

4th Quarter 2018
Earnings Release Conference Call

February 20, 2019

Safe Harbor Statement

Our commentary and responses to your questions may contain forward-looking statements, including our outlook for the first quarter and full-year 2019. 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 undertakes no obligation to update any such statements to reflect later developments, except as required by law. Information on factors that could cause actual results to vary materially from those discussed today is available in the press release announcing 2018 fourth quarter results, our most recent Quarterly Report on Form 10-Q as filed with the SEC on November 5, 2018 (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 II, Item 1A), and our subsequent filings with the Securities and Exchange Commission.

Non-GAAP Measures

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

Q4 2018 Highlights

- Revenues of \$654.1M, increasing 8.1% year-over-year and 6.8% organically
- EBITDA of \$121.6M, increasing 10.4% year-over-year
- EPS of \$1.66, increasing 2.5% year-over-year
- Reduced leverage to 2.2x net debt to EBITDA
- Completed the \$200M share repurchase program, announced a new \$300M authorization

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

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









FY 2018 Highlights

- Record revenues of \$2.592B, increasing 8.5% year-over-year
- Record EBITDA of \$474.2M, increasing 9.2% year-over-year
- Record EPS of \$6.06, increasing 13.3% year-over-year
- Cash flow from operations of \$289.2M, increasing 13.3% year-over-year
- Balanced capital deployment included a record \$175M for share repurchases, \$103M for acquisitions, and \$98M for capital expenditures

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

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

Q4 2018 Segment Overview

Enterprise Solutions	Revenue	\$379.4 M	Key Markets  Smart Buildings  Final Mile Broadband  Live Media Production
	<i>Organic Growth % (Y/Y)</i>	+7.4%	
	EBITDA Margin	17.8%	
Industrial Solutions	Revenue	\$274.7M	 Discrete Manufacturing  Process Facilities  Transportation  Energy  Cybersecurity
	<i>Organic Growth % (Y/Y)</i>	+6.0%	
	EBITDA Margin	19.8%	

Q4 2018 Financial Summary

	Q4 2018	Q3 2018	Q4 2017
Revenue	\$654.1M	\$659.0M	\$604.9M
Gross profit	\$265.6M	\$270.1M	\$237.7M
Gross profit percentage	40.6%	41.0%	39.3%
EBITDA	\$121.6M	\$126.7M	\$110.2M
EBITDA percentage	18.6%	19.2%	18.2%
Net Income ⁽¹⁾	\$77.7M	\$81.9M	\$79.0M
Earnings Per Share ⁽²⁾	\$1.66	\$1.72	\$1.62

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

(1) All references to Net Income refer to adjusted net income attributable to Belden

(2) All references to Earnings Per Share refer to adjusted net income per diluted share attributable to Belden common stockholders

Q4 2018 Segment Results

	Enterprise Solutions	Industrial Solutions	Consolidated
Q4 2018			
Revenue	\$379.4M	\$274.7M	\$654.1M
EBITDA ⁽¹⁾	\$67.7M	\$54.3M	\$121.6M
EBITDA Margin	17.8%	19.8%	18.6%
Q3 2018			
Revenue	\$392.1M	\$266.9M	\$659.0M
EBITDA ⁽¹⁾	\$72.2M	\$53.8M	\$126.7M
EBITDA Margin	18.4%	20.1%	19.2%
Q4 2017			
Revenue	\$332.4M	\$272.5M	\$604.9M
EBITDA ⁽¹⁾	\$48.5M	\$60.5M	\$110.2M
EBITDA Margin	14.6%	22.2%	18.2%

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

(1) Consolidated results include income / (loss) from our equity method investment, Non-operating pension costs and Eliminations

Q4 2018 Balance Sheet Highlights

	Q4 2018	Q3 2018	Q4 2017
Cash and Cash Equivalents	\$421M	\$329M	\$561M
Working Capital Turns	9.5x	6.2x	8.2x
Days Sales Outstanding	65	66	71
Inventory Turns	5.0x	4.9x	5.1x
PP&E Turns	7.2x	7.5x	7.2x
Total Debt Principal Amount	\$1.49B	\$1.53B	\$1.58B
Net Leverage ⁽¹⁾	2.2x	2.5x	2.3x

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

Q4 2018 Cash Flow Highlights

	Q4 2018	Q4 2017	FY 2018	FY 2017
Cash flows from operating activities	\$188.4M	\$151.7M	\$289.2M	\$255.3M
Less: Net capital expenditures ⁽¹⁾	\$34.4M	\$29.8M	\$96.2M	\$63.2M
Free cash flow ⁽²⁾	\$154.0M	\$121.9M	\$193.0M	\$192.1M
Cash used to acquire businesses ⁽³⁾⁽⁴⁾	\$0.0M	\$0.0M	\$84.6M	\$166.9M
Dividends / Share Repurchases	\$60.8M	\$24.3M	\$218.2M	\$68.4M

(1) Capital expenditures, net of proceeds from the disposal of tangible assets. See Appendix for reconciliation.

(2) Free cash flow is not a term defined by generally accepted accounting principles (GAAP) and our definition may or may not be used consistently with other companies that define this term. See Appendix for reconciliation to comparable GAAP results.

(3) Net of cash acquired.

(4) Includes a \$19.3 million payoff of debt acquired from the acquisition of Snell Advanced Media ("SAM").

Outlook

Q1 2019

- Revenue of \$564 - \$594 million
- Earnings Per Share⁽¹⁾⁽²⁾ of \$0.80 - \$1.00

Full Year 2019

- Revenue of \$2.495 - \$2.595 billion
- Earnings Per Share⁽¹⁾⁽²⁾ of \$5.50 - \$6.15

Full Year 2019 Assumptions

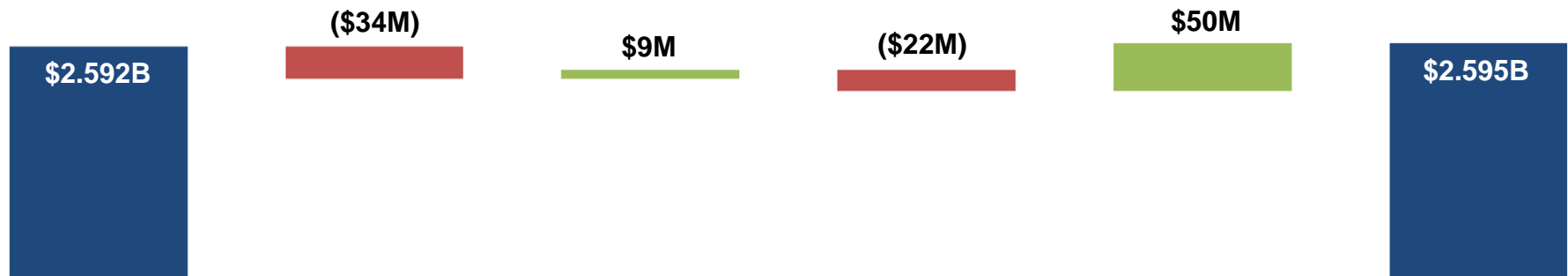
- Interest expense of \$59 million
- Tax rate of 21%
- No impact of potential 2019 M&A and share repurchases

(1) Adjusted Outlook. See Appendix for reconciliation to comparable GAAP outlook.

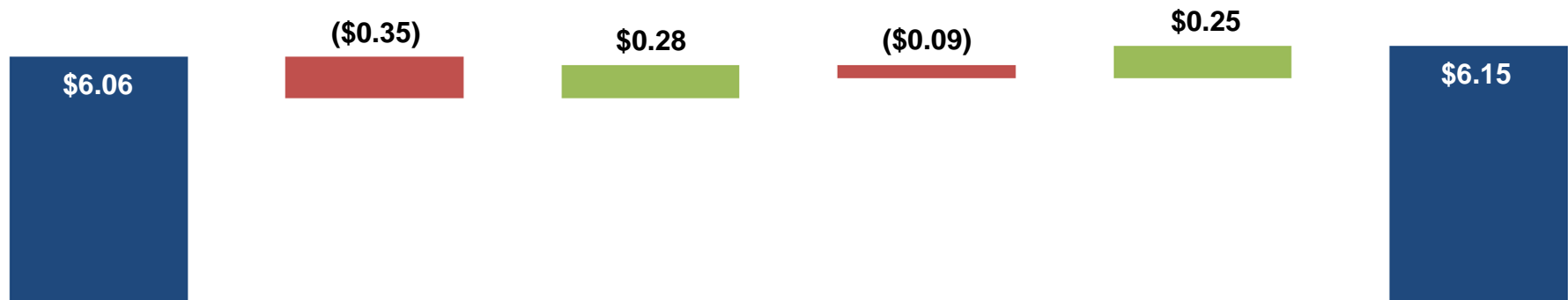
(2) All references to Earnings Per Share refer to adjusted net income from continuing operations per diluted share attributable to Belden common stockholders.

2019 High End of Guidance

Revenue



Adjusted EPS



2018 Actual

Revenue Recognition Timing

FY Impact of 2018 Acquisitions

Currency

Organic Growth

2019 Guidance High End

- Organic growth when adjusted for changes in copper / currency is -2% to +2%
- This guidance does not include the impact of future capital deployments

Questions?

Appendix

Statement of Operations

Unaudited

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	(In thousands, except per share data)			
Revenues	\$ 655,390	\$ 604,884	\$ 2,585,368	\$ 2,388,643
Cost of sales	(396,025)	(375,458)	(1,576,956)	(1,453,890)
Gross profit	259,365	229,426	1,008,412	934,753
Selling, general and administrative expenses	(129,488)	(114,236)	(525,918)	(461,022)
Research and development expenses	(32,804)	(29,222)	(140,585)	(134,330)
Amortization of intangibles	(23,839)	(26,053)	(98,829)	(103,997)
Gain from patent litigation	—	—	62,141	—
Operating income	73,234	59,915	305,221	235,404
Interest expense, net	(15,021)	(16,477)	(61,559)	(82,901)
Non-operating pension benefit (cost)	(1,166)	166	(342)	(714)
Loss on debt extinguishment	—	—	(22,990)	(52,441)
Income before taxes	57,047	43,604	220,330	99,348
Income tax expense	(13,556)	(13,168)	(59,619)	(6,495)
Net income	43,491	30,436	160,711	92,853
Less: Net loss attributable to noncontrolling interest	(35)	(83)	(183)	(357)
Net income attributable to Belden	43,526	30,519	160,894	93,210
Less: Preferred stock dividends	8,733	8,733	34,931	34,931
Net income attributable to Belden common stockholders	\$ 34,793	\$ 21,786	\$ 125,963	\$ 58,279
Weighted average number of common shares and equivalents:				
Basic	39,830	42,126	40,675	42,220
Diluted	40,031	42,581	40,956	42,643
Basic income per share attributable to Belden common stockholders:	\$ 0.87	\$ 0.52	\$ 3.10	\$ 1.38
Diluted income per share attributable to Belden common stockholders:	\$ 0.87	\$ 0.51	\$ 3.08	\$ 1.37
Common stock dividends declared per share	\$ 0.05	\$ 0.05	\$ 0.20	\$ 0.20

Operating Segment Information

Unaudited

	Enterprise Solutions	Industrial Solutions	Total Segments
(In thousands, except percentages)			
<u>For the three months ended December 31, 2018</u>			
Segment Revenues	\$ 379,413	\$ 274,700	\$ 654,113
Segment EBITDA	67,713	54,323	122,036
Segment EBITDA margin	17.8%	19.8%	18.7%
Depreciation expense	7,396	4,657	12,053
Amortization of intangibles	10,643	13,196	23,839
Amortization of software development intangible assets	836	8	844
Severance, restructuring, and acquisition integration costs	10,614	989	11,603
Purchase accounting effects of acquisitions	1,138	—	1,138
Deferred revenue adjustments	(1,277)	—	(1,277)
<u>For the three months ended December 31, 2017</u>			
Segment Revenues	\$ 332,381	\$ 272,503	\$ 604,884
Segment EBITDA	48,485	60,515	109,000
Segment EBITDA margin	14.6%	22.2%	18.0%
Depreciation expense	6,143	4,860	11,003
Amortization of intangibles	12,813	13,240	26,053
Amortization of software development intangible assets	56	—	56
Severance, restructuring, and acquisition integration costs	5,342	4,609	9,951
Purchase accounting effects of acquisitions	2,044	—	2,044
<u>For the twelve months ended December 31, 2018</u>			
Segment Revenues	\$ 1,522,178	\$ 1,069,802	\$ 2,591,980
Segment EBITDA	267,656	207,724	475,380
Segment EBITDA margin	17.6%	19.4%	18.3%
Depreciation expense	28,861	18,754	47,615
Amortization of intangibles	45,944	52,885	98,829
Amortization of software development intangible assets	2,180	8	2,188
Severance, restructuring, and acquisition integration costs	57,563	11,050	68,613
Purchase accounting effects of acquisitions	3,497	—	3,497
Deferred revenue adjustments	6,612	—	6,612
<u>For the twelve months ended December 31, 2017</u>			
Segment Revenues	\$ 1,356,305	\$ 1,032,338	\$ 2,388,643
Segment EBITDA	216,558	214,190	430,748
Segment EBITDA margin	16.0%	20.7%	18.0%
Depreciation expense	26,272	19,325	45,597
Amortization of intangibles	51,054	52,943	103,997
Amortization of software development intangible assets	56	—	56
Severance, restructuring, and acquisition integration costs	29,043	13,747	42,790
Purchase accounting effects of acquisitions	6,133	—	6,133

Operating Segment Reconciliation to Consolidated Results

Unaudited

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(In thousands)			
Total Segment Revenues	\$ 654,113	\$ 604,884	\$ 2,591,980	\$ 2,388,643
Deferred revenue adjustments	1,277	—	(6,612)	—
Consolidated Revenues	<u>\$ 655,390</u>	<u>\$ 604,884</u>	<u>\$ 2,585,368</u>	<u>\$ 2,388,643</u>
Total Segment EBITDA	\$ 122,036	\$ 109,000	\$ 475,380	\$ 430,748
Eliminations	(602)	(632)	(2,218)	(3,260)
Total non-operating pension benefit (cost)	(1,166)	166	(342)	(714)
Non-operating pension settlement loss	1,342	—	1,342	—
Income from equity method investment	—	1,667	—	7,502
Consolidated Adjusted EBITDA (1)	<u>121,610</u>	<u>110,201</u>	<u>474,162</u>	<u>434,276</u>
Amortization of intangibles	(23,839)	(26,053)	(98,829)	(103,997)
Severance, restructuring, and acquisition integration costs	(11,603)	(9,951)	(68,613)	(42,790)
Interest expense, net	(15,021)	(16,477)	(61,559)	(82,901)
Depreciation expense	(12,053)	(11,003)	(47,615)	(45,597)
Loss on debt extinguishment	—	—	(22,990)	(52,441)
Deferred revenue adjustments	1,277	—	(6,612)	—
Purchase accounting effects related to acquisitions	(1,138)	(2,044)	(3,497)	(6,133)
Costs related to patent litigation	—	—	(2,634)	—
Amortization of software development intangible assets	(844)	(56)	(2,188)	(56)
Non-operating pension settlement loss	(1,342)	—	(1,342)	—
Loss on sale of assets	—	(1,013)	(94)	(1,013)
Gain from patent litigation	—	—	62,141	—
Consolidated income before taxes	<u>\$ 57,047</u>	<u>\$ 43,604</u>	<u>\$ 220,330</u>	<u>\$ 99,348</u>

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

Balance Sheet

	December 31, 2018	December 31, 2017
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 420,610	\$ 561,108
Receivables, net	465,939	473,570
Inventories, net	316,418	297,226
Other current assets	55,757	40,167
Total current assets	1,258,724	1,372,071
Property, plant and equipment, less accumulated depreciation	365,970	337,322
Goodwill	1,557,653	1,478,257
Intangible assets, less accumulated amortization	511,093	545,207
Deferred income taxes	56,018	42,549
Other long-lived assets	29,863	65,207
	<u>\$ 3,779,321</u>	<u>\$ 3,840,613</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 352,646	\$ 376,277
Accrued liabilities	364,276	302,651
Total current liabilities	716,922	678,928
Long-term debt	1,463,200	1,560,748
Postretirement benefits	132,791	102,085
Deferred income taxes	39,943	27,713
Other long-term liabilities	38,877	36,273
Stockholders' equity:		
Preferred stock	1	1
Common stock	503	503
Additional paid-in capital	1,139,395	1,123,832
Retained earnings	922,000	833,610
Accumulated other comprehensive loss	(74,907)	(98,026)
Treasury stock	(599,845)	(425,685)
Total Belden stockholders' equity	1,387,147	1,434,235
Noncontrolling interest	441	631
Total stockholders' equity	1,387,588	1,434,866
	<u>\$ 3,779,321</u>	<u>\$ 3,840,613</u>

Cash Flow Statement

Unaudited

	Twelve Months Ended	
	December 31, 2018	December 31, 2017
	(Unaudited)	
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 160,711	\$ 92,853
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	148,632	149,650
Share-based compensation	18,497	14,647
Loss on debt extinguishment	22,990	52,441
Deferred income tax expense (benefit)	11,300	(24,098)
Changes in operating assets and liabilities, net of the effects of currency exchange rate changes and acquired businesses:		
Receivables	(21,748)	(24,931)
Inventories	(14,779)	(84,088)
Accounts payable	(29,401)	100,752
Accrued liabilities	17,238	(25,076)
Income taxes	(4,390)	5,001
Other assets	(18,748)	(13,255)
Other liabilities	(1,082)	11,404
Net cash provided by operating activities	<u>289,220</u>	<u>255,300</u>
Cash flows from investing activities:		
Capital expenditures	(97,847)	(64,261)
Cash used to acquire businesses, net of cash acquired	(84,580)	(166,896)
Proceeds from disposal of tangible assets	1,580	1,039
Proceeds from disposal of business	40,171	—
Net cash used for investing activities	<u>(140,676)</u>	<u>(230,118)</u>
Cash flows from financing activities:		
Payments under borrowing arrangements	(484,757)	(1,105,892)
Payments under share repurchase program	(175,000)	(25,000)
Cash dividends paid	(43,169)	(43,376)
Debt issuance costs paid	(7,609)	(17,316)
Withholding tax payments for share-based payment awards	(2,094)	(6,564)
Redemption of stockholders' rights agreement	(411)	—
Borrowings under credit arrangements	431,270	866,700
Net cash used for financing activities	<u>(281,770)</u>	<u>(331,448)</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	<u>(7,272)</u>	<u>19,258</u>
Decrease in cash and cash equivalents	(140,498)	(287,008)
Cash and cash equivalents, beginning of period	561,108	848,116
Cash and cash equivalents, end of period	<u>\$ 420,610</u>	<u>\$ 561,108</u>

Q4 2018 GAAP to Non-GAAP Reconciliation

Unaudited

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

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

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(In thousands, except percentages and per share amounts)			
GAAP revenues	\$ 655,390	\$ 604,884	\$ 2,585,368	\$ 2,388,643
Deferred revenue adjustments	(1,277)	—	6,612	—
Adjusted revenues	\$ 654,113	\$ 604,884	\$ 2,591,980	\$ 2,388,643
GAAP gross profit	\$ 259,365	\$ 229,426	\$ 1,008,412	\$ 934,753
Severance, restructuring, and acquisition integration costs	6,648	6,039	28,130	32,562
Deferred revenue adjustments	(1,277)	—	6,612	—
Purchase accounting effects related to acquisitions	—	2,044	1,833	6,133
Amortization of software development intangible assets	844	56	2,188	56
Accelerated depreciation	—	—	—	798
Adjusted gross profit	\$ 265,580	\$ 237,565	\$ 1,047,175	\$ 974,302
GAAP gross profit margin	39.6%	37.9%	39.0%	39.1%
Adjusted gross profit margin	40.6%	39.3%	40.4%	40.8%
GAAP selling, general and administrative expenses	\$ (129,488)	\$ (114,236)	\$ (525,918)	\$ (461,022)
Severance, restructuring, and acquisition integration costs	4,752	3,727	35,039	9,991
Costs related to patent litigation	—	—	2,634	—
Purchase accounting effects related to acquisitions	1,138	—	1,664	—
Loss on sale of assets	—	1,013	94	1,013
Adjusted selling, general and administrative expenses	\$ (123,598)	\$ (109,496)	\$ (486,487)	\$ (450,018)
GAAP research and development expenses	\$ (32,804)	\$ (29,222)	\$ (140,585)	\$ (134,330)
Severance, restructuring, and acquisition integration costs	203	185	5,444	237
Adjusted research and development expenses	\$ (32,601)	\$ (29,037)	\$ (135,141)	\$ (134,093)
GAAP net income attributable to Belden	\$ 43,526	\$ 30,519	\$ 160,894	\$ 93,210
Interest expense, net	15,021	16,477	61,559	82,901
Income tax expense	13,556	13,168	59,619	6,495
Loss on debt extinguishment	—	—	22,990	52,441
Noncontrolling interest	(35)	(83)	(183)	(357)
Total non-operating adjustments	28,542	29,562	143,985	141,480
Amortization of intangible assets	23,839	26,053	98,829	103,997
Severance, restructuring, and acquisition integration costs	11,603	9,951	68,613	42,790
Deferred revenue adjustments	(1,277)	—	6,612	—
Costs related to patent litigation	—	—	2,634	—
Purchase accounting effects related to acquisitions	1,138	2,044	3,497	6,133
Amortization of software development intangible assets	844	56	2,188	56
Non-operating pension settlement loss	1,342	—	1,342	—
Loss on sale of assets	—	1,013	94	1,013
Accelerated depreciation	—	—	—	798
Gain from patent litigation	—	—	(62,141)	—
Total operating income adjustments	37,489	39,117	121,668	154,787
Depreciation expense	12,053	11,003	47,615	44,799
Adjusted EBITDA	\$ 121,610	\$ 110,201	\$ 474,162	\$ 434,276
GAAP net income margin	6.6%	5.0%	6.2%	3.9%
Adjusted EBITDA margin	18.6%	18.2%	18.3%	18.2%

Q4 2018 GAAP to Non-GAAP Reconciliation (continued)

Unaudited

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

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
GAAP net income attributable to Belden	\$ 43,526	\$ 30,519	\$ 160,894	\$ 93,210
Operating income adjustments from above	37,489	39,117	121,668	154,787
Loss on debt extinguishment	—	—	22,990	52,441
Tax effect of adjustments above	(7,979)	(19,046)	(25,838)	(63,796)
Impact of Tax Cuts and Jobs Act enactment	4,689	28,440	9,997	28,440
Amortization expense attributable to noncontrolling interest, net of tax	(16)	(16)	(66)	(63)
Adjusted net income attributable to Belden	\$ 77,709	\$ 79,014	\$ 289,645	\$ 265,019
GAAP net income attributable to Belden	\$ 43,526	\$ 30,519	\$ 160,894	\$ 93,210
Less: Preferred stock dividends	8,733	8,733	34,931	34,931
GAAP net income attributable to Belden common stockholders	\$ 34,793	\$ 21,786	\$ 125,963	\$ 58,279
Adjusted net income attributable to Belden common stockholders	\$ 77,709	\$ 79,014	\$ 289,645	\$ 265,019
GAAP income per diluted share attributable to Belden common stockholders	\$ 0.87	\$ 0.51	\$ 3.08	\$ 1.37
Adjusted income per diluted share attributable to Belden common stockholders	\$ 1.66	\$ 1.62	\$ 6.06	\$ 5.35
GAAP diluted weighted average shares	40,031	42,581	40,956	42,643
Adjustment for assumed conversion of preferred stock into common stock	6,857	6,268	6,857	6,857
Adjusted diluted weighted average shares	46,888	48,849	47,813	49,500

Free Cash Flow GAAP to Non-GAAP Reconciliation

Unaudited

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

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	(In thousands)			
GAAP net cash provided by operating activities	\$ 188,361	\$ 151,685	\$ 289,220	\$ 255,300
Capital expenditures, net of proceeds from the disposal of tangible assets	(34,372)	(29,807)	(96,267)	(63,222)
Non-GAAP free cash flow	<u>\$ 153,989</u>	<u>\$ 121,878</u>	<u>\$ 192,953</u>	<u>\$ 192,078</u>

Reconciliation of Non-GAAP Measures

Q4 and Full-Year 2018 Earnings Guidance

Unaudited

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

	Year Ended December 31, 2019	Three Months Ended March 31, 2019
Adjusted income per diluted share attributable to Belden common stockholders	\$5.50 - \$6.15	\$0.80 - \$1.00
Amortization of intangible assets	(1.57)	(0.48)
Severance, restructuring, and acquisition integration costs	(0.06)	(0.06)
Purchase accounting effects of acquisitions	(0.03)	(0.03)
GAAP income per diluted share attributable to Belden common stockholders	\$3.84 - \$4.49	\$0.23 - \$0.43