BELDEN

Q4 2020
EARNINGS RELEASE

Conference Call | February 10, 2021

Forward-Looking Statements and Non-GAAP Financial Measures

Forward-Looking Statements

Our commentary and responses to your questions may contain forward-looking statements, including our outlook for the first quarter and full-year 2021, the impacts of COVID-19 and our restructuring program. Forward-looking statements include projections of sales, earnings, general economic conditions, market conditions, working capital, market shares, free cash flow, pricing levels, and effective tax rates. Belden disclaims any obligation to update any such statements to reflect later developments, except as required by law. Information on factors that could cause actual results to vary materially from those discussed today is available in the press release announcing 2020 third quarter results, our most recent Annual Report on Form 10-K as filed with the Securities and Exchange Commission ("SEC") on February 11, 2020 (including those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 2 and under "Risk Factors" in Part I, Item 1A), and our subsequent filings with the SEC.

Non-GAAP Measures

On this call we will discuss some non-GAAP measures (denoted by footnote) in discussing Belden's performance, and the reconciliation of those measures to the most comparable GAAP measures is contained within this presentation or available at our investor relations website, investor.belden.com.

Q4 2020 Highlights

Revenue of $498.5M, compared to initial guidance of $460M - $485M and revised guidance of $494M - $499M

EPS of $0.90, compared to initial guidance of $0.63 - $0.78 and revised guidance of $0.85 - $0.90

Free cash flow generation of $101M, resulting in cash on hand of $502M

Adjusted results. See Appendix for reconciliation to comparable GAAP results.
All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden common stockholders
Free cash flow is not a term defined by generally accepted accounting principles (GAAP) and our definition may or may not be used consistently with other companies that define this term. See Appendix for reconciliation to comparable GAAP results.

FY 2020 Highlights

Revenue of $1.863B

EPS of $2.75

Free cash flow of $86M

Delivered $40M in SG&A cost savings, including $15M in Q4

Positioned to deliver the full $60M in 2021

Funded our growth initiatives:

- Increased R&D investments by 14% to $107M
- Maintained capex of ~$70M

Improved the portfolio:

- Divested Grass Valley
- Initiated a process to divest certain copper cable product lines
- Closed the OTN Systems acquisition, subsequent to year end

Adjusted results. See Appendix for reconciliation to comparable GAAP results.
All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden common stockholders
Free cash flow is not a term defined by generally accepted accounting principles (GAAP) and our definition may or may not be used consistently with other companies that define this term. See Appendix for reconciliation to comparable GAAP results.

OTN Systems Acquisition

Transaction closed on January 29, 2021

- Purchase price of $71M[1]
- Expected 2021 revenue of ~$36M (11 months of ownership)
- Expected 2021 EPS accretion of ~$0.11
- Will be reported in the Industrial Solutions Segment

OTN Systems is a leader in industrial backbone networking solutions

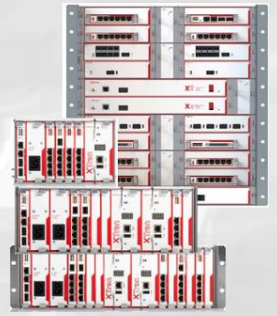
- Mission-critical hardware and software products that allow customers to easily build, maintain, and monitor complex networks
- Complementary to Belden's leading industrial networking portfolio
- Expands Belden's ability to offer complete end-to-end solutions
- Focused primarily on the Energy (Power Utility), Mass Transit and Process markets

Accelerates Belden's strategic plans:

- Industrial automation product roadmap
- Enhanced solution delivery
- Customer Innovation Center (CIC) development

Headquartered in Olen, Belgium, with 140 employees globally

OTN Systems



XTran network equipment and management systems

Notable Customers

El Paso Electric

Dallas Rapid Area Transit

National Grid – Saudi Arabia

Nanjing Metro

[1] Purchase price of $71M is net of cash acquired

Adjusted results. See Appendix for reconciliation to comparable GAAP results.

All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden common stockholders

Q4 2020 Financial Summary

	Q4 2020	Q3 2020	Q4 2019
Revenue	$498.5M	$475.8M	$549.7M
Gross profit	$176.3M	168.2M	$205.5M
Gross profit percentage	35.4%	35.3%	37.4%
EBITDA	$74.0M	$65.3M	$92.9M
EBITDA percentage	14.8%	13.7%	16.9%
Net Income(1)	$40.5M	$32.2M	$54.9M
Earnings Per Share(2)	$0.90	$0.72	$1.20

Adjusted results. See Appendix for reconciliation to comparable GAAP results.
(1) All references to Net Income refer to adjusted net income attributable to Belden.
(2) All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden common stockholders.

Q4 2020 Segment Results

	Industrial Solutions	Enterprise Solutions	Consolidated
Q4 2020			
Revenue	$270.8M	$227.7M	$498.5M
EBITDA(1)	$47.3M	$26.1M	$74.0M
EBITDA Margin	17.5%	11.5%	14.8%
Q3 2020			
Revenue	$246.7M	$229.1M	$475.8M
EBITDA(1)	$38.4M	$26.3M	$65.3M
EBITDA Margin	15.6%	11.5%	13.7%
Q4 2019			
Revenue	$303.3M	$246.4M	$549.7M
EBITDA(1)	$60.9M	$33.9M	$92.9M
EBITDA Margin	20.1%	13.7%	16.9%

Adjusted results. See Appendix for reconciliation to comparable GAAP results.
(1) Consolidated results include non-operating pension costs and eliminations

Q4 2020 Balance Sheet Highlights

	Q4 2020	Q3 2020	Q4 2019
Cash and Cash Equivalents(1)	$502M	$391M	$426M
Working Capital Turns	10.3x	6.6x	8.9x
Days Sales Outstanding	50	58	52
Inventory Turns	5.2x	5.0x	6.0x
Total Debt Principal Amount	$1.59B	$1.52B	$1.46B
Net Leverage(2)	4.0x	3.8x	2.5x

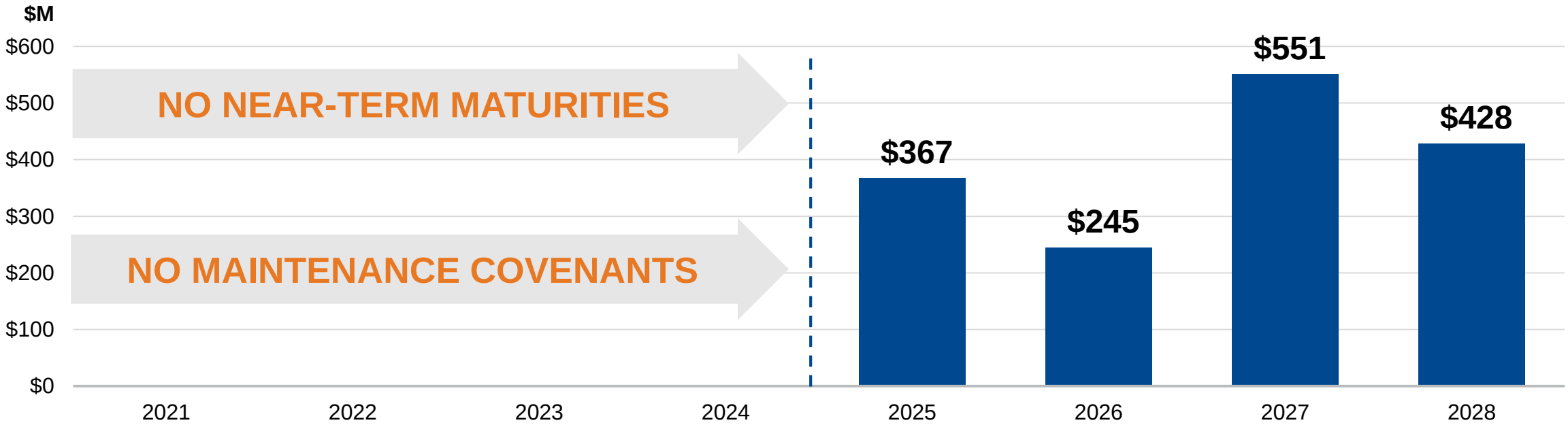
(1) Cash and Cash Equivalents for Q4 2019 is inclusive of Grass Valley.
(2) Net leverage is calculated as (A) total debt less cash and cash equivalents divided by (B) the sum of trailing twelve months Adjusted EBITDA including Grass Valley plus trailing twelve months stock based compensation expense.

A Quality Balance Sheet Provides Significant Flexibility

Fixed, long-term maturities

Euro-denominated debt

Pre-tax cost of debt = 3.5%



Strong balance sheet

Euro-denominated debt, using exchange rate of 1.224 USD / Euro

Q4 2020 Cash Flow Highlights

	Q4 2020	Q4 2019	FY 2020	FY 2019
Cash flows from operating activities	$134.7M	$187.4M	$173.4M	$276.9M
Less: Net capital expenditures(1)	$33.3M	$35.9M	$87.1M	$110.0M
Free cash flow(2)	$101.3M	$151.4M	$86.3M	$166.9M

(1) Capital expenditures inclusive of Grass Valley, net of proceeds from the disposal of tangible assets. See Appendix for reconciliation.
(2) Free cash flow is not a term defined by generally accepted accounting principles (GAAP) and our definition may or may not be used consistently with other companies that define this term. See Appendix for reconciliation to comparable GAAP results.

Outlook

Q1 2021

- Revenue of $490 - $505 million
- Adjusted Earnings Per Share[1][2] of $0.60 - $0.70

Full Year 2021

- Revenue of $1.990 - $2.050 billion
- Adjusted Earnings Per Share[1][2] of $2.90 - $3.30

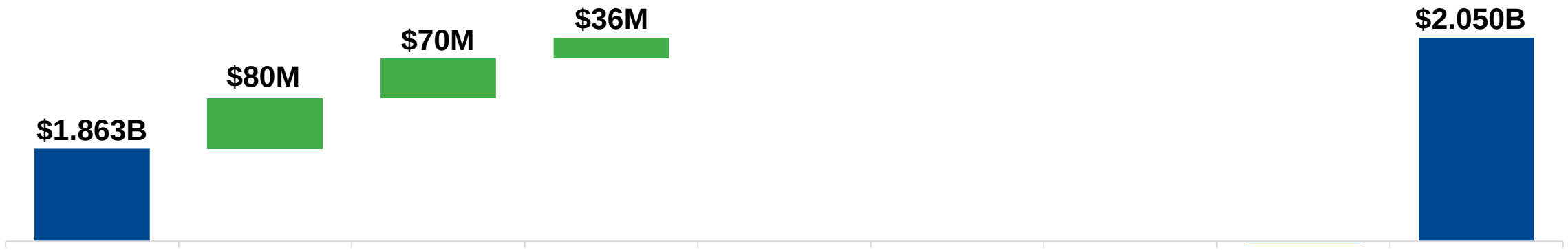
Full Year 2021 Assumptions

- Interest expense of $61 million
- Tax rate of 20%

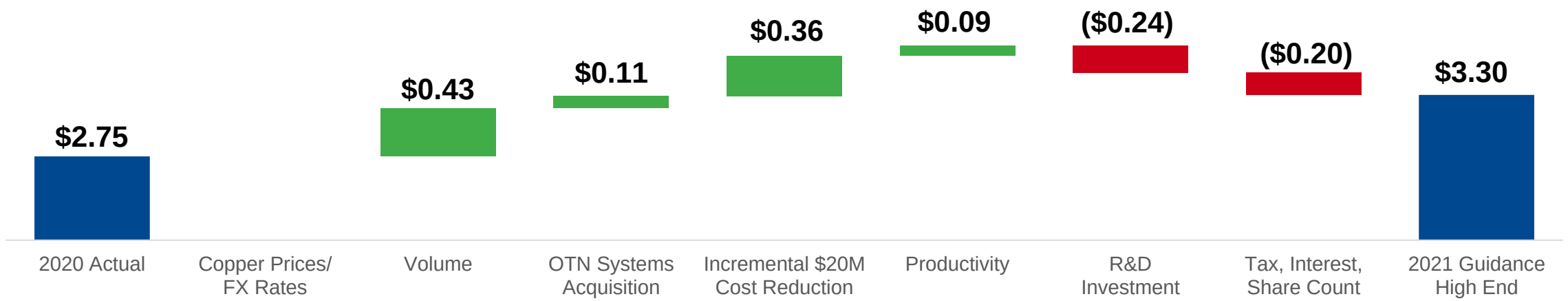
(1) Adjusted Outlook. See Appendix for reconciliation to comparable GAAP outlook.
(2) All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden common stockholders.

2021 High End of Guidance

Revenue

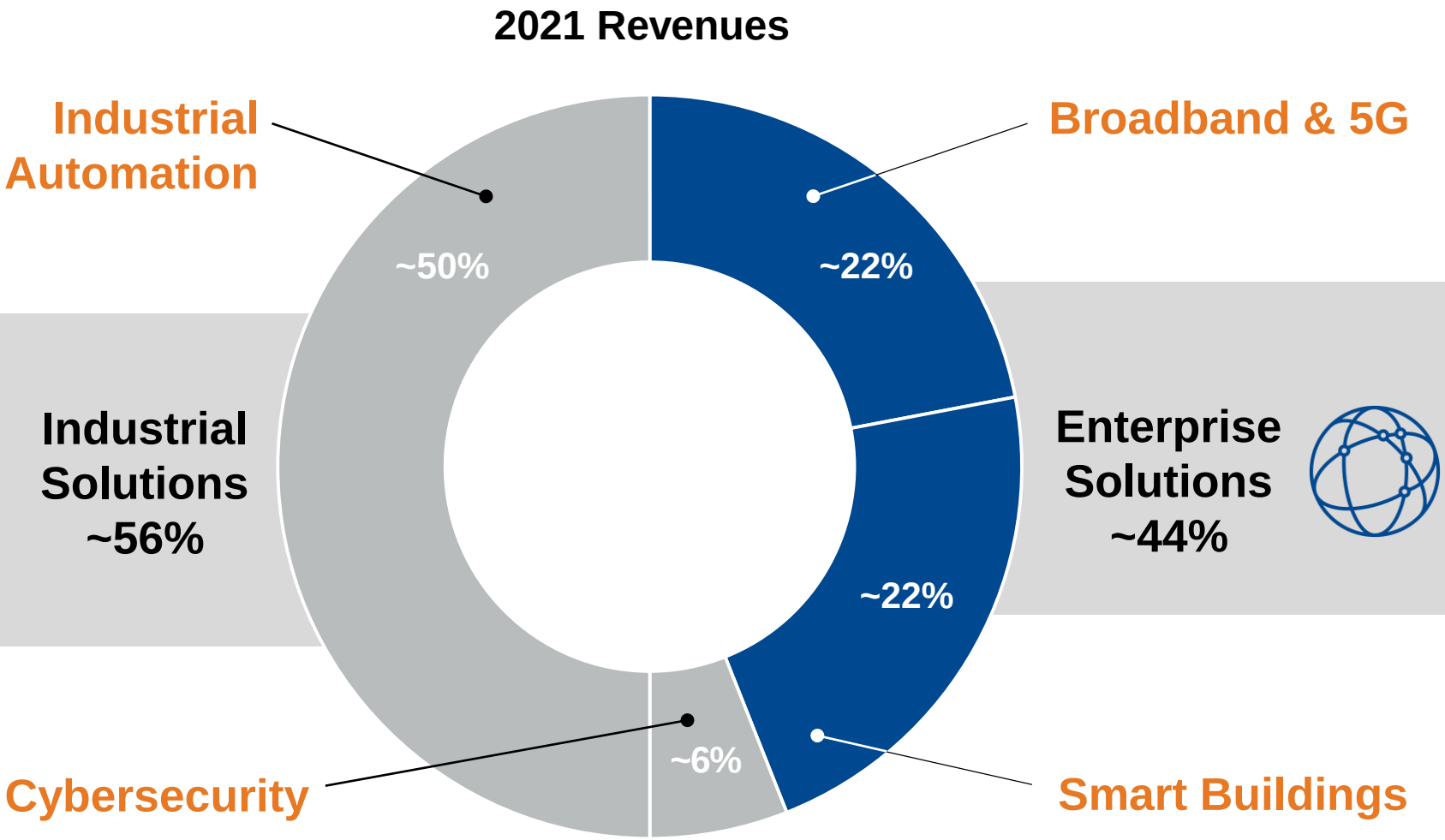


EPS



(1) Adjusted Outlook. See Appendix for reconciliation to comparable GAAP outlook.
(2) All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden common stockholders.
(3) Management's best estimates

Aligned With Growth Markets



STRATEGIC ALIGNMENT WITH ATTRACTIVE GROWTH MARKETS

SIMPLIFIED PORTFOLIO POSITIONED FOR IMPROVED ORGANIC GROWTH

Based on the high end of 2021 revenue guidance

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QUESTIONS?

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APPENDIX

Statement of Operations

	Three Months Ended		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(In thousands, except per share data)			
Revenues	$ 498,540	$ 549,688	$ 1,862,716	$ 2,131,278
Cost of sales	(323,284)	(346,916)	(1,199,427)	(1,337,773
Gross profit	175,256	202,772	663,289	793,505
Selling, general and administrative expenses	(91,059)	(118,675)	(366,188)	(417,329
Research and development expenses	(25,663)	(22,346)	(107,296)	(94,360
Amortization of intangibles	(16,089)	(18,351)	(64,395)	(74,609
Operating income	42,445	43,400	125,410	207,207
Interest expense, net	(15,700)	(13,863)	(58,888)	(55,814
Non-operating pension benefit (cost)	(2,474)	(667)	(395)	1,017
Income from continuing operations before taxes	24,271	28,870	66,127	152,410
Income tax expense	(8,501)	(26,340)	(11,724)	(42,519
Income from continuing operations	15,770	2,530	54,403	109,891
Gain (loss) from discontinued operations, net of tax	3,882	(149,759)	(99,513)	(486,667
Loss on disposal of discontinued operations, net of tax	(12,691)	—	(9,948)	—
Net income (loss)	6,961	(147,229)	(55,058)	(376,776
Less: Net income attributable to noncontrolling interest	25	179	104	239
Net income (loss) attributable to Belden	6,936	(147,408)	(55,162)	(377,015
Less: Preferred stock dividends	—	—	—	18,437
Net income (loss) attributable to Belden common stockholders	$ 6,936	$ (147,408)	$ (55,162)	$ (395,452
Weighted average number of common shares and equivalents:				
Basic	44,620	45,457	44,778	42,203
Diluted	44,848	45,684	44,937	42,416
Basic income (loss) per share attributable to Belden common stockholders:				
Continuing operations attributable to Belden common stockholders	$ 0.35	$ 0.05	$ 1.21	$ 2.16
Discontinued operations attributable to Belden common stockholders	0.09	(3.29)	(2.22)	(11.53
Disposal of discontinued operations attributable to Belden common stockholders	(0.28)	—	(0.22)	—
Net income (loss) per share attributable to Belden common stockholders	$ 0.16	$ (3.24)	$ (1.23)	$ (9.37
Diluted income (loss) per share attributable to Belden common stockholders:				
Continuing operations attributable to Belden common stockholders	$ 0.35	$ 0.05	$ 1.21	$ 2.15
Discontinued operations attributable to Belden common stockholders	0.09	(3.29)	(2.22)	(11.53
Disposal of discontinued operations attributable to Belden common stockholders	(0.28)	—	(0.22)	—
Net income (loss) per share attributable to Belden common stockholders	$ 0.15	$ (3.24)	$ (1.23)	$ (9.37
Common stock dividends declared per share	$ 0.05	$ 0.05	$ 0.20	$ 0.20

Operating Segment Information

Effective January 1, 2020, we transferred our West Penn Wire business and multi-conductor product lines from the Enterprise Solutions segment to the Industrial Solutions segment, and as such, have recast the prior period segment information.

	Enterprise Solutions	Industrial Solutions	Total Segments
	(In thousands, except percentages)		
For the three months ended December 31, 2020			
Segment Revenues	$ 227,731	$ 270,809	$ 498,540
Segment EBITDA	26,140	47,259	73,399
Segment EBITDA margin	*11.5 %*	*17.5 %*	*14.7*
Depreciation expense	5,447	5,954	11,401
Amortization of intangibles	5,396	10,693	16,089
Amortization of software development intangible assets	61	515	576
Severance, restructuring, and acquisition integration costs	1,410	1,400	2,810
For the three months ended December 31, 2019			
Segment Revenues	$ 246,397	$ 303,291	$ 549,688
Segment EBITDA	33,852	60,854	94,706
Segment EBITDA margin	*13.7 %*	*20.1 %*	*17.2*
Depreciation expense	5,137	5,282	10,419
Amortization of intangibles	5,630	12,721	18,351
Amortization of software development intangible assets	55	263	318
Severance, restructuring, and acquisition integration costs	5,238	15,740	20,978
Purchase accounting effects of acquisitions	60	—	60
For the twelve months ended December 31, 2020			
Segment Revenues	$ 872,415	$ 990,301	$ 1,862,716
Segment EBITDA	99,333	147,626	246,959
Segment EBITDA margin	*11.4 %*	*14.9 %*	*13.3*
Depreciation expense	20,655	21,815	42,470
Amortization of intangibles	21,662	42,733	64,395
Amortization of software development intangible assets	245	1,576	1,821
Severance, restructuring, and acquisition integrations costs	7,720	4,538	12,258
Purchase accounting effects of acquisitions	125	—	125
For the twelve months ended December 31, 2019			
Segment Revenues	$ 946,041	$ 1,185,237	$ 2,131,278
Segment EBITDA	126,925	226,110	353,035
Segment EBITDA margin	*13.4 %*	*19.1 %*	*16.6*
Depreciation expense	19,771	20,638	40,409
Amortization of intangibles	22,324	52,285	74,609
Amortization of software development intangible assets	175	350	525
Severance, restructuring, and acquisition integrations costs	10,808	15,736	26,544
Purchase accounting effects of acquisitions	592	—	592

Operating Segment Reconciliation to Consolidated Results

	Three Months Ended		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31 2019
	(In thousands)			
Total Segment Revenues	$ 498,540	$ 549,688	$ 1,862,716	$ 2,131,278
Deferred revenue adjustments	—	—	—	—
Consolidated Revenues	$ 498,540	$ 549,688	$ 1,862,716	$ 2,131,278
Total Segment EBITDA	$ 73,399	$ 94,706	$ 246,959	$ 353,037
Total non-operating pension benefit (cost)	(2,474)	(667)	(395)	1,017
Non-operating pension settlement loss	3,153	—	3,153	—
Eliminations	(78)	(1,180)	(480)	(3,151
Consolidated Adjusted EBITDA (1)	74,000	92,859	249,237	350,903
Amortization of intangibles	(16,089)	(18,351)	(64,395)	(74,609
Interest expense, net	(15,700)	(13,863)	(58,888)	(55,814
Depreciation expense	(11,401)	(10,419)	(42,470)	(40,409
Severance, restructuring, and acquisition integration costs	(2,810)	(20,978)	(12,258)	(26,544
Non-operating pension settlement loss	(3,153)	—	(3,153)	—
Amortization of software development intangible assets	(576)	(318)	(1,821)	(525
Purchase accounting effects related to acquisitions	—	(60)	(125)	(592
Income from continuing operations before taxes	$ 24,271	$ 28,870	$ 66,127	$ 152,410

(1) Consolidated Adjusted EBITDA is a non-GAAP measure. See Reconciliation of Non-GAAP Measures for additional information.

Balance Sheet

	December 31, 2020	December 31, 2019
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 501,994	$ 407,480
Receivables, net	296,817	334,634
Inventories, net	247,298	231,333
Other current assets	52,289	29,172
Current assets of discontinued operations	—	375,135
Total current assets	1,098,398	1,377,754
Property, plant and equipment, less accumulated depreciation	368,620	345,918
Operating lease right-of-use assets	54,787	62,251
Goodwill	1,251,938	1,243,669
Intangible assets, less accumulated amortization	287,071	339,505
Deferred income taxes	29,536	25,216
Other long-lived assets	49,384	12,446
	$ 3,139,734	$ 3,406,759
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 244,120	$ 268,466
Accrued liabilities	276,641	283,799
Current liabilities of discontinued operations	—	170,279
Total current liabilities	520,761	722,544
Long-term debt	1,573,726	1,439,484
Postretirement benefits	160,400	136,227
Deferred income taxes	38,400	48,725
Long-term operating lease liabilities	46,398	55,652
Other long-term liabilities	42,998	38,308
Stockholders' equity:		
Common stock	503	503
Additional paid-in capital	823,605	811,955
Retained earnings	450,876	518,004
Accumulated other comprehensive loss	(191,851)	(63,418
Treasury stock	(332,552)	(307,197
Total Belden stockholders' equity	750,581	959,847
Noncontrolling interests	6,470	5,972
Total stockholders' equity	757,051	965,819
	$ 3,139,734	$ 3,406,759

Cash Flow Statement

	Twelve Months Ended	
	December 31, 2020	December 31, 201
	(In thousands)	
Cash flows from operating activities:		
Net loss	$ (55,058)	$ (376,776
Adjustments to reconcile net loss to net cash provided by operating activities:		
Asset impairment of discontinued operations	113,007	521,441
Depreciation and amortization	108,687	139,259
Share-based compensation	20,030	17,751
Loss on disposal of business	946	—
Deferred income tax benefit	(19,410)	(23,540
Changes in operating assets and liabilities, net of the effects of currency exchange rate changes, acquired businesses and disposals:		
Receivables	70,707	22,926
Inventories	(8,507)	44,477
Accounts payable	(43,567)	(41,527
Accrued liabilities	7,374	(17,654
Income taxes	(22,823)	5,497
Other assets	2,018	(16,118
Other liabilities	(40)	1,157
Net cash provided by operating activities	173,364	276,893
Cash flows from investing activities:		
Capital expenditures	(90,215)	(110,002
Cash from (used for) business acquisitions, net of cash acquired	590	(74,392
Proceeds from disposal of tangible assets	3,161	25
Proceeds from disposal of business, net of cash sold	54,821	—
Net cash used for investing activities	(31,643)	(184,369
Cash flows from financing activities:		
Borrowings on revolver	190,000	—
Payments under borrowing arrangements	(190,000)	—
Payments under share repurchase program	(35,000)	(50,000
Payment of earnout consideration	(29,300)	—
Cash dividends paid	(9,029)	(34,439
Withholding tax payments for share-based payment awards	(1,388)	(2,149
Other	(194)	(360
Net cash used for financing activities	(74,911)	(86,948
Effect of foreign currency exchange rate changes on cash and cash equivalents	9,299	(301
Increase in cash and cash equivalents	76,109	5,275
Cash and cash equivalents, beginning of period	425,885	420,610
Cash and cash equivalents, end of period	$ 501,994	$ 425,885

For all periods presented, the Consolidated Cash Flow Statement includes the results of the Grass Valley disposal group up to the disposal date, July 2, 2020.

Reconciliation of Non-GAAP Measures

In addition to reporting financial results in accordance with accounting principles generally accepted in the United States, we provide non-GAAP operating results adjusted for certain items, including: asset impairments; accelerated depreciation expense due to plant consolidation activities; purchase accounting effects related to acquisitions, such as the adjustment of acquired inventory and deferred revenue to fair value and transaction costs; severance, restructuring, and acquisition integration costs; gains (losses) recognized on the disposal of businesses and tangible assets; amortization of intangible assets; gains (losses) on debt extinguishment; certain revenues and gains (losses) from patent settlements; discontinued operations; and other costs. We adjust for the items listed above in all periods presented, unless the impact is clearly immaterial to our financial statements. When we calculate the tax effect of the adjustments, we include all current and deferred income tax expense commensurate with the adjusted measure of pre-tax profitability.

We utilize the adjusted results to review our ongoing operations without the effect of these adjustments and for comparison to budgeted operating results. We believe the adjusted results are useful to investors because they help them compare our results to previous periods and provide important insights into underlying trends in the business and how management oversees our business operations on a day-to-day basis. As an example, we adjust for the purchase accounting effect of recording deferred revenue at fair value in order to reflect the revenues that would have otherwise been recorded by acquired businesses had they remained as independent entities. We believe this presentation is useful in evaluating the underlying performance of acquired companies. Similarly, we adjust for other acquisition-related expenses, such as amortization of intangibles and other impacts of fair value adjustments because they generally are not related to the acquired business' core business performance. As an additional example, we exclude the costs of restructuring programs, which can occur from time to time for our current businesses and/or recently acquired businesses. We exclude the costs in calculating adjusted results to allow us and investors to evaluate the performance of the business based upon its expected ongoing operating structure. We believe the adjusted measures, accompanied by the disclosure of the costs of these programs, provides valuable insight.

Adjusted results should be considered only in conjunction with results reported according to accounting principles generally accepted in the United States.

	Three Months Ended		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31 2019
	(In thousands, except percentages and per share amounts)			
GAAP and adjusted revenues	$ 498,540	$ 549,688	$ 1,862,716	$ 2,131,278
GAAP gross profit	$ 175,256	$ 202,772	$ 663,289	$ 793,505
Amortization of software development intangible assets	576	318	1,821	525
Severance, restructuring, and acquisition integration costs	482	2,333	704	3,425
Purchase accounting effects related to acquisitions	—	60	125	592
Adjusted gross profit	$ 176,314	$ 205,483	$ 665,939	$ 798,047
GAAP gross profit margin	*35.2 %*	*36.9 %*	*35.6 %*	*37.2*
Adjusted gross profit margin	*35.4 %*	*37.4 %*	*35.8 %*	*37.4*
GAAP selling, general and administrative expenses	$ (91,059)	$ (118,675)	$ (366,188)	$ (417,329)
Severance, restructuring, and acquisition integration costs	2,328	18,645	11,554	23,119
Adjusted selling, general and administrative expenses	$ (88,731)	$ (100,030)	$ (354,634)	$ (394,210)
GAAP and adjusted research and development expenses	$ (25,663)	$ (22,346)	$ (107,296)	$ (94,360)
GAAP net income (loss) attributable to Belden	$ 6,936	$ (147,408)	$ (55,162)	$ (377,015)
Interest expense, net	15,700	13,863	58,888	55,814
Loss (gain) from discontinued operations, net of tax	(3,882)	149,759	99,513	486,667
Loss on disposal of discontinued operations, net of tax	12,691	—	9,948	—
Income tax expense	8,501	26,340	11,724	42,519
Non-operating pension settlement loss	3,153	—	3,153	—
Noncontrolling interest	25	179	104	239
Total non-operating adjustments	36,188	190,141	183,330	585,239
Amortization of intangible assets	16.089	18.351	64.395	74.609
Severance, restructuring, and acquisition integration costs	2,810	20,978	12,258	26,544
Amortization of software development intangible assets	576	318	1,821	525
Purchase accounting effects related to acquisitions	—	60	125	592
Total operating income adjustments	19,475	39,707	78,599	102,270
Depreciation expense	11,401	10,419	42,470	40,409
Adjusted EBITDA	$ 74,000	$ 92,859	$ 249,237	$ 350,903
GAAP net income (loss) margin	*1.4 %*	*(26.8)%*	*(3.0)%*	*(17.7)*
Adjusted EBITDA margin	*14.8 %*	*16.9 %*	*13.4 %*	*16.5*

Reconciliation of Non-GAAP Measures (continued)

In addition to reporting financial results in accordance with accounting principles generally accepted in the United States, we provide non-GAAP operating results adjusted for certain items, including: asset impairments; accelerated depreciation expense due to plant consolidation activities; purchase accounting effects related to acquisitions, such as the adjustment of acquired inventory and deferred revenue to fair value and transaction costs; severance, restructuring, and acquisition integration costs; gains (losses) recognized on the disposal of businesses and tangible assets; amortization of intangible assets; gains (losses) on debt extinguishment; certain revenues and gains (losses) from patent settlements; discontinued operations; and other costs. We adjust for the items listed above in all periods presented, unless the impact is clearly immaterial to our financial statements. When we calculate the tax effect of the adjustments, we include all current and deferred income tax expense commensurate with the adjusted measure of pre-tax profitability.

We utilize the adjusted results to review our ongoing operations without the effect of these adjustments and for comparison to budgeted operating results. We believe the adjusted results are useful to investors because they help them compare our results to previous periods and provide important insights into underlying trends in the business and how management oversees our business operations on a day-to-day basis. As an example, we adjust for the purchase accounting effect of recording deferred revenue at fair value in order to reflect the revenues that would have otherwise been recorded by acquired businesses had they remained as independent entities. We believe this presentation is useful in evaluating the underlying performance of acquired companies. Similarly, we adjust for other acquisition-related expenses, such as amortization of intangibles and other impacts of fair value adjustments because they generally are not related to the acquired business' core business performance. As an additional example, we exclude the costs of restructuring programs, which can occur from time to time for our current businesses and/or recently acquired businesses. We exclude the costs in calculating adjusted results to allow us and investors to evaluate the performance of the business based upon its expected ongoing operating structure. We believe the adjusted measures, accompanied by the disclosure of the costs of these programs, provides valuable insight.

Adjusted results should be considered only in conjunction with results reported according to accounting principles generally accepted in the United States.

	Three Months Ended		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31 2019
GAAP net income (loss) attributable to Belden	$ 6,936	$ (147,408)	$ (55,162)	$ (377,015
Operating income adjustments from above	19,475	39,707	78,599	102,27(
Loss (gain) from discontinued operations, net of tax	(3,882)	149,759	99,513	486,667
Loss on disposal of discontinued operations, net of tax	12,691	—	9,948	—
Non-operating pension settlement loss	3,153	—	3,153	—
Tax effect of adjustments above	2,172	12,796	(12,515)	(1,948
Adjusted net income attributable to Belden	$ 40,545	$ 54,854	$ 123,536	$ 209,974
GAAP net income (loss) attributable to Belden	$ 6,936	$ (147,408)	$ (55,162)	$ (377,015
Loss (gain) from discontinued operations, net of tax	(3,882)	149,759	99,513	486,667
Loss on disposal of discontinued operations, net of tax	12,691	—	9,948	—
Less: Preferred stock dividends	—	—	—	(18,437
GAAP net income from continuing operations attributable to Belden common stockholders	$ 15,745	$ 2,351	$ 54,299	$ 91,215
Adjusted net income attributable to Belden	$ 40,545	$ 54,854	$ 123,536	$ 209,974
Less: Preferred stock dividends	—	—	—	(18,437
Adjusted net income from continuing operations attributable to Belden common stockholders	$ 40,545	$ 54,854	$ 123,536	$ 191,537
GAAP income from continuing operations per diluted share attributable to Belden common stockholders	$ 0.35	$ 0.05	$ 1.21	$ 2.15
Adjusted income from continuing operations per diluted share attributable to Belden common stockholders	$ 0.90	$ 1.20	$ 2.75	$ 4.52
GAAP and adjusted diluted weighted average shares	44,848	45,684	44,937	42,416

Free Cash Flow GAAP to Non-GAAP Reconciliation

	Three Months Ended		Twelve Months Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31 2019
	(In thousands)			
GAAP net cash provided by operating activities	$ 134,675	$ 187,376	$ 173,364	$ 276,893
Capital expenditures, net of proceeds from the disposal of tangible assets	(33,335)	(35,928)	(87,054)	(109,977
Non-GAAP free cash flow	$ 101,340	$ 151,448	$ 86,310	$ 166,916

We define free cash flow, which is a non-GAAP financial measure, as net cash from operating activities adjusted for capital expenditures net of the proceeds from the disposal of tangible assets. We believe free cash flow provides useful information to investors regarding our ability to generate cash from business operations that is available for acquisitions and other investments, service of debt principal, dividends and share repurchases. We use free cash flow, as defined, as one financial measure to monitor and evaluate performance and liquidity. Non-GAAP financial measures should be considered only in conjunction with financial measures reported according to accounting principles generally accepted in the United States. Our definition of free cash flow may differ from definitions used by other companies.

Reconciliation of Non-GAAP Measures

	Year Ended December 31, 2021	Three Months Ende April 4, 2021
	(In thousands)	
GAAP income from continuing operations per diluted share attributable to Belden common stockholders	$1.70 - $2.10	$0.22 - $0.32
Amortization of intangible assets	0.67	0.20
Severance, restructuring, and acquisition integration costs	0.45	0.10
Purchase accounting effects related to acquisitions	0.08	0.08
Adjusted income from continuing operations per diluted share attributable to Belden common stockholders	$2.90 - $3.30	$0.60 - $0.70

Our guidance for income from continuing operations per diluted share attributable to Belden common stockholders is based upon information currently available regarding events and conditions that will impact our future operating results. In particular, our results are subject to the factors listed under "Forward-Looking Statements" in this release. In addition, our actual results are likely to be impacted by other additional events for which information is not available, such as asset impairments, purchase accounting effects related to acquisitions, severance, restructuring, and acquisition integration costs, gains (losses) recognized on the disposal of tangible assets, gains (losses) on debt extinguishment, discontinued operations, and other gains (losses) related to events or conditions that are not yet known.

Reconciliation of Non-GAAP Measures
2021 OTN Systems Earnings Guidance

	Year Ended December 31, 2021
GAAP loss from continuing operations per diluted share attributable to Belden common stockholders	($0.11)
Amortization of intangible assets	0.09
Purchase accounting effects related to acquisition	0.08
Severance, restructuring, and acquisition integration costs	0.05
Adjusted income from continuing operations per diluted share attributable to Belden common stockholders	$0.11

Our guidance for income from continuing operations per diluted share attributable to Belden common stockholders is based upon information currently available regarding events and conditions that will impact our future operating results. In particular, our results are subject to the factors listed under "Forward-Looking Statements" in this release. In addition, our actual results are likely to be impacted by other additional events for which information is not available, such as asset impairments, purchase accounting effects related to acquisitions, severance, restructuring, and acquisition integration costs, gains (losses) recognized on the disposal of tangible assets, gains (losses) on debt extinguishment, discontinued operations, and other gains (losses) related to events or conditions that are not yet known.