

2nd Quarter 2019
Earnings Release Conference Call

July 31, 2019

Safe Harbor Statement

Our commentary and responses to your questions may contain forward-looking statements, including our outlook for the third 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 2019 second quarter results, our most recent Annual Report on Form 10-K as filed with the SEC on February 20, 2019 (including those discussed in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 2 and under “Risk Factors” in Part I, 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.

Q2 2019 Highlights









- Revenues of \$637.5M, compared to the guidance range of \$630M to \$660M
- EPS of \$1.39, compared to the guidance range of \$1.30 to \$1.50
- Free cash flow improved 25% year-over-year, with trailing-twelve-months free cash flow more than doubling to \$231M
- Balanced year-to-date capital deployment included \$51M for capital expenditures, \$51M for acquisitions, and \$50M for share repurchases¹
- Updated full-year 2019 revenue guidance from \$2.520 - \$2.595 billion to \$2.485 - \$2.535 billion and EPS guidance from \$5.65 - \$6.15 to \$5.38 - \$5.78

1. Share repurchases includes \$27M in July

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

Q2 2019 Segment Overview

Enterprise Solutions	Revenue	\$369.9 M	Key Markets  Smart Buildings  Final Mile Broadband  Live Media Production
	<i>Organic Growth % (Y/Y)</i>	-6.6%*	
	EBITDA Margin	14.5%	
Industrial Solutions	Revenue	\$267.7M	 Discrete Manufacturing  Process Facilities  Transportation  Energy  Cybersecurity
	<i>Organic Growth % (Y/Y)</i>	+1.9%	
	EBITDA Margin	17.7%	

* Adjusted for the impact of the non-recurring revenue recognition timing in Q2 2018

Q2 2019 Financial Summary

	Q2 2019	Q1 2019	Q2 2018
Revenue	\$637.5M	\$587.2M	\$671.4M
Gross profit	\$243.2M	\$226.2M	\$268.9M
Gross profit percentage	38.2%	38.5%	40.0%
EBITDA	\$101.2M	\$87.1M	\$122.6M
EBITDA percentage	15.9%	14.8%	18.3%
Net Income ⁽¹⁾	\$64.4M	\$48.1M	\$72.6M
Earnings Per Share ⁽²⁾	\$1.39	\$0.99	\$1.52

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

Q2 2019 Segment Results

	Enterprise Solutions	Industrial Solutions	Consolidated
Q2 2019			
Revenue	\$369.9M	\$267.7M	\$637.5M
EBITDA ⁽¹⁾	\$53.5M	\$47.5M	\$101.2M
EBITDA Margin	14.5%	17.7%	15.9%
Q1 2019			
Revenue	\$326.5M	\$260.7M	\$587.2M
EBITDA ⁽¹⁾	\$39.6M	\$47.5M	\$87.1M
EBITDA Margin	12.1%	18.2%	14.8%
Q2 2018			
Revenue	\$399.7M	\$271.7M	\$671.4M
EBITDA ⁽¹⁾	\$70.3M	\$53.2M	\$122.6M
EBITDA Margin	17.6%	19.6%	18.3%

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

Q2 2019 Balance Sheet Highlights

	Q2 2019	Q1 2019	Q2 2018
Cash and Cash Equivalents	\$295M	\$339M	\$261M
Working Capital Turns	6.0x	5.8x	6.4x
Days Sales Outstanding	64	62	63
Inventory Turns	5.1x	4.4x	5.2x
PP&E Turns	6.7x	6.3x	7.7x
Total Debt Principal Amount	\$1.48B	\$1.46B	\$1.51B
Net Leverage ⁽¹⁾	2.6x	2.4x	2.7x

(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.

Q2 2019 Cash Flow Highlights

	Q2 2019	Q2 2018	TTM Q2 2019	TTM Q2 2018
Cash flows from operating activities	\$67.7M	\$54.5M	\$340.2M	\$191.2M
Less: Net capital expenditures ⁽¹⁾	\$27.2M	\$22.1M	\$109.0M	\$79.0M
Free cash flow ⁽²⁾	\$40.5M	\$32.4M	\$231.2M	\$112.2M
Cash used to acquire businesses ⁽³⁾⁽⁴⁾	\$50.5M	\$8.5M	\$50.5M	\$103.8M
Dividends / Share Repurchases	\$33.5M	\$36.0M	\$140.4M	\$168.7M

(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) Q1 2018 Includes a \$19.3 million payoff of debt acquired from the acquisition of Snell Advanced Media ("SAM").

Outlook

Q3 2019

- Revenue of \$620 - \$645 million
- Earnings Per Share⁽¹⁾⁽²⁾ of \$1.32 - \$1.52

Full Year 2019

- Revenue of \$2.485 - \$2.535 billion
- Earnings Per Share⁽¹⁾⁽²⁾ of \$5.38 - \$5.78

Full Year 2019 Assumptions

- Interest expense of \$57 million
- Tax rate of 18%

(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.

Questions?

Appendix

Statement of Operations

Unaudited

	Three Months Ended		Six Months Ended	
	June 30, 2019	July 1, 2018	June 30, 2019	July 1, 2018
	(In thousands, except per share data)			
Revenues	\$ 637,530	\$ 668,639	\$ 1,224,705	\$ 1,274,204
Cost of sales	(396,507)	(411,043)	(758,954)	(786,014)
Gross profit	241,023	257,596	465,751	488,190
Selling, general and administrative expenses	(122,482)	(138,842)	(245,270)	(263,714)
Research and development expenses	(35,034)	(37,209)	(69,188)	(74,310)
Amortization of intangibles	(22,368)	(25,039)	(45,709)	(49,457)
Operating income	61,139	56,506	105,584	100,709
Interest expense, net	(14,168)	(15,088)	(28,361)	(32,066)
Non-operating pension benefit (cost)	481	(257)	1,028	(532)
Loss on debt extinguishment	—	(3,030)	—	(22,990)
Income before taxes	47,452	38,131	78,251	45,121
Income tax expense	(5,162)	(9,339)	(10,783)	(13,759)
Net income	42,290	28,792	67,468	31,362
Less: Net income (loss) attributable to noncontrolling interests	90	(77)	66	(125)
Net income attributable to Belden	42,200	28,869	67,402	31,487
Less: Preferred stock dividends	8,733	8,733	17,466	17,466
Net income attributable to Belden common stockholders	\$ 33,467	\$ 20,136	\$ 49,936	\$ 14,021
Weighted average number of common shares and equivalents:				
Basic	39,389	40,735	39,405	41,184
Diluted	39,611	40,974	39,635	41,492
Basic income per share attributable to Belden common stockholders:	\$ 0.85	\$ 0.49	\$ 1.27	\$ 0.34
Diluted income per share attributable to Belden common stockholders:	\$ 0.84	\$ 0.49	\$ 1.26	\$ 0.34
Common stock dividends declared per share	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10

Operating Segment Information

Unaudited

	<u>Enterprise Solutions</u>	<u>Industrial Solutions</u>	<u>Total Segments</u>
	(In thousands, except percentages)		
<u>For the three months ended June 30, 2019</u>			
Segment Revenues	\$ 369,862	\$ 267,668	\$ 637,530
Segment EBITDA	53,483	47,458	100,941
Segment EBITDA margin	14.5%	17.7%	15.8%
Depreciation expense	7,540	4,761	12,301
Amortization of intangibles	9,320	13,048	22,368
Amortization of software development intangible assets	1,044	28	1,072
Severance, restructuring, and acquisition integration costs	3,082	—	3,082
Purchase accounting effects of acquisitions	718	—	718
<u>For the three months ended July 1, 2018</u>			
Segment Revenues	\$ 399,695	\$ 271,746	\$ 671,441
Segment EBITDA	70,281	53,225	123,506
Segment EBITDA margin	17.6%	19.6%	18.4%
Depreciation expense	7,153	4,873	12,026
Amortization of intangibles	11,809	13,230	25,039
Amortization of software development intangible assets	488	—	488
Severance, restructuring, and acquisition integration costs	22,887	2,041	24,928
Purchase accounting effects of acquisitions	1,036	—	1,036
Deferred revenue adjustments	2,802	—	2,802
<u>For the six months ended June 30, 2019</u>			
Segment Revenues	\$ 696,389	\$ 528,316	\$ 1,224,705
Segment EBITDA	93,041	94,917	187,958
Segment EBITDA margin	13.4%	18.0%	15.3%
Depreciation expense	15,273	9,748	25,021
Amortization of intangibles	19,490	26,219	45,709
Amortization of software development intangible assets	1,958	51	2,009
Severance, restructuring, and acquisition integration costs	6,860	—	6,860
Purchase accounting effects of acquisitions	2,031	—	2,031
<u>For the six months ended July 1, 2018</u>			
Segment Revenues	\$ 750,685	\$ 528,179	\$ 1,278,864
Segment EBITDA	127,733	99,651	227,384
Segment EBITDA margin	17.0%	18.9%	17.8%
Depreciation expense	14,373	9,518	23,891
Amortization of intangibles	22,979	26,478	49,457
Amortization of software development intangible assets	724	—	724
Severance, restructuring, and acquisition integration costs	37,421	7,901	45,322
Purchase accounting effects of acquisitions	1,538	—	1,538
Deferred revenue adjustments	4,660	—	4,660

Operating Segment Reconciliation to Consolidated Results

Unaudited

	Three Months Ended		Six Months Ended	
	June 30, 2019	July 1, 2018	June 30, 2019	July 1, 2018
	(In thousands)			
Total Segment Revenues	\$ 637,530	\$ 671,441	\$ 1,224,705	\$ 1,278,864
Deferred revenue adjustments	—	(2,802)	—	(4,660)
Consolidated Revenues	<u>\$ 637,530</u>	<u>\$ 668,639</u>	<u>\$ —</u>	<u>\$ 1,274,204</u>
Total Segment EBITDA	\$ 100,941	\$ 123,506	\$ 187,958	\$ 227,384
Eliminations	(261)	(681)	(744)	(989)
Total non-operating pension benefit (cost)	481	(257)	1,028	(532)
Consolidated Adjusted EBITDA (1)	101,161	122,568	188,242	225,863
Amortization of intangibles	(22,368)	(25,039)	(45,709)	(49,457)
Interest expense, net	(14,168)	(15,088)	(28,361)	(32,066)
Depreciation expense	(12,301)	(12,026)	(25,021)	(23,891)
Severance, restructuring, and acquisition integration costs	(3,082)	(24,928)	(6,860)	(45,322)
Purchase accounting effects related to acquisitions	(718)	(1,036)	(2,031)	(1,538)
Amortization of software development intangible assets	(1,072)	(488)	(2,009)	(724)
Loss on debt extinguishment	—	(3,030)	—	(22,990)
Deferred revenue adjustments	—	(2,802)	—	(4,660)
Loss on sale of assets	—	—	—	(94)
Consolidated income before taxes	<u>\$ 47,452</u>	<u>\$ 38,131</u>	<u>\$ 78,251</u>	<u>\$ 45,121</u>

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

Balance Sheet

	June 30, 2019	December 31, 2018
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 295,243	\$ 420,610
Receivables, net	451,487	465,939
Inventories, net	309,711	316,418
Other current assets	60,017	55,757
Total current assets	<u>1,116,458</u>	<u>1,258,724</u>
Property, plant and equipment, less accumulated depreciation	383,067	365,970
Operating lease right-of-use assets	84,099	—
Goodwill	1,607,848	1,557,653
Intangible assets, less accumulated amortization	506,706	511,093
Deferred income taxes	90,112	56,018
Other long-lived assets	34,690	29,863
	<u>\$ 3,822,980</u>	<u>\$ 3,779,321</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 266,897	\$ 352,646
Accrued liabilities	323,124	364,276
Total current liabilities	<u>590,021</u>	<u>716,922</u>
Long-term debt	1,457,571	1,463,200
Postretirement benefits	131,023	132,791
Deferred income taxes	79,224	39,943
Long-term operating lease liabilities	77,679	—
Other long-term liabilities	53,929	38,877
Stockholders' equity:		
Preferred stock	1	1
Common stock	503	503
Additional paid-in capital	1,143,494	1,139,395
Retained earnings	967,970	922,000
Accumulated other comprehensive loss	(62,591)	(74,907)
Treasury stock	(621,167)	(599,845)
Total Belden stockholders' equity	<u>1,428,210</u>	<u>1,387,147</u>
Noncontrolling interests	5,323	441
Total stockholders' equity	<u>1,433,533</u>	<u>1,387,588</u>
	<u>\$ 3,822,980</u>	<u>\$ 3,779,321</u>

Cash Flow Statement

Unaudited

	Six Months Ended	
	June 30, 2019	July 1, 2018
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 67,468	31,362
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	72,739	74,072
Share-based compensation	7,594	7,868
Loss on debt extinguishment	—	22,990
Changes in operating assets and liabilities, net of the effects of currency exchange rate changes and acquired businesses:		
Receivables	20,329	(12,370)
Inventories	17,351	(14,486)
Accounts payable	(91,542)	(84,689)
Accrued liabilities	(59,410)	(30,351)
Income taxes	(12,361)	(4,142)
Other assets	5,092	(17,275)
Other liabilities	(5,615)	(2,341)
Net cash provided by (used for) operating activities	21,645	(29,362)
Cash flows from investing activities:		
Capital expenditures	(50,769)	(39,493)
Cash used to acquire businesses, net of cash acquired	(50,517)	(84,580)
Proceeds from disposal of tangible assets	19	1,517
Proceeds from disposal of business	—	40,171
Net cash used for investing activities	(101,267)	(82,385)
Cash flows from financing activities:		
Payments under share repurchase program	(22,815)	(100,000)
Cash dividends paid	(21,448)	(22,034)
Withholding tax payments for share-based payment awards	(2,002)	(1,579)
Other	(173)	—
Payments under borrowing arrangements	—	(484,757)
Debt issuance costs paid	—	(7,469)
Redemption of stockholders' rights agreement	—	(411)
Borrowings under credit arrangements	—	431,270
Net cash used for financing activities	(46,438)	(184,980)
Effect of foreign currency exchange rate changes on cash and cash equivalents	693	(2,932)
Decrease in cash and cash equivalents	(125,367)	(299,659)
Cash and cash equivalents, beginning of period	420,610	561,108
Cash and cash equivalents, end of period	\$ 295,243	\$ 261,449

Q2 2019 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		Six Months Ended	
	June 30, 2019	July 1, 2018	June 30, 2019	July 1, 2018
	(In thousands, except percentages and per share amounts)			
GAAP revenues	\$ 637,530	\$ 668,639	\$ 1,224,705	\$ 1,274,204
Deferred revenue adjustments	—	2,802	—	4,660
Adjusted revenues	\$ 637,530	\$ 671,441	\$ 1,224,705	\$ 1,278,864
GAAP gross profit	\$ 241,023	\$ 257,596	\$ 465,751	\$ 488,190
Severance, restructuring, and acquisition integration costs	423	7,231	985	16,662
Deferred revenue adjustments	—	2,802	—	4,660
Purchase accounting effects related to acquisitions	718	773	718	1,275
Amortization of software development intangible assets	1,072	488	2,009	724
Adjusted gross profit	\$ 243,236	\$ 268,890	\$ 469,463	\$ 511,511
GAAP gross profit margin	37.8%	38.5%	38.0%	38.3%
Adjusted gross profit margin	38.2%	40.0%	38.3%	40.0%
GAAP selling, general and administrative expenses	\$ (122,482)	\$ (138,842)	\$ (245,270)	\$ (263,714)
Severance, restructuring, and acquisition integration costs	2,335	14,544	5,111	23,946
Purchase accounting effects related to acquisitions	—	263	1,313	263
Loss on sale of assets	—	—	—	94
Adjusted selling, general and administrative expenses	\$ (120,147)	\$ (124,035)	\$ (238,846)	\$ (239,411)
GAAP research and development expenses	\$ (35,034)	\$ (37,209)	\$ (69,188)	\$ (74,310)
Severance, restructuring, and acquisition integration costs	326	3,153	763	4,714
Adjusted research and development expenses	\$ (34,708)	\$ (34,056)	\$ (68,425)	\$ (69,596)
GAAP net income attributable to Belden	\$ 42,200	\$ 28,869	\$ 67,402	\$ 31,487
Interest expense, net	14,168	15,088	28,361	32,066
Income tax expense	5,162	9,339	10,783	13,759
Loss on debt extinguishment	—	3,030	—	22,990
Non-controlling interest	90	(77)	66	(125)
Total non-operating adjustments	19,420	27,380	39,210	68,690
Amortization of intangible assets	22,368	25,039	45,709	49,457
Severance, restructuring, and acquisition integration costs	3,082	24,928	6,860	45,322
Purchase accounting effects related to acquisitions	718	1,036	2,031	1,538
Amortization of software development intangible assets	1,072	488	2,009	724
Deferred revenue adjustments	—	2,802	—	4,660
Loss on sale of assets	—	—	—	94
Total operating income adjustments	27,240	54,293	56,609	101,795
Depreciation expense	12,301	12,026	25,021	23,891
Adjusted EBITDA	\$ 101,161	\$ 122,568	\$ 188,242	\$ 225,863
GAAP net income margin	6.6%	4.3%	5.5%	2.5%
Adjusted EBITDA margin	15.9%	18.3%	15.4%	17.7%

Q2 2019 GAAP to Non-GAAP Reconciliation (continued)

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		Six Months Ended	
	June 30, 2019	July 1, 2018	June 30, 2019	July 1, 2018
	<i>(In thousands, except percentages and per share amounts)</i>			
GAAP net income attributable to Belden	\$ 42,200	\$ 28,869	\$ 67,402	\$ 31,487
Operating income adjustments from above	27,240	54,293	56,609	101,795
Loss on debt extinguishment	—	3,030	—	22,990
Tax effect of adjustments above	(5,053)	(13,577)	(11,472)	(25,689)
Impact of Tax Cuts and Jobs Act enactment	—	—	—	(473)
Amortization expense attributable to noncontrolling interest, net of tax	—	(16)	—	(33)
Adjusted net income attributable to Belden	<u>\$ 64,387</u>	<u>\$ 72,599</u>	<u>\$ 112,539</u>	<u>\$ 130,077</u>
GAAP net income attributable to Belden	\$ 42,200	\$ 28,869	\$ 67,402	\$ 31,487
Less: Preferred stock dividends	8,733	8,733	17,466	17,466
GAAP net income attributable to Belden common stockholders	<u>\$ 33,467</u>	<u>\$ 20,136</u>	<u>\$ 49,936</u>	<u>\$ 14,021</u>
Adjusted net income attributable to Belden	\$ 64,387	\$ 72,599	\$ 112,539	\$ 130,077
Less: Preferred stock dividends	—	—	17,466	—
Adjusted net income attributable to Belden common stockholders	<u>\$ 64,387</u>	<u>\$ 72,599</u>	<u>\$ 95,073</u>	<u>\$ 130,077</u>
GAAP income per diluted share attributable to Belden common stockholders	\$ 0.84	\$ 0.49	\$ 1.26	\$ 0.34
Adjusted income per diluted share attributable to Belden common stockholders	\$ 1.39	\$ 1.52	\$ 2.40	\$ 2.69
GAAP diluted weighted average shares	39,611	40,974	39,635	41,492
Adjustment for assumed conversion of preferred stock into common stock	6,857	6,857	—	6,857
Adjusted diluted weighted average shares	<u>46,468</u>	<u>47,831</u>	<u>39,635</u>	<u>48,349</u>

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		Six Months Ended	
	June 30, 2019	July 1, 2018	June 30, 2019	July 1, 2018
	(In thousands)			
GAAP net cash provided by (used for) operating activities	\$ 67,705	\$ 54,498	\$ 21,645	\$ (29,362)
Capital expenditures, net of proceeds from the disposal of tangible assets	(27,165)	(22,101)	(50,750)	(37,976)
Non-GAAP free cash flow	<u>\$ 40,540</u>	<u>\$ 32,397</u>	<u>\$ (29,105)</u>	<u>\$ (67,338)</u>

Reconciliation of Non-GAAP Measures

2019 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 September 29, 2019
Adjusted income per diluted share attributable to Belden common stockholders	\$5.38 - \$5.78	\$1.32 - \$1.52
Amortization of intangible assets	(1.69)	(0.41)
Severance, restructuring, and acquisition integration costs	(0.20)	(0.06)
Purchase accounting effects of acquisitions	(0.05)	(0.01)
GAAP income per diluted share attributable to Belden common stockholders	\$3.44 - \$3.84	\$0.84 - \$1.04