

2nd Quarter 2017 Earnings Release Conference Call

August 2, 2017



Safe Harbor Statement

Our commentary and responses to your questions may contain forward-looking statements, including our outlook for the 2017 third quarter and full year. 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 2017 second quarter results, our most recent Annual Report on Form 10-K as filed with the SEC on February 17, 2017 (including those discussed under “Risk Factors” in Part I, Item 1A and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7), 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 2017 Highlights

- Delivered revenues of \$610.6 million, increasing 2.3% year-over-year on a constant currency basis
- Generated EBITDA margins of 18.3%, increasing 40 basis points year-over-year
- Completed the acquisition of Thinklogical, a leading global provider of secure, high-performance switching equipment
- Increased full-year revenue guidance to \$2.415 - \$2.445 billion from \$2.355 - \$2.405 billion and EPS guidance to \$5.35 - \$5.55 from \$4.95 - \$5.20

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

All references to Net Income refer to income from continuing operations attributable to Belden.

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

Q2 2017 Segment Overview

Broadcast Solutions	Revenue	\$188.1M	     
	EBITDA Margin	15.7%	<p>Cameras Signal Processing & Routing Monitoring Systems Automation Playout & Branding Systems Drop, Headend & Hardline Connectors KVM Switches</p>
Enterprise Solutions	Revenue	\$160.7M	   
	EBITDA Margin	16.7%	<p>Racks & Enclosures Copper & Fiber Connectivity Ethernet, Fiber Optic & Coaxial Precision A/V Cable & Connectivity</p>
Industrial Solutions	Revenue	\$159.3M	     
	EBITDA Margin	19.5%	<p>Industrial I/O Connectors Industrial Cables IP/Networking Cables I/O Modules/Active Distribution Boxes Customer-Specific Wiring</p>
Network Solutions	Revenue	\$102.6M	    
	EBITDA Margin	22.2%	<p>Switches & Routers Wireless, Gateways Embedded Firewalls Vulnerability & Configuration Management Network Management Software</p>

Q2 2017 Financial Summary

	Q2 2017	Q1 2017	Q2 2016
Revenue	\$610.6M	\$551.4M	\$603.4M
Gross profit	\$252.1M	\$228.3M	\$252.0M
Gross profit percentage	41.3%	41.4%	41.8%
EBITDA	\$111.8M	\$93.0M	\$108.1M
EBITDA percentage	18.3%	16.9%	17.9%
Net Income ⁽¹⁾	\$64.3M	\$47.8M	\$65.5M
Earnings Per Share ⁽²⁾	\$1.29	\$0.92	\$1.54

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 2017 Segment Results

	Broadcast Solutions	Enterprise Solutions	Industrial Solutions	Network Solutions	Consolidated
Q2 2017					
Revenue	\$188.1M	\$160.7M	\$159.3M	\$102.6M	\$610.6M
EBITDA ⁽¹⁾	\$29.6M	\$26.8M	\$31.0M	\$22.8M	\$111.8M
EBITDA Margin	15.7%	16.7%	19.5%	22.2%	18.3%
Q1 2017					
Revenue	\$168.6M	\$145.7M	\$146.2M	\$90.9M	\$551.4M
EBITDA ⁽¹⁾	\$25.4M	\$24.1M	\$25.7M	\$17.9M	\$93.0M
EBITDA Margin	15.1%	16.5%	17.6%	19.7%	16.9%
Q2 2016					
Revenue	\$193.5M	\$160.4M	\$147.8M	\$101.7M	\$603.4M
EBITDA ⁽¹⁾	\$29.5M	\$29.6M	\$27.1M	\$22.2M	\$108.1M
EBITDA Margin	15.2%	18.4%	18.3%	21.8%	17.9%

Consolidated are adjusted results. See Appendix for reconciliation to comparable GAAP results.

(1) Consolidated results include income / (loss) from our equity method investment.

Q2 2017 Balance Sheet Highlights

	Q2 2017	Q1 2017	Q2 2016
Cash and cash equivalents	\$670M	\$816M	\$176M
Working Capital Turns	7.0x	8.1x	7.1x
Days sales outstanding	63 days	64 days	60 days
PP&E turns	7.6x	7.1x	7.6x
Total debt principal amount	\$1.70B	\$1.66B	\$1.71B
Net Leverage ⁽¹⁾	2.2x	1.9x	3.6x

(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 plus trailing twelve months long-term incentive plan expense for certain acquired companies.

Q2 2017 Cash Flow Highlights

	Q2 2017	Q2 2016	YTD 2017	YTD 2016
Cash flows from operating activities	\$ 47.0M	\$ 48.0M	\$ 34.8M	\$ 60.6M
Less: Net capital expenditures ⁽¹⁾	\$ 11.8M	\$ 11.7M	\$ 22.2M	\$ 25.1M
Free cash flow ⁽²⁾	\$ 35.2M	\$ 36.3M	\$ 12.6M	\$ 35.5M
Cash used to acquire businesses ⁽³⁾	\$ 166.9M	\$ 2.5M	\$166.9M	\$ 17.8M
Dividends	\$ 10.8M	\$ 2.1M	\$ 21.7M	\$ 4.2M

(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.

Outlook

Q3 2017

- Revenue of \$615 - \$635 million
- Earnings Per Share⁽¹⁾⁽²⁾ of \$1.35 - \$1.45

2017 Full Year

- Revenue of \$2.415 - \$2.445 billion
- Earnings Per Share⁽¹⁾⁽²⁾ of \$5.35 - \$5.55

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

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

Questions?



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Appendix

Statements of Operations

Unaudited

	Three Months Ended		Six Months Ended	
	July 2, 2017	July 3, 2016	July 2, 2017	July 3, 2016
	(In thousands, except per share data)			
Revenues	\$ 610,633	\$ 601,631	\$ 1,162,014	\$ 1,143,128
Cost of sales	(368,124)	(353,418)	(697,391)	(669,880)
Gross profit	242,509	248,213	464,623	473,248
Selling, general and administrative expenses	(117,771)	(123,057)	(230,357)	(245,463)
Research and development	(35,144)	(36,652)	(69,666)	(72,785)
Amortization of intangibles	(27,113)	(26,263)	(50,782)	(51,795)
Operating income	62,481	62,241	113,818	103,205
Interest expense, net	(23,533)	(24,049)	(47,039)	(48,445)
Loss on debt extinguishment	(847)	—	(847)	—
Income before taxes	38,101	38,192	65,932	54,760
Income tax benefit (expense)	(2,210)	3,741	(4,460)	3,531
Net income	35,891	41,933	61,472	58,291
Less: Net loss attributable to noncontrolling interest	(86)	(99)	(192)	(198)
Net income attributable to Belden	35,977	42,032	61,664	58,489
Less: Preferred stock dividends	8,733	—	17,466	—
Net income attributable to Belden common stockholders	\$ 27,244	\$ 42,032	\$ 44,198	\$ 58,489
Weighted average number of common shares and equivalents:				
Basic	42,283	42,085	42,249	42,046
Diluted	42,832	42,533	42,753	42,459
Basic income per share attributable to Belden common stockholders:	\$ 0.64	\$ 1.00	\$ 1.05	\$ 1.39
Diluted income per share attributable to Belden common stockholders:	\$ 0.64	\$ 0.99	\$ 1.03	\$ 1.38
Common stock dividends declared per share	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10

Operating Segment Information

Unaudited

	Broadcast Solutions	Enterprise Solutions	Industrial Solutions	Network Solutions	Total Segments
(In thousands, except percentages)					
<u>For the three months ended July 2, 2017</u>					
Segment Revenues	\$ 188,071	\$ 160,733	\$ 159,255	\$ 102,574	\$ 610,633
Segment EBITDA	29,610	26,801	31,036	22,780	110,227
Segment EBITDA margin	15.7 %	16.7 %	19.5 %	22.2 %	18.1 %
Depreciation expense	4,058	2,695	3,168	1,607	11,528
Amortization of intangibles	13,453	429	640	12,591	27,113
Severance, restructuring, and acquisition integration costs	970	8,141	346	103	9,560
Purchase accounting effects related to acquisitions	1,167	—	—	—	1,167
<u>For the three months ended July 3, 2016</u>					
Segment Revenues	\$ 193,521	\$ 160,401	\$ 147,808	\$ 101,651	\$ 603,381
Segment EBITDA	29,505	29,575	27,064	22,191	108,335
Segment EBITDA margin	15.2 %	18.4 %	18.3 %	21.8 %	18.0 %
Depreciation expense	4,061	3,429	2,709	1,788	11,987
Amortization of intangibles	13,420	432	601	11,810	26,263
Severance, restructuring, and acquisition integration costs	1,319	1,207	2,371	972	5,869
Deferred gross profit adjustments	494	—	—	1,256	1,750
<u>For the six months ended July 2, 2017</u>					
Segment Revenues	\$ 356,667	\$ 306,415	\$ 305,436	\$ 193,496	\$ 1,162,014
Segment EBITDA	55,010	50,901	56,769	40,657	203,337
Segment EBITDA margin	15.4 %	16.6 %	18.6 %	21.0 %	17.5 %
Depreciation expense	8,007	5,294	6,374	3,236	22,911
Amortization of intangibles	23,468	853	1,282	25,179	50,782
Severance, restructuring, and acquisition integration costs	1,378	13,014	1,467	301	16,160
Purchase accounting effects related to acquisitions	1,167	—	—	—	1,167
<u>For the six months ended July 3, 2016</u>					
Segment Revenues	\$ 364,793	\$ 296,293	\$ 288,899	\$ 197,196	\$ 1,147,181
Segment EBITDA	52,772	53,311	50,051	42,267	198,401
Segment EBITDA margin	14.5 %	18.0 %	17.3 %	21.4 %	17.3 %
Depreciation expense	8,023	6,818	5,427	3,382	23,650
Amortization of intangibles	26,351	861	1,192	23,391	51,795
Severance, restructuring, and acquisition integration costs	5,697	1,707	3,236	3,637	14,277
Purchase accounting effects related to acquisitions	195	—	—	—	195
Deferred gross profit adjustments	1,108	—	—	2,945	4,053

Operating Segment Reconciliation to Consolidated Results

Unaudited

	Three Months Ended		Six Months Ended	
	July 2, 2017	July 3, 2016	July 2, 2017	July 3, 2016
	(In thousands)			
Total Segment Revenues	\$ 610,633	\$ 603,381	\$ 1,162,014	\$ 1,147,181
Deferred revenue adjustments	—	(1,750)	—	(4,053)
Consolidated Revenues	<u>\$ 610,633</u>	<u>\$ 601,631</u>	<u>\$ 1,162,014</u>	<u>\$ 1,143,128</u>
Total Segment EBITDA	\$ 110,227	\$ 108,335	\$ 203,337	\$ 198,401
Income from equity method investment	2,277	661	3,284	491
Eliminations	(655)	(886)	(1,783)	(1,717)
Consolidated Adjusted EBITDA (1)	<u>111,849</u>	<u>108,110</u>	<u>204,838</u>	<u>197,175</u>
Amortization of intangibles	(27,113)	(26,263)	(50,782)	(51,795)
Depreciation expense	(11,528)	(11,987)	(22,911)	(23,650)
Severance, restructuring, and acquisition integration costs	(9,560)	(5,869)	(16,160)	(14,277)
Purchase accounting effects related to acquisitions	(1,167)	—	(1,167)	(195)
Deferred gross profit adjustments	—	(1,750)	—	(4,053)
Consolidated operating income	<u>62,481</u>	<u>62,241</u>	<u>113,818</u>	<u>103,205</u>
Interest expense, net	(23,533)	(24,049)	(47,039)	(48,445)
Loss on debt extinguishment	(847)	—	(847)	—
Consolidated income before taxes	<u>\$ 38,101</u>	<u>\$ 38,192</u>	<u>\$ 65,932</u>	<u>\$ 54,760</u>

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

Balance Sheet

	<u>July 2, 2017</u>	<u>December 31, 2016</u>
	(Unaudited)	
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 670,360	\$ 848,116
Receivables, net	419,591	388,059
Inventories, net	252,534	190,408
Other current assets	43,623	29,176
Assets held for sale	30,743	23,193
Total current assets	<u>1,416,851</u>	<u>1,478,952</u>
Property, plant and equipment, less accumulated depreciation	319,371	309,291
Goodwill	1,453,993	1,385,995
Intangible assets, less accumulated amortization	600,417	560,082
Deferred income taxes	35,735	33,706
Other long-lived assets	36,303	38,777
	<u>\$ 3,862,670</u>	<u>\$ 3,806,803</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 280,796	\$ 258,203
Accrued liabilities	255,092	310,340
Liabilities held for sale	1,803	1,736
Total current liabilities	<u>537,691</u>	<u>570,279</u>
Long-term debt	1,679,382	1,620,161
Postretirement benefits	109,599	104,050
Deferred income taxes	18,341	14,276
Other long-term liabilities	38,554	36,720
Stockholders' equity:		
Preferred stock	1	1
Common stock	503	503
Additional paid-in capital	1,119,763	1,116,090
Retained earnings	823,761	783,812
Accumulated other comprehensive loss	(65,188)	(39,067)
Treasury stock	(400,501)	(401,026)
Total Belden stockholders' equity	<u>1,478,339</u>	<u>1,460,313</u>
Noncontrolling interest	764	1,004
Total stockholders' equity	<u>1,479,103</u>	<u>1,461,317</u>
	<u>\$ 3,862,670</u>	<u>\$ 3,806,803</u>

Cash Flow Statement

Unaudited

	Six Months Ended	
	July 2, 2017	July 3, 2016
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 61,472	\$ 58,291
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	73,693	75,445
Share-based compensation	8,924	8,587
Loss on debt extinguishment	847	—
Changes in operating assets and liabilities, net of the effects of currency exchange rate changes and acquired businesses:		
Receivables	(17,982)	(3,750)
Inventories	(42,052)	368
Accounts payable	14,748	(20,730)
Accrued liabilities	(55,094)	(39,356)
Accrued taxes	(12,523)	(17,875)
Other assets	(6,573)	2,457
Other liabilities	9,321	(2,867)
Net cash provided by operating activities	<u>34,781</u>	<u>60,570</u>
Cash flows from investing activities:		
Cash used to acquire businesses, net of cash acquired	(166,945)	(17,848)
Capital expenditures	(22,197)	(25,124)
Proceeds from disposal of tangible assets	—	41
Net cash used for investing activities	<u>(189,142)</u>	<u>(42,931)</u>
Cash flows from financing activities:		
Cash dividends paid	(21,688)	(4,204)
Payments under borrowing arrangements	(5,221)	(51,250)
Withholding tax payments for share-based payment awards, net of proceeds from the exercise of stock options	(4,726)	(3,598)
Debt issuance costs paid	(2,044)	—
Net cash used for financing activities	<u>(33,679)</u>	<u>(59,052)</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	10,284	434
Decrease in cash and cash equivalents	(177,756)	(40,979)
Cash and cash equivalents, beginning of period	848,116	216,751
Cash and cash equivalents, end of period	<u>\$ 670,360</u>	<u>\$ 175,772</u>

Q2 2017 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 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 operating 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	
	July 2, 2017	July 3, 2016	July 2, 2017	July 3, 2016
	(In thousands, except percentages and per share amounts)			
GAAP revenues	\$ 610,633	\$ 601,631	\$ 1,162,014	\$ 1,143,128
Deferred revenue adjustments	—	1,750	—	4,053
Adjusted revenues	<u>\$ 610,633</u>	<u>\$ 603,381</u>	<u>\$ 1,162,014</u>	<u>\$ 1,147,181</u>
GAAP gross profit	\$ 242,509	\$ 248,213	\$ 464,623	\$ 473,248
Severance, restructuring, and acquisition integration costs	8,189	1,826	14,117	3,918
Deferred gross profit adjustments	—	1,750	—	4,053
Purchase accounting effects related to acquisitions	1,167	—	1,167	195
Accelerated depreciation	266	206	532	412
Adjusted gross profit	<u>\$ 252,131</u>	<u>\$ 251,095</u>	<u>\$ 480,439</u>	<u>\$ 481,826</u>
GAAP gross profit margin	39.7 %	41.3 %	40.0 %	41.4 %
Adjusted gross profit margin	41.3 %	41.8 %	41.3 %	42.0 %
GAAP selling, general and administrative expenses	\$ (117,771)	\$ (123,057)	\$ (230,357)	\$ (245,463)
Severance, restructuring, and acquisition integration costs	1,362	3,625	2,090	9,680
Adjusted selling, general and administrative expenses	<u>\$ (116,409)</u>	<u>\$ (119,432)</u>	<u>\$ (228,267)</u>	<u>\$ (235,783)</u>
GAAP research and development	\$ (35,144)	\$ (36,652)	\$ (69,666)	\$ (72,785)
Severance, restructuring, and acquisition integration costs	9	418	(47)	679
Adjusted research and development	<u>\$ (35,135)</u>	<u>\$ (36,234)</u>	<u>\$ (69,713)</u>	<u>\$ (72,106)</u>
GAAP net income attributable to Belden	\$ 35,977	\$ 42,032	\$ 61,664	\$ 58,489
Interest expense, net	23,533	24,049	47,039	48,445
Income tax expense (benefit)	2,210	(3,741)	4,460	(3,531)
Loss on debt extinguishment	847	—	847	—
Noncontrolling interest	(86)	(99)	(192)	(198)
Total non-operating adjustments	<u>26,504</u>	<u>20,209</u>	<u>52,154</u>	<u>44,716</u>
Amortization of intangible assets	27,113	26,263	50,782	51,795
Severance, restructuring, and integration costs	9,560	5,869	16,160	14,277
Purchase accounting effects related to acquisitions	1,167	—	1,167	195
Accelerated depreciation	266	206	532	412
Deferred gross profit adjustments	—	1,750	—	4,053
Total operating income adjustments	<u>38,106</u>	<u>34,088</u>	<u>68,641</u>	<u>70,732</u>
Depreciation expense	11,262	11,781	22,379	23,338
Adjusted EBITDA	<u>\$ 111,849</u>	<u>\$ 108,110</u>	<u>\$ 204,838</u>	<u>\$ 197,175</u>
GAAP net income margin	5.9 %	7.0 %	5.3 %	5.1 %
Adjusted EBITDA margin	18.3 %	17.9 %	17.6 %	17.2 %
GAAP net income	\$ 35,891	\$ 41,933	\$ 61,472	\$ 58,291
Operating income adjustments from above	38,106	34,088	68,641	70,732
Loss on debt extinguishment	847	—	847	—
Tax effect of adjustments	(10,592)	(10,603)	(18,968)	(21,030)
Adjusted net income	<u>\$ 64,252</u>	<u>\$ 65,418</u>	<u>\$ 111,992</u>	<u>\$ 107,993</u>
GAAP net income	\$ 35,891	\$ 41,933	\$ 61,472	\$ 58,291
Less: Net loss attributable to noncontrolling interest	(86)	(99)	(192)	(198)
Less: Preferred stock dividends	8,733	—	17,466	—
GAAP net income attributable to Belden common stockholders	<u>\$ 27,044</u>	<u>\$ 42,032</u>	<u>\$ 44,198</u>	<u>\$ 58,489</u>
Adjusted net income	\$ 64,252	\$ 65,418	\$ 111,992	\$ 107,993
Less: Net loss attributable to noncontrolling interest	(86)	(99)	(192)	(198)
Less: Amortization expense attributable to noncontrolling interest, net of tax	16	16	31	32
Less: Preferred stock dividends	—	—	17,466	—
Adjusted net income attributable to Belden common stockholders	<u>\$ 64,222</u>	<u>\$ 65,501</u>	<u>\$ 94,687</u>	<u>\$ 108,159</u>
GAAP income per diluted share attributable to Belden common stockholders	\$ 0.64	\$ 0.99	\$ 1.03	\$ 1.38
Adjusted income per diluted share attributable to Belden common stockholders	\$ 1.29	\$ 1.54	\$ 2.21	\$ 2.55
GAAP diluted weighted average shares	42,832	42,533	42,753	42,459
Adjustment for assumed conversion of preferred stock into common stock	6,857	—	—	—
Adjusted diluted weighted average shares	49,689	42,533	42,753	42,459

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	
	July 2, 2017	July 3, 2016	July 2, 2017	July 3, 2016
	(In thousands)			
GAAP net cash provided by operating activities	\$ 47,044	\$ 47,958	\$ 34,781	\$ 60,570
Capital expenditures, net of proceeds from the disposal of tangible assets	(11,798)	(11,662)	(22,197)	(25,083)
Non-GAAP free cash flow	<u>\$ 35,246</u>	<u>\$ 36,296</u>	<u>\$ 12,584</u>	<u>\$ 35,487</u>

Reconciliation of Non-GAAP Measures

Q3 and Full-Year 2017 Earnings Guidance

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, 2017	Three Months Ended October 1, 2017
Adjusted income per diluted share attributable to Belden common stockholders	\$5.35 - \$5.55	\$1.35 - \$1.45
Amortization of intangible assets	(\$1.51)	(\$0.47)
Loss on debt extinguishment	(\$0.52)	(\$0.51)
Severance, restructuring, and acquisition integration costs	(\$0.40)	(\$0.21)
Purchase accounting effects related to acquisitions	(\$0.10)	(\$0.06)
GAAP income per diluted share attributable to Belden common stockholders	<u>\$2.82 - \$3.02</u>	<u>\$0.10 - \$0.20</u>