b>Segment adjusted EBITDA</b>	<b>\$ 542.2</b>	<b>\$ 227.7</b>	<b>\$ 361.2</b>	<b>\$ 237.1</b>	<b>\$ 1,368.2</b>
<b>Segment adjusted EBITDA % of sales</b>	<b>19.3%</b>	<b>6.7%</b>	<b>24.5%</b>	<b>11.4%</b>	<b>14.0%</b>

(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

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

**Adjusted Free Cash Flow**

	<u>Q4</u> <u>2019</u>	<u>Q1</u> <u>2020</u>	<u>Q2</u> <u>2020</u>	<u>Q3</u> <u>2020</u>	<u>Q4</u> <u>2020</u>	<u>Full Year</u> <u>2020</u>	<u>Full Year</u> <u>2019</u>
<b>Cash flow from operations</b>	<b>\$336.0</b>	<b>\$ (42.7)</b>	<b>\$209.1</b>	<b>\$172.2</b>	<b>\$ 97.7</b>	<b>\$ 436.2</b>	<b>\$ 596.4</b>
Capital expenditures	(31.8)	(23.9)	(23.8)	(25.8)	(47.7)	(121.2)	(104.1)
<b>Free cash flow</b>	<b>304.2</b>	<b>(66.6)</b>	<b>185.3</b>	<b>146.4</b>	<b>50.0</b>	<b>315.0</b>	<b>492.3</b>
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
<b>Adjusted free cash flow</b>	<b><u>\$322.6</u></b>	<b><u>\$ (43.1)</u></b>	<b><u>\$217.4</u></b>	<b><u>\$176.0</u></b>	<b><u>\$ 65.1</u></b>	<b><u>\$ 415.4</u></b>	<b><u>\$ 792.9</u></b>

See Description of Non-GAAP Financial Measures

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

**GAAP to Non-GAAP Adjusted Gross Profit**

	<u>Q4</u> <u>2019</u>	<u>Q1</u> <u>2020</u>	<u>Q2</u> <u>2020</u>	<u>Q3</u> <u>2020</u>	<u>Q4</u> <u>2020</u>	<u>Full Year</u> <u>2020</u>	<u>Full Year</u> <u>2019</u>
<b>Gross profit, as reported</b>	<b>\$ 736.2</b>	<b>\$ 641.2</b>	<b>\$ 656.1</b>	<b>\$ 735.5</b>	<b>\$ 715.0</b>	<b>\$ 2,747.8</b>	<b>\$ 2,404.1</b>
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
<b>Adjusted gross profit</b>	<b>\$ 733.4</b>	<b>\$ 655.8</b>	<b>\$ 674.0</b>	<b>\$ 744.7</b>	<b>\$ 728.8</b>	<b>\$ 2,803.2</b>	<b>\$ 2,736.8</b>
<b>Adjusted gross profit as % of sales</b>	<b>31.9%</b>	<b>32.3%</b>	<b>32.1%</b>	<b>34.3%</b>	<b>34.2%</b>	<b>33.2%</b>	<b>32.8%</b>

**GAAP to Non-GAAP Adjusted Operating Expense**

	<u>Q4</u> <u>2019</u>	<u>Q1</u> <u>2020</u>	<u>Q2</u> <u>2020</u>	<u>Q3</u> <u>2020</u>	<u>Q4</u> <u>2020</u>	<u>Full Year</u> <u>2020</u>	<u>Full Year</u> <u>2019</u>
<b>Selling, general and administrative, as reported</b>	<b>\$ 305.1</b>	<b>\$ 311.1</b>	<b>\$ 290.9</b>	<b>\$ 296.7</b>	<b>\$ 272.0</b>	<b>\$ 1,170.7</b>	<b>\$ 1,277.1</b>
<b>Research and development, as reported</b>	<b>179.1</b>	<b>180.4</b>	<b>176.1</b>	<b>184.6</b>	<b>162.2</b>	<b>703.3</b>	<b>578.5</b>
<b>Operating expenses</b>	<b>\$ 484.2</b>	<b>\$ 491.5</b>	<b>\$ 467.0</b>	<b>\$ 481.3</b>	<b>\$ 434.2</b>	<b>\$ 1,874.0</b>	<b>\$ 1,855.6</b>
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	—
<b>Adjusted operating expense</b>	<b>\$ 452.7</b>	<b>\$ 466.4</b>	<b>\$ 432.1</b>	<b>\$ 441.7</b>	<b>\$ 406.1</b>	<b>\$ 1,746.3</b>	<b>\$ 1,583.0</b>
<b>Adjusted operating expense as % of sales</b>	<b>19.7%</b>	<b>22.9%</b>	<b>20.5%</b>	<b>20.4%</b>	<b>19.0%</b>	<b>20.7%</b>	<b>19.0%</b>

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See Description of Non-GAAP Financial Measures