



# Belden 2024 Investor Day

Advancing Our  
Transformation Journey

September 12, 2024





# Introduction

Aaron Reddington, VP Investor Relations

# Forward-Looking Statements

## Forward-Looking Statements

This presentation, our commentary, and responses to your questions may contain forward-looking statements regarding our outlook for the remainder of 2024 and beyond, including future operating results and Belden's forward-looking goals. These projections and statements are only predictions and, in some cases, aspirations. Actual events or results may differ materially from those in the projections or other forward-looking statements. In addition, Belden's forward-looking targets do not represent projections or guidance for a particular period, but rather long-term financial targets management utilizes in managing the business and actual results for a particular period may differ materially. Belden disclaims any obligation to update any such statements to reflect later developments, except as required by law. Please see Belden's filings with the SEC, including its most recent reports on Form 10-K and Form 10-Q, for a discussion of important risk factors that could cause actual events or results to differ materially from those in the projections or other forward-looking statements.

# Non-GAAP Financial Measures

## Non-GAAP Measures

This presentation, our commentary, and responses to your questions will include non-GAAP measures (denoted by footnote) in discussing Belden's performance, and, in compliance with Regulation G, the reconciliation of those measures to the most comparable GAAP measures is contained within this presentation. We are unable to provide quantitative reconciliations of forward-looking non-GAAP financial measures, such as our financial targets, to the most directly comparable GAAP financial measures, because it is difficult to reliably predict or estimate the relevant components without unreasonable effort due to future uncertainties that may potentially have a significant impact on such calculations, and providing them may imply a degree of precision that would be confusing or potentially misleading.

Our Adjusted results, which are non-GAAP measures, are 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.

All references to Adjusted EPS refer to adjusted net income per diluted share attributable to Belden stockholders. We define free cash flow as net cash from operating activities adjusted for capital expenditures net of the proceeds from the disposal of assets. Free cash flow margin is calculated as free cash flow divided by revenues during the comparable period. 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.

# Investor Day Agenda

Time (CST)	Topic	Speaker
8:00 – 9:00	<i>Breakfast</i>	
	▶ <b>Introduction</b>	▶ Aaron Reddington, VP Investor Relations
	▶ <b>Advancing Our Transformation Journey</b>	▶ Ashish Chand, President and CEO
	▶ <b>Belden Solutions: Differentiated Approach Driving Growth and Margin Expansion</b>	▶ Brian Lieser, EVP Industrial Automation Solutions ▶ Jay Wirts, EVP Enterprise Solutions
	▶ <b>Customer Fireside Chat</b>	▶ Symbotic
10:20 – 10:35	<i>Break</i>	
	▶ <b>Powerful Solution Accelerators</b>	▶ Hiran Bhadra, SVP Strategy and Technology
	▶ <b>Ecosystem Partner Fireside Chat</b>	▶ Accenture
	▶ <b>Transformation Delivering Improved Performance</b>	▶ Jeremy Parks, SVP and CFO
11:50 – 12:30	<i>Q&amp;A</i>	
	▶ <b>Closing Remarks</b>	▶ Ashish Chand, President and CEO



Followed by lunch and Customer Innovation Center walk through

Connect to what's possible.





# Advancing Our Transformation Journey

Ashish Chand, Chief Executive Officer

# Belden: Advancing Our Transformation Journey

1

**We are successfully executing on our transformation**

2

**Positioned in markets with strong secular tailwinds**

3

**Our strategy is driving accelerated growth in Solutions, with complementary M&A**



**Unlocking the full Belden potential**

Targeting Double-Digit EPS growth 2024-28 including \$8 EPS in 2025

# Agenda

## Advancing Our Transformation Journey

Significant progress on our transformation journey

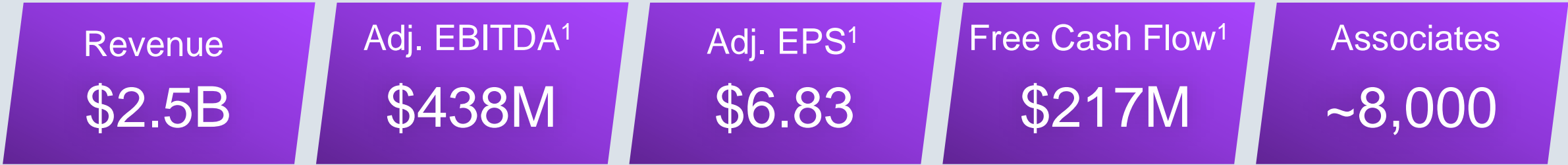
Belden uniquely positioned in attractive markets with strong secular trends

Executing consistent strategy

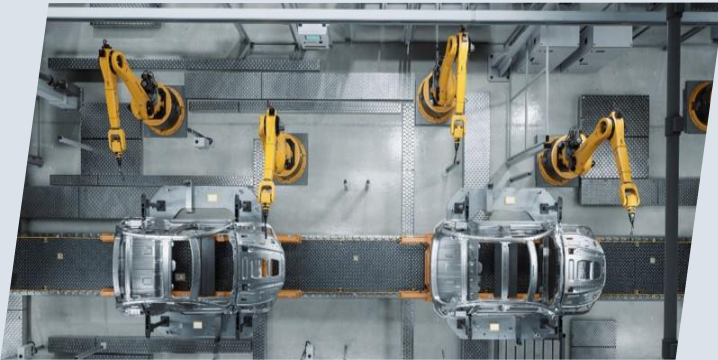


# Belden Delivers a Simpler, Smarter and Secure Digital Infrastructure

NYSE: BDC



## 2023 Segment Results



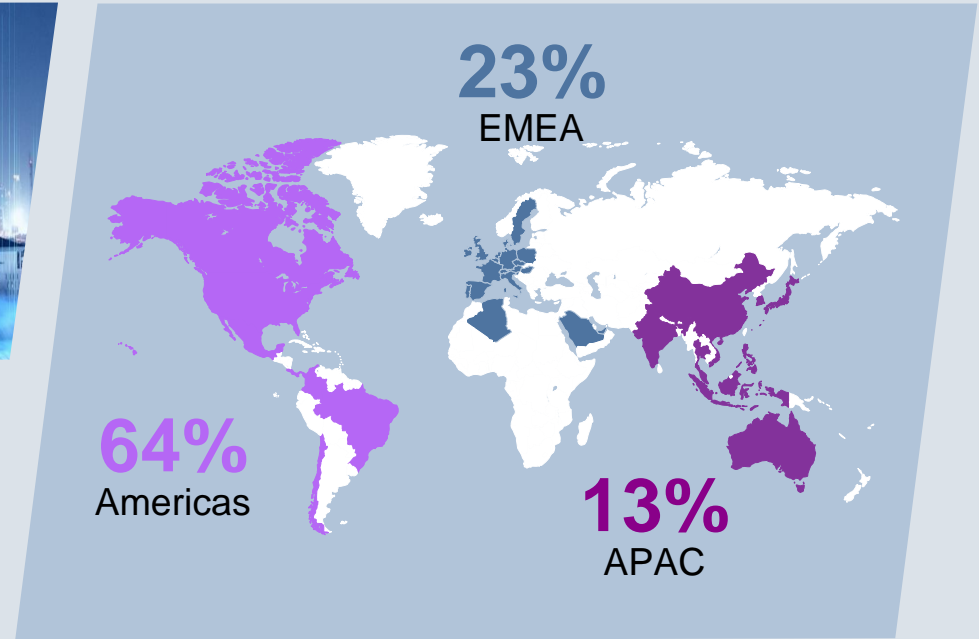
Industrial Automation Solutions



Enterprise Solutions



## Sales By Region



# Two Complementary Business Segments Focused on Data Infrastructure

*Industrial Automation Solutions is now called...*

*Enterprise Solutions is now called...*

## Automation Solutions



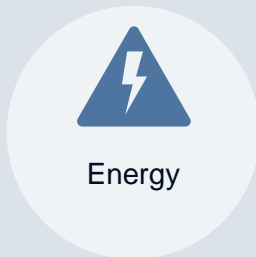
## Smart Infrastructure Solutions



### Primary Markets



Manufacturing



Energy



Mass Transit



Material Handling



Data Centers

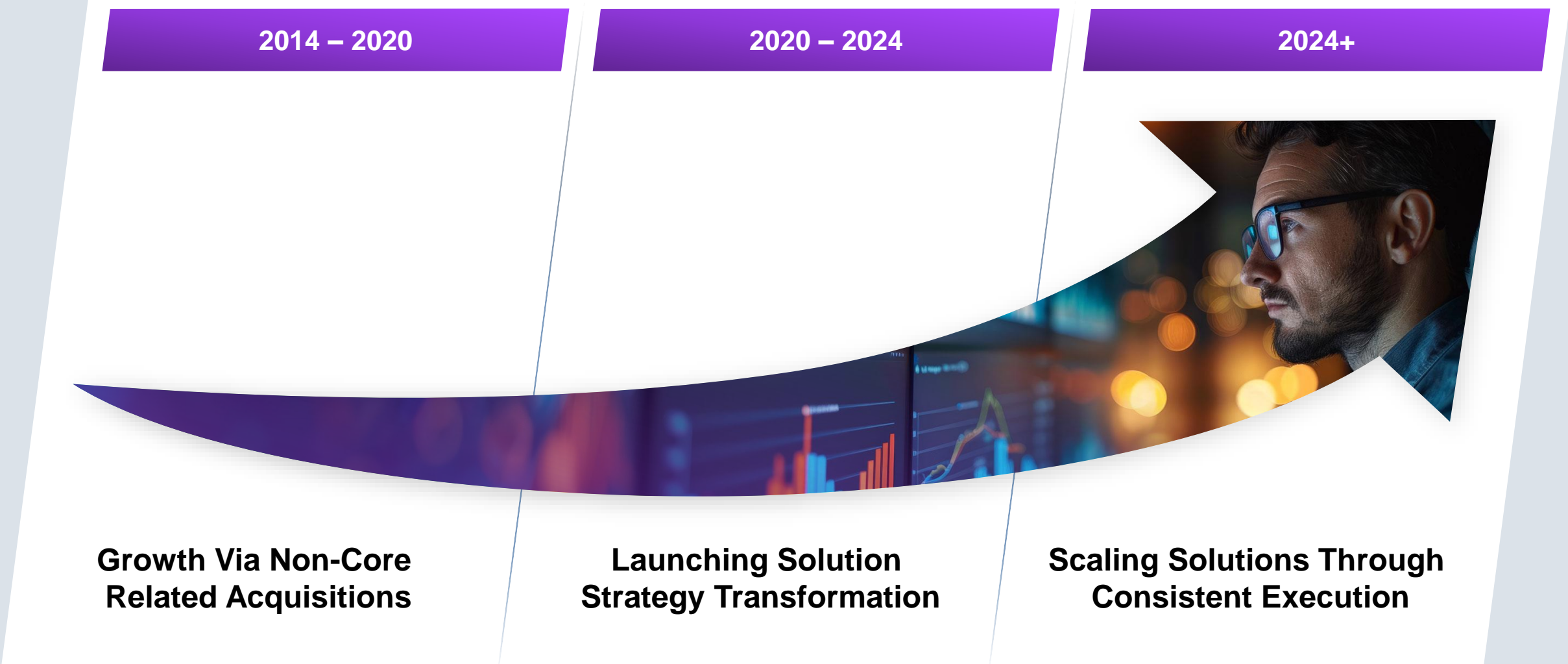


MSO & Telco



Campus Environments

# Strategic Reposition to Deliver Enhanced Growth



# Strategic Changes Have Set Us On a New Path Forward

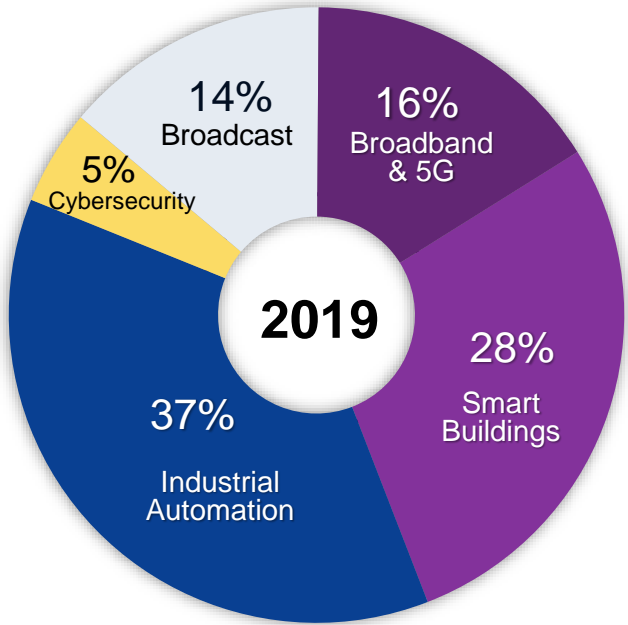
## PAST

## TODAY

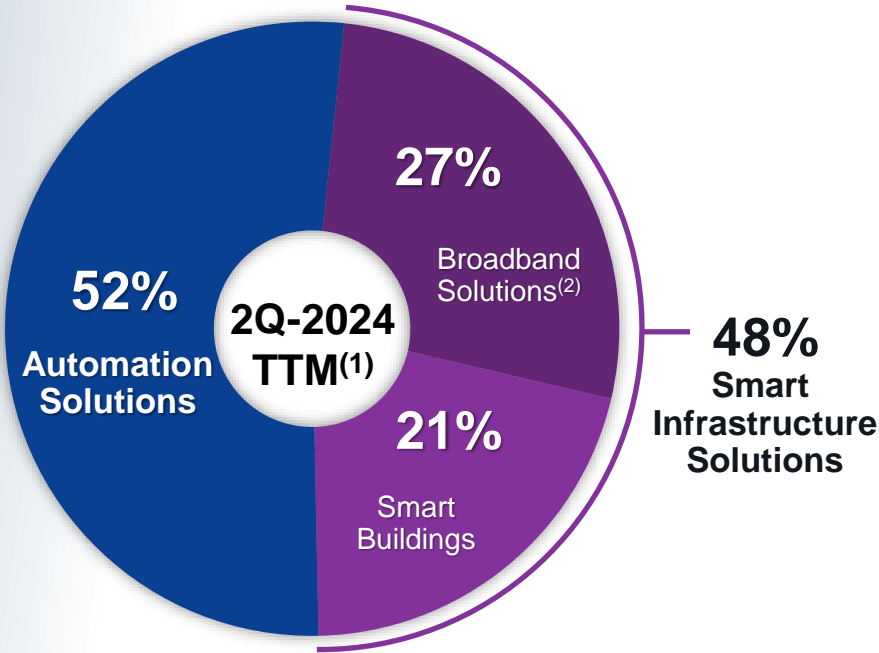
Focus	Exclusively products	>	Added Solution approach
Organization	Diversified	>	Simple, focused
Growth	Highly variable, cyclical	>	Through-cycle outperformance
Acquisitions	Financially opportunistic	>	Disciplined, fit with strategy
Innovation	Low, minimal investment	>	High, top investment priority
Culture	Decentralized structure	>	Performance driven, focused



# Focus has Shifted to More Attractive, Less Cyclical Markets



Product Sales Strategy



Solutions Strategy

(1) 2Q-2024 TTM chart is presented using Trailing-Twelve-Month Revenue by market  
(2) Proforma TTM results reflecting the acquisition of Precision Optical Technologies, Inc.

# Significant Progress Implementing Our New Strategy Since 2020

## Margin Improvement

Gross Margin Improvement  
in Automation Solutions  
Segment

**+700 bps**

## Growth in Solutions Sales

As % of Total Company  
vs. 2020

From **0%** → To **~10%**

## Strategic M&A Broadening Solutions Portfolio

Since 2020

Deployed towards M&A  
**~ \$630M**

# Solutions Strategy is Driving Incremental Demand...



# ...and Increasing Adjusted Gross Margin and Accelerating Our Growth



# Agenda

## Advancing Our Transformation Journey

Significant progress on our transformation journey

Belden uniquely positioned in attractive markets with strong secular trends

Executing consistent strategy



# Strong Secular Growth Trends Creating New Opportunities and Driving Growth

## Automation



- ▶ Reshoring
- ▶ Industry 4.0
- ▶ Labor Challenges
- ▶ Digital Transformation
- ▶ AI Expansion
- ▶ Edge Computing

## Hybrid Networks



- ▶ Increasing Digitization
- ▶ Remote Monitoring and Management
- ▶ Growing Data Demands

## Critical Infrastructure



- ▶ Increasing Bandwidth Usage
- ▶ Government-Supported Network Expansions
- ▶ Growing Fiber Network Share

# In This Changing Environment Our Customers Have Increasingly Complex Challenges...

**Legacy Systems**

**No Common Language**

**Data Security**

**Network Experts**



**Increasing Capacity Needs**

**Capital Constraints**


**Labor Challenges**

**Reshoring**

# Belden Solutions: We Engage With Customers To Solve Complex Problems

**Differentiated Process and Expertise**

### How We Engage with Customers During the Solutions Process



Exploration      Solutioning      Validation

### Solutions Experts Identify and Solve Key Challenges



Solution Account Manager      Solution Consultant      Solution Architect

**Differentiated Products & Technologies**

### Trusted Belden Data & Networking Products



### Solutions Process Helps Belden Stand Out in the Marketplace



Enhanced Trust      Deeper Relationship      Repeat Business

# Targeting 12 Priority Verticals for Solutions Where Data Generation and Usage are Increasing Significantly



Auto



CPG



Material Handling



Chemical



Power T&D



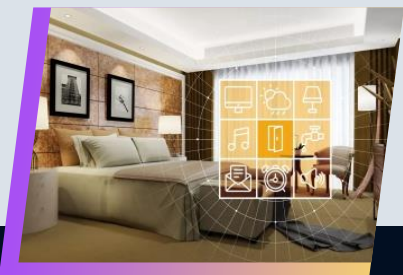
Mass Transit



Data Centers



Healthcare



Hospitality



Higher Education



Semiconductor



Broadband / Telco

# Our Large and Growing Opportunity in Key Verticals

## Massive TAM

Targeting Key  
Growth Verticals

# \$190B

2026 estimate

## Secular Trends

Providing Outsized  
Growth Opportunities

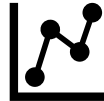
# GDP+



Automation



Reshoring

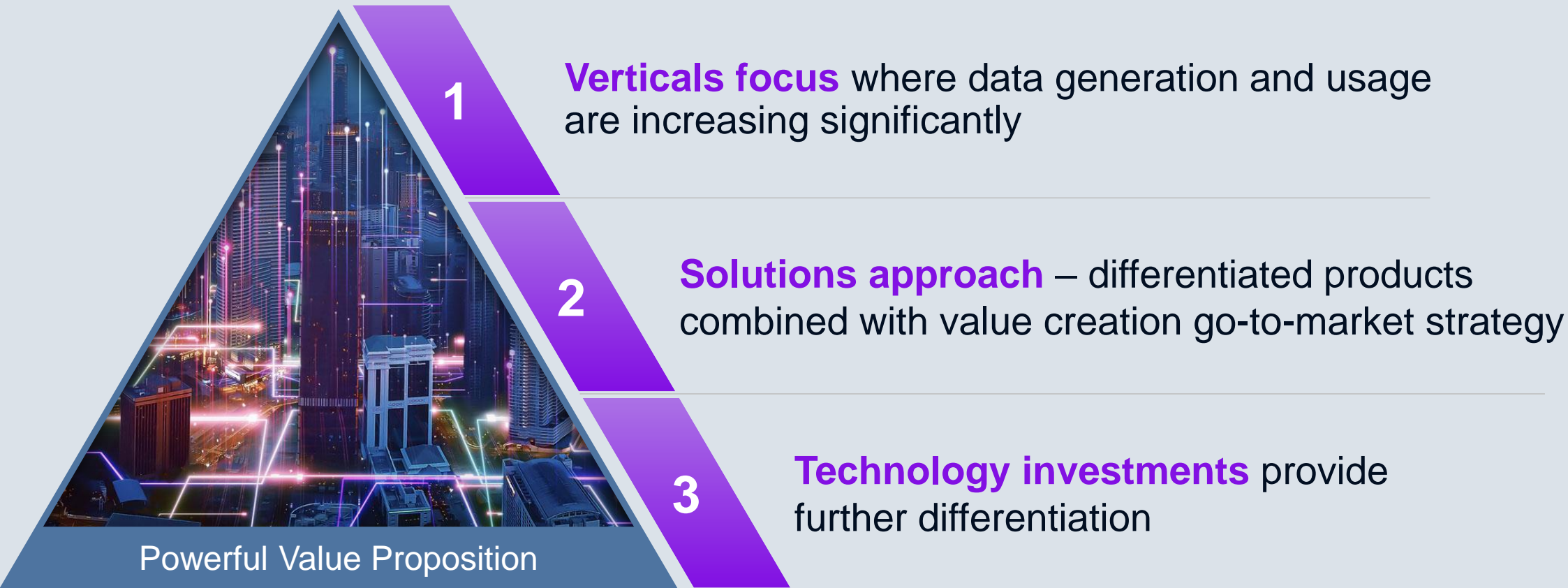


Data Growth



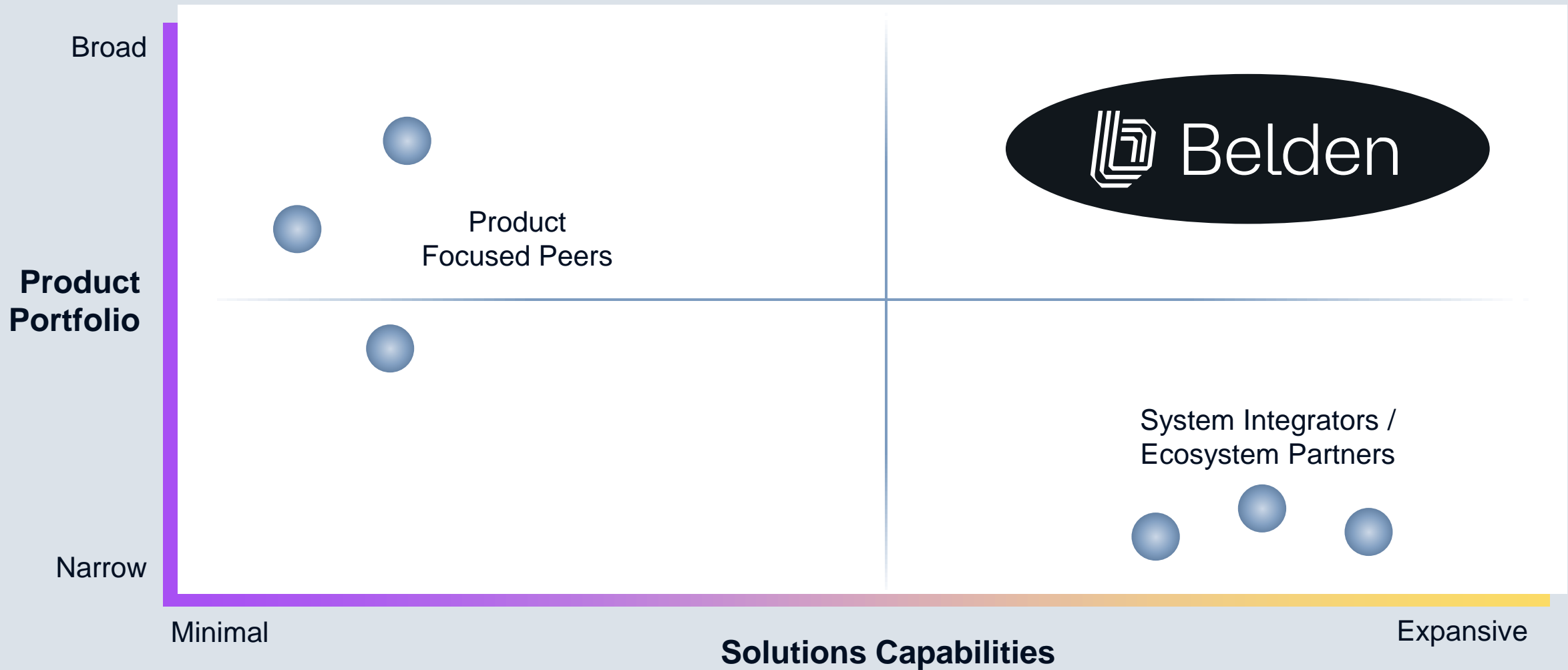
Fiber

# Our Differentiated Position Provides Lasting Competitive Advantages...



# ... and Uniquely Positions Us in the Marketplace

## Market Landscape



# Agenda

## Advancing Our Transformation Journey

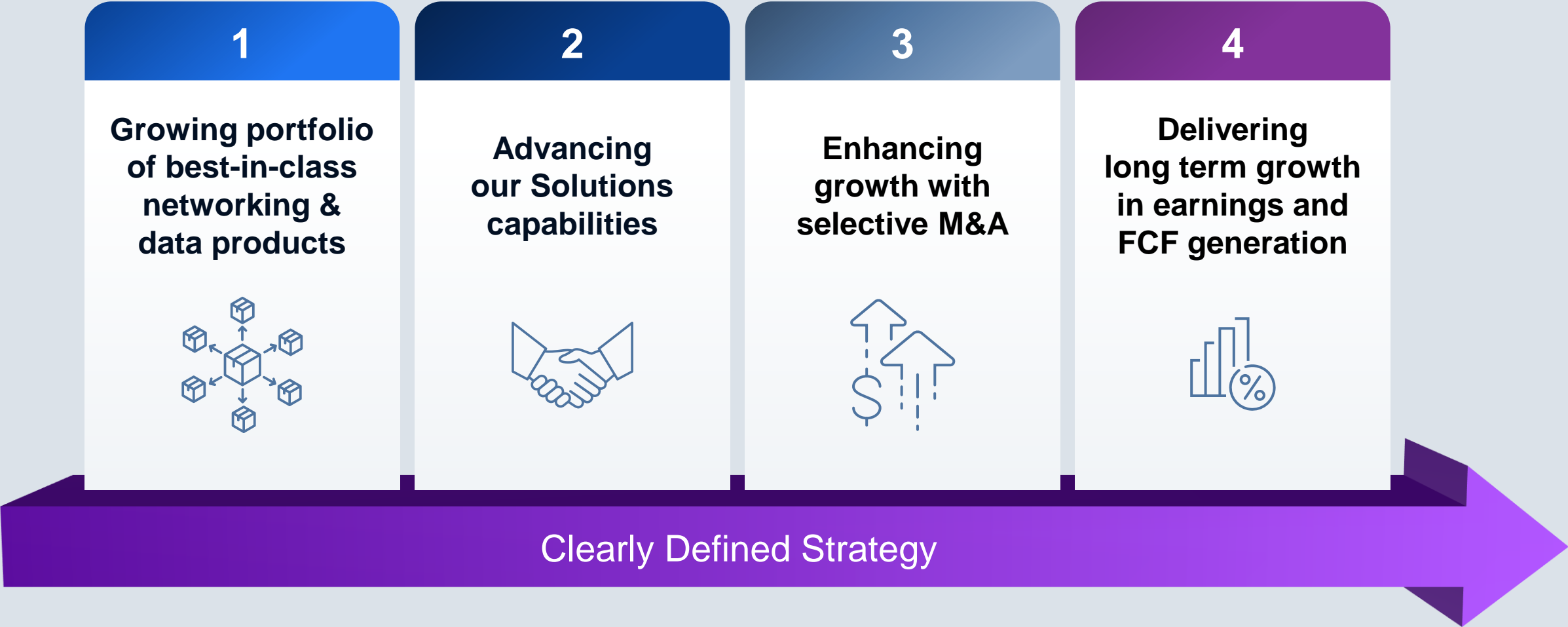
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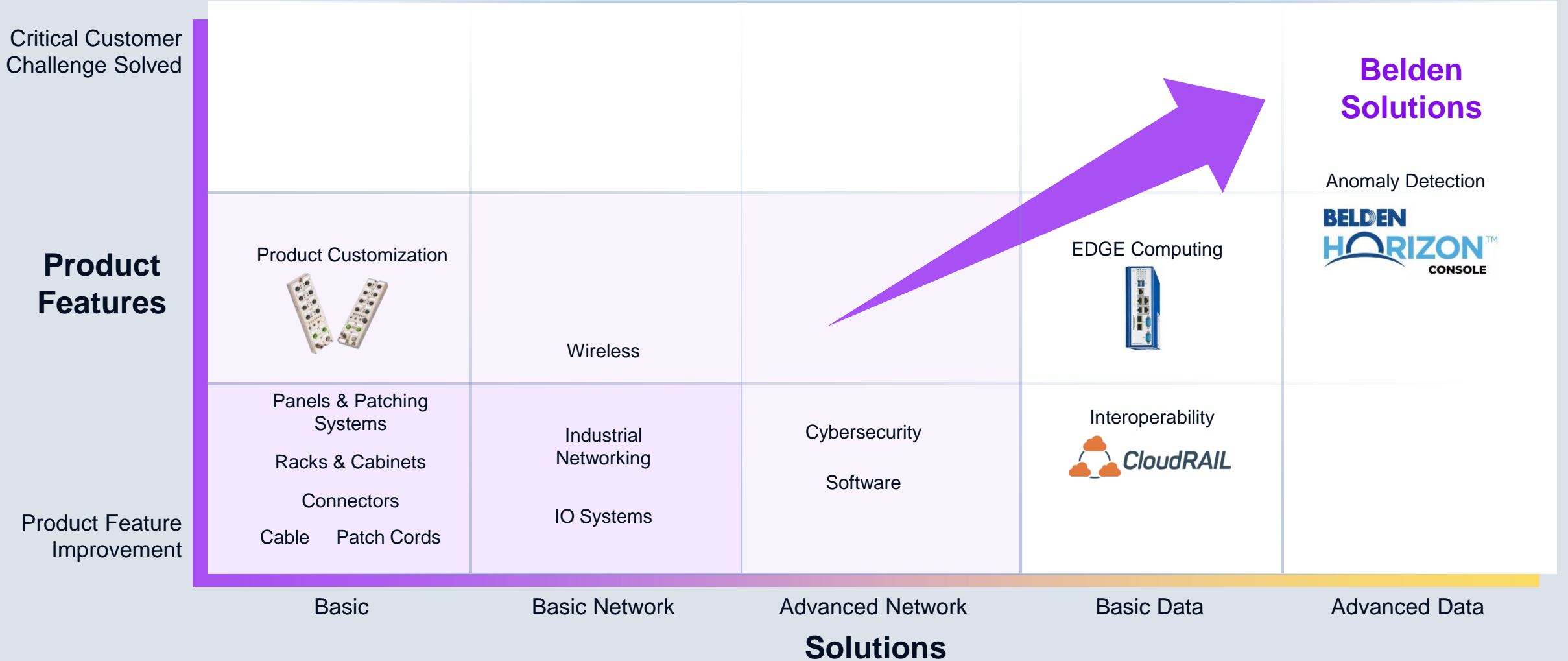


# Executing Clearly Defined Strategy



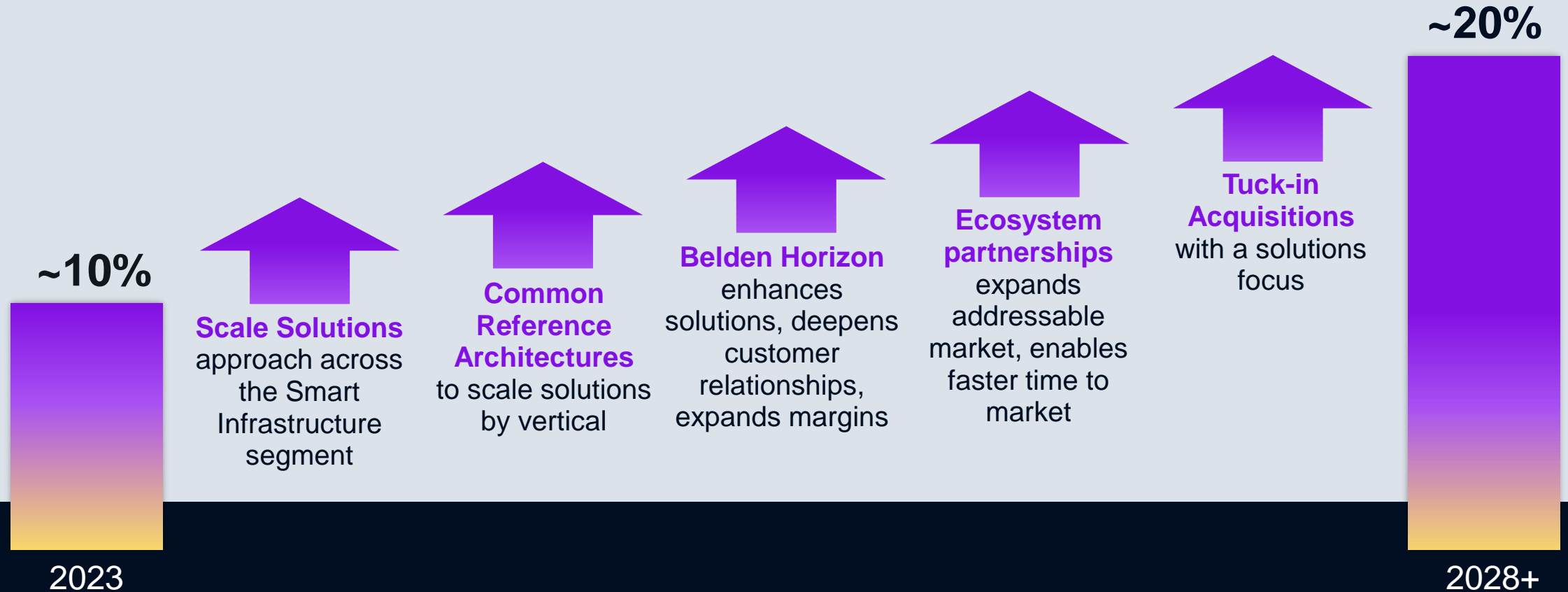
A CLOSER LOOK:

# 1. Growing Portfolio of Best-in-Class Networking & Data Products



## 2. Advancing Our Solutions Capabilities

### Solutions as % of Total Sales

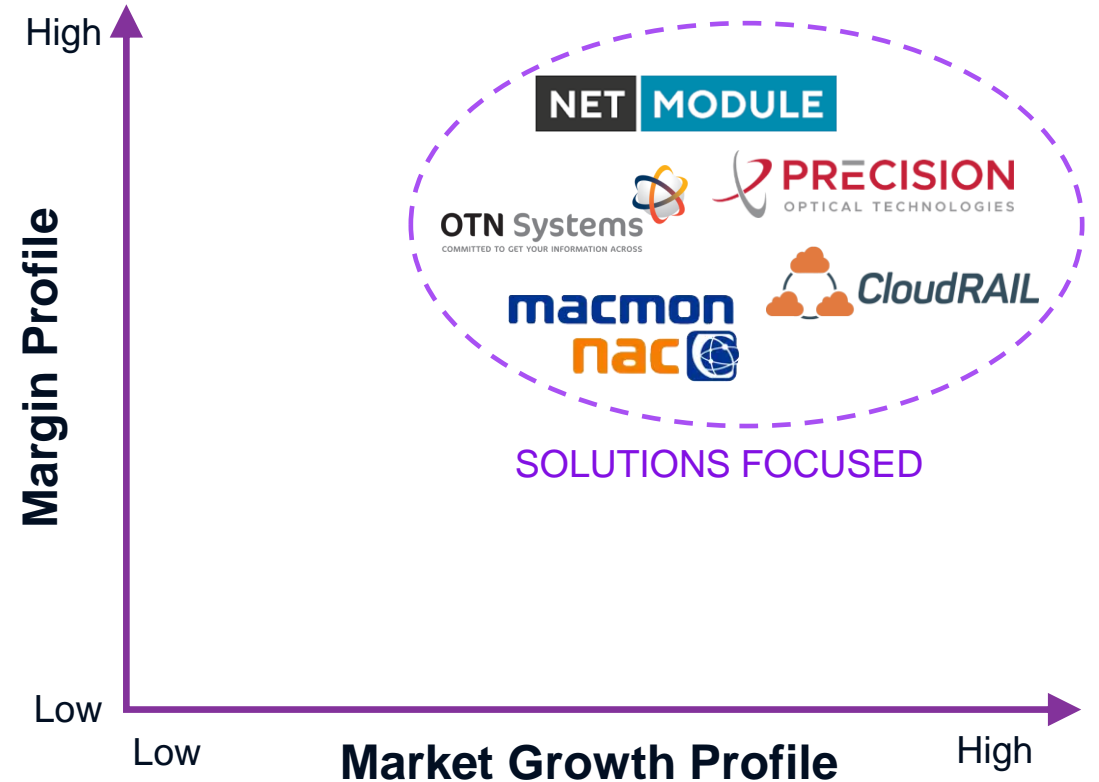


### 3. Enhancing Growth with Selective M&A

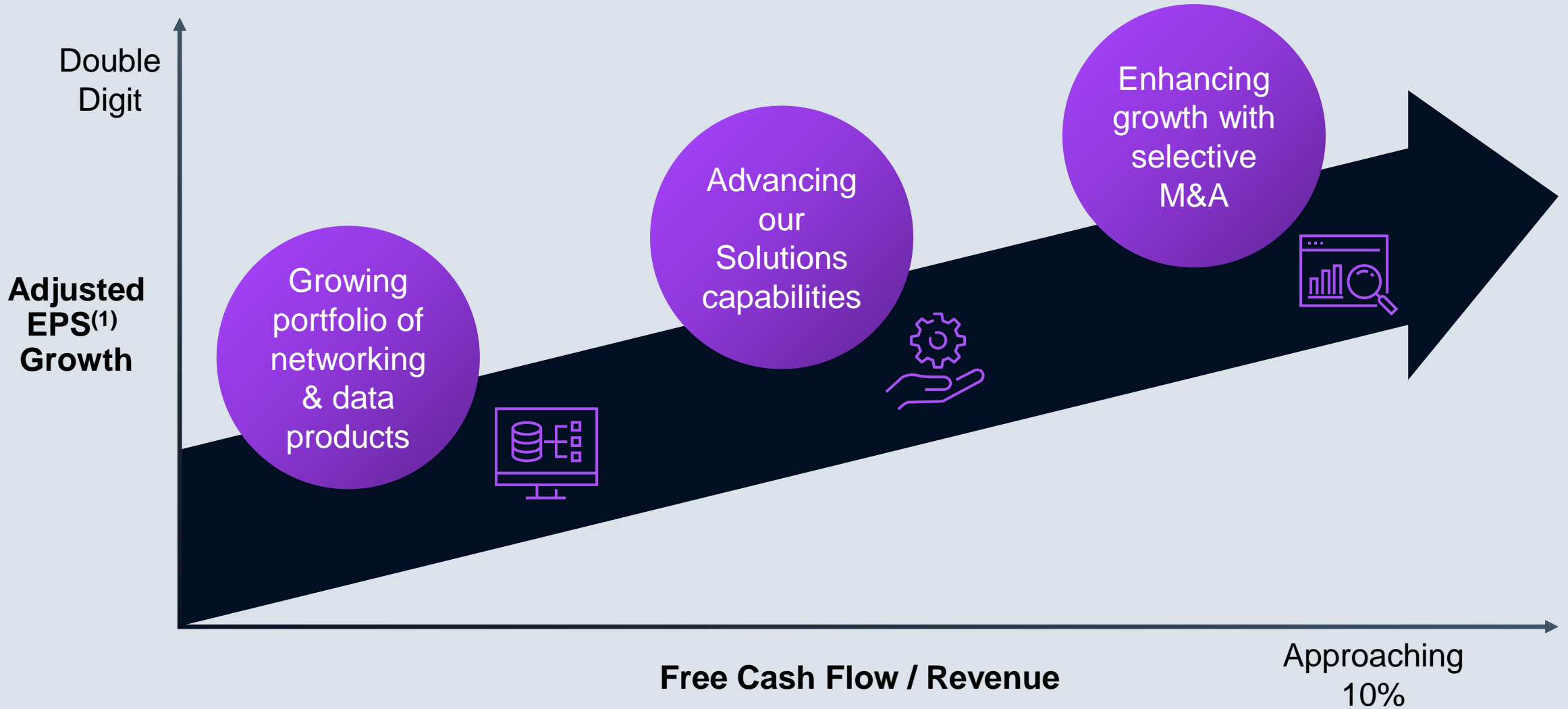
#### M&A Strategic Framework

- ✓ Solutions-focused tuck-in acquisitions
- ✓ Enhanced margin and growth profile
- ✓ More active elements vs passive
- ✓ Accretive financial profile with attractive return characteristics

#### Recent Acquisitions



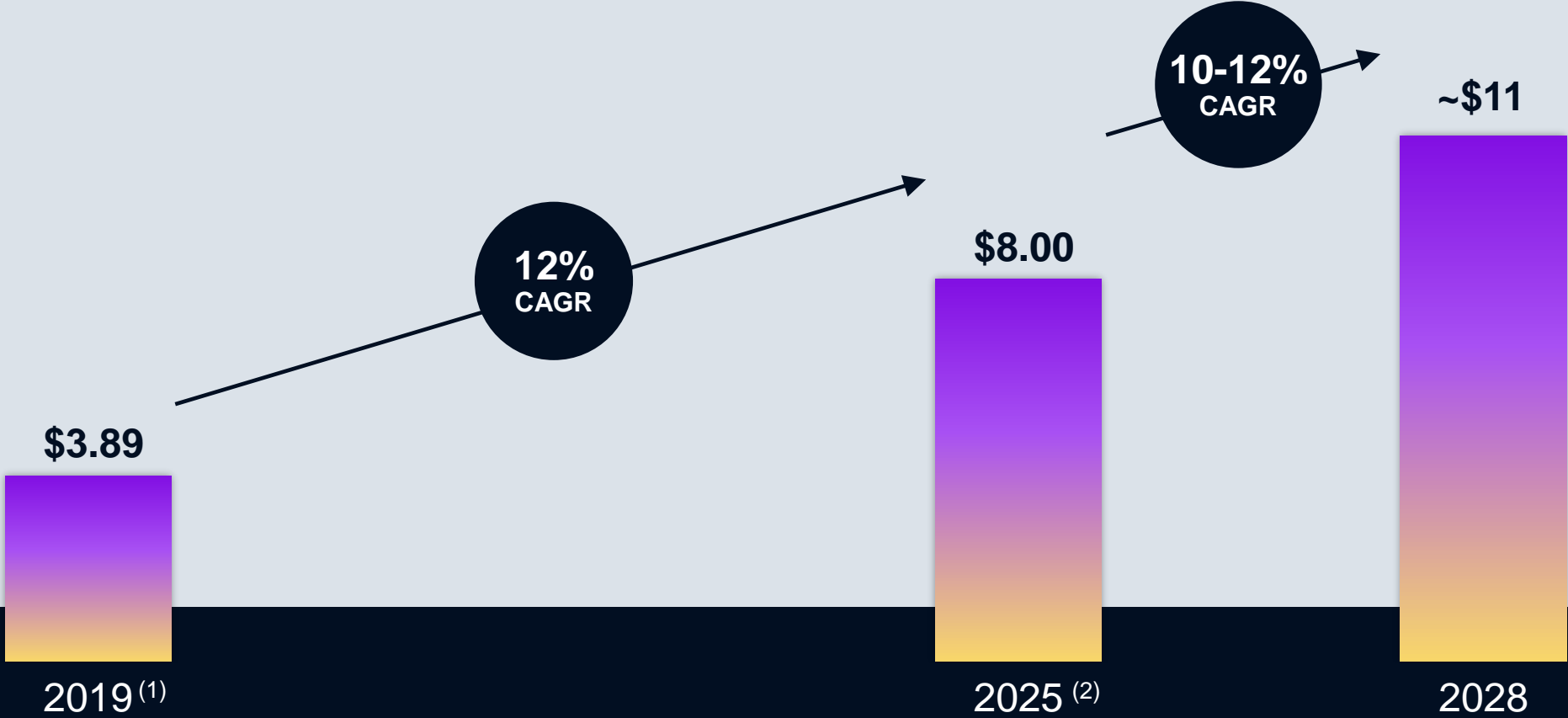
# 4. Delivering Long Term Growth in Earnings and FCF Generation



(1) Adjusted EPS is a non-GAAP measure.

# Continued Adjusted EPS Growth Through Cycle

## Long-Term Adjusted EPS Growth Target



1) All references to Adjusted Earnings Per Share, a non-GAAP measure, refer to adjusted net income from continuing operations per diluted share attributable to Belden stockholders. 2019 financial results exclude discontinued operations such as Grass Valley and Tripwire which were sold in 2020 and 2022, respectively. See Appendix for reconciliation to comparable GAAP results.  
2) 2025 target from the previous 2022 Belden Investor Day.



# Belden Solutions: Differentiated Approach Driving Growth and Margin Expansion

Brian Lieser, EVP of Automation Solutions

Jay Wirts, EVP of Smart Infrastructure Solutions

## Belden Solutions: Differentiated Approach Driving Growth and Margin Expansion

### Belden Solutions today

Significant progress building Solutions capabilities

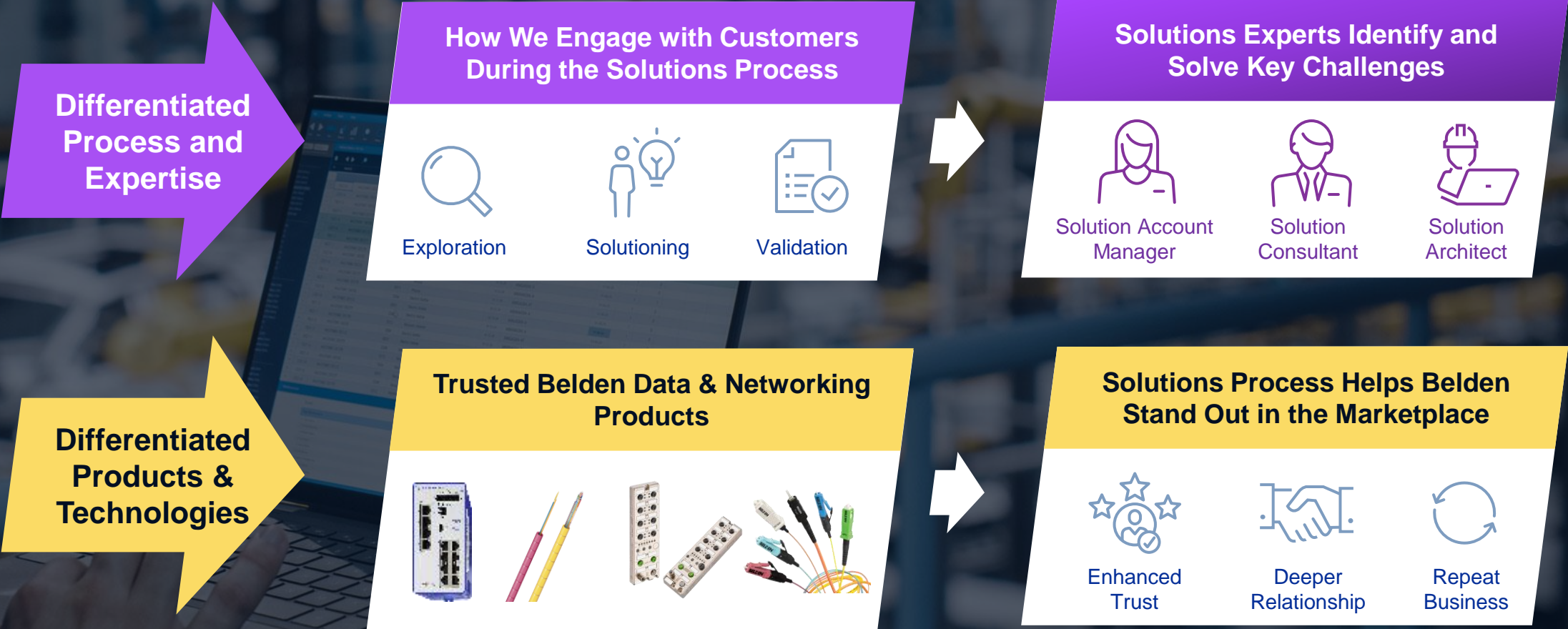
A powerful differentiated approach

How we scale across our business

Solutions going forward



# Belden Solutions: We Engage With Customers To Solve Complex Problems



## Belden Solutions: Differentiated Approach Driving Growth and Margin Expansion

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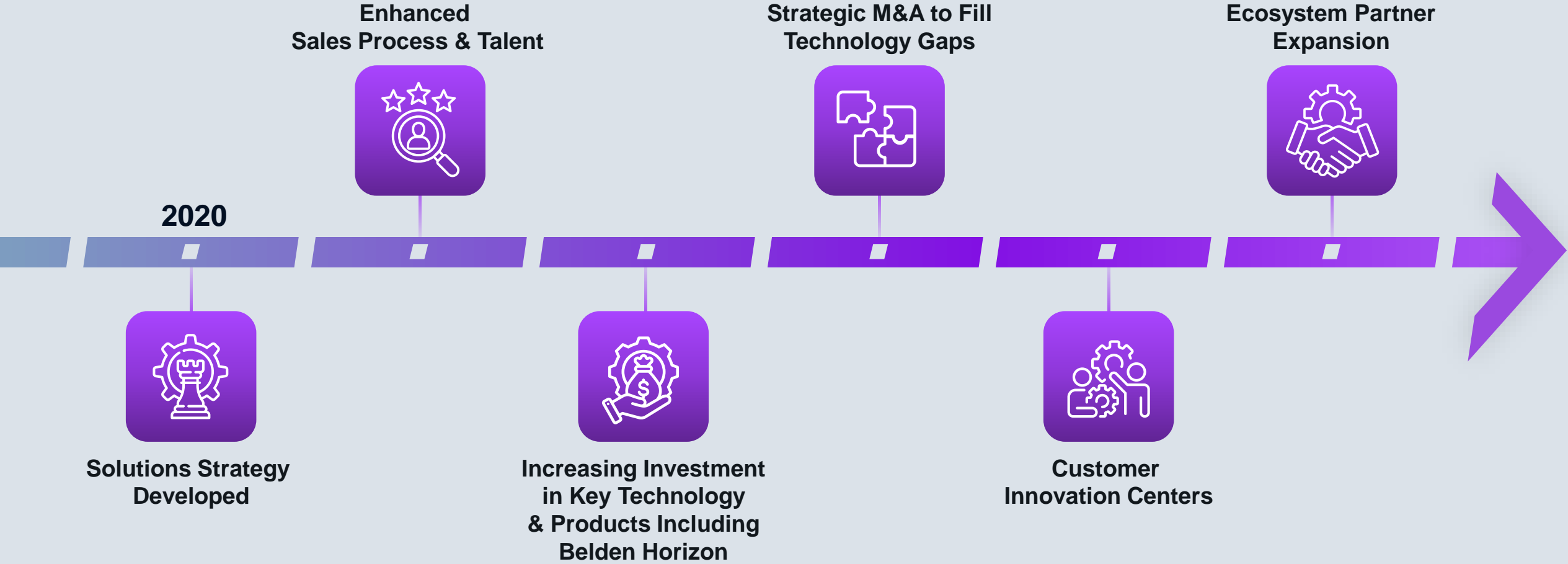
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# Significant Progress Made in the Automation Solutions Segment



# Key Metrics Highlight Progress in Our Transformation Journey

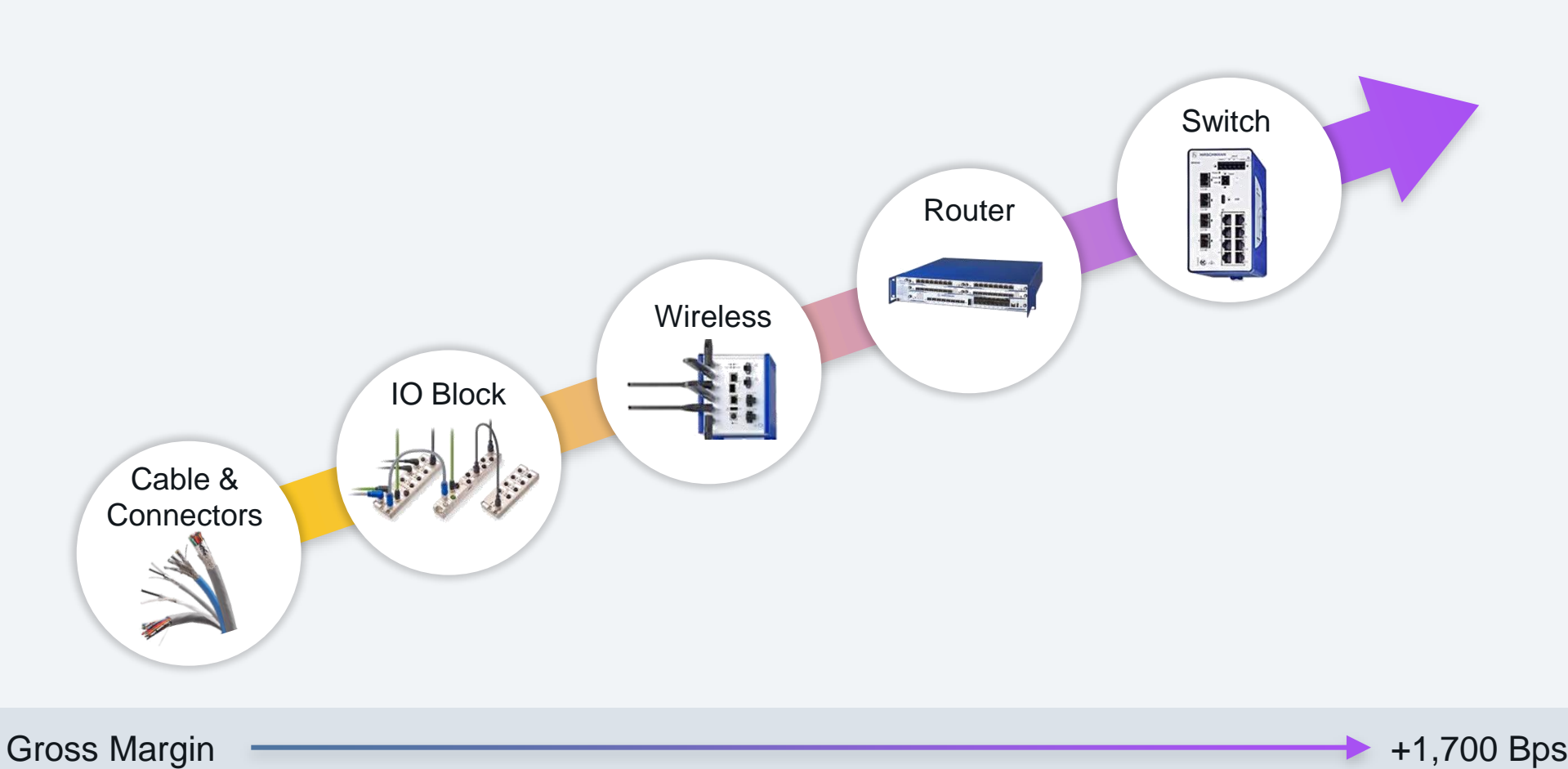


# Higher Value Active Products Have Higher Margins...

Active Products

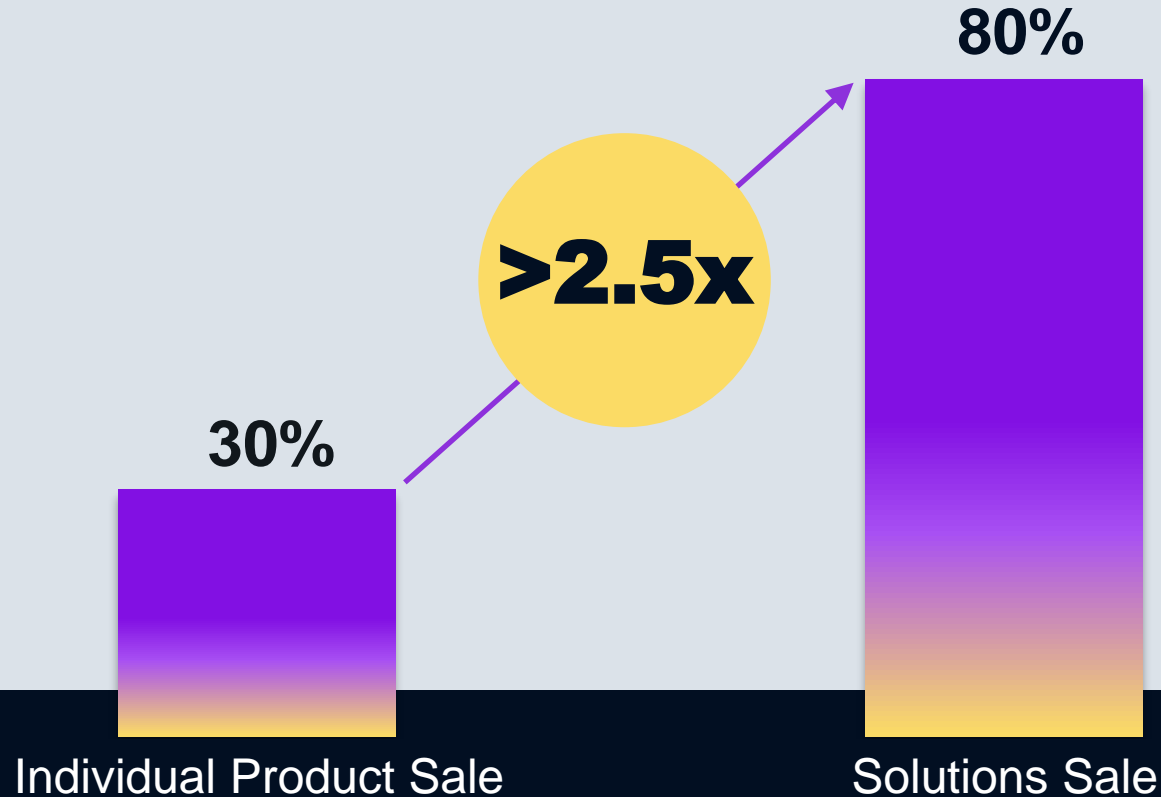


Passive Products



... and Comprise 80% of a Solutions Sale...

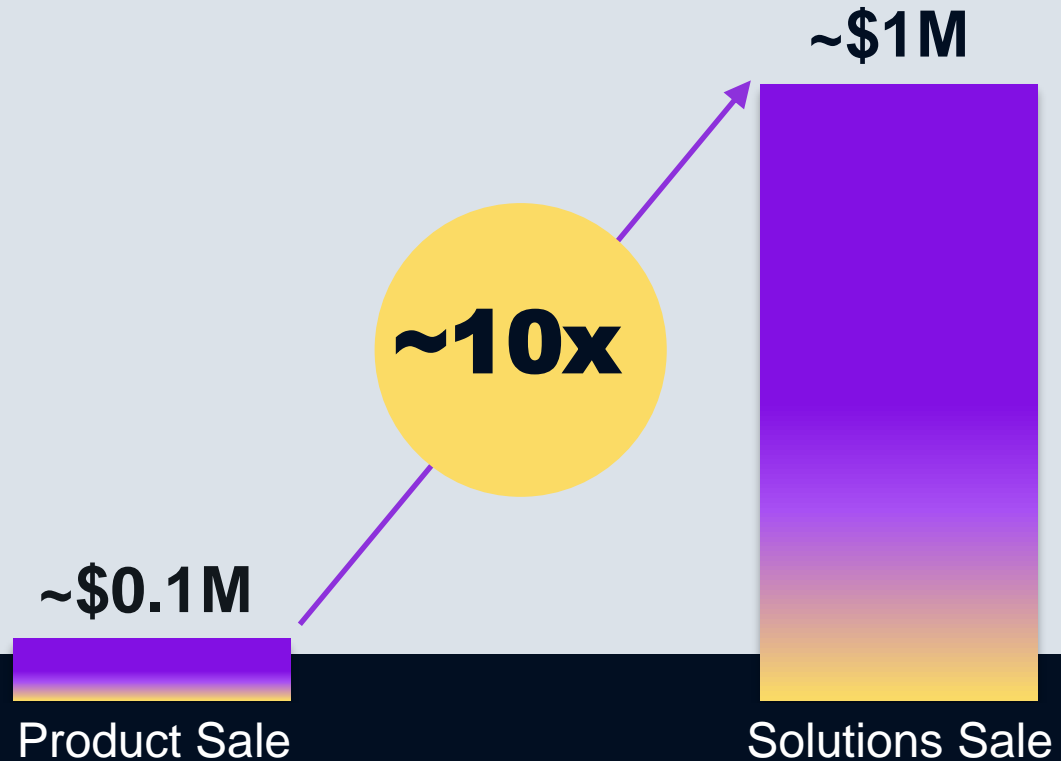
### Active Products as a % of Sale



Solutions Sales are heavily focused on active products driving **higher gross margins through improved mix**

# ... Driving a 10x Increase in Order Size...

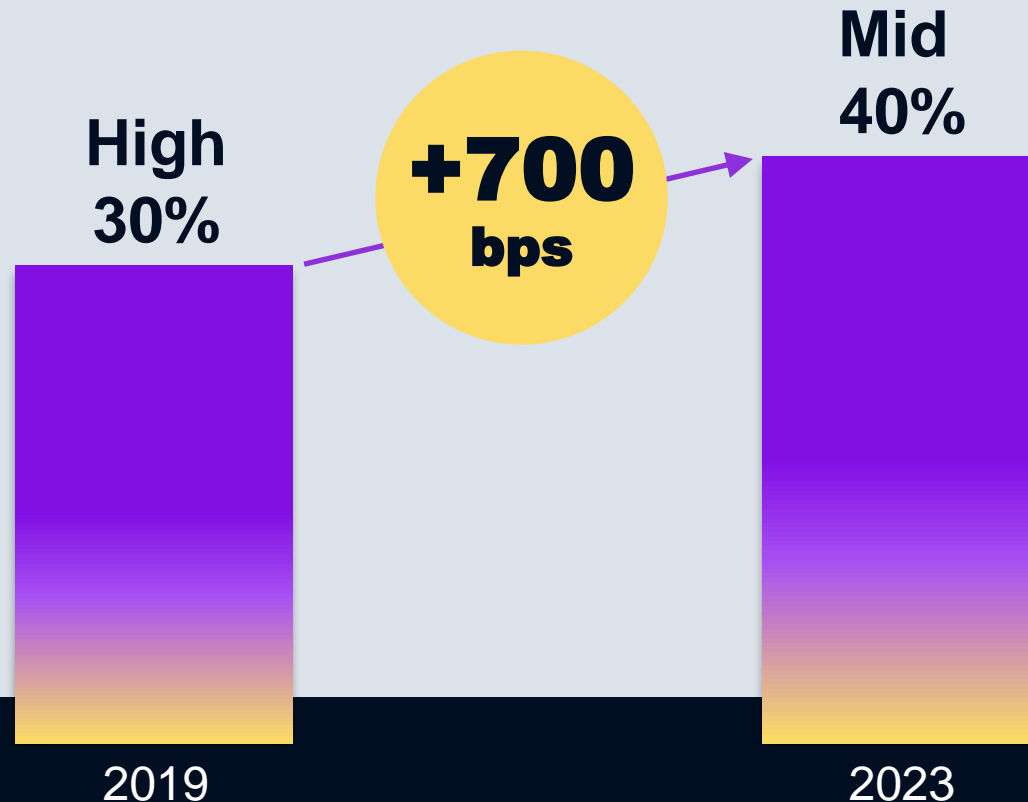
## Average Order Size



The average order size for a solution sale is **~10x larger** than a traditional product sale

... Which has Resulted in Structurally Higher Segment Margins

## Automation Solutions Segment Gross Margins



As Solutions have grown to nearly 20% of Automation Solutions segment revenue, the transformation has led to **structurally higher gross margins**

## Belden Solutions: Differentiated Approach Driving Growth and Margin Expansion

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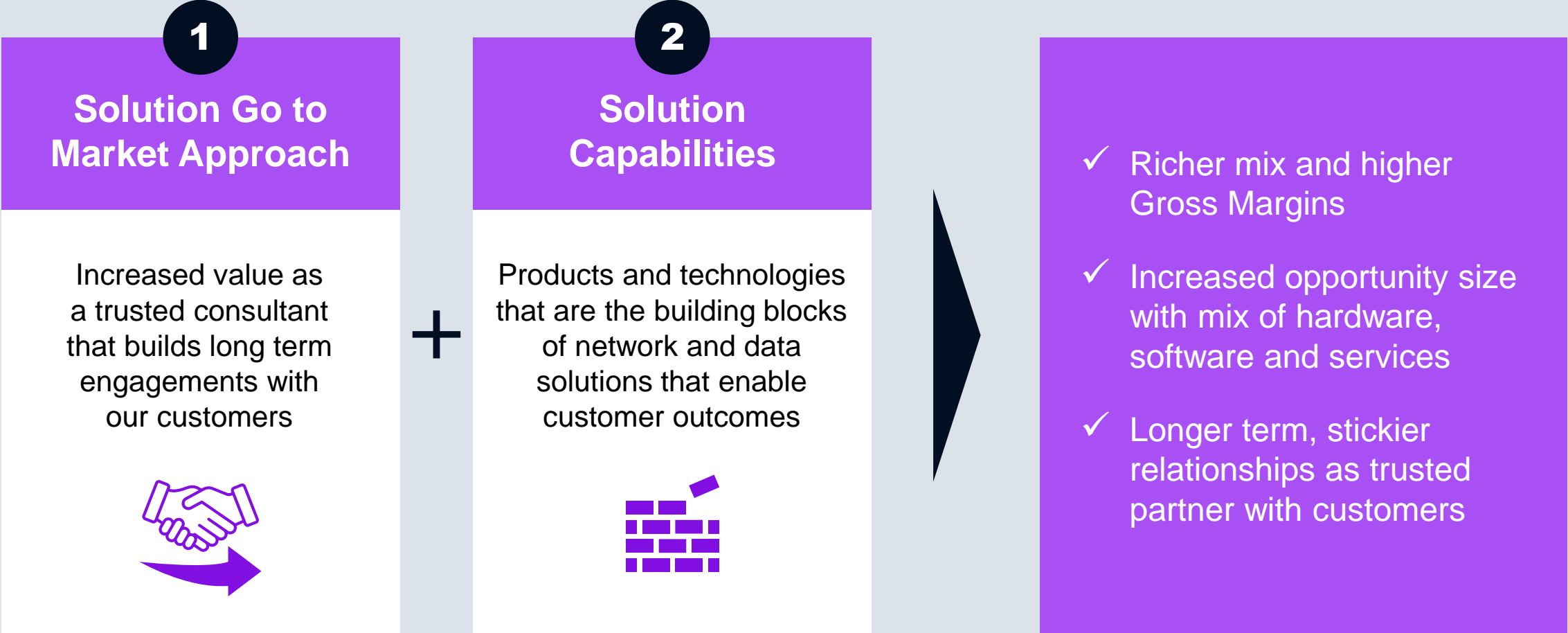
# The Challenge – Building the Next Generation Warehouse



# Solutions Transformation Driving Improved Performance

## Key Differentiators

## Advantages



# Our Differentiated Solution Go to Market Three Step Process

## Exploration



Vendor agnostic consultative approach uncovers business challenges, KPIs, work and data flows

Business KPIs



Engineering Objectives



IT Network



## Solutioning



Developing, proposing and framing solution with key stakeholders



## Validation



Solution validation with key stakeholders, documentation and closing



Customer™  
Innovation  
Center

Vertically-focused go to market and solution development teams

# Our Unmatched Network & Data Solution Capabilities – Also a Key Differentiator

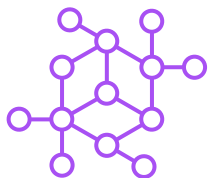
## Belden Network and Data Capabilities

## Examples of Improved Outcomes

1

### Build

Build a network infrastructure that connects islands of automation



2

### Collect Data

Securely collect, unify and garner real-time insights from the data



3

### Advanced Analytics

Standardized access to unified data for advanced analytics



Prevent downtime and improve operating efficiency

Reduce workplace accidents and improve productivity

Mitigate cyber-attacks and protect critical operational assets

Save energy costs and provide accurate reporting

# Belden Solutions Create Win/Win with Meaningful Operational Improvements

## Situation

### Customer

- Symbotic, a leader in the automated warehouse system market with a cutting-edge A.I.-powered robotic technology platform

### Challenges

- Integrating real-time data and processing in a warehouse environment with legacy systems
- Network challenges were leading to forced downtime resulting in inefficient operations

### Solution

- Designed and implemented a fully integrated solution connecting disparate systems and networks to enable their cutting-edge robotic technology platform



## Results

- ✓ Meaningful savings and improved operating environment
- ✓ Expansion of relationship through additional scope and use cases



**Increased  
Robot Uptime  
And Improved  
Task  
Accuracy**



# Automation Solutions – Significant Progress, Long Runway Ahead



Progress in Automation Solutions making meaningful impact on results



Opportunities exist to further scale and expand approach across 12 targeted verticals



The Automation Solutions segment has built differentiated capabilities that can now be leveraged across the Smart Infrastructure Segment



## Belden Solutions: Differentiated Approach Driving Growth and Margin Expansion

Belden Solutions today

Significant progress building Solutions capabilities

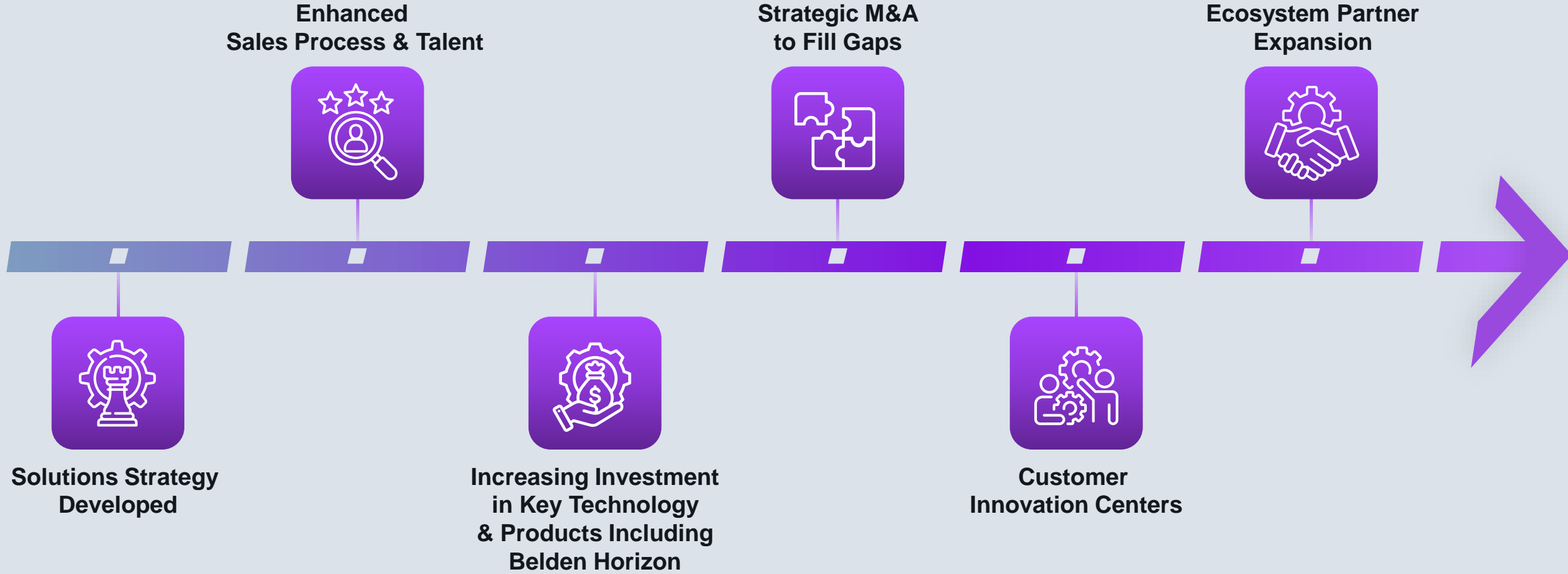
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How we scale across our business

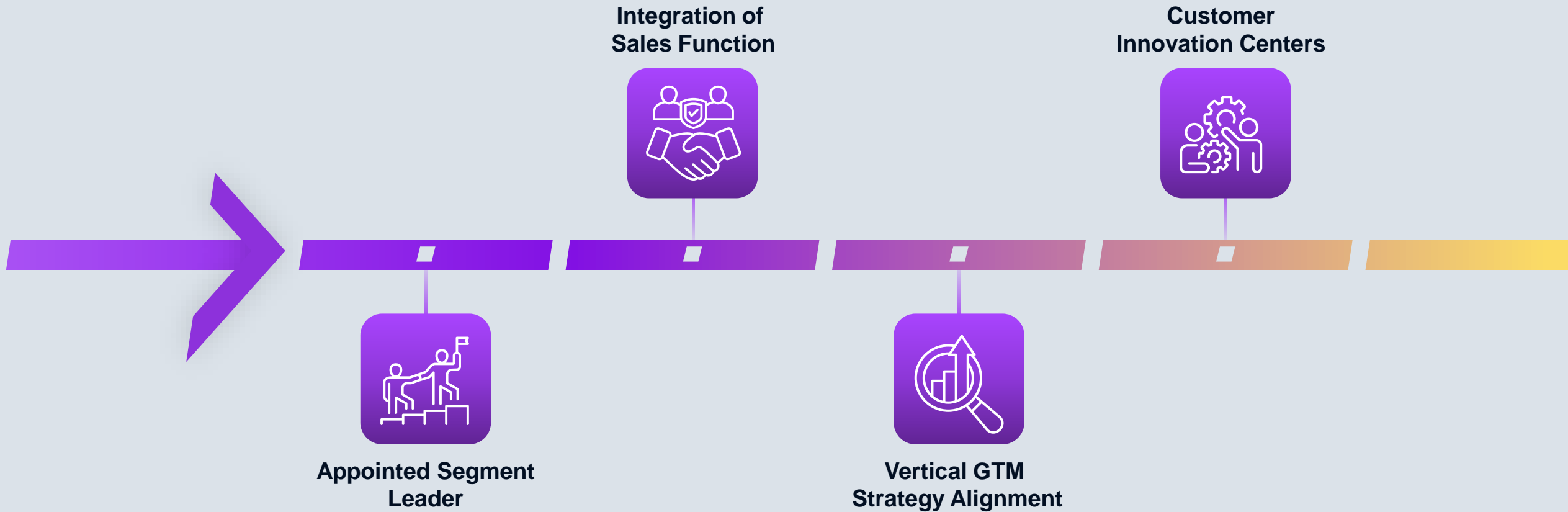
Solutions going forward



# Automation Solutions Laid the Groundwork for Smart Infrastructure...



# ...Smart Infrastructure Can Leverage These Learnings to Accelerate Its Transformation



# Smart Infrastructure Customers Face Similar Data and Network Challenges

## Common Customer Challenges

Network Complexity

Data Fragmentation

Labor Shortages

### Hospital Systems

- Nurse Call
- Real Time Location
- Patient Engagement
- Headwall System
- Smart Lighting
- Patient Records
- Wi-Fi

Belden can help fetch and process data where competitors cannot



# Automation and Smart Infrastructure Products Can be Combined to Create Enhanced Customer Experiences

## Leveraging Product Portfolio



Ruggedized Automation Products



Traditional Smart Infrastructure Products

## Belden Holistic Solution



## Advantages

- ✓ Solutions partner to help navigate data and network design complexities
- ✓ Complete network solution to address key challenges
- ✓ Robust platform to allow for future use cases



# Developing a Library of Solutions By Verticals Enables Accelerated Expansion

## Initial Sale

### Resort Concept



## Future Opportunities

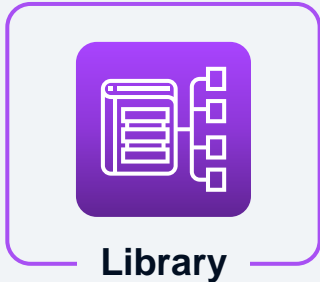
### Future Opportunity 1



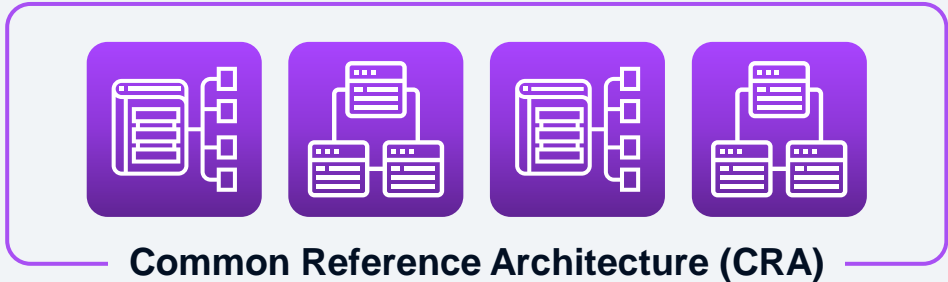
### Future Opportunity 2



Invest time and expertise into a library of vertical-specific solutions



Leverage learnings to accelerate future opportunities and realize scale



# By Leveraging Key Learnings, We Can Accelerate Solutions Expansion in Smart Infrastructure

## Our Solutions Expansion Utilizes Key Competitive Advantages:

People and processes



Key customer relationships



Belden active network products



Leveraging learnings from Automation Solutions provides Smart Infrastructure with significant advantages to accelerate and scale

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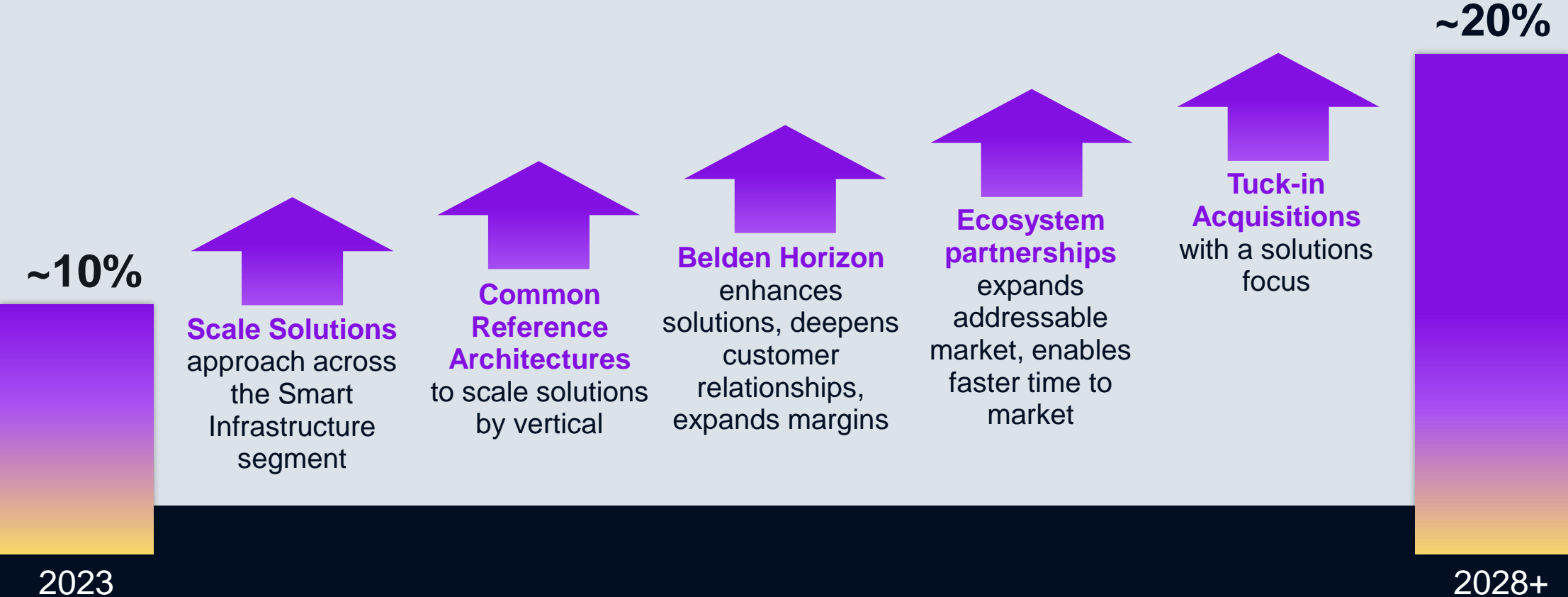
How we scale across our business

Solutions going forward



# Belden's Solution Transformation has a Long Runway

## Solutions as % of Total Sales



# Belden Solutions Fireside Chat

Moderator: Brian Lieser, EVP Automation Solutions

## Solutions Customer

### Jatin Bhagat

Senior Director, Information Technology

**Symbotic** (Nasdaq: SYM) is an automation technology company reimagining the supply chain with its end-to-end, artificial intelligence (AI) powered robotic and software platform. It develops, commercializes, and deploys end-to-end technology solutions that improve supply chain operations.





# Powerful Solution Accelerators

Hiran Bhadra, SVP Strategy and Technology

## Powerful Accelerators To Further Advance Our Solutions Transformation

### CRA to accelerate scalability

Belden Horizon Platform provides seamless network management & access to data

Partner ecosystem strengthens solution offering

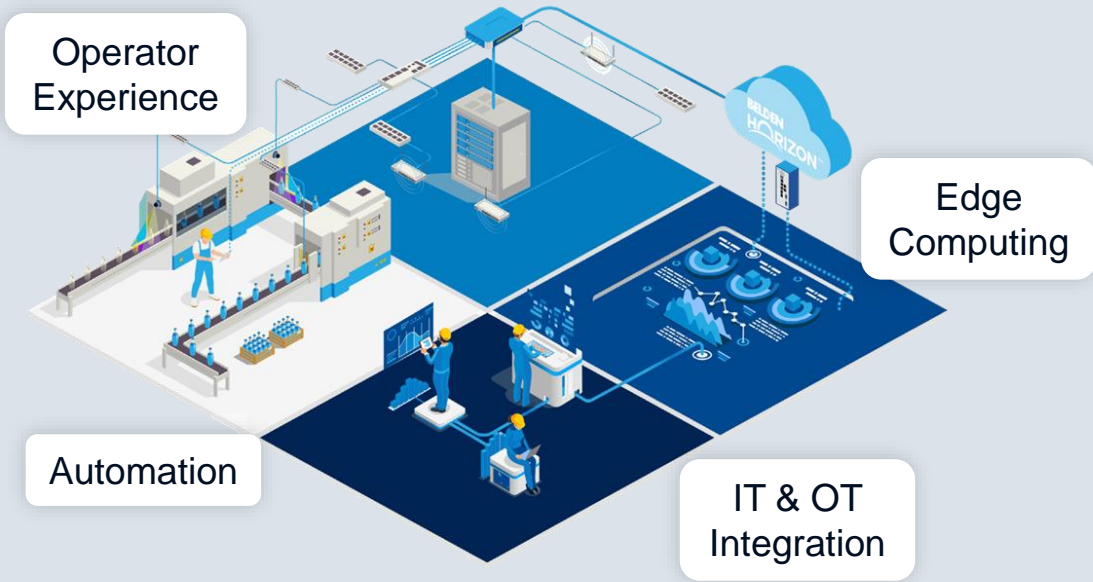


# Our Customers Have To Manage Technology Complexity and Increasing Data Needs – Which Are Common Across Verticals

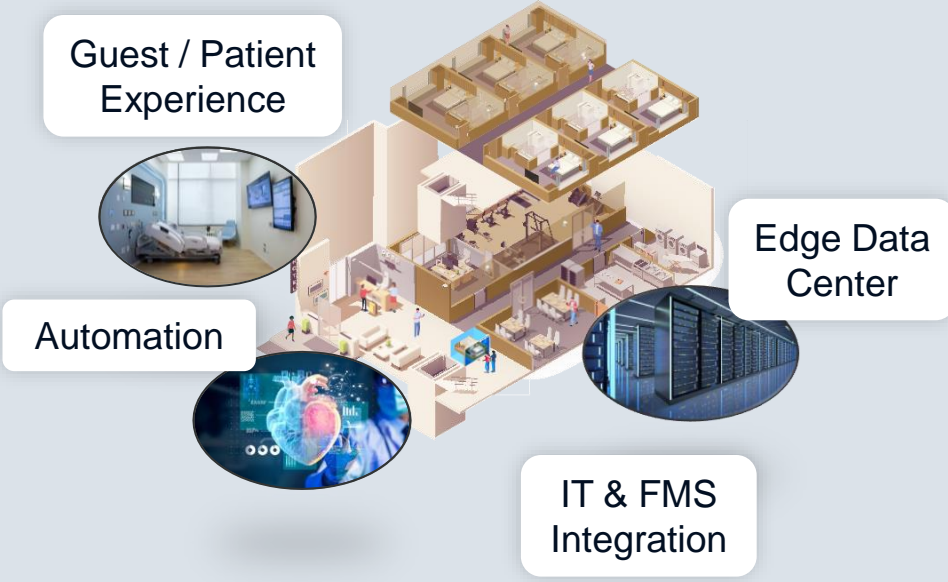
## Key Needs

- 1 Availability + 2 Speed + 3 Unified Data + 4 Edge Operation + 5 Security

### Automotive Network Environment



### Healthcare Network Environment



# Our Common Reference Architecture (CRA) Provides Blueprints To Deliver Solutions at Scale

## Blueprint Advantages

- **Serving customer needs by vertical based designs**
- **Digitizing for easy access & interaction**
- **Supporting faster business growth**



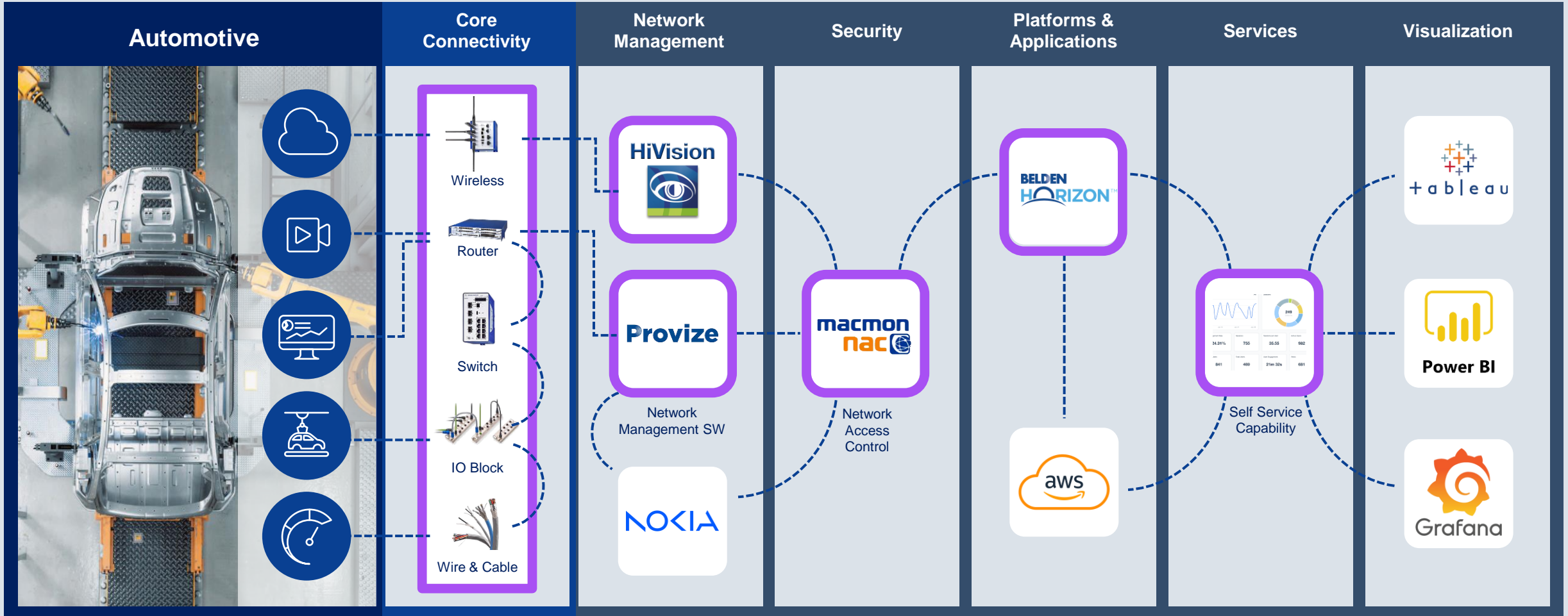
**Deployment of  
Solutions at Scale**

**Solutions Uplift  
Of  
20%**

# Create Blueprints for Integrated Functioning of Belden Products and Complementary Technologies That Collectively Deliver Value to Customer

Core Hardware Products

Software Products and Capabilities to Enable Network and Data Solutions Available over Platforms



**Belden Products**

# Belden Provides Scalable Multi-Service Network Deployment in Smart Grids based on our CRA

## Situation

### Customer

- ~\$20B electricity distribution customer with new and legacy assets based in EMEA
- Need for enablement of digital transformation

### Challenges

- Islands of network, data and applications
- Integration needed to get full benefit of multiple applications in operations

### Solution

- Designed and implemented integrated solution connecting islands of data utilizing Belden network hardware and software

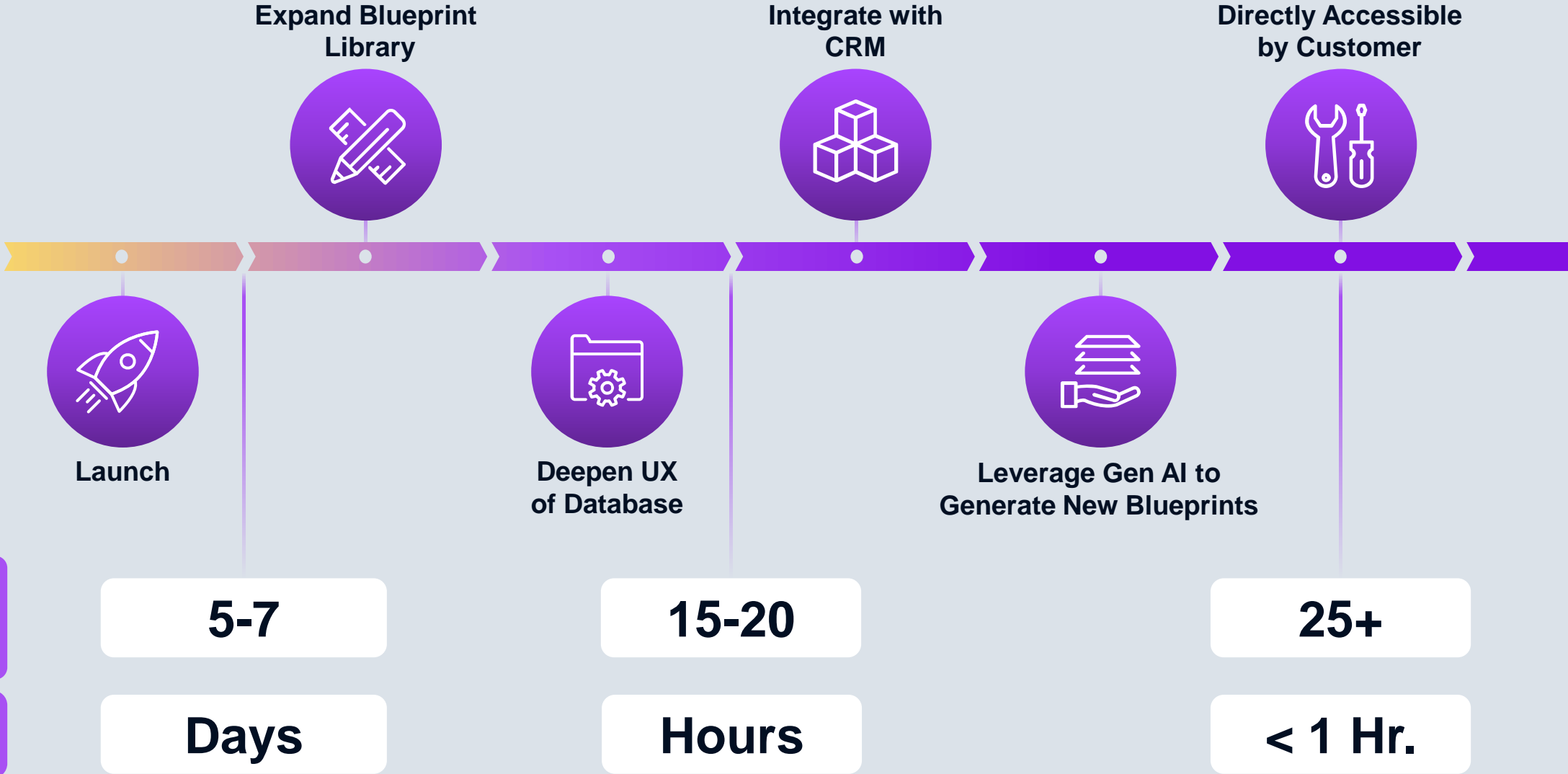


## Results

- ✓ Reliable network with an Integrated Management System



# How We Expand our CRA Library to Accelerate Growth



# Building CRAs by Key Vertical Ensures Rapid Scalability



Consistency in design & experience resulting in lower cost of deployment



Supports network & data solutions leading to higher differentiation and profitability



Guides product developments improving time to market & customer adoption



## Powerful Accelerators to Further Advance our Solutions Transformation

CRA to accelerate scalability

Belden Horizon Platform provides seamless network management & access to data

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Partner ecosystem strengthens solution offering



# Belden Horizon Helps Track Network Performance & Deliver Services

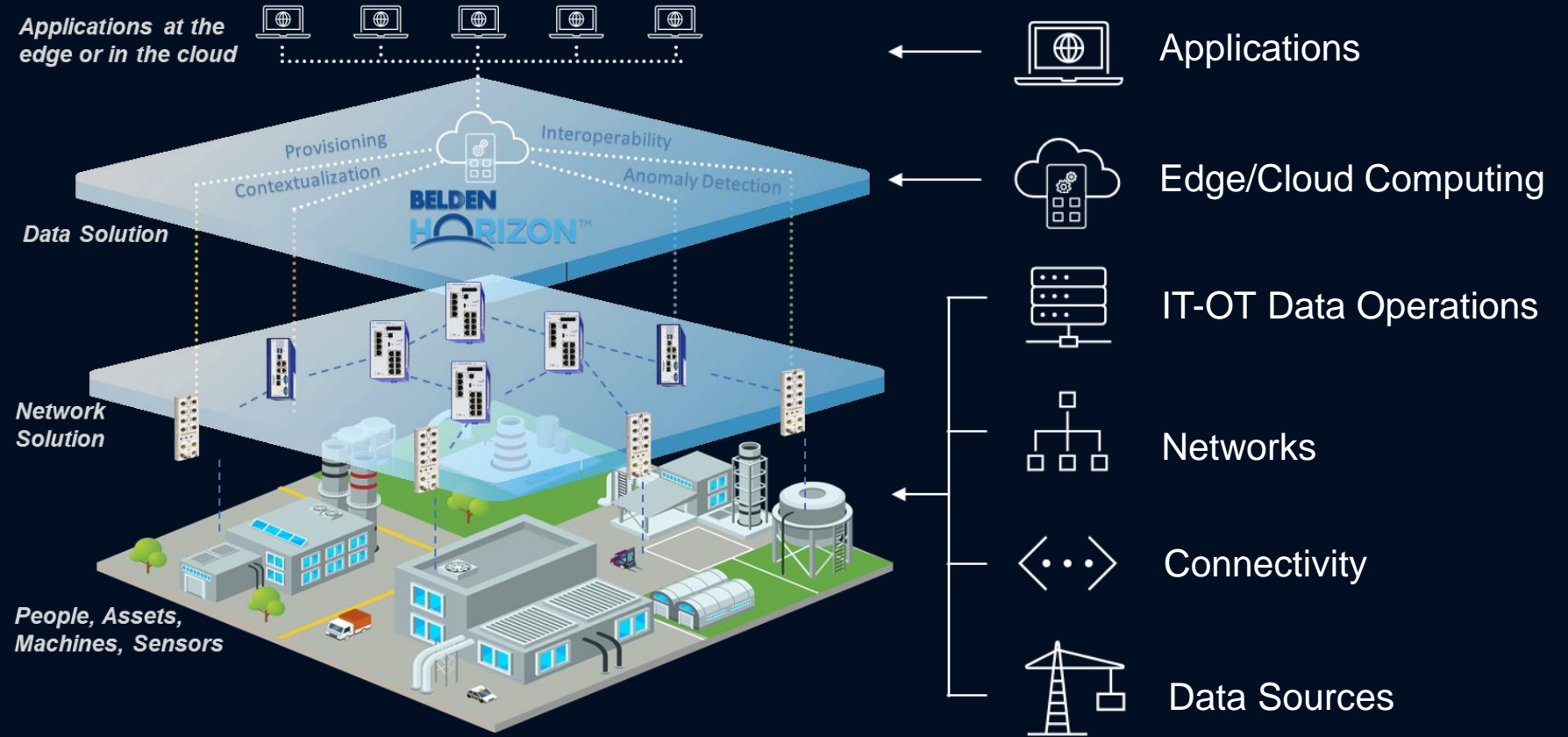


# Belden Horizon Brings Together Islands of Networks and of Data Into a Common Platform



## The Future of Data Convergence

Belden Horizon is a scalable, vendor-adaptable digital platform that encompasses products and software, unifying data from disparate sources that is clean, secure and analytics-ready.



# Belden Horizon Provides Real Time Data for Actionable Insights

## Situation

### Customer

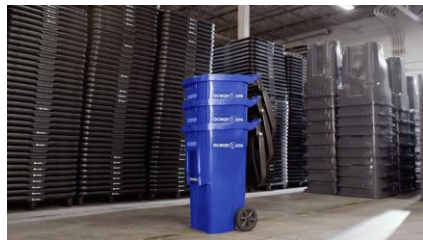
- ~\$750M revenue supply chain solutions company provides pallets, waste and recycling containers, and direct store delivery solutions

### Challenges

- High labor costs, poor quality control impacted by inefficient data collection, and inability to make adjustments quickly

### Solution

- Generate insights into how quality relates to injection molding data and enable real-time adjustments to the production process



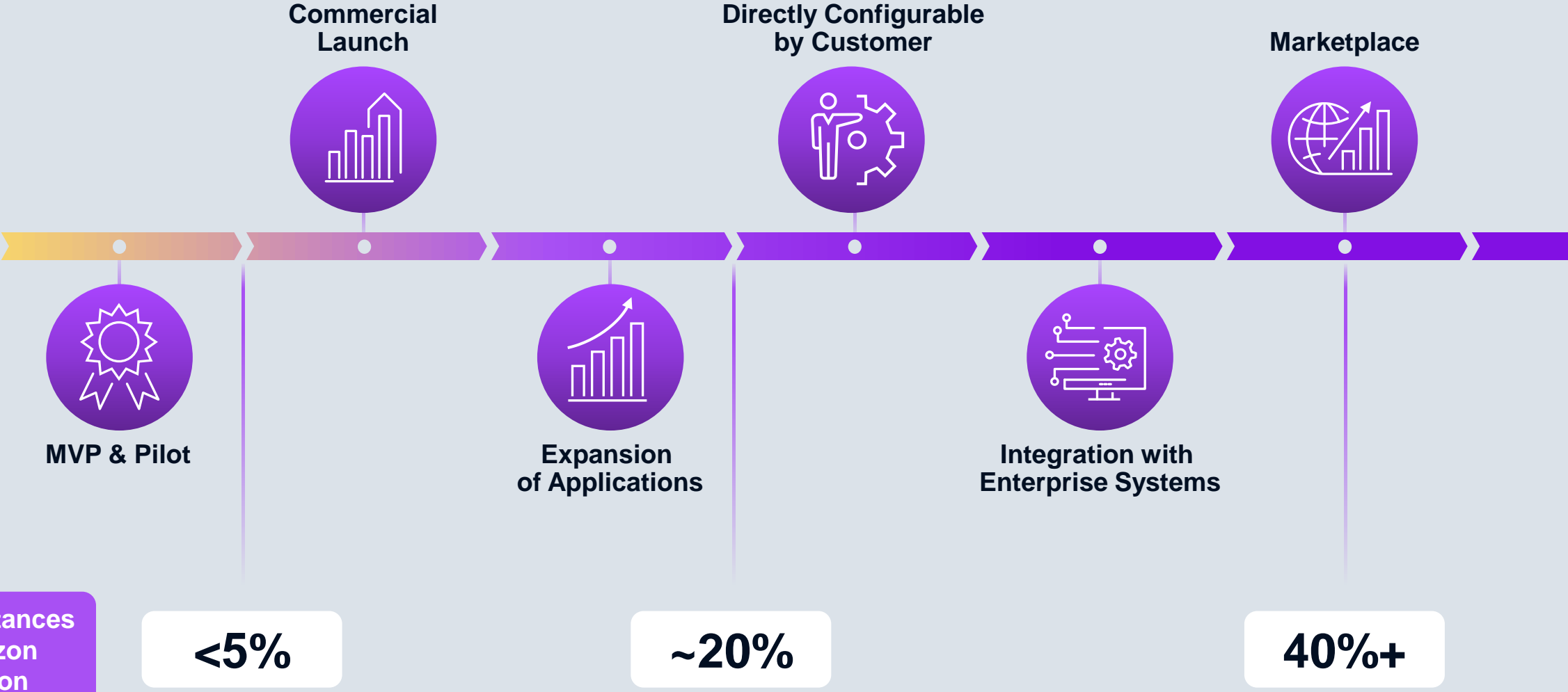
## Results

- ✓ **Reduced unplanned downtime** to improve asset uptime and availability
- ✓ Reduce maintenance costs annually through **predictive maintenance strategies** and optimized resource allocation
- ✓ Boost **production output** and flexibility




**Scale solutions with multi-year, multi-location agreement**

**ROI**  
in 18-24 months

# How We Expand Belden Horizon to Accelerate Growth



# Belden Horizon Facilitates New Business Models

-  Focus shifts from products features to network outcome – leading to growth in software revenues
-  Powered through combination of Belden & others' technologies, the average size of each deal increases
-  Infrastructure management opens as opportunity for service business



# Agenda

## Powerful Accelerators to Further Advance our Solutions Transformation

CRA to accelerate scalability

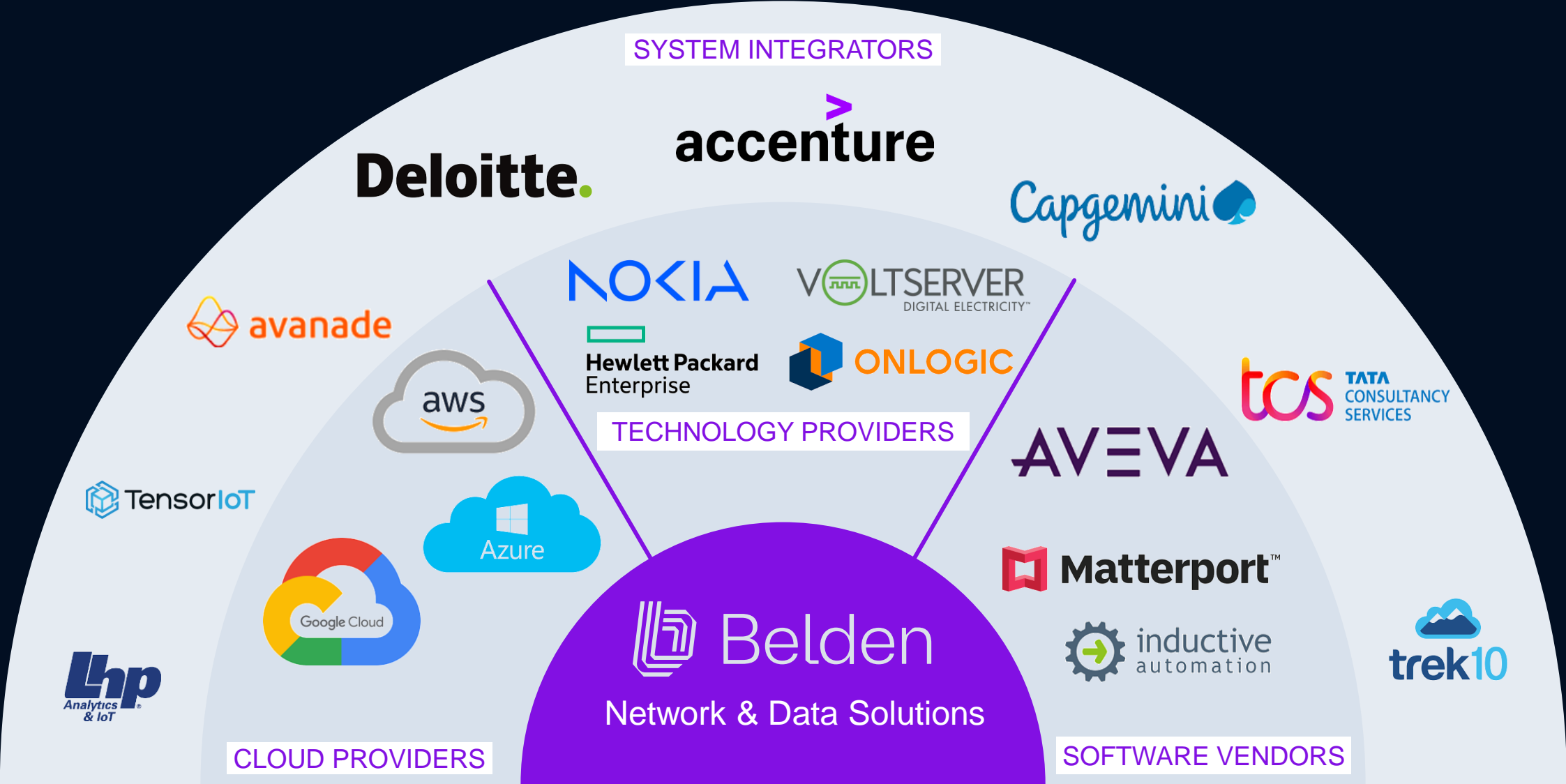
Belden Horizon Platform provides seamless network management & access to data

Partner ecosystem strengthens solution offering

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# Creating a Strong Partner Ecosystem



Illustrative list of companies with partnership conversations ongoing or partnership agreement signed.

# Ecosystem Partners Enhance Solutions From the Edge to the Cloud



Applications at the edge or in the cloud



Data Solution



Network Solution



People, Assets, Machines, Sensors



- Application layer for data analysis



- Cloud infrastructure for scaling of solutions and operations across multiple sites



- 5G wireless connectivity



- IT edge infrastructure



- Systems for plant automation

# Ecosystem Partners Improve Customer Experience and Speed to Market



Ecosystems leads to optimal deployment of innovation and R&D capital



Facilitates access to specialized expertise & innovation



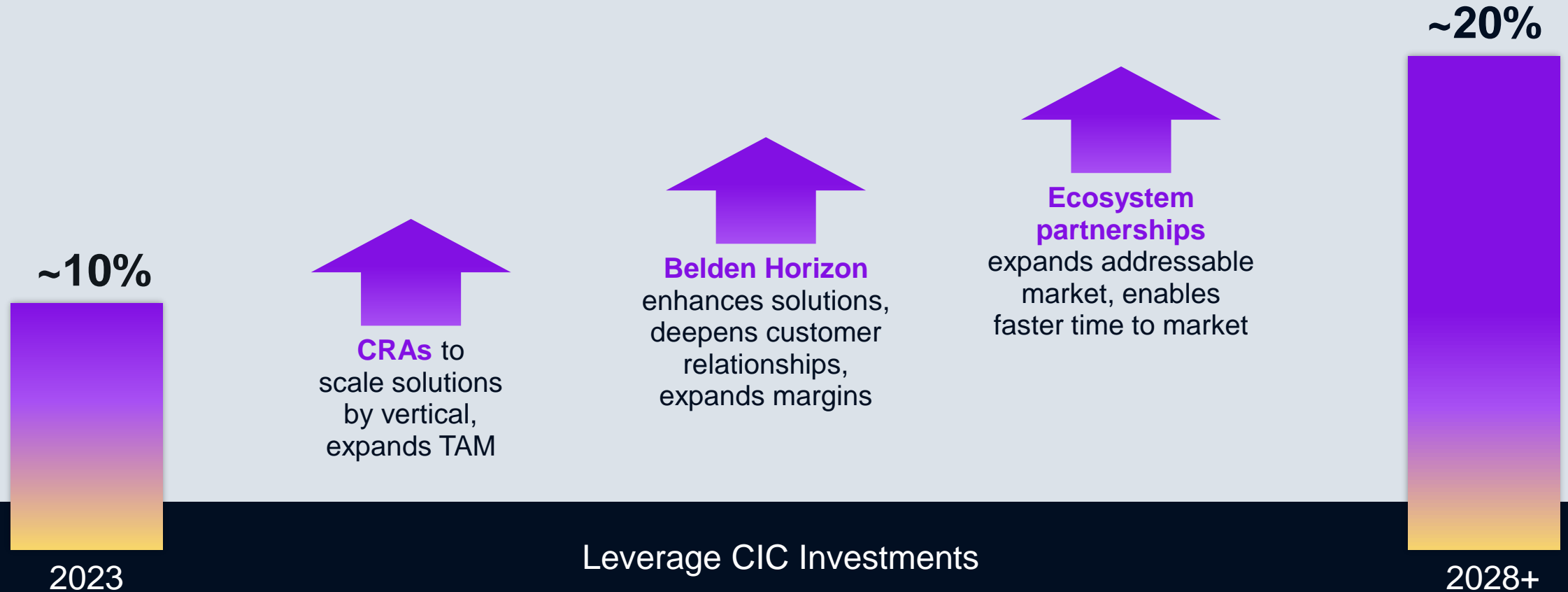
Risks of technology disruption is spread across multiple entities



IN SUMMARY:

# Powerful Accelerators to Further Advance Our Solutions Capabilities

## Solutions as % of Total Sales



# Ecosystem Partner Fireside Chat

Moderator: Hiran Bhadra, SVP Strategy and Technology

## Ecosystem Partner

### Ram Ramalingam

Senior Managing Director and Global Lead  
Platform Engineering and Intelligent Edge

### Mike Mannion

Managing Director  
Product and Platform Engineering Services

**Accenture** (NYSE: ACN) is a global professional services company. The Company is engaged in providing a range of services and solutions across strategy and consulting, technology, operations, Industry X and Accenture Song.





# Transformation Delivering Improved Performance

Jeremy Parks, SVP & Chief Financial Officer



# Agenda

Transformation is Delivering Improved Results. Clear Roadmap Ahead.

Delivering sustainable growth

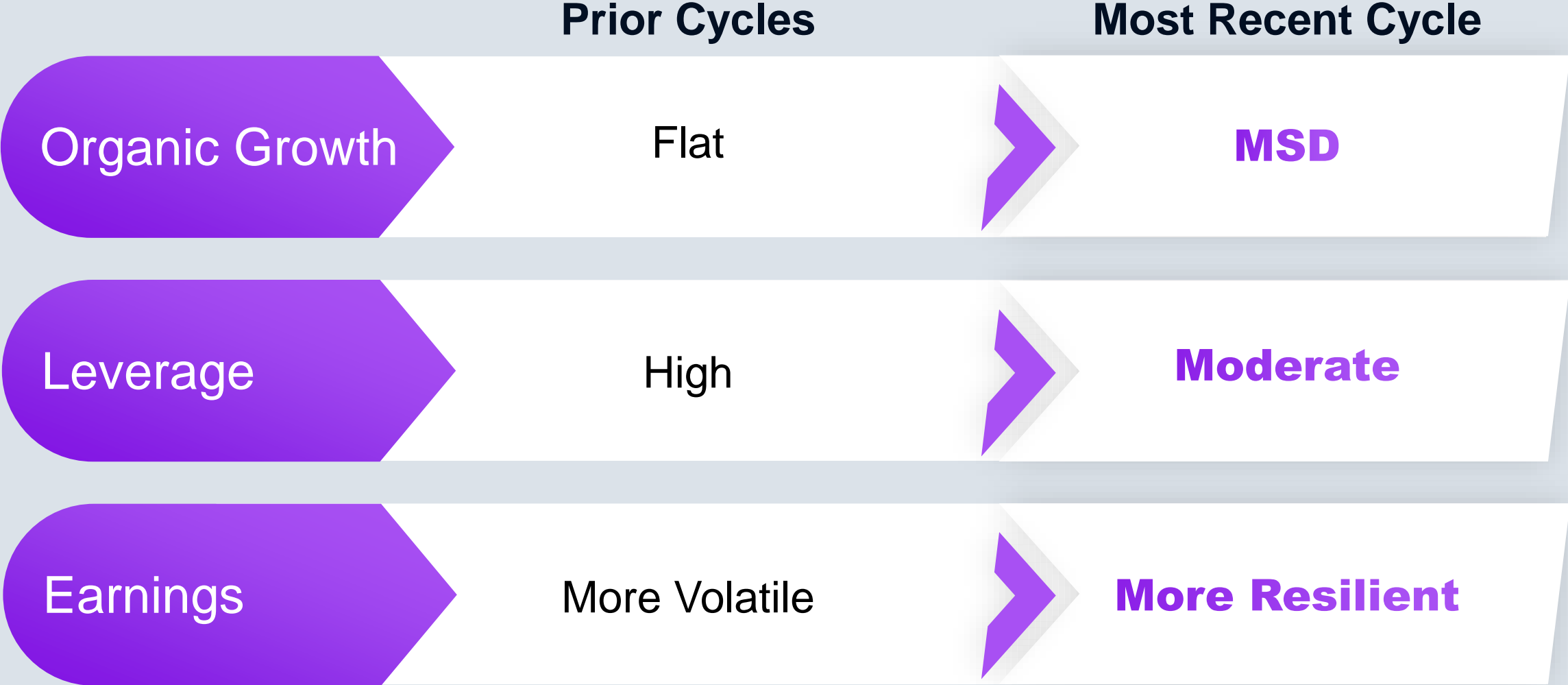
Capital allocation strategy

M&A engine at work

Outlook and mid-term targets







# Our Strategic Shift Is Yielding Results



# Consistent Delivery Against 2022 Investor Day Targets

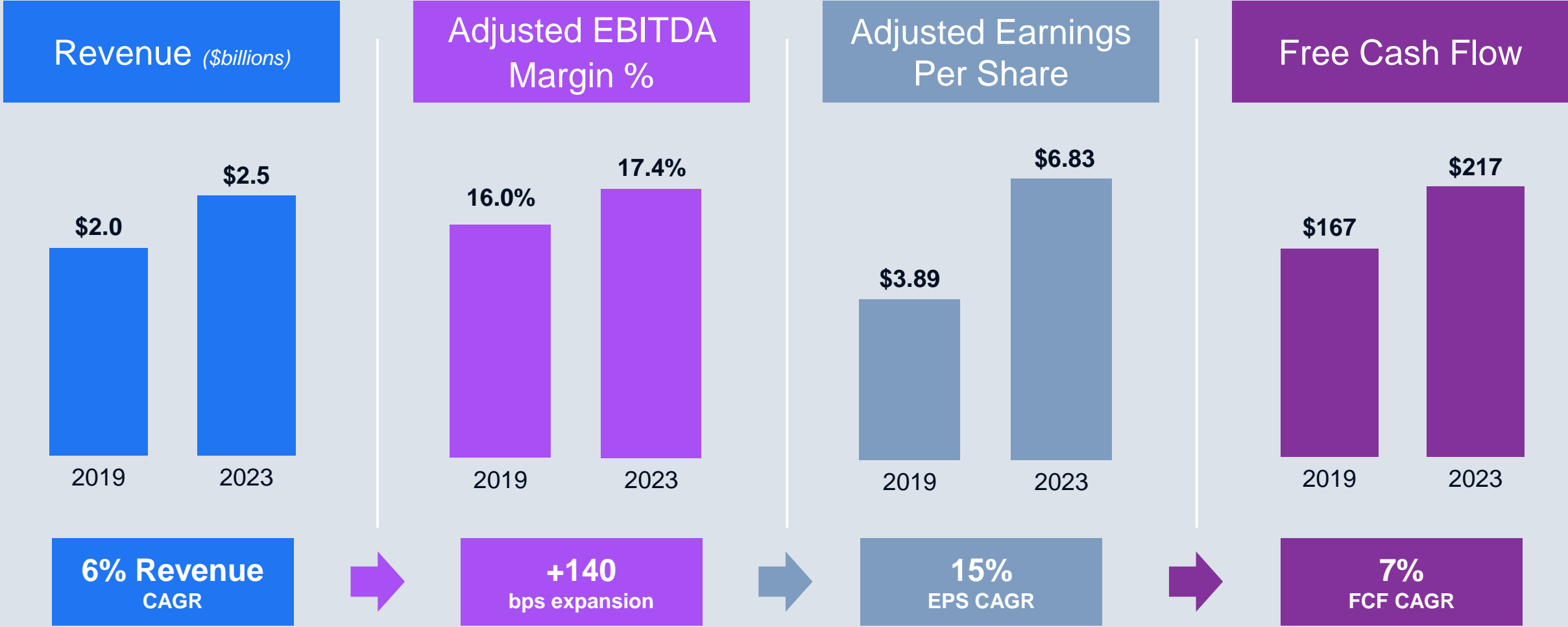
## Financial Metrics

## Consistent With Value Creation Framework

Increasing Earnings	Executing towards \$8 Adjusted EPS in 2025		<input checked="" type="checkbox"/>
Sustainable Organic Growth <sup>(1)</sup>	4% organic revenue growth through the last cycle		<input checked="" type="checkbox"/>
Improving Profitability	Delivered ~30% Incremental Adjusted EBITDA margins through the last cycle		<input checked="" type="checkbox"/>
Deploying Capital	Healthy FCF deployed consistent with capital allocation framework		<input checked="" type="checkbox"/>

1. Organic growth, a non-GAAP measure, is calculated as the change in revenues excluding the impacts from currency exchange rates, copper prices, acquisitions and divestitures.

# Steady Financial Improvement Driven by Our Growth Algorithm



- Income statement metrics represent continuing operations and, therefore, 2019 results exclude discontinued operations such as Grass Valley and Tripwire which were sold in 2020 and 2022, respectively.
- All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden stockholders.
- Adjusted EBITDA Margin, Adjusted EPS, and Free cash flow are non-GAAP measures.
- See Appendix for reconciliation to comparable GAAP results.

# Agenda

Transformation is Delivering Improved Results. Clear Roadmap Ahead.

Delivering sustainable growth

Capital allocation strategy

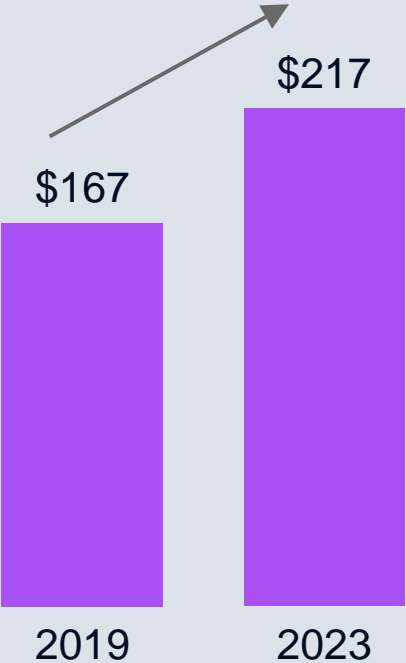
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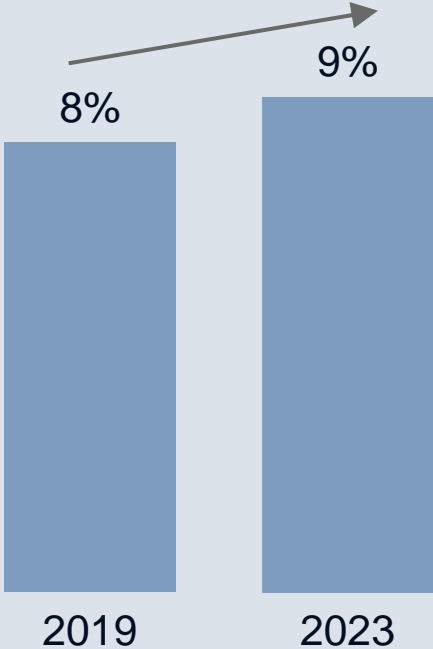
# Strong Cash Flow Generation Engine Fuels Growth Algorithm

### Free Cash Flow



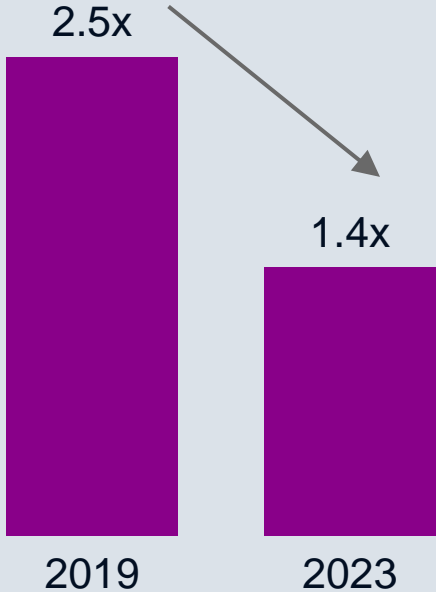
**7% FCF CAGR**

### Free Cash Flow / Revenue



**Ample Reinvestment Opportunity**

### Net Leverage Ratio



**Significant Deleveraging**

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. Net leverage, a non-GAAP measure, 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. See Appendix for reconciliation to comparable GAAP results.

# Clear Capital Allocation Priorities

**1** 

**Organic Growth**

Drive organic growth through reinvestment

**2** 

**Strategic M&A**

Fill key solutions gaps with our M&A framework

**3** 

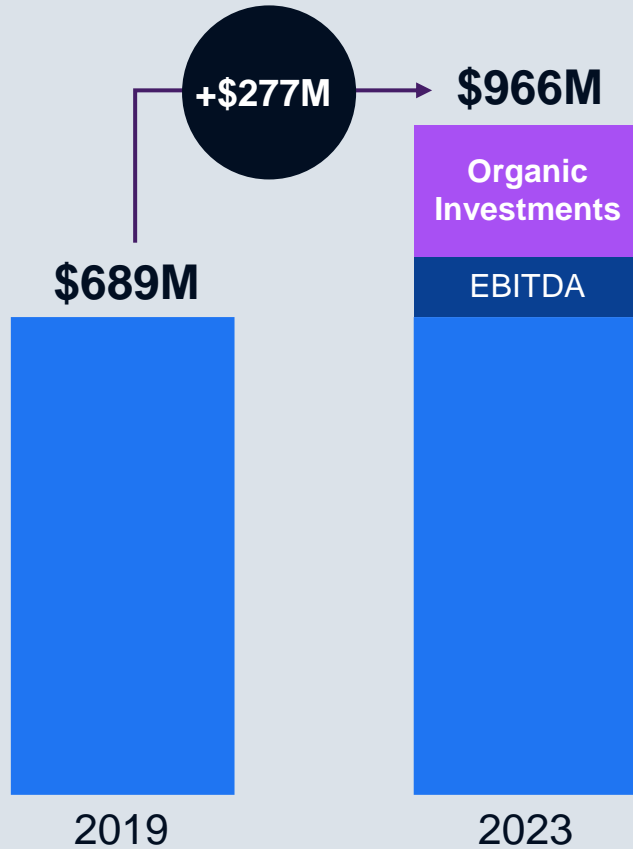
**Return Capital to Shareholders**

Return capital to shareholders through share repurchases and dividends

**All while maintaining net leverage of ~1.5x**

# 1. Organic Investments Funded by Gross Profit Improvements

## Adjusted Gross Profit (*\$millions*)



## Organic Investments (*Examples*)

Belden Fiber Technology Center



Belden's Hirshmann OpEdge



Customer Innovation Centers



Financial results represent continuing operations and, therefore, 2019 results exclude discontinued operations such as Grass Valley and Tripwire which were sold in 2020 and 2022, respectively. Adjusted gross profit is a non-GAAP measure. See Appendix for reconciliation to comparable GAAP results.

## 2. Enhancing Solutions with Selective M&A

Last 5 Years

**9**

acquisitions



**\$630M**

deployed to solutions  
enhancing M&A



**ALL**

accretive

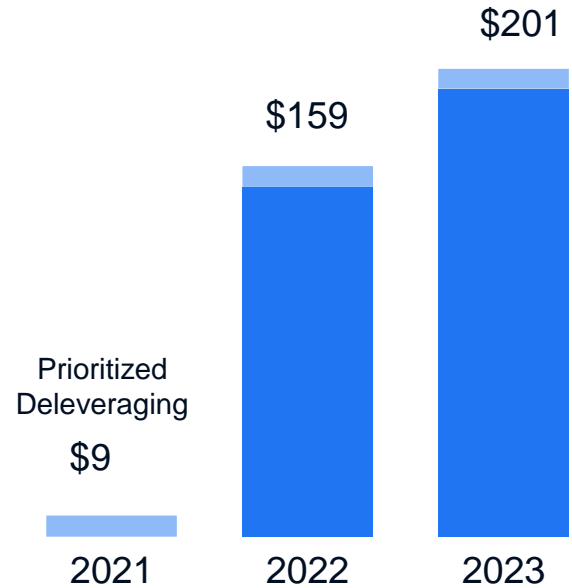


# 3. Returning Capital to Shareholders

## Capital Returned to Shareholders (M)

**Massive increase in share repurchases**

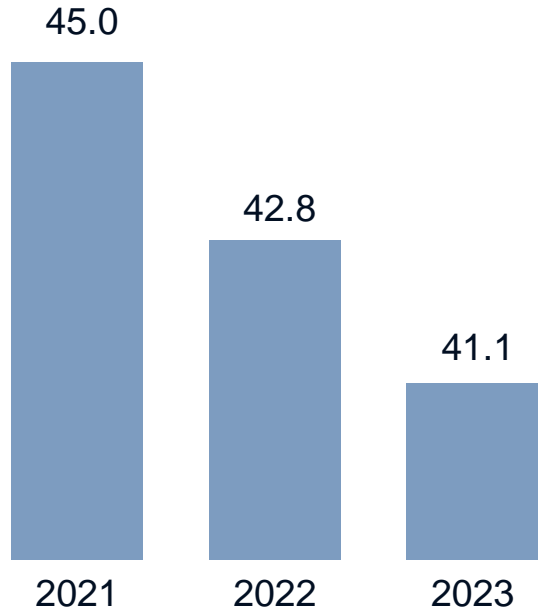
■ Share Repurchases   ■ Dividends



Prioritized  
Deleveraging  
\$9

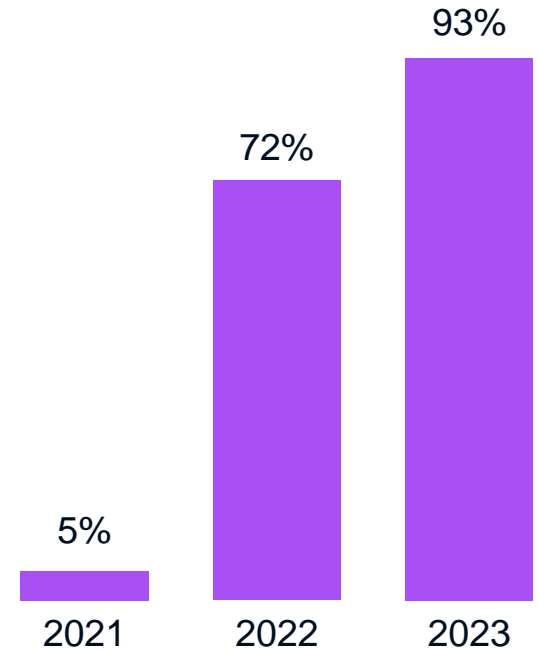
## Year End Shares Outstanding (M)

**9% reduction in shares outstanding over 2 Years**

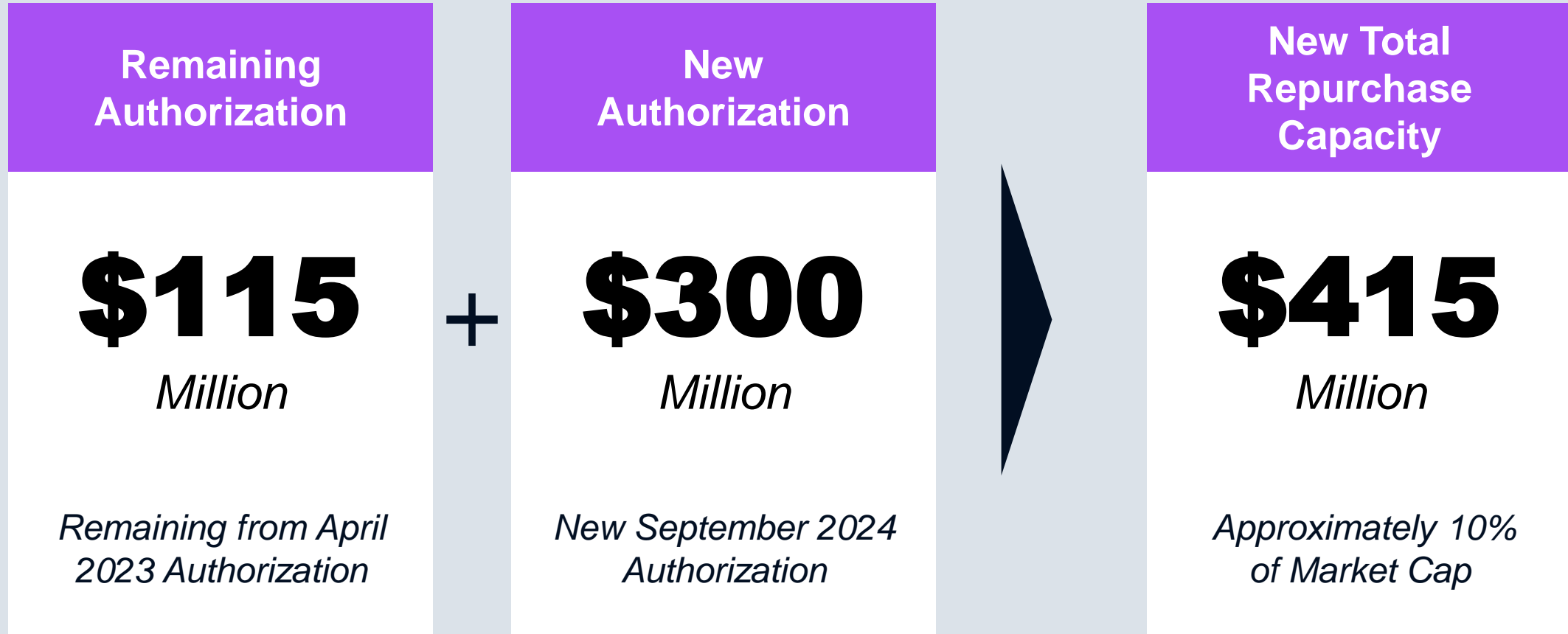


## % Free Cash Flow Returned

**Nearly all FCF returned to shareholders in 2023**



# Increased Repurchase Authorization



# Agenda

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# Our Solutions Focused Approach to M&A

- Objectives:**
- 1 Tuck-in acquisitions that strengthen our solutions offerings and fill key data infrastructure gaps
  - 2 De-risked opportunities with strong financial return metrics and reasonable synergy requirements

## Industry Characteristics

- GDP+ industry growth rates
- Alignment with strong secular growth drivers
- Expands TAM opportunity

## Company Profiles

- Leaders in target verticals
- Strengthens Solutions offerings
- Enhances core data infrastructure portfolio

## Opportunity Metrics

- Accretive to Belden
- Strong ROIC, FCF metrics
- Synergy-light framework
- Dedicated integration team with an established process

# Acquisitions Fill Key Solutions Gaps and Support Our Growth Algorithm

**Special Product Company (SPC)**

Outdoor cabinet products for fiber cable installations

**Opterna Intl. & FutureLink**

Cabinet and enclosure products for optical networks

**OTN Systems**

Portfolio of access nodes for hardened industrial applications

**CAI**

Plug-in radio frequency filters for hybrid fiber-coax nodes

**NetModule**

Portfolio of wireless routers & gateways for transportation and Industry 4.0

**Macmon**

Network access control solutions offerings

**Berthold Sichert GmbH**

Outdoor polycarbonate cabinet products for PON and 5G networks

**CloudRail GmbH**

Provider of sensor to cloud data solutions

**Precision Optical Technologies**

Provider of specialized optical transceivers for major MSO carriers



2019



2021



2022



2023



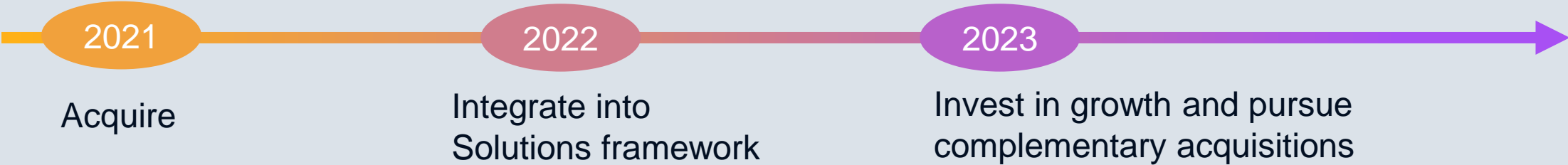
2024

✓ Expands Served Markets and Verticals

✓ Strengthens Solutions Offerings

✓ Achieves Financial Objectives

# M&A Drives Value – Case Study



**Expands Markets & Verticals**

**+50%**

Increase in Revenue Since Acquisition Close

**Strengthens Solutions Offering**

**6 Major Project Wins**

(>10% of Annual Revenue) Since Acquisition Close

**Achieves Financial Objectives**

**15%+**

Cash ROIC

# How the Precision OT Acquisition Fits Into Our Strategy


 Precision has attractive end markets aligned with strong secular growth drivers

**Critical Infrastructure**  
**GDP+ Growth**

 Precision products enhance our solutions offerings for fiber deployments

*Existing Belden Products*

 Precision Optical Transceivers

 Precision's financial profile provides ample room for outperformance

**Financial Profile**

<b>Immediately Accretive</b>	<b>Double Digit ROIC</b>	<b>+20bps to 2025 ENSO EBITDA margins</b>
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# Robust M&A Pipeline To Fuel Future Reinvestment

## Vertical Focused

Full evaluation of targeted vertical marketplace and CRA alignment

## Solutions Enabled

Priority given to opportunities that fill key solutions gaps

## Cultural Fit

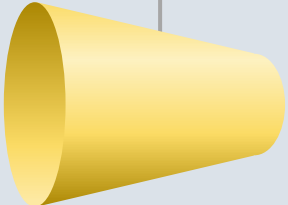
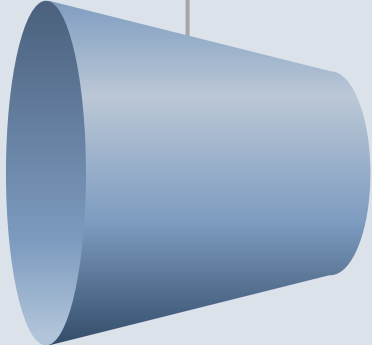
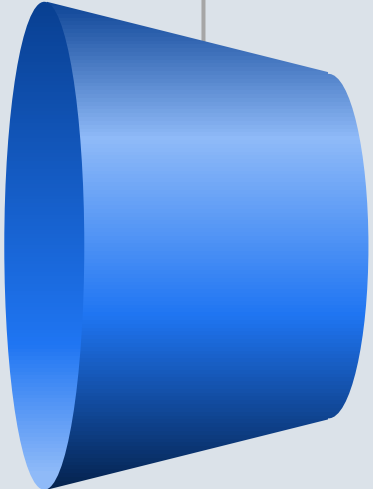
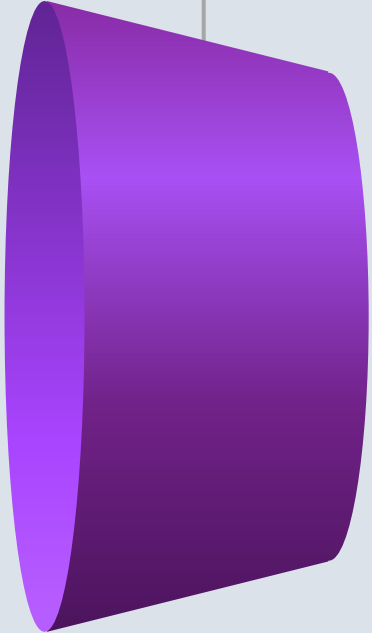
Deep diligence into culture and fit to ensure alignment with our strategic roadmap

## Financial Discipline

Must meet specific financial targets (ROIC, FCF, EPS accretion)

**>500**

Opportunities evaluated during the last 5 years



**9**

Opportunities closed during the last 5 years

# Agenda

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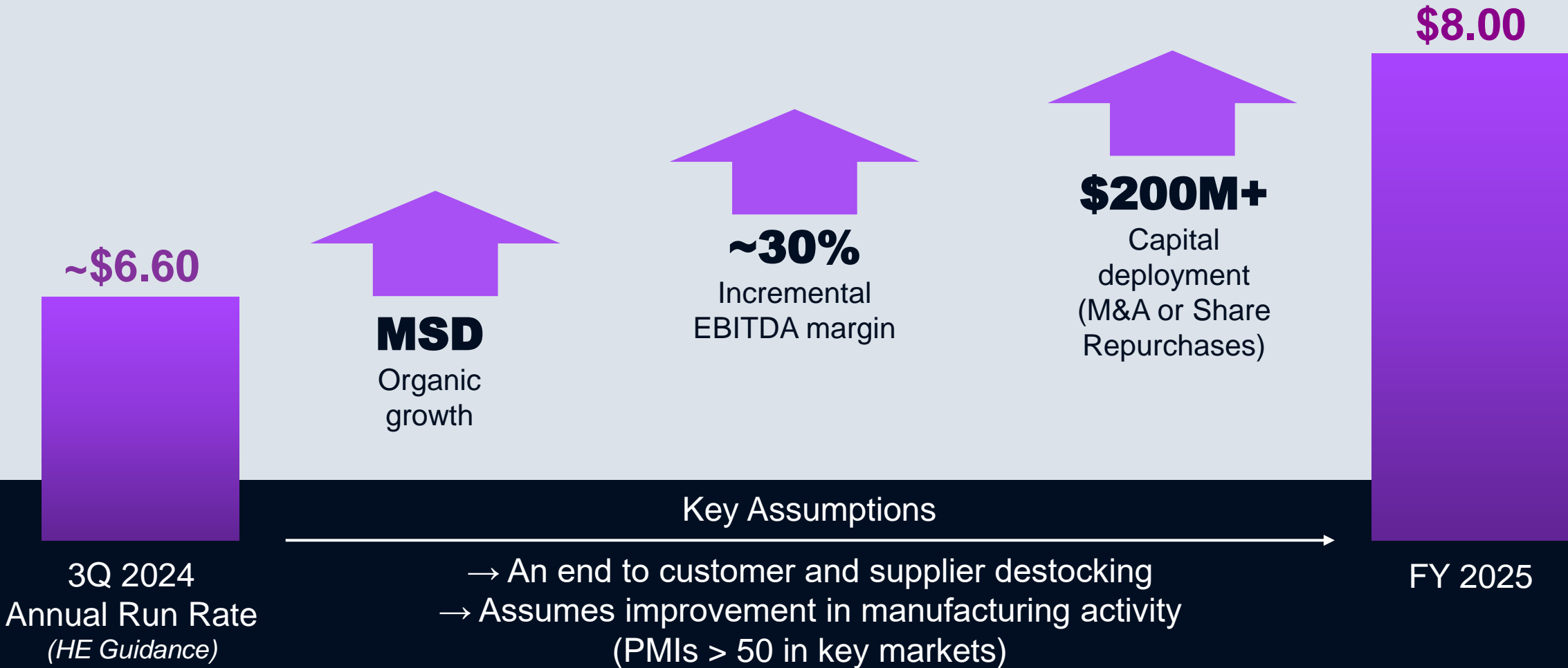
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# Realistic Path to \$8 EPS in 2025



# Strong Secular Growth Trends Creating New Opportunities and Driving Growth

## Automation



- ▶ Reshoring
- ▶ Industry 4.0
- ▶ Labor Challenges
- ▶ Digital Transformation
- ▶ AI Expansion
- ▶ Edge Computing

## Hybrid Networks



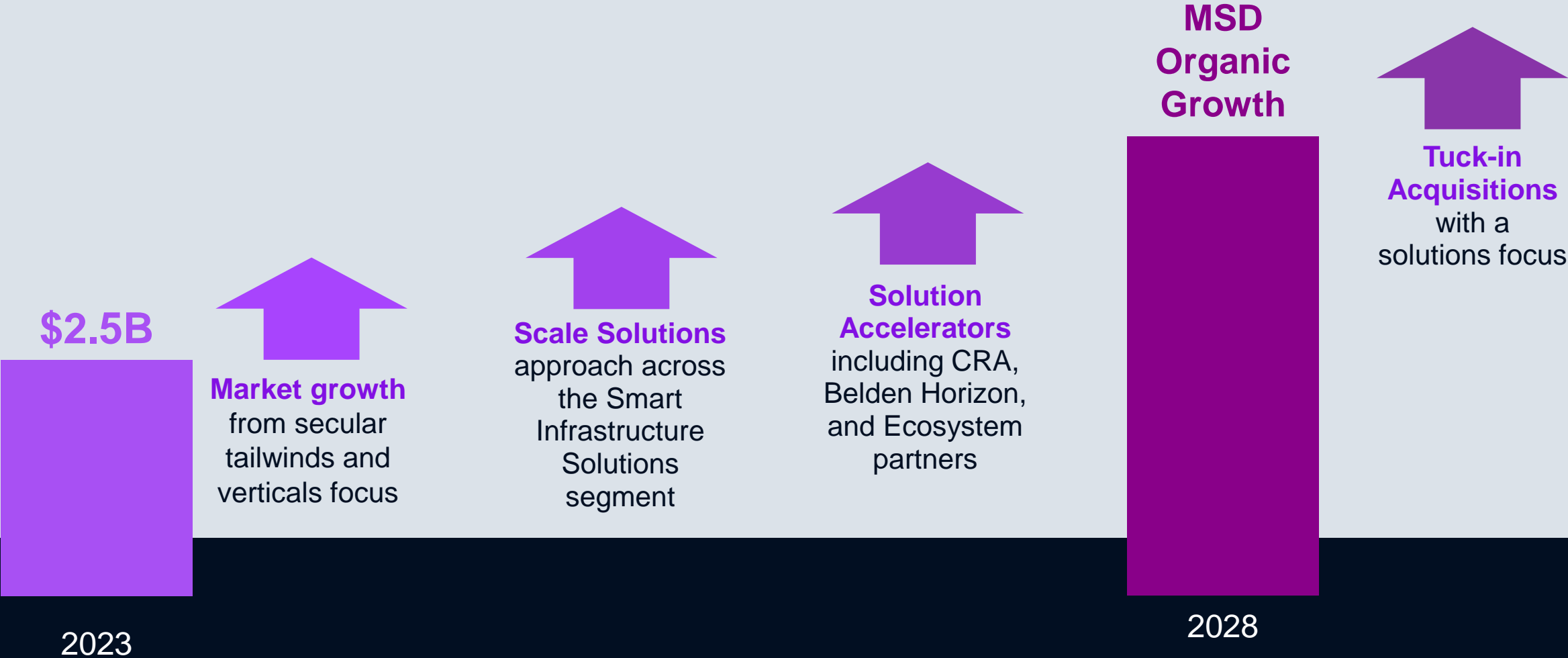
- ▶ Increasing Digitization
- ▶ Remote Monitoring and Management
- ▶ Growing Data Demands

## Critical Infrastructure

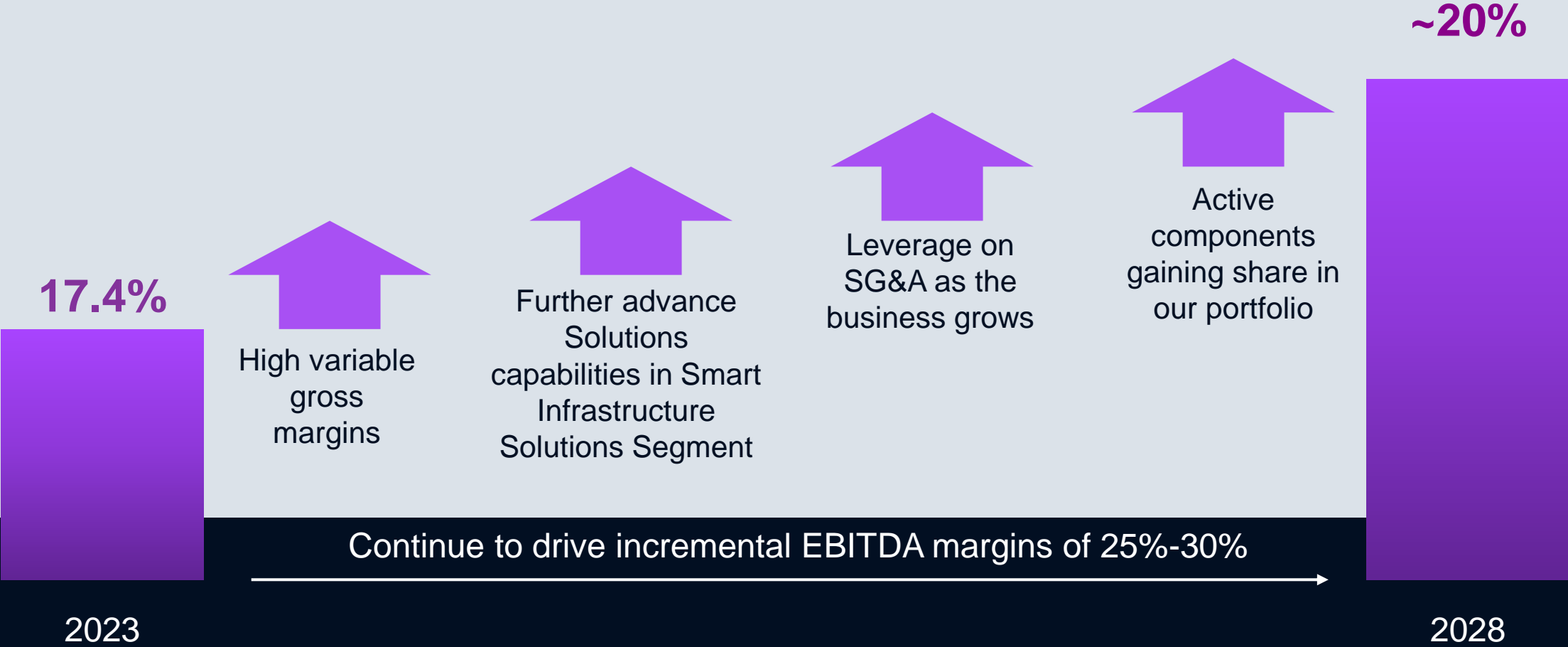


- ▶ Increasing Bandwidth Usage
- ▶ Government-Supported Network Expansions
- ▶ Growing Fiber Network Share

# Multiple Long Term Revenue Growth Opportunities



# Continued EBITDA Margin Expansion



# Our Growth Algorithm Will Deliver Long Term Shareholder Value

## Long Term Value Creation Through the Cycle

**MSD**

**Organic Revenue Growth**



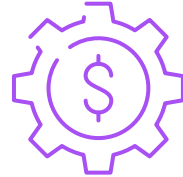
**25-30%**

**Incremental EBITDA Margins**



**~10%**

**Free Cash Flow Margin**



**~1.5X**

**Net Leverage**



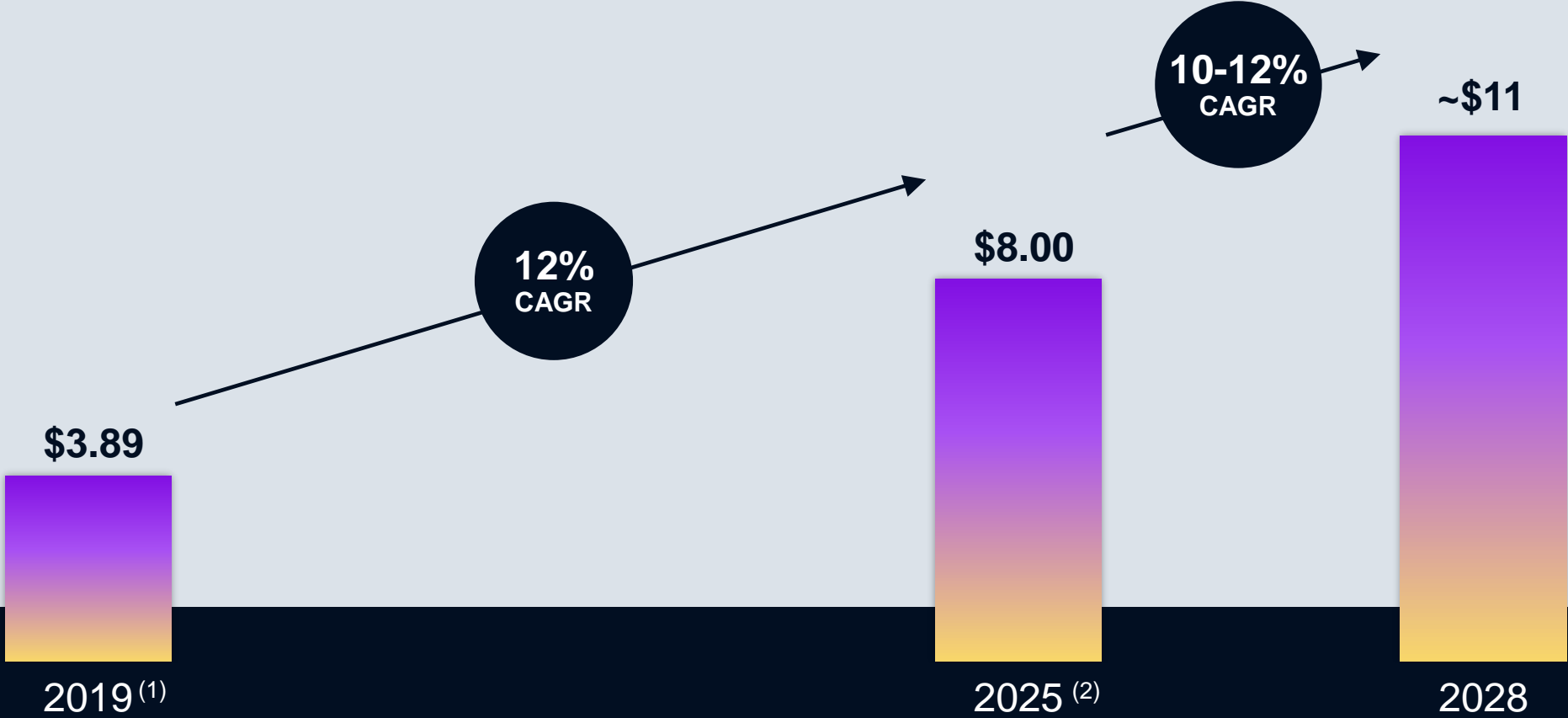
**10-12%  
CAGR**

**EPS Growth**



# Continued Adjusted EPS Growth Through Cycle

## Long-Term Adjusted EPS Growth Target



1) All references to Adjusted Earnings Per Share, a non-GAAP measure, refer to adjusted net income from continuing operations per diluted share attributable to Belden stockholders. 2019 financial results exclude discontinued operations such as Grass Valley and Tripwire which were sold in 2020 and 2022, respectively. See Appendix for reconciliation to comparable GAAP results.  
2) 2025 target from the previous 2022 Belden Investor Day.

# Transformation is Delivering Improved Results. Clear Roadmap Ahead.

- Our transformation is producing impressive growth with attractive reinvestment opportunities
- Disciplined capital allocation focuses on growing the business, improving cash flow, and returning capital to shareholders
- M&A is an opportunity for Belden to expand our TAM and increase the competitiveness of our Solutions offerings
- Our business can sustainably grow at MSD through the cycle with double-digit increases in EPS





# Q&A

**Moderator:** Jeremy Parks | SVP & Chief Financial Officer

# Belden 2024 Investor Day Q&A

Moderator: Jeremy Parks, Chief Financial Officer

- Ashish Chand                      President & CEO
- Brian Lieser                      EVP Automation Solutions
- Jay Wirts                          EVP Smart Infrastructure Solutions
- Hiran Bhadra                      SVP Strategy and Technology
- Jeremy Parks                      SVP & CFO



# Belden: Advancing Our Transformation Journey

1

**We are successfully executing on our transformation**

2

**Positioned in markets with strong secular tailwinds**

3

**Our strategy is driving accelerated growth in Solutions, with complementary M&A**



**Unlocking the full Belden potential**

Targeting Double-Digit EPS growth 2024-28 including \$8 EPS in 2025



# Appendix

# Belden Inc. – Reconciliations of Non-GAAP Measures

(unaudited)

	Twelve Months Ended	
	December 31, 2023	December 31, 2019
	(In thousands, except percentages and per share amounts)	
GAAP and adjusted revenues	\$ 2,512,084	\$ 1,998,238
GAAP gross profit	\$ 954,966	\$ 684,191
Amortization of software development intangible assets	7,692	330
Severance, restructuring, and acquisition integration costs	3,488	3,425
Adjustments related to acquisitions and divestitures	252	592
Adjusted gross profit	\$ 966,398	\$ 688,538
GAAP gross profit margin	38.0%	34.2%
Adjusted gross profit margin	38.5%	34.5%
GAAP selling, general and administrative expenses	\$ (492,702)	\$ (369,069)
Severance, restructuring, and acquisition integration costs	20,039	23,119
Adjustments related to acquisitions and divestitures	5,925	-
Adjusted selling, general and administrative expenses	\$ (466,738)	\$ (345,950)
GAAP research and development expenses	\$ (116,427)	\$ (61,689)
Severance, restructuring, and acquisition integration costs	1,625	-
Adjusted research and development expenses	\$ (114,802)	\$ (61,689)
GAAP income from continuing operations	\$ 242,556	\$ 121,366
Interest expense, net	33,625	55,786
Income tax expense	43,200	47,055
Total non-operating adjustments	76,825	102,841
Amortization of intangible assets	40,375	30,243
Severance, restructuring, and acquisition integration costs	25,152	26,544
Adjustments related to acquisitions and divestitures	6,177	592
Amortization of software development intangible assets	7,692	330
Gain on sale of asset	(12,056)	-
Total operating income adjustments	67,340	57,709
Depreciation expense	51,379	37,081
Adjusted EBITDA	\$ 438,100	\$ 318,997

# Belden Inc. – Reconciliations of Non-GAAP Measures (continued)

(unaudited)

	Twelve Months Ended	
	December 31, 2023	December 31, 2019
	(In thousands, except percentages and per share amounts)	
Adjusted EBITDA	\$ 438,100	\$ 318,997
GAAP income from continuing operations margin	9.7%	6.1%
Adjusted EBITDA margin	17.4%	16.0%
GAAP income from continuing operations	\$ 242,556	\$ 121,366
Less: Preferred stock dividends	-	18,437
Less: Net income (loss) attributable to noncontrolling interests	(203)	239
GAAP net income from continuing operations attributable to Belden stockholders	\$ 242,759	\$ 102,690
GAAP income from continuing operations	\$ 242,556	\$ 121,366
Plus: Operating income adjustments from above	67,340	57,709
Less: Net income (loss) attributable to noncontrolling interests	(203)	239
Less: Tax effect of adjustments above	17,310	(4,653)
Less: Preferred stock dividends	-	18,437
Adjusted net income from continuing operations attributable to Belden stockholders	\$ 292,789	\$ 165,052
GAAP income from continuing operations per diluted share attributable to Belden stockholders	\$ 5.66	\$ 2.42
Adjusted income from continuing operations per diluted share attributable to Belden stockholders	\$ 6.83	\$ 3.89
GAAP and adjusted diluted weighted average shares	42,859	42,416

# Belden Inc. – Reconciliations of Non-GAAP Measures (continued)

(unaudited)

	Twelve Months Ended	
	December 31, 2023	December 31, 2019
	(In thousands)	
GAAP net cash provided by operating activities	\$ 319,638	\$ 276,893
Capital expenditures	(116,731)	(110,002)
Proceeds from disposal of assets	13,785	25
Non-GAAP free cash flow	\$ 216,692	\$ 166,916

# Belden Inc. – Operating Segment Information

(unaudited)

	Smart Infrastructure Solutions	Automation Solutions	Total Segments
	(In thousands, except percentages)		
For the twelve months ended December 31, 2023			
Segment Revenues	\$ 1,122,831	\$ 1,389,253	\$ 2,512,084
Segment EBITDA	149,107	287,328	436,435
Segment EBITDA margin	13.3%	20.7%	17.4%
Depreciation expense	24,943	26,436	51,379
Amortization of intangibles	20,085	20,290	40,375
Amortization of software development intangible assets	—	7,692	7,692
Severance, restructuring, and acquisition integration costs	11,221	13,931	25,152
Adjustments related to acquisitions and divestitures	5,359	818	6,177

# Belden Inc. – Operating Segment Reconciliation to Consolidated Results

(unaudited)

	Twelve Months Ended December 31, 2023 (In thousands)	
Total Segment and Consolidated Revenues	\$	2,512,08
Total Segment EBITDA	\$	436,43
Total non-operating pension benefit		1,863
Eliminations		(198)
Consolidated Adjusted EBITDA <sup>(1)</sup>	\$	438,100
Severance, restructuring, and acquisition integration costs		(25,152)
Depreciation expense		(51,379)
Amortization of intangibles		(40,375)
Interest expense, net		(33,625)
Adjustments related to acquisitions and divestitures		(6,177)
Amortization of software development intangible assets		(7,692)
Gain on sale of assets		12,056
Income from continuing operations before taxes	\$	285,75

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