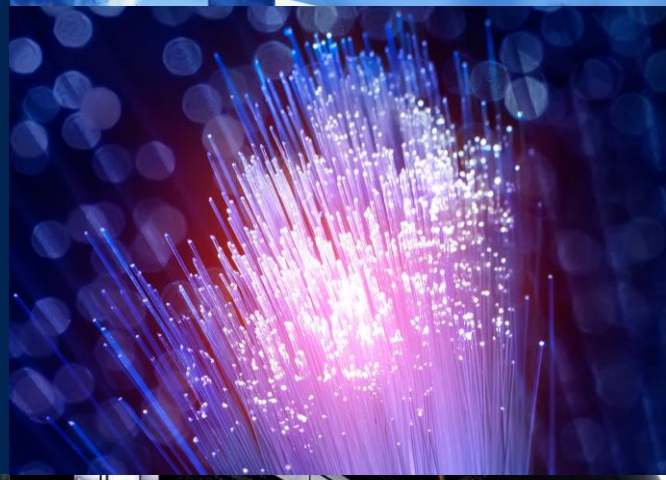
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3RD QUARTER 2023

EARNINGS RESULTS

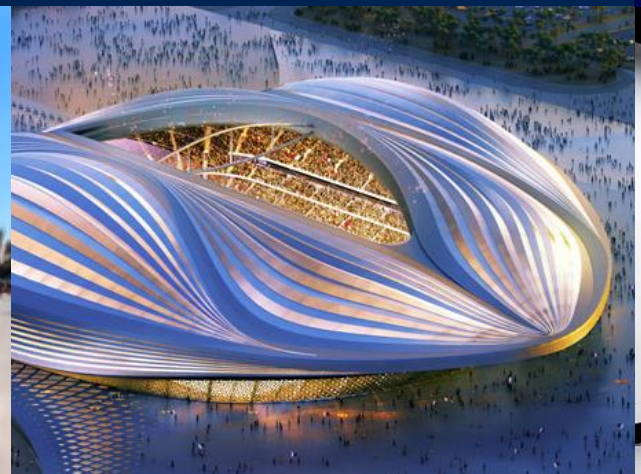
November 2023













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 fourth 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.

3rd QUARTER 2023

EARNINGS RESULTS

Strong Margins Despite Challenging Environment

Q3 2023 Key Messages

Margins improved - however challenging environment impacted revenues

- Revenue of $627M, down 7% YoY (organic growth[1] down 9% YoY)
- EPS[2] of $1.78, up 1% YoY
- Gross Margins improved 280 basis points YoY to 39.0%
- Expanded EBITDA margins by 80 basis points YoY to 18.4%

ST weakness across both segments - however LT secular trends remain intact

- Industrial Automation Solutions organic growth down 4% YoY and EBITDA margins +230 bps YoY
- Enterprise Solutions organic growth down 14% YoY and EBITDA margins -110 bps YoY

Maintained low net leverage, meaningful free cash flow, deployed capital

- Net leverage[3] at 1.3x, below our long-term target of 1.5x
- Generated $260M free cash flow[4] for trailing twelve months
- Invested nearly $110M in complementary and future growth opportunities
- Returned over $150M of capital to shareholders YTD

-9%
Organic Revenue YoY[1]

18.4% (+80 bps)
EBITDA %

$1.78 (+1%)
EPS[2]

1.3x (1.5x target)
Net Leverage

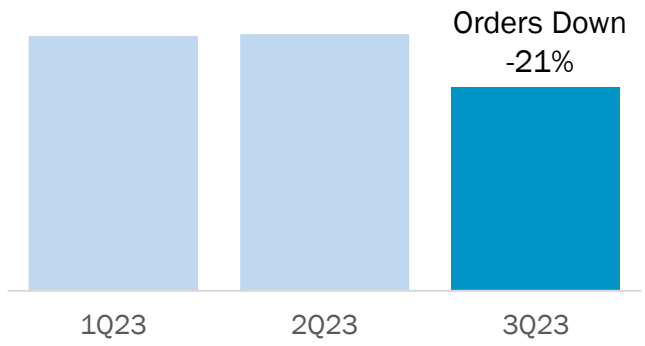
(1) Organic growth is calculated as the change in revenues excluding the impacts of changes in currency exchange rates and copper prices, as well as acquisitions and divestitures.
(2) All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable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

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Current Situation

Perspective by Market

Industrial Automation Solutions

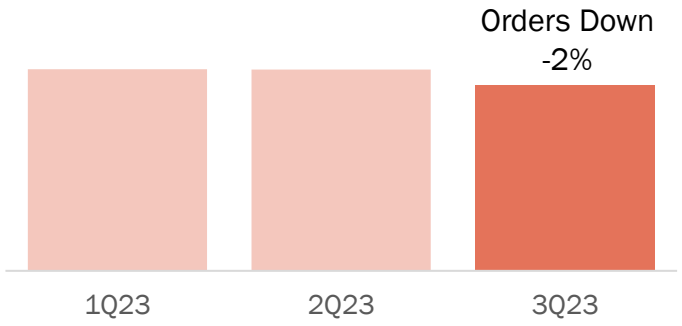


3Q-2023 Trends

- Decline in end customer purchases during the quarter driven by broad weakness in discrete manufacturing
- Inventory adjustment at both OEMs and distributors

Long-term secular trends remain intact
Reshoring, high cost of labor and skills gap, and investments in industrial automation and industry 4.0

Smart Buildings

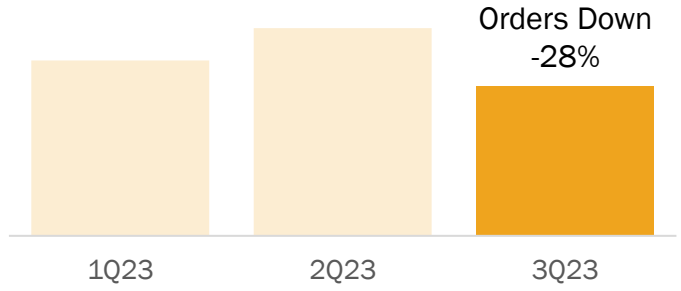


3Q-2023 Trends

- Performed as expected with continued destocking and soft demand
- Point-of-sale data declined in the quarter, indicating weakness headed into 4Q-2023

Long-term secular trends remain intact
Increasing digitization, expanding connectivity demands, and increasing complexity with hybrid networks

Broadband Solutions



3Q-2023 Trends

- Change in procurement at major cable operators resulting in temporary inventory adjustment
- MSO investments continue with anticipated ramp-up in 2024 as additional government funding hits the market

Long-term secular trends remain intact
DOCSIS 4.0 transition, government investments [RDOF (2023+) and BEAD (2024+)], increasing bandwidth demands

(1) Order growth is based on sequential results.

Volatile Market Conditions with Strong Margins

Q3 2023 - Financial Results Overview

$ Millions	Q3 2023[1]	Q3 2022[1]	YoY
Revenue	$626.8	$670.5	-7%
Gross Profit	$244.2	$242.8	+1%
Gross Profit %	39.0%	36.2%	+280 bps
EBITDA	$115.2	$118.1	-2%
EBITDA %	18.4%	17.6%	+80 bps
Net Income[2]	$75.7	$78.1	-3%
Earnings Per Share[3]	$1.78	$1.77	+1%

Revenue down **7% YoY** with temporary weakness in orders in Industrial Automation and Broadband

Organic Revenue Growth **-9%**[4]

- Industrial Automation Solutions Organic Revenue Growth -4% YoY
- Enterprise Solutions Organic Revenue Growth -14% YoY

EBITDA margin **18.4%**, **+80** bps YoY led by continued growth in solutions and a favorable mix towards more active components

(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.

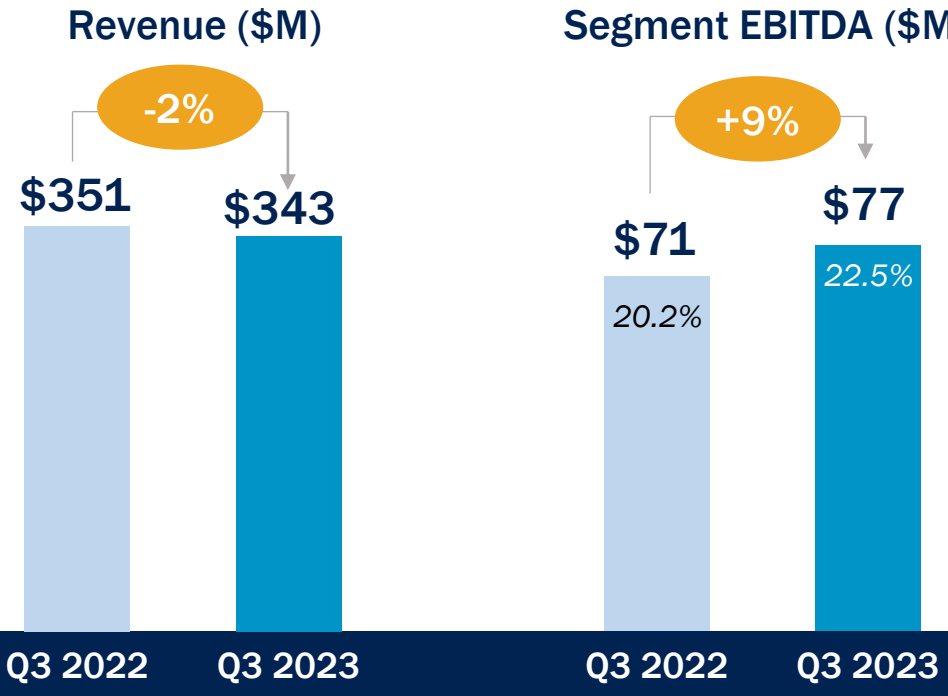
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Challenging Short-Term Headwinds

Q3 2023 Segment Results

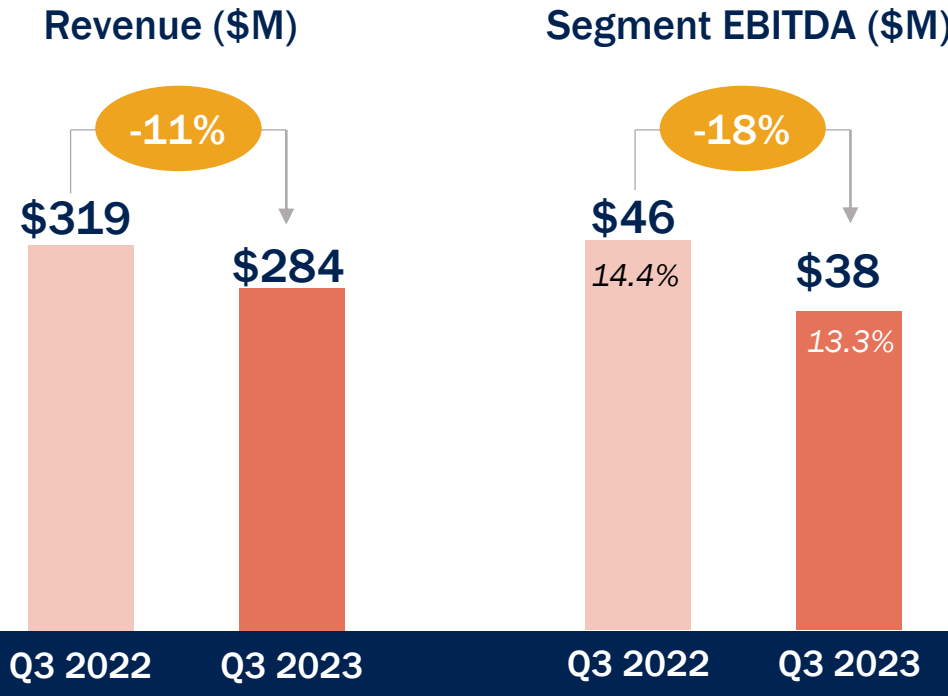
Industrial Automation Solutions Segment

Long-term secular trends remain intact - driven by customers shifting to business outcomes supported by full solutions



Enterprise Solutions Segment

Long-term secular trends remain intact - multi-year investment cycle in Broadband, combined with growing bandwidth demand



Strong Free Cash Flow Generation with a Healthy Balance Sheet

Q3 2023 Balance Sheet and Cash Flow Highlights

Cash and Cash Equivalent

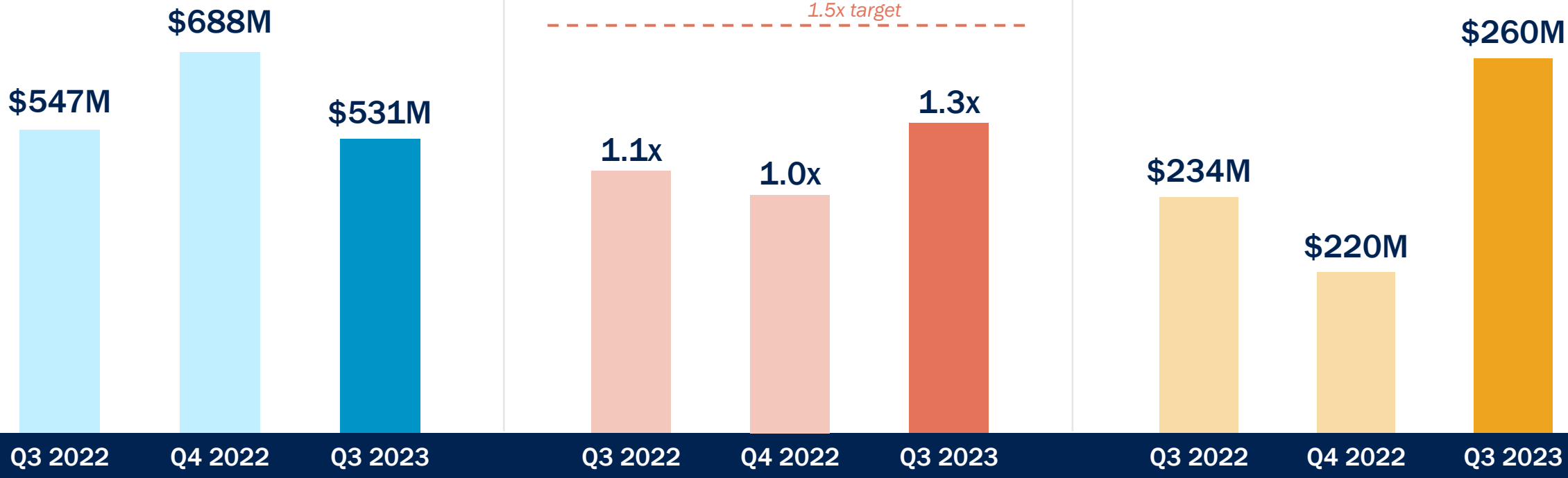
Capital deployed in M&A and share repurchases combined with seasonal working capital trends

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 3Q23 operating cash flow 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.

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Q4 2023 Guidance

Guidance as of November 2, 2023

Q4 2023 Guidance	
Total Revenue ($million)	$510 to $530
GAAP EPS	$0.49 to $0.64
Adjusted EPS	$1.05 to $1.20

Full-Year 2023 Assumptions

Interest Expense	Tax Rate	Share Count
$35.0M	18.9%	42.9M

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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.

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

3Q-2023 TTM Results (1)	Revenue	Adjusted EBITDA	Adjusted EPS	Free Cash Flow	Associates
	$2,620M	**$465M**	**$7.11**	**$260M**	**~8,000**

3Q-2023 TTM Segment Results

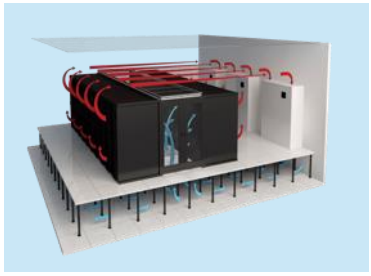
Industrial Automation Solutions



Revenue
$1,445M

Segment EBITDA
$300M

Enterprise Solutions



Revenue
$1,175M

Segment EBITDA
$162M

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.

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

BELDEN HORIZON™

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

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

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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

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CIC Locations

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

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:

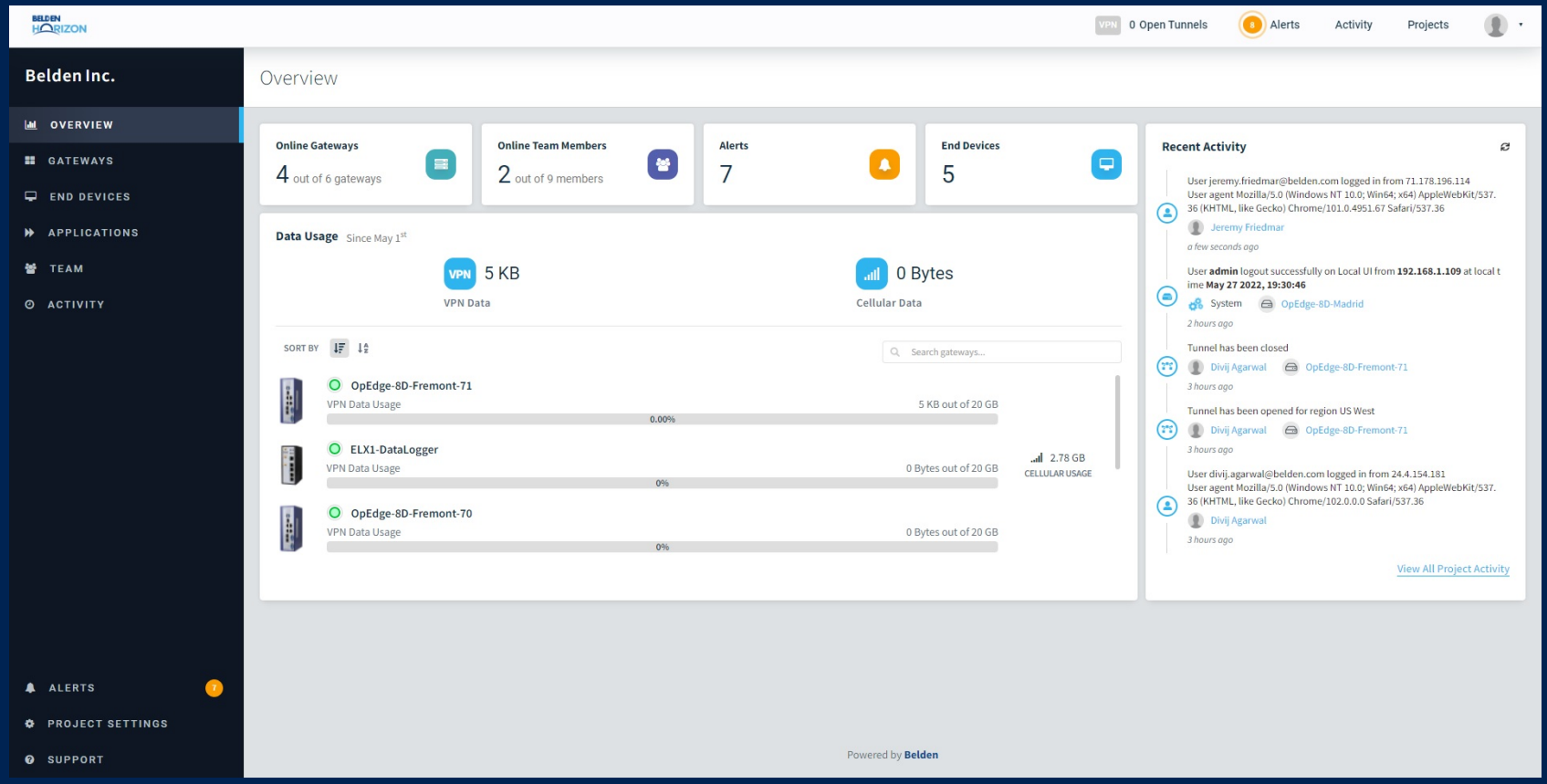
- Additional OT protocols with easy integration
- Digital twins and analytics tooling
- Scalable functionality to support large remote deployments
- Ability to serve mission-critical needs in both industrial and enterprise markets

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



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)

APPENDIX

Statement of Operations

Unaudited

	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
	(In thousands, except per share data)			
Revenues	$ 626,807	$ 670,491	$ 1,960,841	$ 1,947,413
Cost of sales	(385,639)	(431,845)	(1,212,240)	(1,277,602)
Gross profit	241,168	238,646	748,601	669,811
Selling, general and administrative expenses	(118,079)	(110,478)	(366,288)	(318,747)
Research and development expenses	(30,190)	(26,306)	(90,544)	(75,751)
Amortization of intangibles	(9,526)	(10,105)	(30,262)	(28,099)
Gain on sale of assets	12,056	37,891	12,056	37,891
Operating income	95,429	129,648	273,563	285,105
Interest expense, net	(8,580)	(9,883)	(25,593)	(35,570)
Non-operating pension benefit	328	26	1,462	2,296
Loss on debt extinguishment	—	—	—	(6,392)
Income from continuing operations before taxes	87,177	119,791	249,432	245,439
Income tax expense	(14,850)	(16,104)	(45,385)	(39,014)
Income from continuing operations	72,327	103,687	204,047	206,425
Loss from discontinued operations, net of tax	—	—	—	(3,685)
Loss on disposal of discontinued operations, net of tax	—	(5,366)	—	(9,933)
Net income	72,327	98,321	204,047	192,807
Less: Net income (loss) attributable to noncontrolling interest	(20)	27	(245)	111
Net income attributable to Belden stockholders	$ 72,347	$ 98,294	$ 204,292	$ 192,696
Weighted average number of common shares and equivalents:				
Basic	42,053	43,466	42,460	44,181
Diluted	42,625	44,063	43,129	44,810
Basic income (loss) per share attributable to Belden stockholders:				
Continuing operations	$ 1.72	$ 2.38	$ 4.81	$ 4.67
Discontinued operations	—	—	—	(0.08)
Disposal of discontinued operations	—	(0.12)	—	(0.22)
Net income	$ 1.72	$ 2.26	$ 4.81	$ 4.36
Diluted income (loss) per share attributable to Belden stockholders:				
Continuing operations	$ 1.70	$ 2.35	$ 4.74	$ 4.60
Discontinued operations	—	—	—	(0.08)
Disposal of discontinued operations	—	(0.12)	—	(0.22)
Net income	$ 1.70	$ 2.23	$ 4.74	$ 4.30
Common stock dividends declared per share	$ 0.05	$ 0.05	$ 0.15	$ 0.15



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Operating Segment Information

Unaudited

	Enterprise Solutions	Industrial Automation Solutions	Total Segments
	(In thousands, except percentages)		
For the three months ended October 1, 2023			
Segment Revenues	$ 283,905	$ 342,902	$ 626,807
Segment EBITDA	37,693	77,244	114,937
Segment EBITDA margin	*13.3 %*	*22.5 %*	*18.3 %*
Depreciation expense	6,632	6,810	13,442
Amortization of intangibles	4,468	5,058	9,526
Amortization of software development intangible assets	—	1,963	1,963
Severance, restructuring, and acquisition integration costs	3,453	2,622	6,075
Adjustments related to acquisitions and divestitures	197	298	495
For the three months ended October 2, 2022			
Segment Revenues	$ 319,201	$ 351,290	$ 670,491
Segment EBITDA	46,110	71,055	117,165
Segment EBITDA margin	*14.4 %*	*20.2 %*	*17.5 %*
Depreciation expense	6,020	5,827	11,847
Amortization of intangibles	4,512	5,593	10,105
Amortization of software development intangible assets	8	860	868
Severance, restructuring, and acquisition integration costs	2,702	1,858	4,560
Adjustments related to acquisitions and divestitures	(2,537)	514	(2,023)
For the nine months ended October 1, 2023			
Segment Revenues	$ 871,777	$ 1,089,064	$ 1,960,841
Segment EBITDA	118,854	229,662	348,516
Segment EBITDA margin	*13.6 %*	*21.1 %*	*17.8 %*
Depreciation expense	18,779	19,699	38,478
Amortization of intangibles	15,171	15,091	30,262
Amortization of software development intangible assets	—	5,235	5,235
Severance, restructuring, and acquisition integration costs	5,147	6,699	11,846
Adjustments related to acquisitions and divestitures	522	520	1,042
For the nine months ended October 2, 2022			
Segment Revenues	$ 895,075	$ 1,052,338	$ 1,947,413
Segment EBITDA	118,818	206,643	325,461
Segment EBITDA margin	*13.3 %*	*19.6 %*	*16.7 %*
Depreciation expense	17,214	17,229	34,443
Amortization of intangibles	13,051	15,048	28,099
Amortization of software development intangible assets	52	2,804	2,856
Severance, restructuring, and acquisition integration costs	7,605	6,535	14,140
Adjustments related to acquisitions and divestitures	(3,095)	1,648	(1,447)



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Operating Segment Reconciliation to Consolidated Results

Unaudited

	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
	(In thousands)			
Total Segment and Consolidated Revenues	$ 626,807	$ 670,491	$ 1,960,841	$ 1,947,413
Total Segment EBITDA	$ 114,937	$ 117,165	$ 348,516	$ 325,461
Total non-operating pension benefit	328	26	1,462	2,296
Non-operating pension settlement loss	—	954	—	954
Eliminations	(63)	(51)	(146)	(156)
Consolidated Adjusted EBITDA (1)	$ 115,202	$ 118,094	$ 349,832	$ 328,555
Depreciation expense	(13,442)	(11,847)	(38,478)	(34,443)
Amortization of intangibles	(9,526)	(10,105)	(30,262)	(28,099)
Interest expense, net	(8,580)	(9,883)	(25,593)	(35,570)
Amortization of software development intangible assets	(1,963)	(868)	(5,235)	(2,856)
Adjustments related to acquisitions and divestitures	(495)	2,023	(1,042)	1,447
Severance, restructuring, and acquisition integration costs	(6,075)	(4,560)	(11,846)	(14,140)
Non-operating pension settlement loss	—	(954)	—	(954)
Loss on debt extinguishment	—	—	—	(6,392)
Gain on sale of assets	12,056	37,891	12,056	37,891
Income from continuing operations before taxes	$ 87,177	$ 119,791	$ 249,432	$ 245,439

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



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Balance Sheet

Unaudited

	October 1, 2023	December 31, 2022
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 530,971	$ 687,676
Receivables, net	481,125	440,102
Inventories, net	336,420	341,563
Other current assets	63,831	66,866
Total current assets	1,412,347	1,536,207
Property, plant and equipment, less accumulated depreciation	404,950	381,864
Operating lease right-of-use assets	78,497	73,376
Goodwill	892,711	862,253
Intangible assets, less accumulated amortization	271,615	246,830
Deferred income taxes	14,830	14,642
Other long-lived assets	54,449	46,503
	$ 3,129,399	$ 3,161,675
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 304,851	$ 350,058
Accrued liabilities	248,320	289,861
Total current liabilities	553,171	639,919
Long-term debt	1,145,796	1,161,176
Postretirement benefits	65,063	67,828
Deferred income taxes	67,709	58,582
Long-term operating lease liabilities	65,477	59,250
Other long-term liabilities	32,780	30,970
Stockholders' equity:		
Common stock	503	503
Additional paid-in capital	812,423	825,669
Retained earnings	949,422	751,522
Accumulated other comprehensive loss	(6,605)	(5,871)
Treasury stock	(556,343)	(428,812)
Total Belden stockholders' equity	1,199,400	1,143,011
Noncontrolling interests	3	939
Total stockholders' equity	1,199,403	1,143,950
	$ 3,129,399	$ 3,161,675



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Cash Flow Statement

Unaudited

	Nine Months Ended	
	October 1, 2023	October 2, 2022
	(In thousands)	
Cash flows from operating activities:		
Net income	$ 204,047	$ 192,807
Adjustments to reconcile net income to cash flows from operating activities:		
Depreciation and amortization	73,974	65,730
Share-based compensation	14,843	18,438
Loss on disposal of discontinued operations	—	9,934
Loss on debt extinguishment	—	6,392
Gain on sale of assets	(12,056)	(37,891)
Changes in operating assets and liabilities, net of the effects of currency exchange rate changes, acquired businesses and disposals:		
Receivables	(48,949)	(42,808)
Inventories	16,211	(11,393)
Accounts payable	(42,456)	(65,584)
Accrued liabilities	(43,318)	(41,247)
Income taxes	548	(2,347)
Other assets	(6,706)	4,269
Other liabilities	3,855	(17,500)
Net cash provided by operating activities	159,993	78,800
Cash flows from investing activities:		
Cash used for business acquisitions, net of cash acquired	(106,712)	(104,481)
Capital expenditures	(61,870)	(50,250)
Proceeds from disposal of tangible assets	13,785	43,534
Proceeds from disposal of businesses, net of cash sold	9,300	334,574
Net cash provided by (used for) investing activities	(145,497)	223,377
Cash flows from financing activities:		
Payments under share repurchase program	(150,000)	(136,336)
Withholding tax payments for share-based payment awards	(17,309)	(6,534)
Cash dividends paid	(6,408)	(6,762)
Payments under financing lease obligations	(254)	(123)
Payments under borrowing arrangements	—	(230,639)
Proceeds from issuance of common stock	6,568	3,717
Net cash used for financing activities	(167,403)	(376,677)
Effect of foreign currency exchange rate changes on cash and cash equivalents	(3,798)	(21,791)
Decrease in cash and cash equivalents	(156,705)	(96,291)
Cash and cash equivalents, beginning of period	687,676	643,757
Cash and cash equivalents, end of period	$ 530,971	$ 547,466

The Condensed Consolidated Cash Flow Statement for the nine months ended October 2, 2022 includes the results of discontinued operations up to the February 22, 2022 disposal date.



Reconciliation of Non-GAAP Measures

Unaudited

	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
	(In thousands, except percentages and per share amounts)			
GAAP and Adjusted Revenues	$ 626,807	$ 670,491	$ 1,960,841	$ 1,947,413
GAAP gross profit	$ 241,168	$ 238,646	$ 748,601	$ 669,811
Severance, restructuring, and acquisition integration costs	912	2,796	1,400	8,771
Amortization of software development intangible assets	1,963	868	5,235	2,856
Adjustments related to acquisitions and divestitures	197	514	522	1,648
Adjusted gross profit	$ 244,240	$ 242,824	$ 755,758	$ 683,086
GAAP gross profit margin	*38.5 %*	*35.6 %*	*38.2 %*	*34.4 %*
Adjusted gross profit margin	*39.0 %*	*36.2 %*	*38.5 %*	*35.1 %*
GAAP selling, general and administrative expenses	$ (118,079)	$ (110,478)	$ (366,288)	$ (318,747)
Severance, restructuring, and acquisition integration costs	5,213	1,764	10,402	5,369
Adjustments related to acquisitions and divestitures	298	(2,537)	520	(3,095)
Adjusted selling, general and administrative expenses	$ (112,568)	$ (111,251)	$ (355,366)	$ (316,473)
GAAP research and development expenses	$ (30,190)	$ (26,306)	$ (90,544)	$ (75,751)
Severance, restructuring, and acquisition integration costs	(50)	—	44	—
Adjusted research and development expenses	$ (30,240)	$ (26,306)	$ (90,500)	$ (75,751)
GAAP income from continuing operations	$ 72,327	$ 103,687	$ 204,047	$ 206,425
Income tax expense	14,850	16,104	45,385	39,014
Interest expense, net	8,580	9,883	25,593	35,570
Non-operating pension settlement loss	—	954	—	954
Loss on debt extinguishment	—	—	—	6,392
Total non-operating adjustments	23,430	26,941	70,978	81,930
Amortization of intangible assets	9,526	10,105	30,262	28,099
Severance, restructuring, and acquisition integration costs	6,075	4,560	11,846	14,140
Amortization of software development intangible assets	1,963	868	5,235	2,856
Adjustments related to acquisitions and divestitures	495	(2,023)	1,042	(1,447)
Gain on sale of assets	(12,056)	(37,891)	(12,056)	(37,891)
Total operating income adjustments	6,003	(24,381)	36,329	5,757
Depreciation expense	13,442	11,847	38,478	34,443
Adjusted EBITDA	$ 115,202	$ 118,094	$ 349,832	$ 328,555
GAAP income from continuing operations margin	*11.5 %*	*15.5 %*	*10.4 %*	*10.6 %*
Adjusted EBITDA margin	*18.4 %*	*17.6 %*	*17.8 %*	*16.9 %*

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		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
	(In thousands, except percentages and per share amounts)			
GAAP income from continuing operations	$ 72,327	$ 103,687	$ 204,047	$ 206,425
Less: Net income (loss) attributable to noncontrolling interest	(20)	27	(245)	111
GAAP net income from continuing operations attributable to Belden stockholders	$ 72,347	$ 103,660	$ 204,292	$ 206,314
GAAP income from continuing operations	$ 72,327	$ 103,687	$ 204,047	$ 206,425
Plus: Operating income adjustments from above	6,003	(24,381)	36,329	5,757
Plus: Non-operating pension settlement loss	—	954	—	954
Plus: Loss on debt extinguishment	—	—	—	6,392
Less: Net income (loss) attributable to noncontrolling interest	(20)	27	(245)	111
Less: Tax effect of adjustments above	2,682	2,121	9,202	10,360
Adjusted net income from continuing operations attributable to Belden stockholders	$ 75,668	$ 78,112	$ 231,419	$ 209,057
GAAP income from continuing operations per diluted share attributable to Belden stockholders	$ 1.70	$ 2.35	$ 4.74	$ 4.60
Adjusted income from continuing operations per diluted share attributable to Belden stockholders	$ 1.78	$ 1.77	$ 5.37	$ 4.67
GAAP and adjusted diluted weighted average shares	42,625	44,063	43,129	44,810

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.

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Reconciliation of Non-GAAP Measures (continued)

Unaudited

	Trailing 12 Months Ended October 1, 2023
	(In thousands, except percentages and per share amounts)
GAAP and Adjusted revenues	$ 2,619,913
GAAP income from continuing operations	$ 265,370
Income tax expense	56,016
Interest expense, net	33,577
Non-operating pension settlement loss	235
Total non-operating adjustments	162,155
Amortization of intangible assets	40,023
Amortization of software development intangible assets	6,254
Severance, restructuring, and acquisition integration costs	14,391
Adjustments related to acquisitions and divestitures	10,322
Gain on sale of asset	(12,056)
Total operating income adjustments	58,934
Depreciation expense	50,704
Adjusted EBITDA	$ 464,836
GAAP income from continuing operations margin	10.1%
Adjusted EBITDA margin	17.7%
GAAP income from continuing operations	$ 265,370
Less: Net loss attributable to noncontrolling interest	(197)
GAAP net income from continuing operations attributable to Belden stockholders	$ 265,567
GAAP income from continuing operations	$ 265,370
Plus: Operating income adjustments from above	58,934
Plus: Non-operating pension settlement loss	235
Less: Net loss attributable to noncontrolling interest	(197)
Less: Tax effect of adjustments above	17,011
Adjusted net income from continuing operations attributable to Belden stockholders	$ 307,725
GAAP income from continuing operations per diluted share attributable to Belden stockholders	$ 6.14
Adjusted income from continuing operations per diluted share attributable to Belden stockholders	$ 7.11
GAAP and adjusted diluted weighted average shares	43,272

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.

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Free Cash Flow GAAP to Non-GAAP Reconciliation

Unaudited

	Three Months Ended		Nine Months Ended	
	October 1, 2023	October 2, 2022	October 1, 2023	October 2, 2022
	(In thousands)			
GAAP net cash provided by operating activities	$ 105,278	$ 87,381	$ 159,993	$ 78,800
Capital expenditures	(29,141)	(19,240)	(61,870)	(50,250)
Proceeds from disposal of tangible assets	13,776	42,110	13,785	43,534
Non-GAAP free cash flow	$ 89,913	$ 110,251	$ 111,908	$ 72,084

	Trailing 12 Months Ended		
	October 1, 2023	December 31, 2022	October 2, 2022
	(In thousands)	(In thousands)	(In thousands)
GAAP net cash provided by operating activities	$ 362,489	$ 281,296	$ 248,936
Capital expenditures	(116,714)	(105,094)	(85,663)
Proceeds from disposal of assets	13,785	43,534	70,519
Non-GAAP free cash flow	$ 259,560	$ 219,736	$ 233,792

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 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

	Three Months Ended December 31, 2023
GAAP income from continuing operations per diluted share attributable to Belden common stockholders	$0.49 - $0.64
Amortization of intangible assets	0.21
Severance, restructuring, and acquisition integration costs	0.34
Adjustments related to acquisitions and divestitures	0.01
Gain on sale of assets	—
Adjusted income from continuing operations per diluted share attributable to Belden common stockholders	$1.05 - $1.20

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

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