

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

	Three Months Ended	
	March 31,	
	2018	2017
Net sales	\$ 1,120,517	\$ 1,137,285
Operating costs and expenses:		
Cost of sales	709,117	683,478
Selling, general and administrative	185,131	211,821
Research and development	49,864	48,988
Amortization of purchased intangible assets	67,229	67,638
Restructuring costs, net	5,450	5,388
Total operating costs and expenses	1,016,791	1,017,313
Operating income	103,726	119,972
Other income (expense), net	983	(15,357)
Interest expense	(59,807)	(69,554)
Interest income	1,434	874
Income before income taxes	46,336	35,935
Income tax expense	(12,601)	(2,373)
Net income	<u>\$ 33,735</u>	<u>\$ 33,562</u>
Earnings per share:		
Basic	\$ 0.18	\$ 0.17
Diluted (a)	\$ 0.17	\$ 0.17
Weighted average shares outstanding:		
Basic	191,366	194,068
Diluted (a)	195,459	199,140
(a) Calculation of diluted earnings per share:		
Net income (basic and diluted)	\$ 33,735	\$ 33,562
Weighted average shares (basic)	191,366	194,068
Dilutive effect of equity-based awards	4,093	5,072
Denominator (diluted)	<u>195,459</u>	<u>199,140</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, 2018	December 31, 2017
<b>Assets</b>		
Cash and cash equivalents	\$ 472,733	\$ 453,977
Accounts receivable, less allowance for doubtful accounts of \$15,107 and \$13,976, respectively	984,847	898,829
Inventories, net	470,946	444,941
Prepaid expenses and other current assets	153,681	146,112
Total current assets	2,082,207	1,943,859
Property, plant and equipment, net of accumulated depreciation of \$407,331 and \$390,389, respectively	464,306	467,289
Goodwill	2,900,958	2,886,630
Other intangible assets, net	1,578,003	1,636,084
Other noncurrent assets	124,993	107,804
Total assets	\$ 7,150,467	\$ 7,041,666
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 460,498	\$ 436,737
Other accrued liabilities	301,380	286,980
Total current liabilities	761,878	723,717
Long-term debt	4,371,821	4,369,401
Deferred income taxes	128,965	134,241
Pension and other postretirement benefit liabilities	25,212	25,140
Other noncurrent liabilities	131,234	141,341
Total liabilities	5,419,110	5,393,840
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value: Authorized shares: 200,000,000; Issued and outstanding shares: None	—	—
Common stock, \$0.01 par value: Authorized shares: 1,300,000,000; Issued and outstanding shares: 192,077,678 and 190,906,110, respectively	1,988	1,972
Additional paid-in capital	2,348,498	2,334,071
Retained earnings (accumulated deficit)	(356,259)	(395,998)
Accumulated other comprehensive loss	(41,848)	(86,603)
Treasury stock, at cost: 6,733,285 shares and 6,336,144 shares, respectively	(221,022)	(205,616)
Total stockholders' equity	1,731,357	1,647,826
Total liabilities and stockholders' equity	\$ 7,150,467	\$ 7,041,666

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,	
	2018	2017
<b>Operating Activities:</b>		
Net income	\$ 33,735	\$ 33,562
Adjustments to reconcile net income to net cash generated by operating activities:		
Depreciation and amortization	89,405	100,401
Equity-based compensation	10,547	9,412
Deferred income taxes	(5,444)	(16,444)
Changes in assets and liabilities:		
Accounts receivable	(71,108)	19,683
Inventories	(25,207)	(19,132)
Prepaid expenses and other assets	(24,502)	(12,314)
Accounts payable and other liabilities	15,412	(28,032)
Other	12,422	15,653
Net cash generated by operating activities	35,260	102,789
<b>Investing Activities:</b>		
Additions to property, plant and equipment	(13,576)	(12,910)
Proceeds from sale of property, plant and equipment	2,984	355
Other	—	639
Net cash used in investing activities	(10,592)	(11,916)
<b>Financing Activities:</b>		
Long-term debt repaid	—	(750,000)
Long-term debt proceeds	—	750,000
Debt issuance and modification 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	3,929	5,805
Tax withholding payments for vested equity-based compensation awards	(15,406)	(14,758)
Net cash used in financing activities	(11,477)	(88,638)
Effect of exchange rate changes on cash and cash equivalents	5,565	7,174
Change in cash and cash equivalents	18,756	9,409
Cash and cash equivalents at beginning of period	453,977	428,228
Cash and cash equivalents at end of period	<u>\$ 472,733</u>	<u>\$ 437,637</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,	
	2018	2017
<b>Operating income, as reported</b>	<b>\$ 103.7</b>	<b>\$ 120.0</b>
Adjustments:		
Amortization of purchased intangible assets	67.2	67.6
Restructuring costs, net	5.5	5.4
Equity-based compensation	10.5	9.4
Integration and transaction costs	1.7	13.5
Total adjustments to operating income	84.9	95.9
<b>Non-GAAP adjusted operating income</b>	<b>\$ 188.6</b>	<b>\$ 215.9</b>
Income before income taxes, as reported	\$ 46.3	\$ 35.9
Income tax expense, as reported	(12.6)	(2.4)
<b>Net income, as reported</b>	<b>\$ 33.7</b>	<b>\$ 33.6</b>
Adjustments:		
Total pretax adjustments to operating income	84.9	95.9
Pretax amortization of deferred financing costs & OID <sup>(1)</sup>	2.6	12.7
Pretax loss on debt transactions <sup>(2)</sup>	—	14.8
Pretax net investment gains <sup>(2)</sup>	—	(0.6)
Tax effects of adjustments and other tax items <sup>(3)</sup>	(26.1)	(53.2)
<b>Non-GAAP adjusted net income</b>	<b>\$ 95.1</b>	<b>\$ 103.2</b>
<b>Diluted EPS, as reported</b>	<b>\$ 0.17</b>	<b>\$ 0.17</b>
<b>Non-GAAP adjusted diluted EPS</b>	<b>\$ 0.49</b>	<b>\$ 0.52</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.

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 2018	Q1 2017	% Change	
			Sequential	YOY
United States	\$ 607.5	\$ 648.3	(2.9) %	(6.3) %
Europe, Middle East and Africa	249.7	231.8	7.7 %	7.7 %
Asia Pacific	188.6	181.9	3.7 %	3.7 %
Central and Latin America	56.1	58.8	(4.9) %	(4.6) %
Canada	18.6	16.5	12.7 %	12.7 %
<b>Total Net Sales</b>	<b>\$ 1,120.5</b>	<b>\$ 1,137.3</b>	0.0 %	(1.5) %

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

**Sales by Segment**

	Q1 2018	Q4 2017	Q1 2017	% Change	
				Sequential	YOY
Connectivity Solutions	\$ 673.6	\$ 693.8	\$ 681.6	(2.9) %	(1.2) %
Mobility Solutions	446.9	426.6	455.7	4.8 %	(1.9) %
<b>Total Net Sales</b>	<b>\$ 1,120.5</b>	<b>\$ 1,120.4</b>	<b>\$ 1,137.3</b>	0.0 %	(1.5) %

**Non-GAAP Adjusted Operating Income by Segment**

	Q1 2018	Q4 2017	Q1 2017	% Change	
				Sequential	YOY
Connectivity Solutions	\$ 108.7	\$ 124.7	\$ 114.5	(12.8) %	(5.1) %
Mobility Solutions	79.9	73.0	101.4	9.5 %	(21.2) %
<b>Total Non-GAAP Adjusted Operating Income</b>	<b>\$ 188.6</b>	<b>\$ 197.7</b>	<b>\$ 215.9</b>	(4.6) %	(12.6) %

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

**First Quarter 2018 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Connectivity Solutions	Mobility Solutions	Total
<b>Operating income, as reported</b>	<b>\$ 53.2</b>	<b>\$ 50.5</b>	<b>\$ 103.7</b>
Amortization of purchased intangible assets	45.5	21.8	67.2
Restructuring costs, net	2.4	3.1	5.5
Equity-based compensation	6.4	4.1	10.5
Integration and transaction costs	1.2	0.4	1.7
<b>Non-GAAP adjusted operating income</b>	<b>\$ 108.7</b>	<b>\$ 79.9</b>	<b>\$ 188.6</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>16.1%</b>	<b>17.9%</b>	<b>16.8%</b>

**Fourth Quarter 2017 Non-GAAP Adjusted Operating Income Reconciliation by Segment**

	Connectivity Solutions	Mobility Solutions	Total
<b>Operating income, as reported</b>	<b>47.5</b>	<b>\$ 42.8</b>	<b>\$ 90.3</b>
Amortization of purchased intangible assets	44.8	23.3	68.1
Restructuring costs, net	16.6	2.6	19.3
Equity-based compensation	6.0	4.3	10.3
Integration and transaction costs	9.8	—	9.8
<b>Non-GAAP adjusted operating income</b>	<b>\$ 124.7</b>	<b>\$ 73.0</b>	<b>\$ 197.7</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>18.0%</b>	<b>17.1%</b>	<b>17.6%</b>

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

	Connectivity Solutions	Mobility Solutions	Total
<b>Operating income, as reported</b>	<b>\$ 47.1</b>	<b>\$ 72.9</b>	<b>\$ 120.0</b>
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
<b>Non-GAAP adjusted operating income</b>	<b>\$ 114.5</b>	<b>\$ 101.4</b>	<b>\$ 215.9</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>16.8%</b>	<b>22.3%</b>	<b>19.0%</b>

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 2018	Q1 2017
<b>Cash flow from operations</b>	<b>\$ 35.3</b>	<b>\$ 102.8</b>
Integration and transaction costs	—	13.3
Capital expenditures	(13.6)	(12.9)
<b>Adjusted Free Cash Flow</b>	<b><u>\$ 21.7</u></b>	<b><u>\$ 103.2</u></b>

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 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<b>Operating income, as reported</b>	<b>\$ 103.7</b>	<b>\$ 90.3</b>	<b>\$ 125.4</b>	<b>\$ 136.4</b>	<b>\$ 120.0</b>
Amortization of purchased intangible assets	67.2	68.1	68.3	67.0	67.6
Restructuring costs, net	5.5	19.3	5.4	13.8	5.4
Equity-based compensation	10.5	10.3	11.0	11.2	9.4
Integration and transaction costs	1.7	9.8	12.0	12.6	13.5
<b>Non-GAAP adjusted operating income</b>	<b>\$ 188.6</b>	<b>\$ 197.7</b>	<b>\$ 222.1</b>	<b>\$ 241.0</b>	<b>\$ 215.9</b>
<b>Non-GAAP adjusted operating margin %</b>	<b>16.8%</b>	<b>17.6%</b>	<b>19.7%</b>	<b>20.5%</b>	<b>19.0%</b>
Depreciation	19.6	20.8	20.6	20.2	20.0
<b>Non-GAAP adjusted EBITDA</b>	<b><u>\$ 208.1</u></b>	<b><u>\$ 218.5</u></b>	<b><u>\$ 242.7</u></b>	<b><u>\$ 261.3</u></b>	<b><u>\$ 235.9</u></b>

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)**

	<b>Outlook</b>	
	<b>Three Months Ended June 30, 2018</b>	<b>Full Year 2018</b>
<b>Operating income</b>	<b>\$151 - \$166</b>	<b>\$545 - \$590</b>
Adjustments:		
Amortization of purchased intangible assets	\$66	\$265
Equity-based compensation	\$13	\$50
Restructuring costs, integration costs and other <sup>(1)</sup>	\$0 - \$5	\$10 - \$15
Total adjustments to operating income	\$79 - \$84	\$325 - \$330
<b>Non-GAAP adjusted operating income</b>	<b>\$230 - \$250</b>	<b>\$870 - \$920</b>
<b>Diluted earnings per share</b>	<b>\$0.31 - \$0.34</b>	<b>\$1.20 - \$1.32</b>
Adjustments <sup>(2)</sup> :		
Total adjustments to operating income	\$0.31 - \$0.33	\$1.23 - \$1.28
Debt-related costs and other special items <sup>(3)</sup>	\$0.01	\$(0.10) - \$(0.12)
<b>Non-GAAP adjusted diluted earnings per share</b>	<b>\$0.63 - \$0.68</b>	<b>\$2.33 - \$2.48</b>

(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. There are certain items for which we expect little or no tax effect.

(3) Reflects projections for amortization of debt issuance costs, loss on debt extinguishment, gains on defined benefit plan terminations and 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.