

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

| | Three Months Ended | |
|--|--------------------|------------------|
| | March 31, | |
| | 2017 | 2016 |
| Net sales | \$ 1,137,285 | \$ 1,143,979 |
| Operating costs and expenses: | | |
| Cost of sales | 682,459 | 696,888 |
| Selling, general and administrative | 211,554 | 209,197 |
| Research and development | 48,895 | 52,190 |
| Amortization of purchased intangible assets | 67,638 | 73,616 |
| Restructuring costs, net | 5,388 | 6,072 |
| Asset impairments | — | 15,293 |
| Total operating costs and expenses | <u>1,015,934</u> | <u>1,053,256</u> |
| Operating income | 121,351 | 90,723 |
| Other income (expense), net | (16,736) | 301 |
| Interest expense | (69,554) | (72,562) |
| Interest income | 874 | 2,579 |
| Income before income taxes | 35,935 | 21,041 |
| Income tax expense | (2,373) | (8,461) |
| Net income | <u>\$ 33,562</u> | <u>\$ 12,580</u> |
| Earnings per share: | | |
| Basic | \$ 0.17 | \$ 0.07 |
| Diluted (a) | \$ 0.17 | \$ 0.06 |
| Weighted average shares outstanding: | | |
| Basic | 194,068 | 191,642 |
| Diluted (a) | 199,140 | 195,456 |
| (a) Calculation of diluted earnings per share: | | |
| Net income (basic and diluted) | \$ 33,562 | \$ 12,580 |
| Weighted average shares (basic) | 194,068 | 191,642 |
| Dilutive effect of equity-based awards | 5,072 | 3,814 |
| Denominator (diluted) | <u>199,140</u> | <u>195,456</u> |

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

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

| | March 31, 2017 | December 31, 2016 |
|---|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 437,637 | \$ 428,228 |
| Accounts receivable, less allowance for doubtful accounts of \$18,103 and \$17,211, respectively | 941,274 | 952,367 |
| Inventories, net | 498,087 | 473,267 |
| Prepaid expenses and other current assets | 155,165 | 139,902 |
| Total current assets | 2,032,163 | 1,993,764 |
| Property, plant and equipment, net of accumulated depreciation of \$322,903 and \$303,734, respectively | 474,066 | 474,990 |
| Goodwill | 2,779,416 | 2,768,304 |
| Other intangible assets, net | 1,740,199 | 1,799,065 |
| Other noncurrent assets | 106,980 | 105,863 |
| Total assets | <u>\$ 7,132,824</u> | <u>\$ 7,141,986</u> |
| Liabilities and Stockholders' Equity | | |
| Accounts payable | \$ 453,339 | \$ 415,921 |
| Other accrued liabilities | 380,924 | 429,397 |
| Current portion of long-term debt | — | 12,500 |
| Total current liabilities | 834,263 | 857,818 |
| Long-term debt | 4,567,418 | 4,549,510 |
| Deferred income taxes | 184,504 | 199,121 |
| Pension and other postretirement benefit liabilities | 30,501 | 31,671 |
| Other noncurrent liabilities | 112,115 | 109,782 |
| Total liabilities | 5,728,801 | 5,747,902 |
| Commitments and contingencies | | |
| Stockholders' equity: | | |
| Preferred stock, \$.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: None | — | — |
| Common stock, \$.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 193,466,488 and 193,837,437, respectively | 1,966 | 1,950 |
| Additional paid-in capital | 2,297,414 | 2,282,014 |
| Retained earnings (accumulated deficit) | (556,200) | (589,556) |
| Accumulated other comprehensive loss | (244,177) | (285,113) |
| Treasury stock, at cost: 3,155,802 shares and 1,129,222 shares, respectively | (94,980) | (15,211) |
| Total stockholders' equity | 1,404,023 | 1,394,084 |
| Total liabilities and stockholders' equity | <u>\$ 7,132,824</u> | <u>\$ 7,141,986</u> |

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

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

| | Three Months Ended March 31, | |
|---|---------------------------------|-------------------|
| | 2017 | 2016 |
| Operating Activities: | | |
| Net income | \$ 33,562 | \$ 12,580 |
| Adjustments to reconcile net income to net cash generated by operating activities: | | |
| Depreciation and amortization | 100,401 | 96,938 |
| Equity-based compensation | 9,412 | 8,835 |
| Deferred income taxes | (16,444) | (10,440) |
| Asset impairments | — | 15,293 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 19,683 | (58,760) |
| Inventories | (19,132) | (9,863) |
| Prepaid expenses and other assets | (12,314) | (6,378) |
| Accounts payable and other liabilities | (28,032) | 73,019 |
| Other | 15,653 | (1,751) |
| Net cash generated by operating activities | 102,789 | 119,473 |
| Investing Activities: | | |
| Additions to property, plant and equipment | (12,910) | (14,472) |
| Proceeds from sale of property, plant and equipment | 355 | 3,684 |
| Cash paid for acquisitions including purchase price adjustments, net of cash acquired | — | 15,355 |
| Other | 639 | 474 |
| Net cash generated by (used in) investing activities | (11,916) | 5,041 |
| Financing Activities: | | |
| Long-term debt repaid | (750,000) | (3,146) |
| Long-term debt proceeds | 750,000 | — |
| Debt issuance costs | (6,115) | — |
| Debt extinguishment costs | (14,800) | — |
| Cash paid for repurchase of common stock | (58,770) | — |
| Proceeds from the issuance of common shares under equity-based compensation plans | 5,805 | 1,490 |
| Tax withholding payments for vested equity-based compensation awards | (14,758) | (2,721) |
| Net cash used in financing activities | (88,638) | (4,377) |
| Effect of exchange rate changes on cash and cash equivalents | 7,174 | 5,347 |
| Change in cash and cash equivalents | 9,409 | 125,484 |
| Cash and cash equivalents at beginning of period | 428,228 | 562,884 |
| Cash and cash equivalents at end of period | <u>\$ 437,637</u> | <u>\$ 688,368</u> |

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

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, | |
| | 2017 | 2016 |
| Operating income, as reported | \$ 121.4 | \$ 90.7 |
| Adjustments: | | |
| Amortization of purchased intangible assets | 67.6 | 73.6 |
| Restructuring costs, net | 5.4 | 6.1 |
| Equity-based compensation | 9.4 | 8.8 |
| Asset impairments | — | 15.3 |
| Integration and transaction costs | 13.5 | 15.9 |
| Purchase accounting adjustments | — | 1.0 |
| Total adjustments to operating income | <u>95.9</u> | <u>120.7</u> |
| Non-GAAP adjusted operating income | <u>\$ 217.3</u> | <u>\$ 211.4</u> |
| Income before income taxes, as reported | \$ 35.9 | \$ 21.0 |
| Income tax expense, as reported | (2.4) | (8.5) |
| Net income, as reported | \$ 33.6 | \$ 12.6 |
| Adjustments: | | |
| Total pretax adjustments to operating income | 95.9 | 120.7 |
| Pretax amortization of deferred financing costs & OID ⁽¹⁾ | 12.7 | 3.7 |
| Pretax loss on debt transactions ⁽²⁾ | 14.8 | — |
| Pretax net investment gains ⁽²⁾ | (0.6) | (0.4) |
| Tax effects of adjustments and other tax items ⁽³⁾ | (53.2) | (42.2) |
| Non-GAAP adjusted net income | <u>\$ 103.2</u> | <u>\$ 94.4</u> |
| Diluted EPS, as reported | <u>\$ 0.17</u> | <u>\$ 0.06</u> |
| Non-GAAP adjusted diluted EPS | \$ 0.52 | \$ 0.48 |

(1) Included in interest expense.

(2) Included in other expense, net.

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

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

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

Sales by Region

| | Q1 2017 | Q1 2016 | % Change YOY |
|--------------------------------|-------------------|-------------------|-----------------|
| United States | \$ 648.3 | \$ 588.8 | 10.1 % |
| Europe, Middle East and Africa | 231.8 | 218.3 | 6.2 |
| Asia Pacific | 181.9 | 240.7 | (24.4) |
| Central and Latin America | 58.8 | 66.3 | (11.3) |
| Canada | 16.5 | 29.9 | (44.8) |
| Total Net Sales | \$ 1,137.3 | \$ 1,144.0 | (0.6) % |

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

Sales by Segment

| | Q1 2017 | Q4 2016 | Q1 2016 | % Change Sequential | YOY |
|------------------------|-------------------|-------------------|-------------------|------------------------|----------------|
| Connectivity Solutions | \$ 681.6 | \$ 681.3 | \$ 687.0 | — % | (0.8) % |
| Mobility Solutions | 455.7 | 497.6 | 457.0 | (8.4) % | (0.3) % |
| Total Net Sales | \$ 1,137.3 | \$ 1,178.9 | \$ 1,144.0 | (3.5) % | (0.6) % |

Non-GAAP Adjusted Operating Income by Segment

| | Q1 2017 | Q4 2016 | Q1 2016 | % Change Sequential | YOY |
|---|-----------------|-----------------|-----------------|------------------------|--------------|
| Connectivity Solutions | \$ 115.3 | \$ 139.5 | \$ 134.8 | (17.3) % | (14.5) % |
| Mobility Solutions | 102.0 | 112.7 | 76.6 | (9.5) % | 33.2 % |
| Total Non-GAAP Adjusted Operating Income | \$ 217.3 | \$ 252.2 | \$ 211.4 | (13.8) % | 2.8 % |

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

CommScope Holding Company, Inc.
Reconciliation of GAAP to Non-GAAP Adjusted Operating Income by Segment
(Unaudited -- In millions)

First Quarter 2017 Non-GAAP Adjusted Operating Income Reconciliation by Segment

| | Connectivity Solutions | Mobility Solutions | Total |
|---|---------------------------|-----------------------|-----------------|
| Operating income, as reported | \$ 47.8 | \$ 73.6 | \$ 121.4 |
| Amortization of purchased intangible assets | 43.6 | 24.1 | 67.6 |
| Restructuring costs, net | 4.8 | 0.6 | 5.4 |
| Equity-based compensation | 5.5 | 3.9 | 9.4 |
| Integration and transaction costs | 13.7 | (0.2) | 13.5 |
| Non-GAAP adjusted operating income | \$ 115.3 | \$ 102.0 | \$ 217.3 |
| Non-GAAP adjusted operating margin % | 16.9% | 22.4% | 19.1% |

Fourth Quarter 2016 Non-GAAP Adjusted Operating Income Reconciliation by Segment

| | Connectivity Solutions | Mobility Solutions | Total |
|---|---------------------------|-----------------------|-----------------|
| Operating income, as reported | \$ 43.3 | \$ 76.1 | \$ 119.4 |
| Amortization of purchased intangible assets | 47.7 | 25.3 | 72.9 |
| Restructuring costs, net | 11.0 | 7.3 | 18.4 |
| Equity-based compensation | 4.7 | 3.7 | 8.4 |
| Asset impairments | 15.9 | — | 15.9 |
| Integration and transaction costs | 16.9 | 0.3 | 17.2 |
| Non-GAAP adjusted operating income | \$ 139.5 | \$ 112.7 | \$ 252.2 |
| Non-GAAP adjusted operating margin % | 20.5% | 22.7% | 21.4% |

First Quarter 2016 Non-GAAP Adjusted Operating Income Reconciliation by Segment

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

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

| | Q1 2017 | Q1 2016 |
|-----------------------------------|-----------------|-----------------|
| Cash flow from operations | \$ 102.8 | \$ 119.5 |
| Integration and transaction costs | 13.3 | 15.7 |
| Capital expenditures | (12.9) | (14.5) |
| Capex related to BNS integration | — | 0.6 |
| Adjusted Free Cash Flow | \$ 103.2 | \$ 121.3 |

See Description of Non-GAAP Financial Measures

CommScope Holding Company, Inc.
Quarterly Adjusted Operating Income and Adjusted EBITDA
(Unaudited -- In millions)

GAAP to Non-GAAP Adjusted Operating Income and Adjusted EBITDA Reconciliation

| | Q1 2017 | Q4 2016 | Q3 2016 | Q2 2016 | Q1 2016 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Operating income, as reported | \$ 121.4 | \$ 119.4 | \$ 180.7 | \$ 183.9 | \$ 90.7 |
| Amortization of purchased intangible assets | 67.6 | 72.9 | 74.6 | 76.0 | 73.6 |
| Restructuring costs, net | 5.4 | 18.4 | 10.8 | 7.6 | 6.1 |
| Equity-based compensation | 9.4 | 8.4 | 8.4 | 9.4 | 8.8 |
| Asset impairments | — | 15.9 | 7.4 | — | 15.3 |
| Integration and transaction costs | 13.5 | 17.2 | 14.7 | 14.5 | 15.9 |
| Purchase accounting adjustments | — | — | — | (0.4) | 1.0 |
| Non-GAAP adjusted operating income | \$ 217.3 | \$ 252.2 | \$ 296.7 | \$ 291.0 | \$ 211.4 |
| Non-GAAP adjusted operating margin % | 19.1% | 21.4% | 22.9% | 22.3% | 18.5% |
| Depreciation | 20.0 | 20.2 | 20.2 | 20.4 | 19.6 |
| Non-GAAP adjusted EBITDA | \$ 237.3 | \$ 272.5 | \$ 316.9 | \$ 311.4 | \$ 231.1 |

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

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

| | Outlook | |
|---|---|---------------------------------|
| | Three Months Ended June 30, 2017 | Full Year 2017 |
| Operating income | \$145 - \$160 | \$670 - \$700 |
| Adjustments: | | |
| Amortization of purchased intangible assets | \$70 | \$270 |
| Equity-based compensation | \$10 | \$45 |
| Restructuring costs, integration costs and other ⁽¹⁾ | \$20 - \$25 | \$65 - \$75 |
| Total adjustments to operating income | \$100 - \$105 | \$380 - \$390 |
| Non-GAAP adjusted operating income | <u>\$245 - \$265</u> | <u>\$1,050 - \$1,090</u> |
| Diluted earnings per share | \$0.28 - \$0.32 | \$1.41 - \$1.48 |
| Adjustments ⁽²⁾ : | | |
| Total adjustments to operating income | \$0.33 - \$0.34 | \$1.24 - \$1.26 |
| Debt-related costs and other special items ⁽³⁾ | \$0.01 | \$0.05 - \$0.06 |
| Non-GAAP adjusted diluted earnings per share | <u>\$0.62 - \$0.67</u> | <u>\$2.70 - \$2.80</u> |

(1) Reflects projections for restructuring costs, integration costs and other special items. Actual adjustments may vary from projections.

(2) The tax rates applied to projected adjustments reflect the tax expense or benefit based on the expected tax jurisdiction of the entity generating the projected adjustments.

(3) Reflects projections for amortization of debt issuance costs, loss on debt extinguishment, net investment gains or losses and other tax items. Actual adjustments may vary from projections.

Our actual results may be impacted by additional events for which information is not currently available, such as additional restructuring activities, asset impairments, debt extinguishments, additional transaction and integration costs, foreign exchange rate fluctuations 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.