



# Belden 2024 Investor Day

Advancing Our  
Transformation Journey

September 12, 2024



# 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



# Transformation Delivering Improved Performance

Jeremy Parks, SVP & Chief Financial Officer

# Agenda

Transformation is Delivering Improved Results. Clear Roadmap Ahead.

Delivering sustainable growth

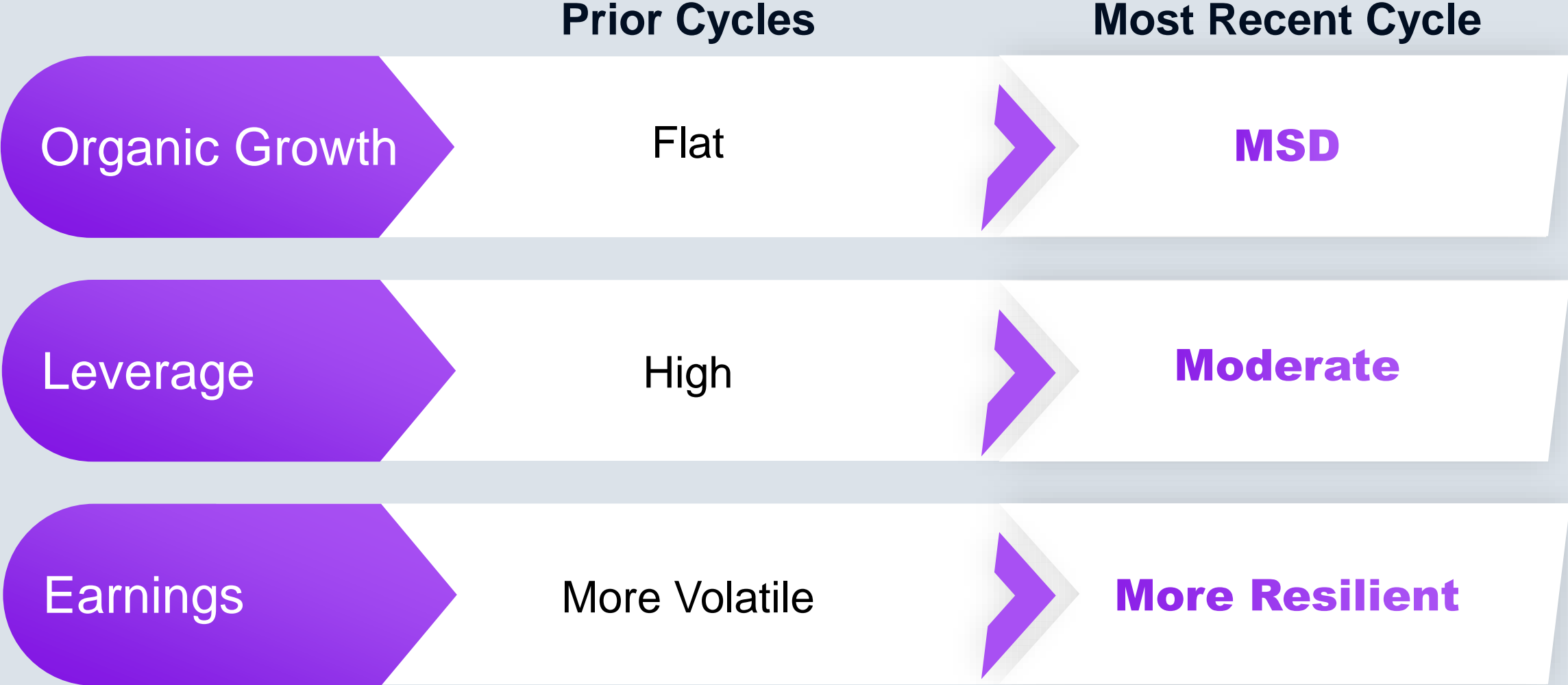
Capital allocation strategy

M&A engine at work

Outlook and mid-term targets



# Our Strategic Shift Is Yielding Results



# Consistent Delivery Against 2022 Investor Day Targets

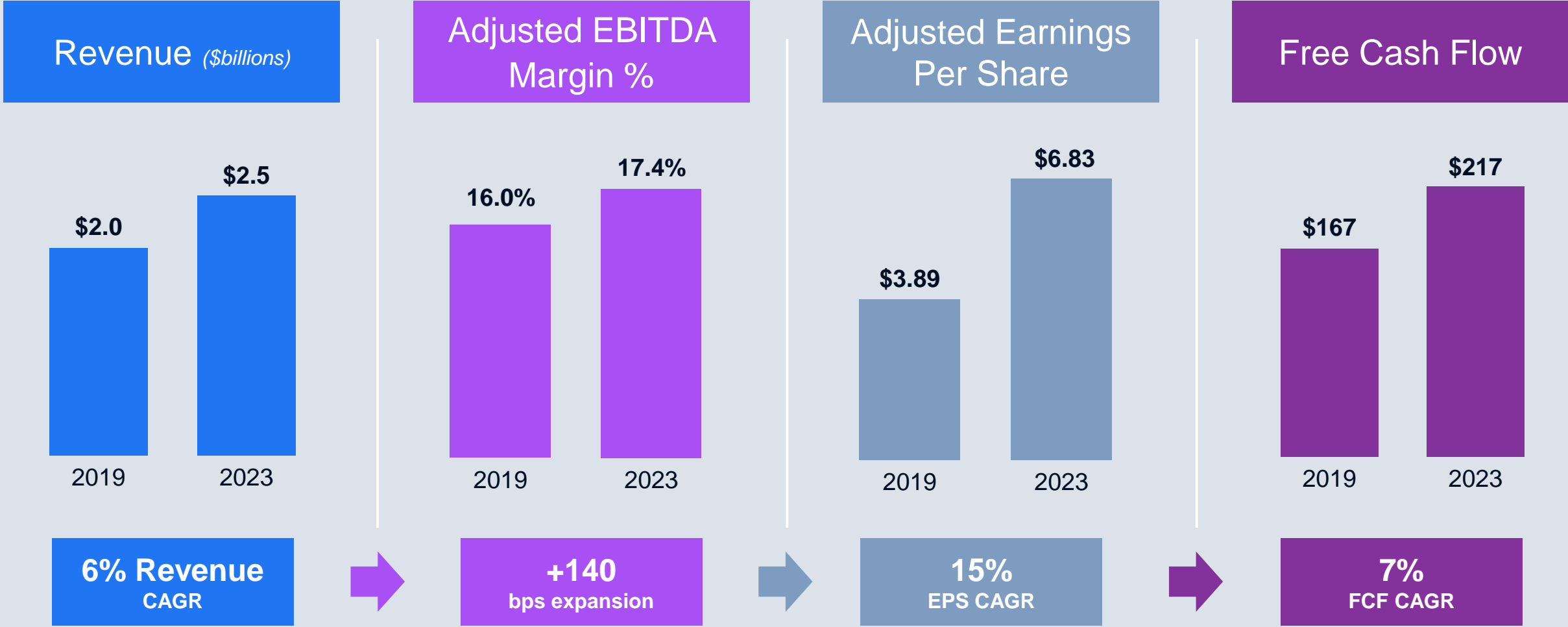
## Financial Metrics

## Consistent With Value Creation Framework

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

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

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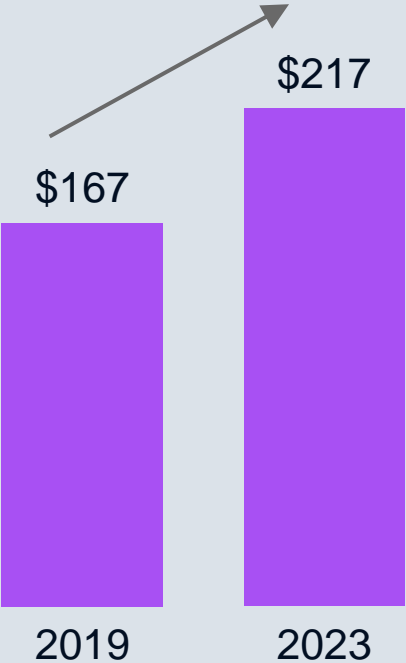
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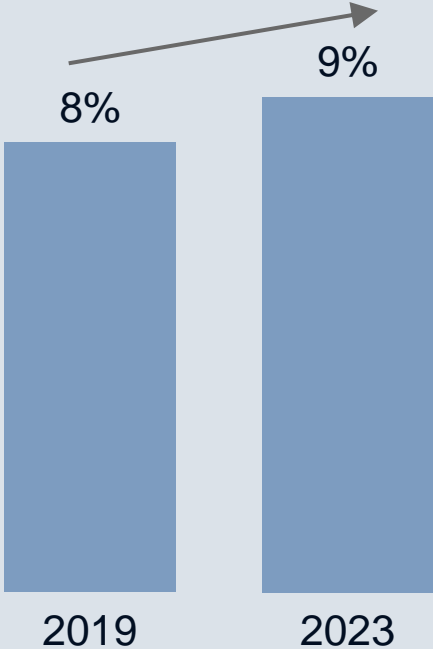
# Strong Cash Flow Generation Engine Fuels Growth Algorithm

### Free Cash Flow



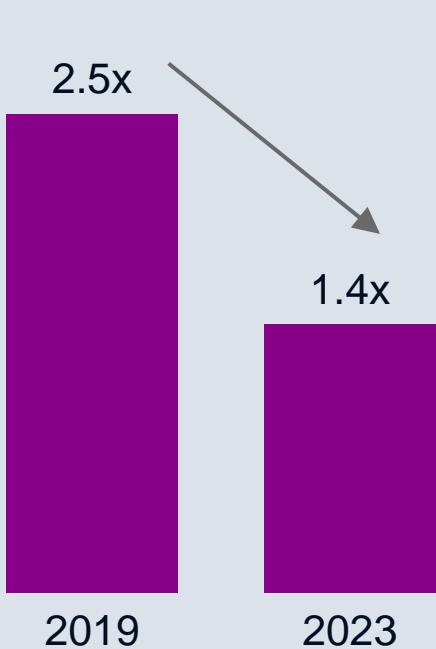
**7% FCF CAGR**

### 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** 

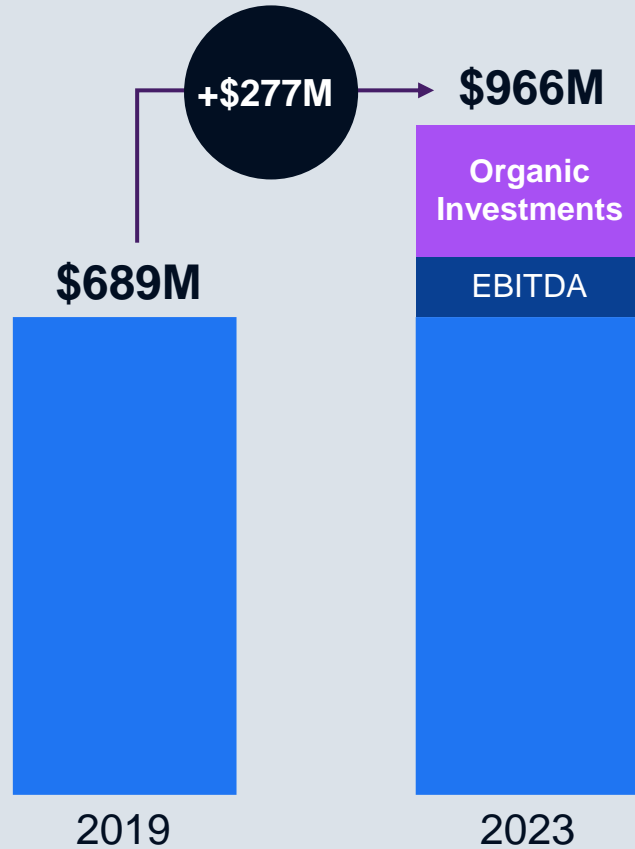
**Return Capital to Shareholders**

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

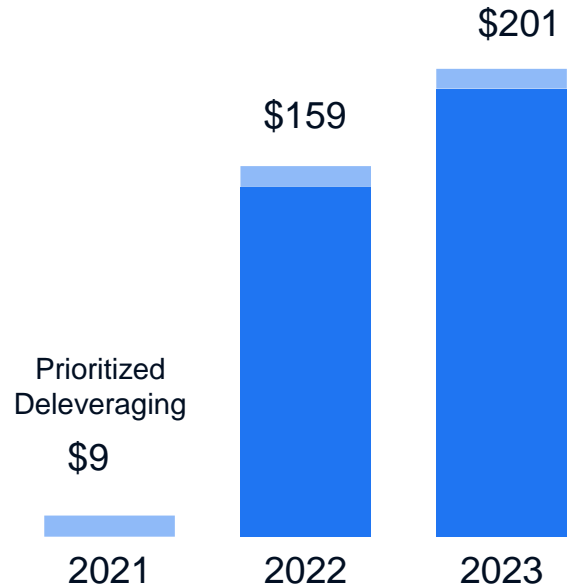


# 3. Returning Capital to Shareholders

## Capital Returned to Shareholders (M)

**Massive increase in share repurchases**

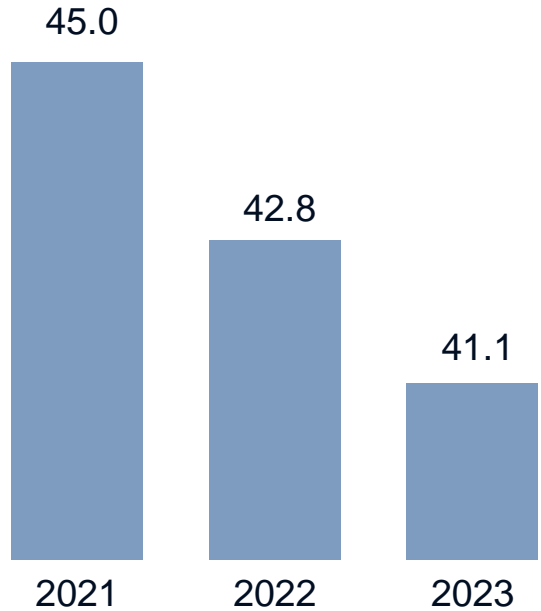
■ Share Repurchases   ■ Dividends



Prioritized  
Deleveraging  
\$9

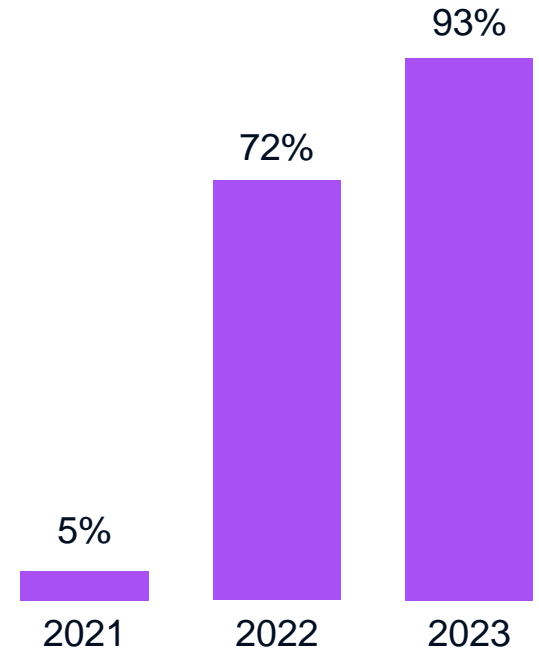
## Year End Shares Outstanding (M)

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

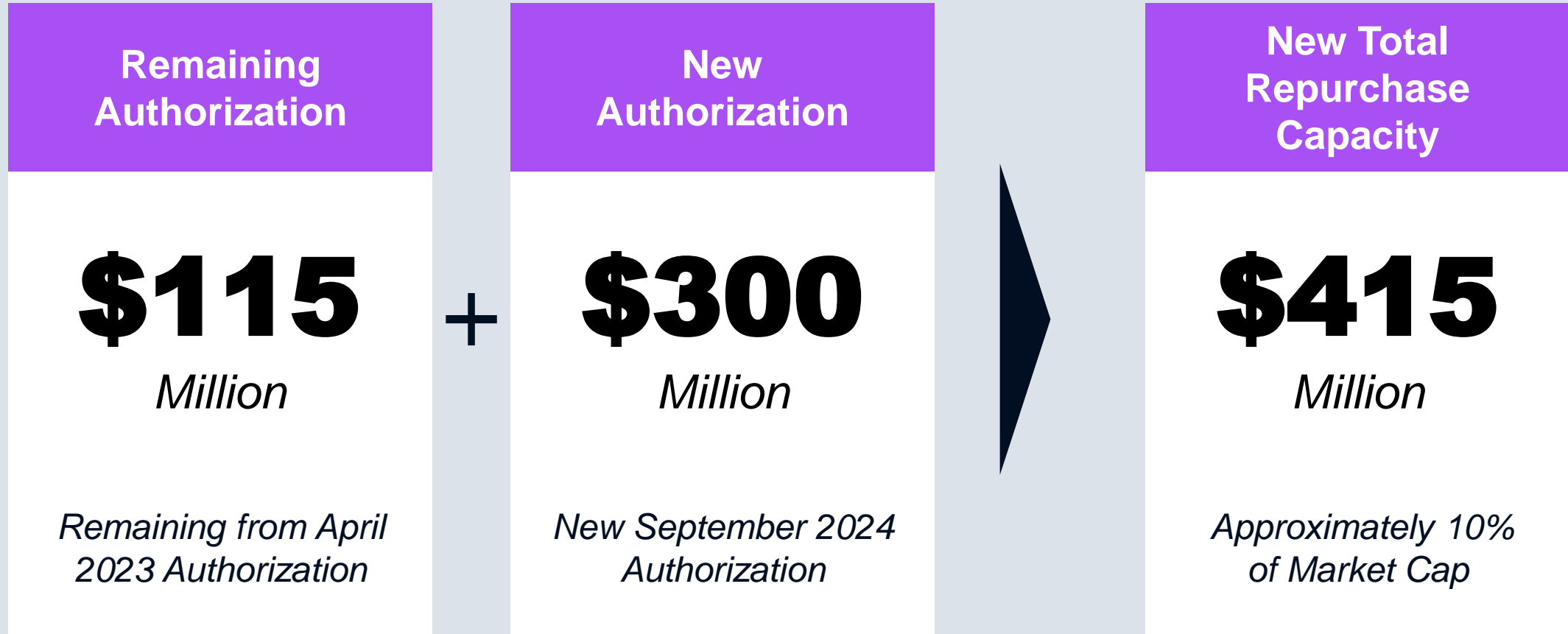


## % Free Cash Flow Returned

**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



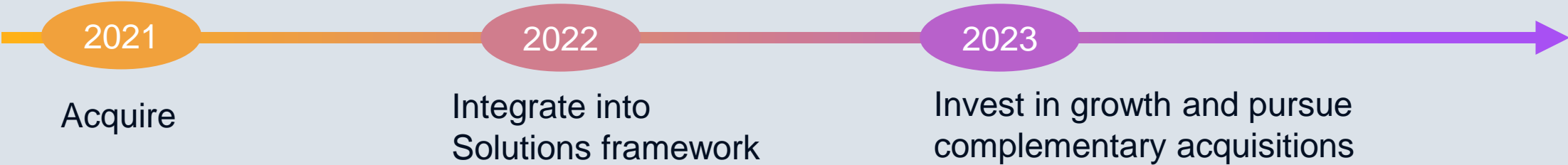
2024

✓ 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

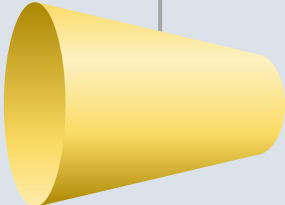
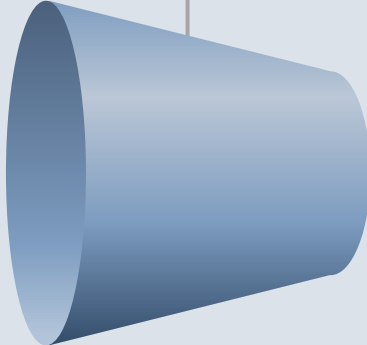
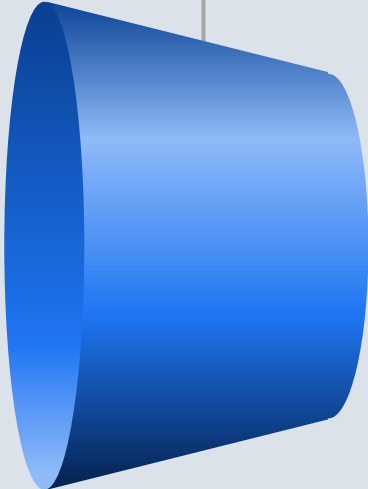
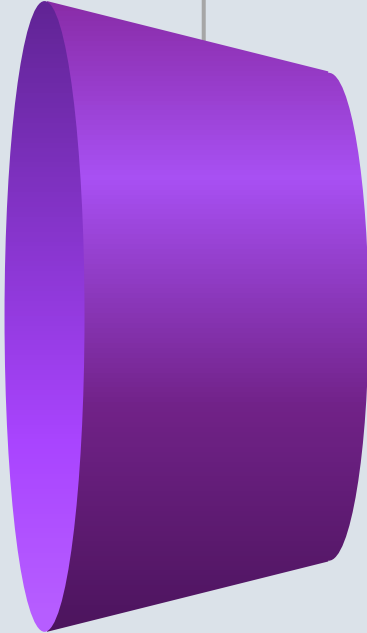
Deep diligence into culture and fit to ensure alignment with our strategic roadmap

## 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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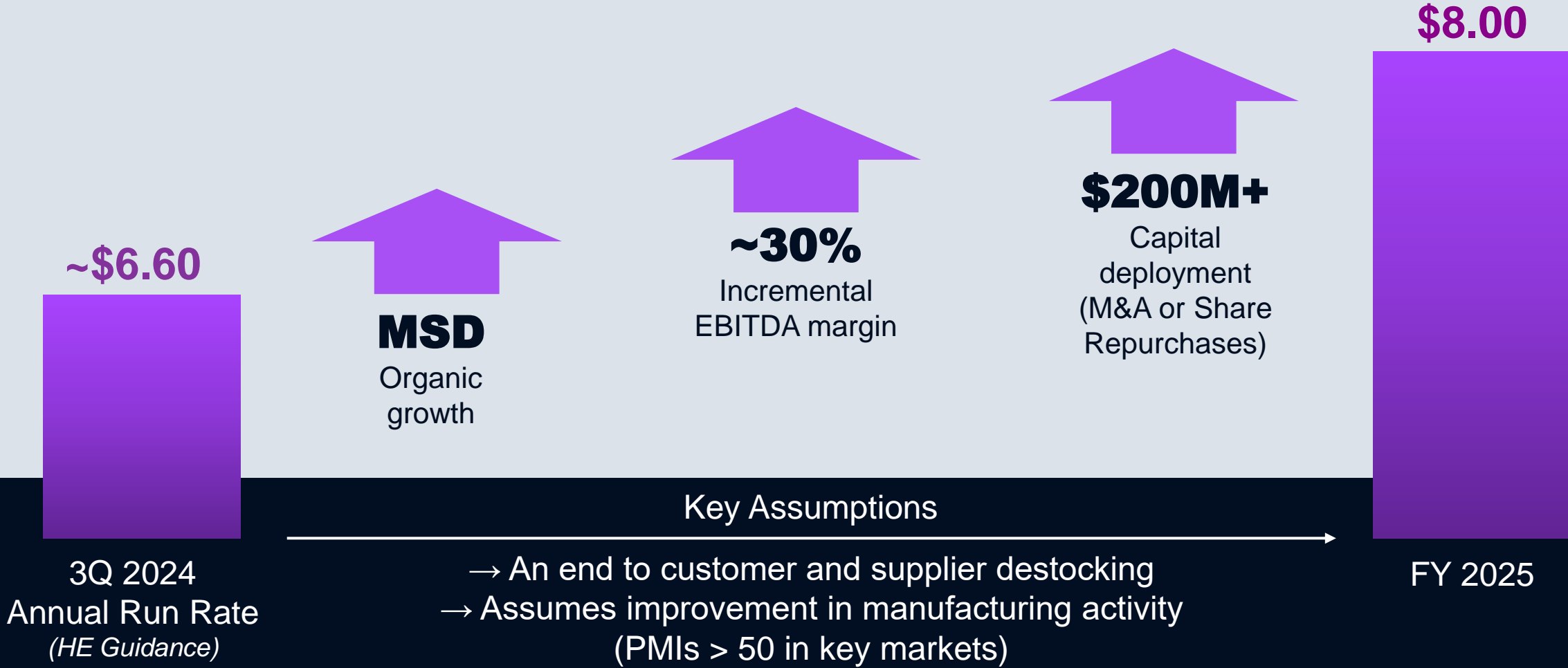
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# Realistic Path to \$8 EPS in 2025



# 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



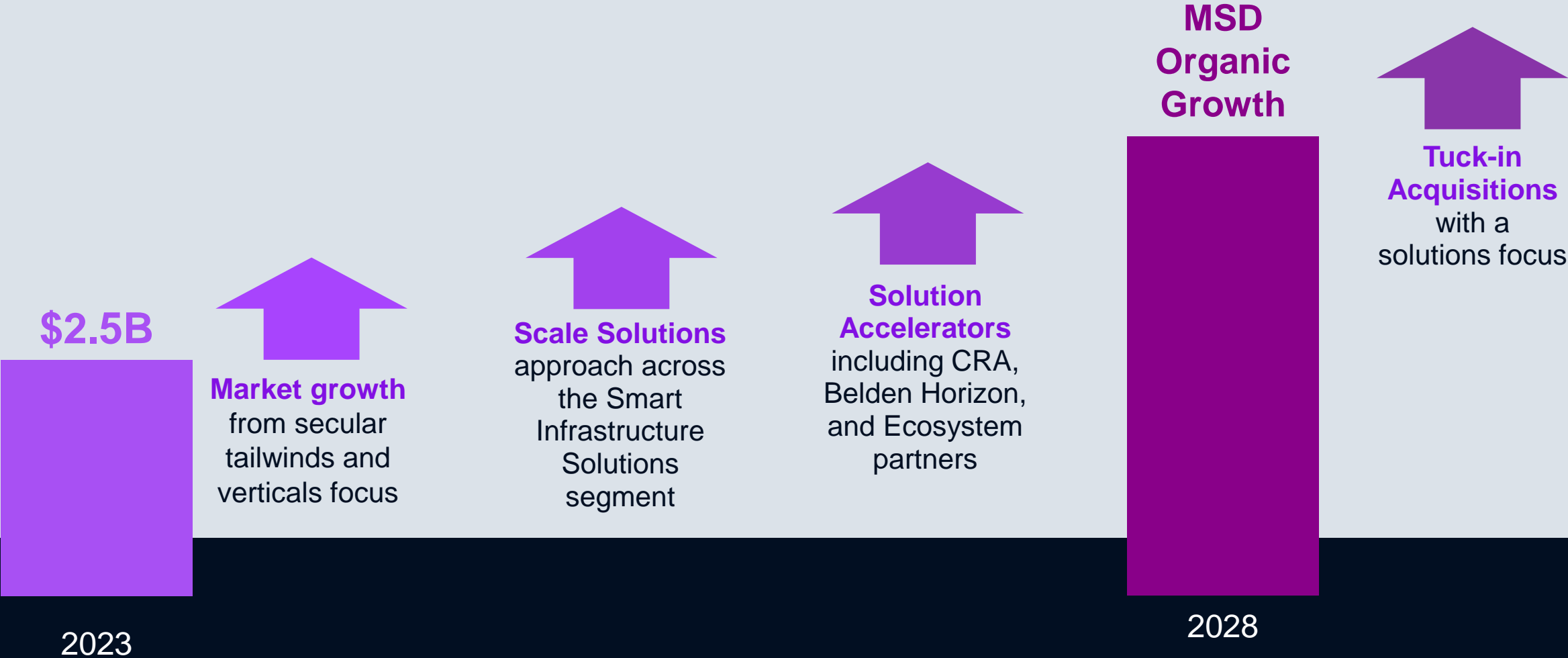
- ▶ Increasing Digitization
- ▶ Remote Monitoring and Management
- ▶ Growing Data Demands

## Critical Infrastructure

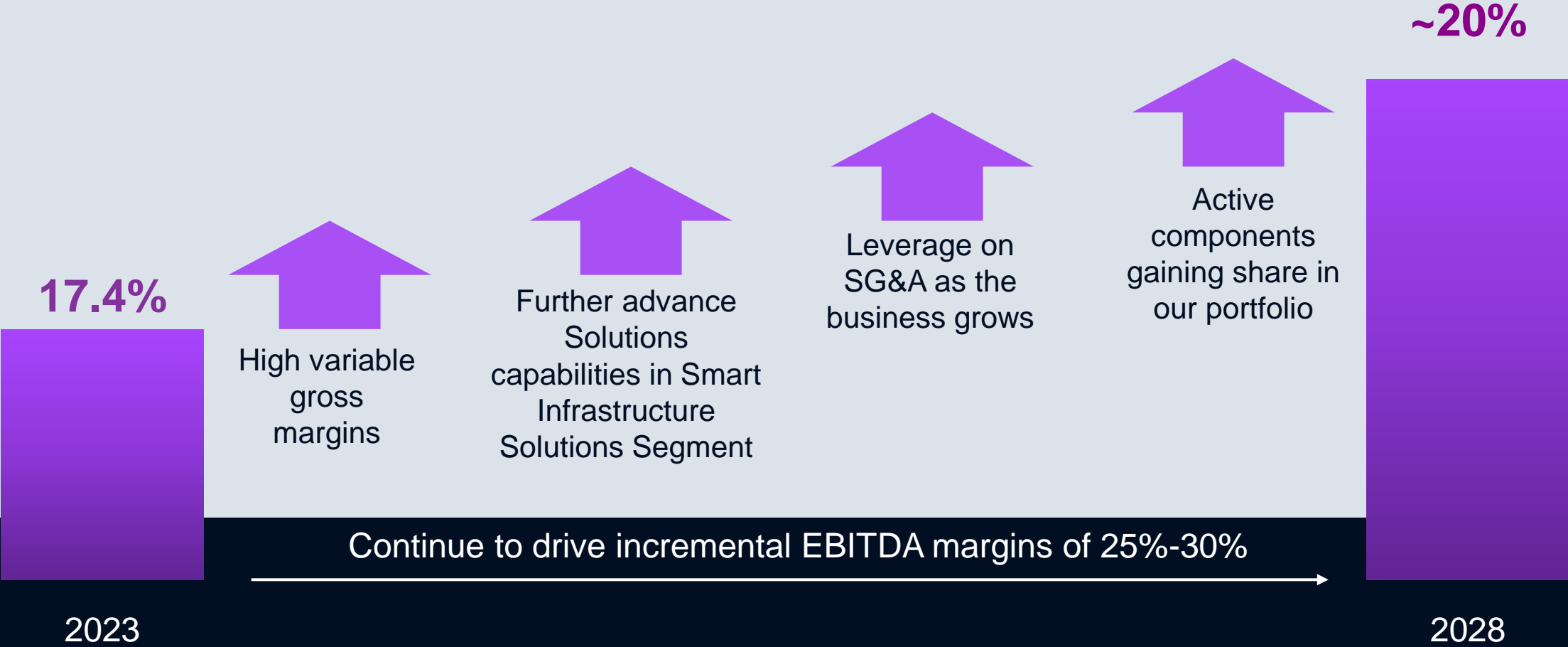


- ▶ Increasing Bandwidth Usage
- ▶ Government-Supported Network Expansions
- ▶ Growing Fiber Network Share

# 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**



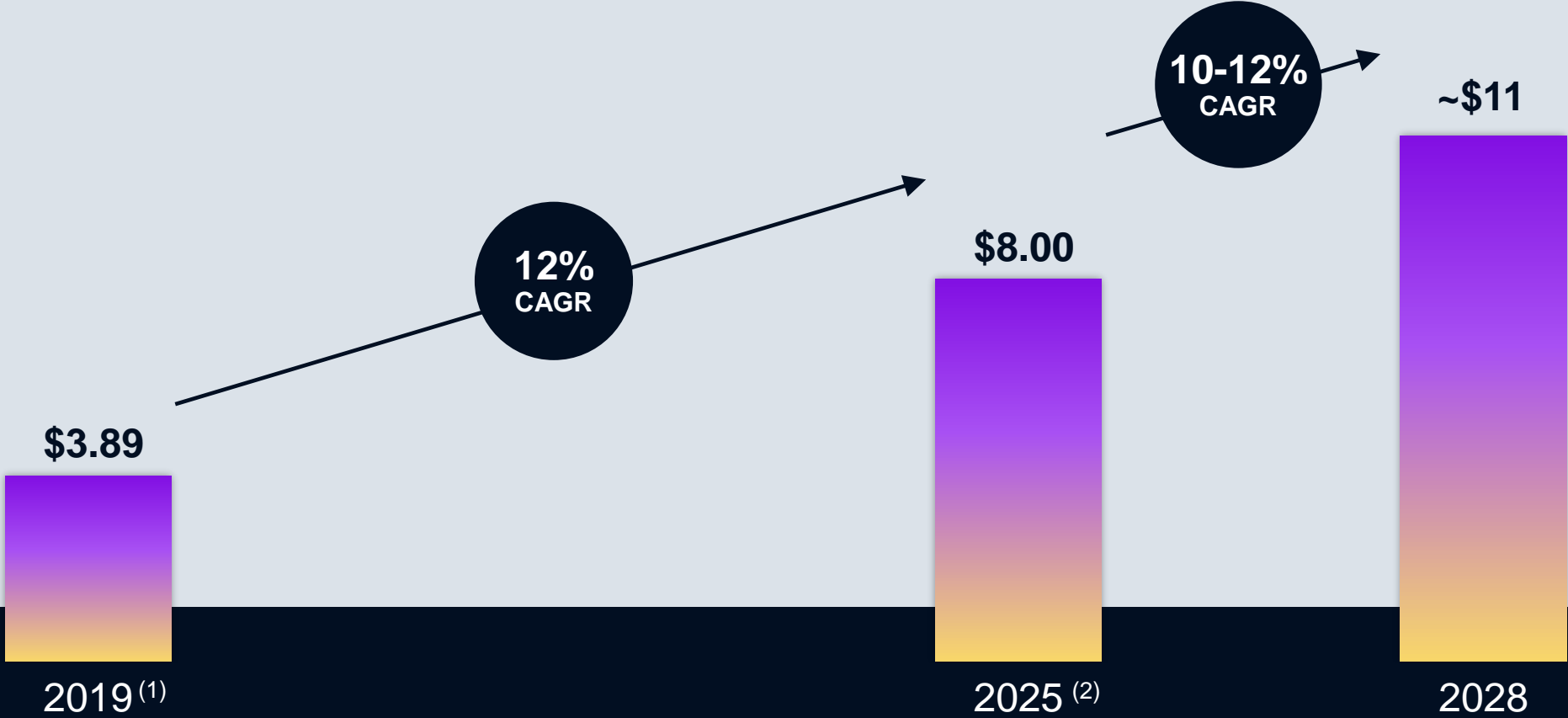
**10-12%  
CAGR**

**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





# 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.