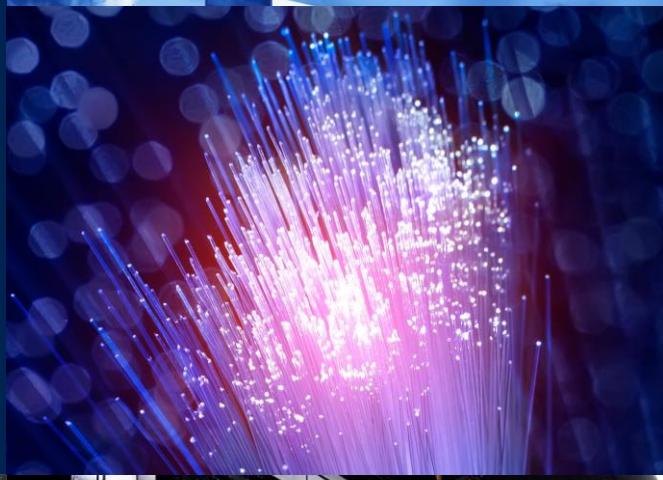
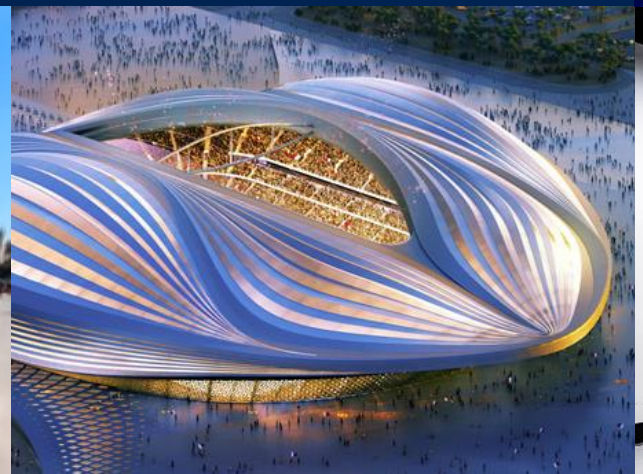
BELDEN

2ND QUARTER 2023

EARNINGS RESULTS

August 2023


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 third quarter, full-year 2023, and adjusted EPS for 2025. 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 our most recent Annual Report on Form 10-K for the period ended December 31, 2022, filed with the Securities and Exchange Commission ("SEC") on February 24, 2023 (including those discussed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part I, 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.

2nd QUARTER 2023

EARNINGS RESULTS

Record Revenue and EPS with Expanding Margins

Q2 2023 Key Messages

Delivered another strong quarter with record revenue and EPS[1]

- Record quarterly revenue of $692M, up 4% YoY (organic growth up 5% YoY)
- Record quarterly EPS of $1.91, up 19% YoY
- Gross Margins improved 370 basis points YoY to 38.1%
- Expanded EBITDA margins by 120 basis points YoY to 17.8%

Continued segment growth with expanding margins

- Industrial Automation Solutions organic growth up 8% YoY and EBITDA margins + 170 bps YoY
- Enterprise Solutions revenue organic growth up 1% YoY and EBITDA margins + 50 bps YoY

Maintained low net leverage with improvements in cash flow YoY

- Net leverage[3] flat at 1.4x from the prior year
- Generated $280M free cash flow[4] for trailing twelve months
- Deployed $190M towards M&A and share repurchases YTD
- Executed $36M of share repurchases during the quarter

+5%
Organic Revenue Growth[2]

17.8% (+120 bps)
EBITDA %

$1.91 (+19%)
EPS

1.4x (1.5x target)
Net Leverage

(1) All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden stockholders. See Appendix for reconciliation to comparable GAAP results.
(2) Organic growth is calculated as the change in revenues excluding the impacts of changes in currency exchange rates and copper prices, as well as acquisitions and divestitures.
(3) Net leverage is calculated as (A) total debt less cash and cash equivalents divided by (B) the sum of trailing twelve months Adjusted EBITDA plus trailing twelve months stock-based compensation expense.
(4) 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.

BELDEN

Belden is the only provider able to meet client needs
at every touchpoint in the digitization journey

COLLECT ----------> CONTEXTUALIZE ----------> DELIVER













Sources | Data Acquisition | Data Transmission | Data Orchestration | Data Management | Destinations

Sensors
Motors
Cameras
Machines

Network infrastructure and solutions

Edge-to-cloud Data Solutions

Belden Network and Data Solutions / Hybrid Networks

Control
Monitoring
Visualization
Analytics

A Leading-Edge Network and Digitization Solutions Provider

Belden Horizon brings data together in one place

Belden Horizon™ has improved to include both **Belden Horizon Data Operations** and **Belden Horizon Data Manager**. Improvements to functionality include:

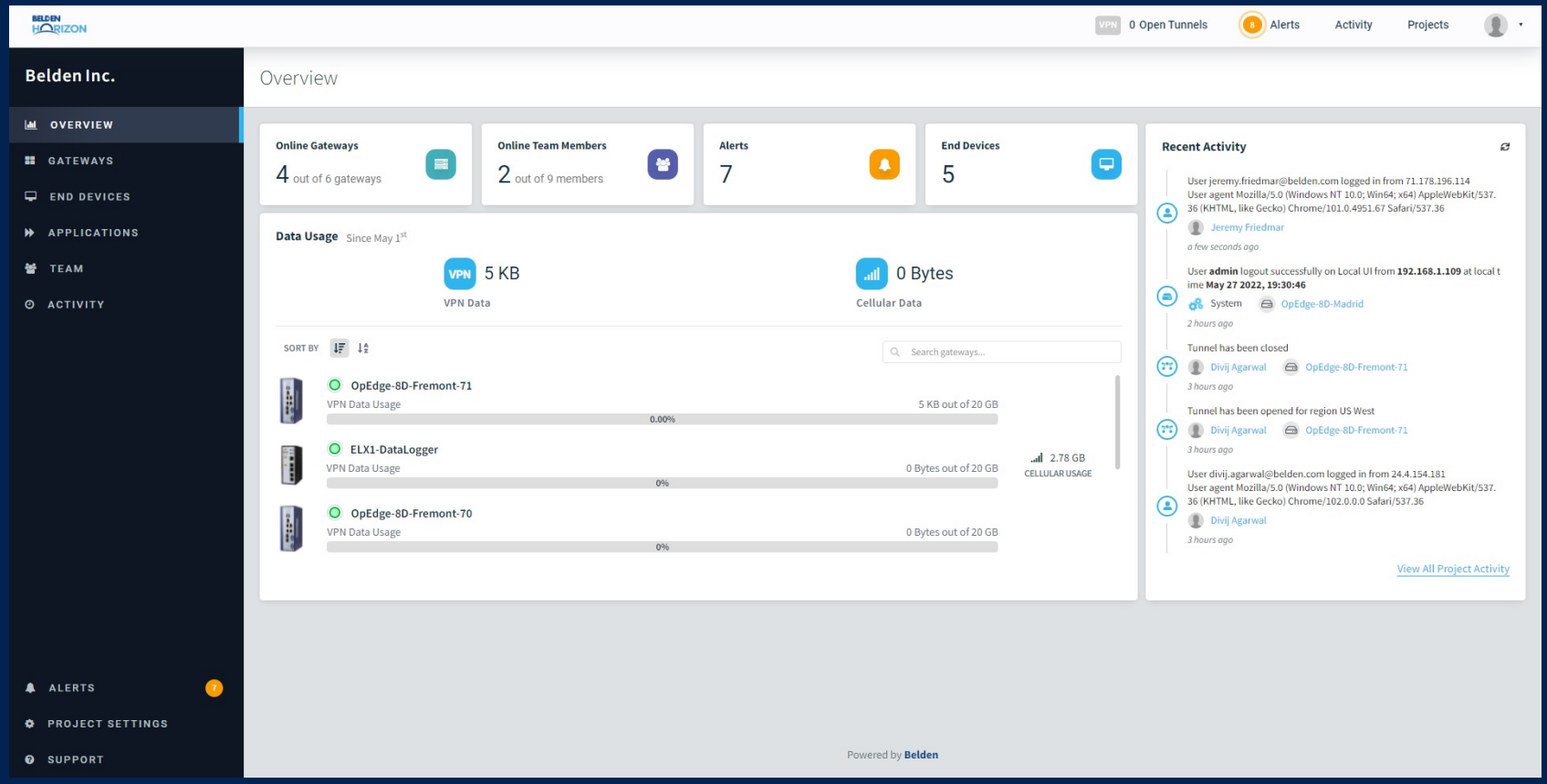
- Additional OT protocols with easy integration
- Digital twins and analytics tooling
- Scalable functionality to support large remote deployments
- Ability to serve mission-critical needs in both industrial and enterprise markets

With Belden Horizon™ clients can:

Simplify
OT device application management using a single, modern, cloud interface

Manage
connections remotely and securely with on-demand Secure Remote Access and always-on Persistent Data Network Connections

Scale
industrial edge deployments with the ability to onboard, monitor, and update connected gateway devices and to deploy and orchestrate edge applications

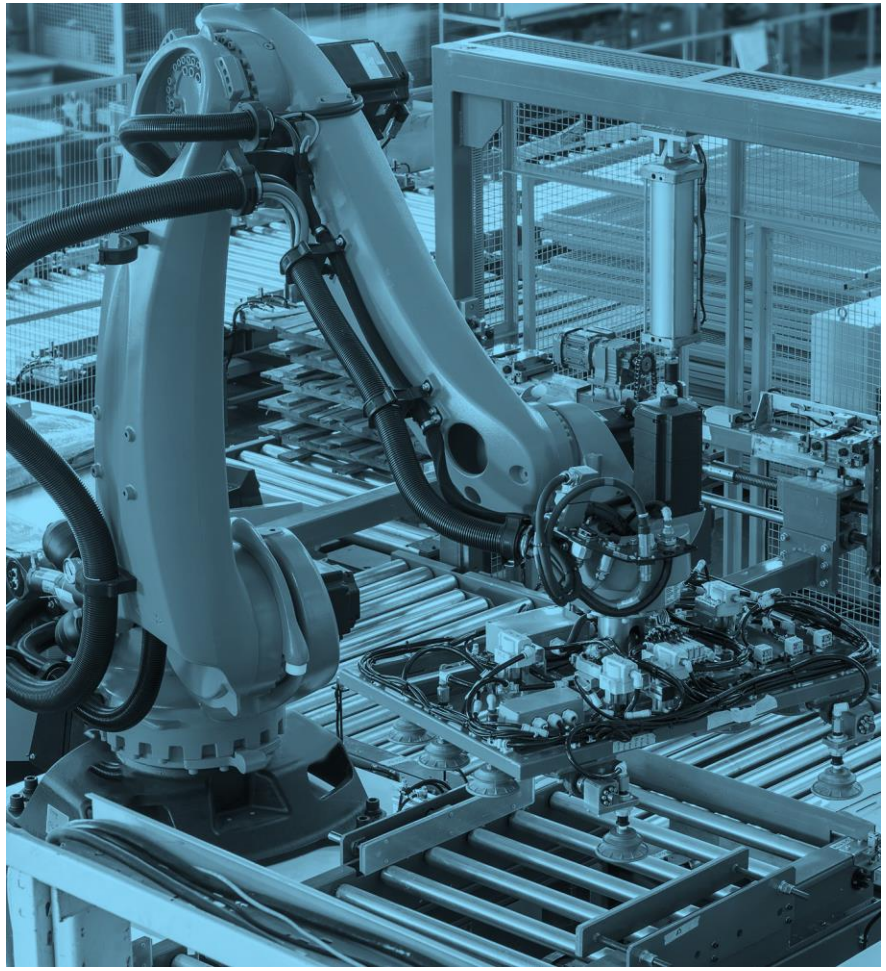


Key Account Win in Automated Warehouse Market

Validation of Solution Transformation

Highlights

- Belden solutions received its largest solutions order to date, further validating our solutions go-to-market strategy
- Award is with one of the most innovative automated warehouse system providers in the materials handling space
- Belden was selected to provide key network infrastructure to enable faster package processing rates with increased reliability



Order Award Summary

Largest Solution Award To Date
Duration over 3 Years

Material Handling
Automated Warehouse System

60,000+
Product Units in Contract

Belden Solution KPI Impact

99% reduction in disconnections and time-outs

11% increase in package processing rates

BELDEN

Continued Expansion in Volatile Market Conditions

Q2 2023 - Financial Results Overview

$ Millions	Q2 2023(1)	Q2 2022(1)	YoY
Revenue	$692.2	$666.6	+4%
Gross Profit	$263.7	$229.0	+15%
Gross Profit %	38.1%	34.4%	+370 bps
EBITDA	$123.2	$111.0	+11%
EBITDA %	17.8%	16.6%	+120 bps
Net Income(2)	$82.4	$71.5	+15%
Earnings Per Share(3)	$1.91	$1.60	+19%

Revenue up **4% YoY** with strength in solution sales within Industrial Automation Solutions

Organic Revenue Growth **5%**(4)

- Industrial Automation Solutions Organic Revenue Growth 8% YoY
- Enterprise Solutions Organic Revenue Growth 1% YoY

EBITDA margin **17.8%**, **+120** bps YoY led by improvements in Industrial Automation Solutions and favorable mix

(1) Adjusted results. See Appendix for reconciliation to comparable GAAP results.
(2) All references to Net Income refer to adjusted net income from continuing operations.
(3) All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden stockholders.
(4) Organic growth is calculated as the change in revenues excluding the impacts of changes in currency exchange rates and copper prices, as well as acquisitions and divestitures.

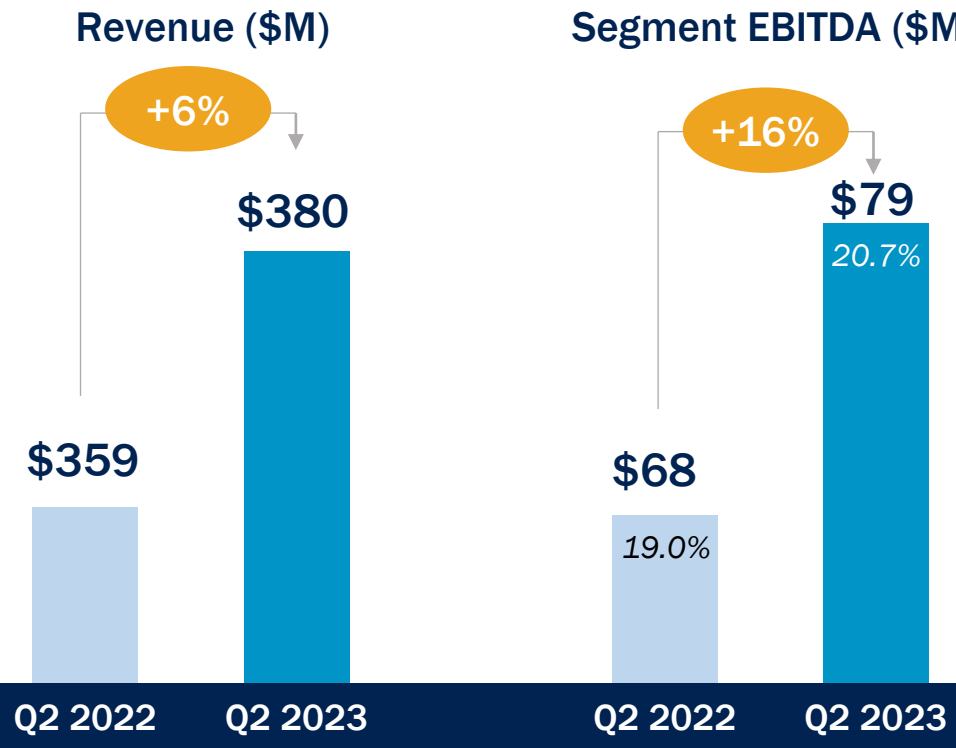
BELDEN

Both Segments Delivered Positive Revenue & EBITDA Growth

Q2 2023 Segment Results

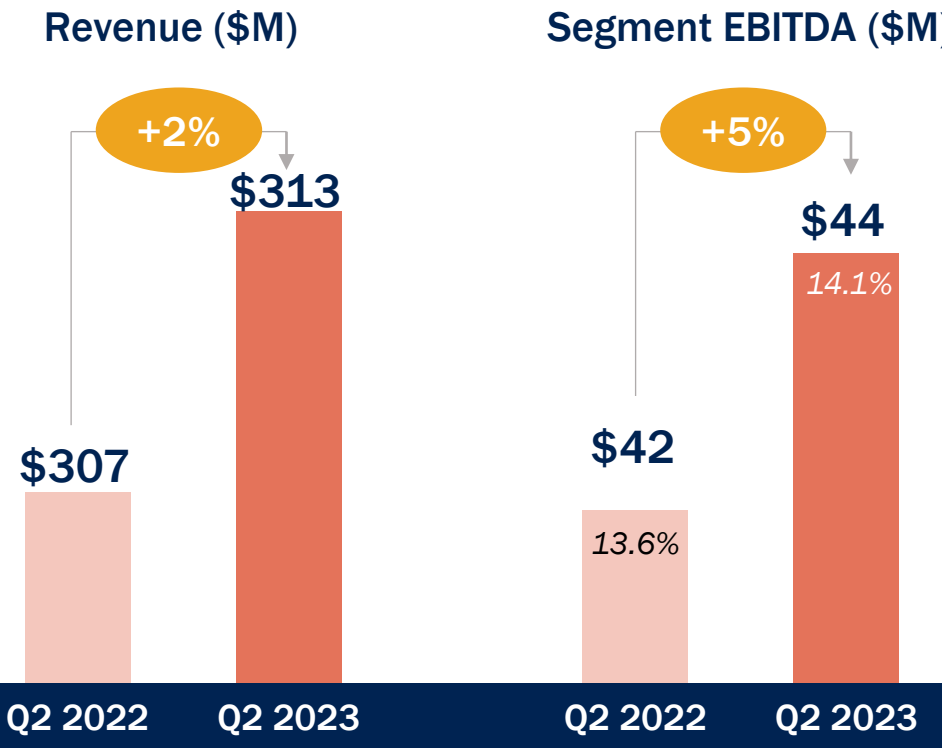
Industrial Automation Solutions Segment

Robust secular growth opportunities driven by customers shifting to business outcomes supported by full solutions providers



Enterprise Solutions Segment

Multi-year investment cycle in Broadband, combined with growing bandwidth demand, supports a solid long-term growth trajectory

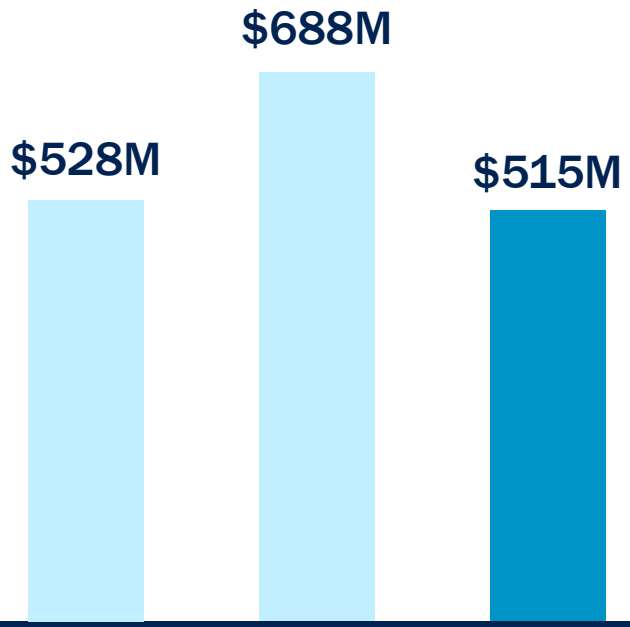


Healthy Free Cash Flow Generation with a Strong Balance Sheet

Q2 2023 Balance Sheet and Cash Flow Highlights

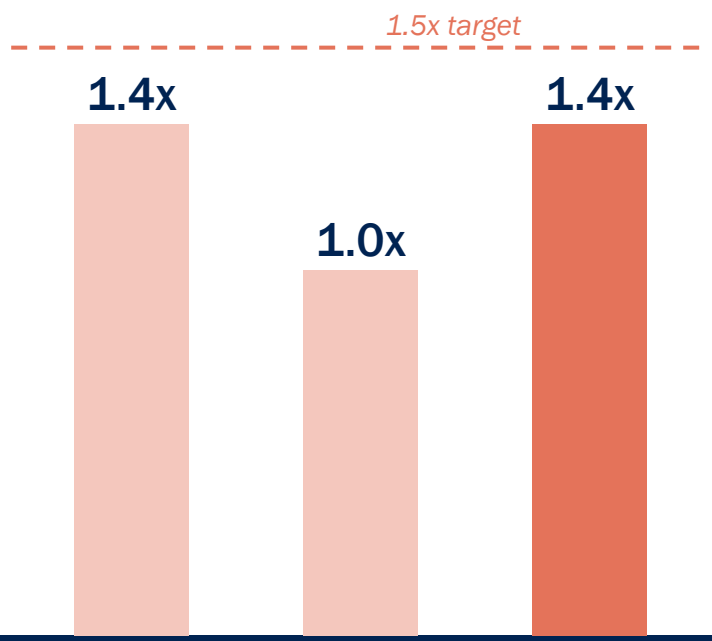
Cash and Cash Equivalent

Capital deployed in M&A and share repurchases combined with seasonal working capital trends



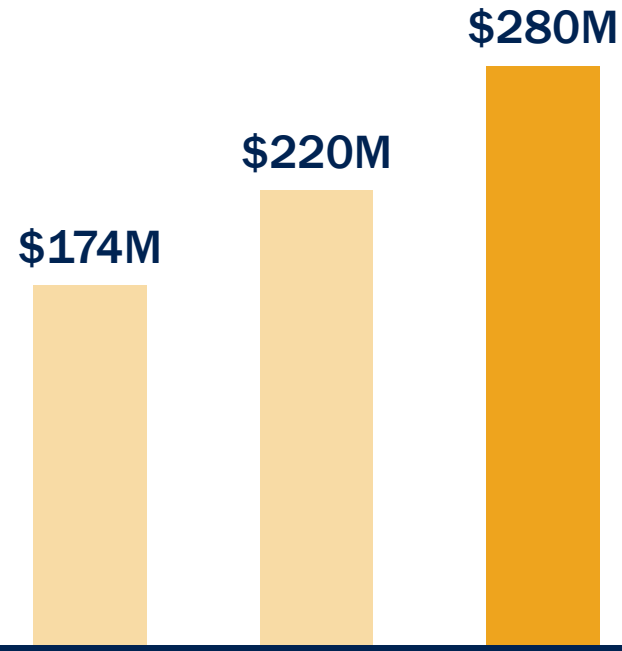
Net Leverage(1)

Stable leverage as the business generates FCF and makes key investments



TTM Free Cash Flow(2)

TTM FCF increased due to strong YoY 2Q23 performance



1. Net leverage is calculated as (A) total debt less cash and cash equivalents divided by (B) the sum of trailing twelve months Adjusted EBITDA plus trailing twelve months stock-based compensation expense.
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.

BELDEN

Increased Full-Year 2023 EPS Guidance

Q3 and Full-Year 2023 Outlook, as of August 3, 2023

	Full-Year 2023 Outlook			3Q 2023 Outlook
	Previous	Updated		
Total Revenue	$2.710B - $2.760B	$2.695B - $2.725B	▼	$675M - $690M
Organic Revenue Growth	3% - 5%	3% - 4%	▬	(1%) to +1%
GAAP EPS	$5.71 - $6.01	$5.95 - $6.15	▲	$1.40 - $1.50
Adjusted EPS	$6.95 - $7.25 *+8% to +13% YoY*	$7.15 - $7.35 *+12% to +15% YoY*	▲	$1.75 - $1.85

Full-Year 2023 Organic Growth Assumptions

Industrial Automation	Broadband	Smart Buildings
~Up Mid to High SD	~Up MSD	~Down Low to Mid SD

Full-Year 2023 Assumptions

Interest Expense	Tax Rate	Share Count
$37M	19.6%	43.1M

BELDEN

Adjusted Outlook. See Appendix for reconciliation to comparable GAAP outlook.

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

Belden - Value Creation Framework

GDP+

ORGANIC REVENUE GROWTH

~30%

INCREMENTAL EBITDA MARGINS



DISCIPLINED CAPITAL ALLOCATION

~1.5x net leverage allows for substantial capital deployment over next 4 years

ROBUST FREE CASH FLOW GENERATION

~$1B cumulative over next 4 years (2022 – 2025)

CORPORATE OVERVIEW

BELDEN INC.

NYSE : BDC

Belden At-a-Glance

Belden delivers the infrastructure that makes the digital journey simpler, smarter and secure.

120+ Years
in business

2Q-2023 TTM Results (1)	Revenue	Adjusted EBITDA	Adjusted EPS	Free Cash Flow	Associates
	$2,664M	**$468M**	**$7.11**	**$280M**	**~8,000**

2Q-2023 TTM Segment Results

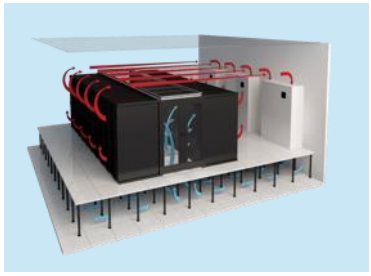
Industrial Automation Solutions



Revenue
$1,453M

Segment EBITDA
$294M

Enterprise Solutions



Revenue
$1,210M

Segment EBITDA
$170M

Sales by Region(2)



(1) Trailing Twelve Month ("TTM") adjusted results (Adjusted EBITDA, Adjusted EPS, and Free Cash Flow). See Appendix for reconciliation to comparable GAAP results.
(2) Based on full-year 2022 results.

Key Growth Drivers



Industrial Automation

Investments in automation, industry 4.0, digital transformation

High cost of labor, skill gaps

Repositioning / reshoring of manufacturing footprint



Smart Buildings

Increasing digitization driving a technology refresh cycle

5G & IoT increasing connectivity demands in buildings

Mobility & collaboration driving exponential growth in data consumption



Broadband

Ever-increasing bandwidth usage

Network upgrades and rural broadband buildout

Wireless (5G) market growth

BELDEN

Belden's solution strategy simplifies the digital transformation for our customers by focusing on results

We help Optimize Operations

We provide Productivity Enhancements

We enable Safety Improvements

Driven by unmatched product breadth and application expertise, Belden improves key KPIs for our customers with network and data solutions

Customer Innovation Centers

allow global customer collaboration with local subject matter experts,

validating solutions in live, real-world scenarios to ensure seamless implementation

Key Verticals

- Consumer Packaged Goods
- Materials Handling
- Automotive Manufacturing
- Petrochemicals
- Power Transmission & Distribution
- Mass Transit
- Intelligent Traffic Systems
- Healthcare
- Hospitality
- Higher Education

BELDEN



CIC Locations

Santa Clara US • Chicago US • Stuttgart DE • Bengaluru IN • Shanghai CN

APPENDIX

Statement of Operations

Unaudited

	Three Months Ended		Six Months Ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
	(In thousands, except per share data)			
Revenues	$ 692,245	$ 666,551	$ 1,334,034	$ 1,276,922
Cost of sales	(430,917)	(444,246)	(826,601)	(845,757)
Gross profit	261,328	222,305	507,433	431,165
Selling, general and administrative expenses	(126,635)	(105,203)	(248,209)	(208,269)
Research and development expenses	(30,970)	(25,989)	(60,354)	(49,445)
Amortization of intangibles	(11,126)	(9,177)	(20,736)	(17,994)
Operating income	92,597	81,936	178,134	155,457
Interest expense, net	(8,812)	(11,276)	(17,013)	(25,687)
Non-operating pension benefit	646	1,070	1,134	2,270
Loss on debt extinguishment	—	—	—	(6,392)
Income from continuing operations before taxes	84,431	71,730	162,255	125,648
Income tax expense	(15,656)	(13,088)	(30,535)	(22,910)
Income from continuing operations	68,775	58,642	131,720	102,738
Loss from discontinued operations, net of tax	—	—	—	(3,685)
Loss on disposal of discontinued operations, net of tax	—	—	—	(4,567)
Net income	68,775	58,642	131,720	94,486
Less: Net income (loss) attributable to noncontrolling interest	22	81	(225)	84
Net income attributable to Belden stockholders	$ 68,753	$ 58,561	$ 131,945	$ 94,402
Weighted average number of common shares and equivalents:				
Basic	42,497	44,252	42,663	44,535
Diluted	43,088	44,782	43,380	45,179
Basic income (loss) per share attributable to Belden stockholders:				
Continuing operations	$ 1.62	$ 1.32	$ 3.09	$ 2.31
Discontinued operations	—	—	—	(0.08)
Disposal of discontinued operations	—	—	—	(0.10)
Net income	$ 1.62	$ 1.32	$ 3.09	$ 2.12
Diluted income (loss) per share attributable to Belden stockholders:				
Continuing operations	$ 1.60	$ 1.31	$ 3.04	$ 2.27
Discontinued operations	—	—	—	(0.08)
Disposal of discontinued operations	—	—	—	(0.10)
Net income	$ 1.60	$ 1.31	$ 3.04	$ 2.09
Common stock dividends declared per share	$ 0.05	$ 0.05	$ 0.10	$ 0.10



BELDEN

Operating Segment Information

Unaudited

	Enterprise Solutions	Industrial Automation Solutions	Total Segments
	(In thousands, except percentages)		
For the three months ended July 2, 2023			
Segment Revenues	$ 312,529	$ 379,716	$ 692,245
Segment EBITDA	43,956	78,631	122,587
Segment EBITDA margin	*14.1 %*	*20.7 %*	*17.7 %*
Depreciation expense	6,193	6,489	12,682
Amortization of intangibles	6,208	4,918	11,126
Amortization of software development intangible assets	—	1,820	1,820
Severance, restructuring, and acquisition integration	1,669	2,390	4,059
Adjustments related to acquisitions and divestitures	325	(76)	249
For the three months ended July 3, 2022			
Segment Revenues	$ 307,444	$ 359,107	$ 666,551
Segment EBITDA	41,887	68,060	109,947
Segment EBITDA margin	*13.6 %*	*19.0 %*	*16.5 %*
Depreciation expense	5,768	5,602	11,370
Amortization of intangibles	4,442	4,735	9,177
Amortization of software development intangible assets	22	959	981
Severance, restructuring, and acquisition integration	4,575	1,282	5,857
Adjustments related to acquisitions and divestitures	(558)	1,134	576
For the six months ended July 2, 2023			
Segment Revenues	$ 587,872	$ 746,162	$ 1,334,034
Segment EBITDA	81,161	152,418	233,579
Segment EBITDA margin	*13.8 %*	*20.4 %*	*17.5 %*
Depreciation expense	12,147	12,889	25,036
Amortization of intangibles	10,703	10,033	20,736
Amortization of software development intangible assets	—	3,272	3,272
Severance, restructuring, and acquisition integration	1,694	4,077	5,771
Adjustments related to acquisitions and divestitures	325	222	547
For the six months ended July 3, 2022			
Segment Revenues	$ 575,874	$ 701,048	$ 1,276,922
Segment EBITDA	72,708	135,588	208,296
Segment EBITDA margin	*12.6 %*	*19.3 %*	*16.3 %*
Depreciation expense	11,194	11,402	22,596
Amortization of intangibles	8,539	9,455	17,994
Amortization of software development intangible assets	44	1,944	1,988
Severance, restructuring, and acquisition integration	4,903	4,677	9,580
Adjustments related to acquisitions and divestitures	(558)	1,134	576



BELDEN

Operating Segment Reconciliation to Consolidated Results

Unaudited

	Three Months Ended		Six Months Ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
	(In thousands)			
Total Segment and Consolidated Revenues	$ 692,245	$ 666,551	$ 1,334,034	$ 1,276,922
Total Segment EBITDA	$ 122,587	$ 109,947	$ 233,579	$ 208,296
Total non-operating pension benefit	646	1,070	1,134	2,270
Eliminations	(54)	(50)	(83)	(105)
Consolidated Adjusted EBITDA (1)	$ 123,179	$ 110,967	$ 234,630	$ 210,461
Depreciation expense	(12,682)	(11,370)	(25,036)	(22,596)
Amortization of intangibles	(11,126)	(9,177)	(20,736)	(17,994)
Interest expense, net	(8,812)	(11,276)	(17,013)	(25,687)
Amortization of software development intangible assets	(1,820)	(981)	(3,272)	(1,988)
Severance, restructuring, and acquisition integration costs	(4,059)	(5,857)	(5,771)	(9,580)
Adjustments related to acquisitions and divestitures	(249)	(576)	(547)	(576)
Loss on debt extinguishment	—	—	—	(6,392)
Income from continuing operations before taxes	$ 84,431	$ 71,730	$ 162,255	$ 125,648

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



BELDEN

Balance Sheet

Unaudited

	July 2, 2023	December 31, 2022
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 514,767	$ 687,676
Receivables, net	509,801	440,102
Inventories, net	345,427	341,563
Other current assets	66,525	66,866
Total current assets	1,436,520	1,536,207
Property, plant and equipment, less accumulated depreciation	392,593	381,864
Operating lease right-of-use assets	73,435	73,376
Goodwill	893,419	862,253
Intangible assets, less accumulated amortization	286,583	246,830
Deferred income taxes	15,412	14,642
Other long-lived assets	47,365	46,503
	$ 3,145,327	$ 3,161,675
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 290,382	$ 350,058
Accrued liabilities	277,405	289,861
Total current liabilities	567,787	639,919
Long-term debt	1,187,152	1,161,176
Postretirement benefits	67,248	67,828
Deferred income taxes	68,172	58,582
Long-term operating lease liabilities	60,480	59,250
Other long-term liabilities	31,497	30,970
Stockholders' equity:		
Common stock	503	503
Additional paid-in capital	809,332	825,669
Retained earnings	879,179	751,522
Accumulated other comprehensive loss	(28,173)	(5,871)
Treasury stock	(497,873)	(428,812)
Total Belden stockholders' equity	1,162,968	1,143,011
Noncontrolling interests	23	939
Total stockholders' equity	1,162,991	1,143,950
	$ 3,145,327	$ 3,161,675



BELDEN

Cash Flow Statement

Unaudited

	Six Months Ended	
	July 2, 2023	July 3, 2022
	(In thousands)	
Cash flows from operating activities:		
Net income	$ 131,720	$ 94,486
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	49,044	42,686
Share-based compensation	12,154	10,870
Loss on debt extinguishment	—	6,392
Changes in operating assets and liabilities, net of the effects of currency exchange rate changes, acquired businesses and disposals:		
Receivables	(71,212)	(20,699)
Inventories	10,347	(47,305)
Accounts payable	(59,295)	(23,563)
Accrued liabilities	(22,855)	(58,525)
Income taxes	5,204	163
Other assets	(4,197)	(2,634)
Other liabilities	3,805	(10,452)
Net cash provided by (used for) operating activities	54,715	(8,581)
Cash flows from investing activities:		
Cash used for business acquisitions, net of cash acquired	(97,585)	(104,123)
Capital expenditures	(32,729)	(31,010)
Proceeds from disposal of tangible assets	9	1,424
Proceeds from disposal of businesses, net of cash sold	9,300	338,686
Net cash provided by (used for) investing activities	(121,005)	204,977
Cash flows from financing activities:		
Payments under share repurchase program	(86,224)	(66,559)
Withholding tax payments for share-based payment awards	(16,940)	(5,167)
Cash dividends paid	(4,285)	(4,520)
Payments under financing lease obligations	(115)	(83)
Payments under borrowing arrangements	—	(230,639)
Proceeds from issuance of common stock	1,679	3,717
Net cash used for financing activities	(105,885)	(303,251)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(734)	(9,220)
Decrease in cash and cash equivalents	(172,909)	(116,075)
Cash and cash equivalents, beginning of period	687,676	643,757
Cash and cash equivalents, end of period	$ 514,767	$ 527,682



BELDEN

The Condensed Consolidated Cash Flow Statement for the six months ended July 3, 2022 includes the results of discontinued operations up to the February 22, 2022 disposal date.

Reconciliation of Non-GAAP Measures

Unaudited

	Three Months Ended		Six Months Ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
	(In thousands, except percentages and per share amounts)			
GAAP and Adjusted Revenues	$ 692,245	$ 666,551	$ 1,334,034	$ 1,276,922
GAAP gross profit	$ 261,328	$ 222,305	$ 507,433	$ 431,165
Severance, restructuring, and acquisition integration costs	259	4,611	488	5,975
Amortization of software development intangible assets	1,820	981	3,272	1,988
Adjustments related to acquisitions and divestitures	325	1,134	325	1,134
Adjusted gross profit	$ 263,732	$ 229,031	$ 511,518	$ 440,262
GAAP gross profit margin	*37.8 %*	*33.4 %*	*38.0 %*	*33.8 %*
Adjusted gross profit margin	*38.1 %*	*34.4 %*	*38.3 %*	*34.5 %*
GAAP selling, general and administrative expenses	$ (126,635)	$ (105,203)	$ (248,209)	$ (208,269)
Severance, restructuring, and acquisition integration costs	3,706	1,246	5,189	3,605
Adjustments related to acquisitions and divestitures	(76)	(558)	222	(558)
Adjusted selling, general and administrative expenses	$ (123,005)	$ (104,515)	$ (242,798)	$ (205,222)
GAAP research and development expenses	$ (30,970)	$ (25,989)	$ (60,354)	$ (49,445)
Severance, restructuring, and acquisition integration costs	94	—	94	—
Adjusted research and development expenses	$ (30,876)	$ (25,989)	$ (60,260)	$ (49,445)
GAAP income from continuing operations	$ 68,775	$ 58,642	$ 131,720	$ 102,738
Income tax expense	15,656	13,088	30,535	22,910
Interest expense, net	8,812	11,276	17,013	25,687
Loss on debt extinguishment	—	—	—	6,392
Total non-operating adjustments	24,468	24,364	47,548	54,989
Amortization of intangible assets	11,126	9,177	20,736	17,994
Amortization of software development intangible assets	1,820	981	3,272	1,988
Severance, restructuring, and acquisition integration costs	4,059	5,857	5,771	9,580
Adjustments related to acquisitions and divestitures	249	576	547	576
Total operating income adjustments	17,254	16,591	30,326	30,138
Depreciation expense	12,682	11,370	25,036	22,596
Adjusted EBITDA	$ 123,179	$ 110,967	$ 234,630	$ 210,461
GAAP income from continuing operations margin	*9.9 %*	*8.8 %*	*9.9 %*	*8.0 %*
Adjusted EBITDA margin	*17.8 %*	*16.6 %*	*17.6 %*	*16.5 %*

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 to fair value, and transaction costs; severance, restructuring, and acquisition integration costs; gains (losses) recognized on the disposal of businesses and assets; amortization of intangible assets; gains (losses) on debt extinguishment; certain 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 acquisition-related expenses, such as amortization of intangibles and 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.

Reconciliation of Non-GAAP Measures (continued)

Unaudited

	Three Months Ended		Six Months Ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
	(In thousands, except percentages and per share amounts)			
GAAP income from continuing operations	$ 68,775	$ 58,642	$ 131,720	$ 102,738
Less: Net income (loss) attributable to noncontrolling interest	22	81	(225)	84
GAAP net income from continuing operations attributable to Belden stockholders	$ 68,753	$ 58,561	$ 131,945	$ 102,654
GAAP income from continuing operations	$ 68,775	$ 58,642	$ 131,720	$ 102,738
Plus: Operating income adjustments from above	17,254	16,591	30,326	30,138
Plus: Loss on debt extinguishment	—	—	—	6,392
Less: Net income (loss) attributable to noncontrolling interest	22	81	(225)	84
Less: Tax effect of adjustments above	3,638	3,692	6,520	8,239
Adjusted net income from continuing operations attributable to Belden stockholders	$ 82,369	$ 71,460	$ 155,751	$ 130,945
GAAP income from continuing operations per diluted share attributable to Belden stockholders	$ 1.60	$ 1.31	$ 3.04	$ 2.27
Adjusted income from continuing operations per diluted share attributable to Belden stockholders	$ 1.91	$ 1.60	$ 3.59	$ 2.90
GAAP and adjusted diluted weighted average shares	43,088	44,782	43,380	45,179

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 to fair value, and transaction costs; severance, restructuring, and acquisition integration costs; gains (losses) recognized on the disposal of businesses and assets; amortization of intangible assets; gains (losses) on debt extinguishment; certain 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 acquisition-related expenses, such as amortization of intangibles and 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.

Reconciliation of Non-GAAP Measures (continued)

Unaudited

	Trailing 12 Months Ended July 2, 2023 (In thousands, except percentages and per share
GAAP and Adjusted revenues	$ 2,663,597
GAAP income from continuing operations	$ 296,730
Income tax expense	57,270
Interest expense, net	34,880
Non-operating pension settlement loss	1,189
Total non-operating adjustments	93,339
Amortization of intangible assets	40,602
Amortization of software development intangible assets	5,159
Severance, restructuring, and acquisition integration costs	12,876
Adjustments related to acquisitions and divestitures	7,804
Gain on sale of asset	(37,891)
Total operating income adjustments	28,550
Depreciation expense	49,109
Adjusted EBITDA	$ 467,728
GAAP income from continuing operations margin	11.1%
Adjusted EBITDA margin	17.6%
GAAP income from continuing operations	$ 296,730
Less: Net loss attributable to noncontrolling interest	(150)
GAAP net income from continuing operations attributable to Belden stockholders	$ 296,880
GAAP income from continuing operations	$ 296,730
Plus: Operating income adjustments from above	28,550
Plus: Non-operating pension settlement loss	1,189
Less: Net loss attributable to noncontrolling interest	(150)
Less: Tax effect of adjustments above	16,450
Adjusted net income from continuing operations attributable to Belden stockholders	$ 310,169
GAAP income from continuing operations per diluted share attributable to Belden stockholders	$ 6.80
Adjusted income from continuing operations per diluted share attributable to Belden stockholders	$ 7.11
GAAP and adjusted diluted weighted average shares	43,631

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 to fair value, and transaction costs; severance, restructuring, and acquisition integration costs; gains (losses) recognized on the disposal of businesses and assets; amortization of intangible assets; gains (losses) on debt extinguishment; certain 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 acquisition-related expenses, such as amortization of intangibles and 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.

Free Cash Flow GAAP to Non-GAAP Reconciliation

Unaudited

	Three Months Ended		Six Months Ended	
	July 2, 2023	July 3, 2022	July 2, 2023	July 3, 2022
	(In thousands)			
GAAP net cash provided by (used for) operating activities	$ 86,587	$ 49,374	$ 54,715	$ (8,581)
Capital expenditures, net of proceeds from disposal of tangible assets	(18,877)	(18,679)	(32,720)	(29,586)
Non-GAAP free cash flow	$ 67,710	$ 30,695	$ 21,995	$ (38,167)

	Trailing 12 Months Ended		
	July 2, 2023	December 31, 2022	July 3, 2022
	(In thousands)	(In thousands)	(In thousands)
GAAP net cash provided by operating activities	$ 344,592	$ 281,296	$ 236,537
Capital expenditures	(106,813)	(105,094)	(91,126)
Proceeds from disposal of assets	42,119	43,534	28,409
Non-GAAP free cash flow	$ 279,898	$ 219,736	$ 173,820

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, 2023	Three Months Ended October 1, 2023
	(In thousands)	
GAAP income from continuing operations per diluted share attributable to Belden common stockholders	$5.95 - $6.15	$1.40 - $1.50
Amortization of intangible assets	0.87	0.22
Severance, restructuring, and acquisition integration costs	0.30	0.12
Adjustments related to acquisitions and divestitures	0.03	0.01
Adjusted income from continuing operations per diluted share attributable to Belden common stockholders	$7.15 - $7.35	$1.75 - $1.85

Our guidance 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, adjustments related to acquisitions and divestitures, severance, restructuring, and acquisition integration costs, gains (losses) recognized on the disposal of assets, gains (losses) on debt extinguishment, discontinued operations, and other gains (losses) related to events or conditions that are not yet known. Such information is not available for our 2025 fiscal year, and therefore we are unable to estimate 2025 GAAP income from continuing operations per diluted share attributable to Belden common stockholders.

Thank You

Aaron Reddington CFA

Vice President Investor Relations

investor.relations@belden.com



BELDEN