

3rd Quarter 2017 Earnings Release Conference Call

November 1, 2017



Safe Harbor Statement

Our commentary and responses to your questions may contain forward-looking statements, including our outlook for the 2017 fourth 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 third 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.

Q3 2017 Highlights

- Achieved record quarterly revenue of \$621.7M
- Generated EBITDA of \$119.2M, growing 6.9% year-over-year
- Expanded EBITDA margins 70 basis points to 19.2%
- Delivered EPS of \$1.49, increasing 15.5% from the year-ago period
- Reduced total debt principal and refinanced €450M and €300M of senior subordinated debt at 3.375% and 2.875%, respectively, resulting in annualized EPS accretion of \$0.47

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

Q3 2017 Segment Overview

Broadcast Solutions	Revenue	\$193.8M	     
	EBITDA Margin	18.4%	<p>Cameras Signal Processing & Routing Monitoring Systems Automation Playout & Branding Systems Drop, Headend & Hardline Connectors KVM Switches</p>
Enterprise Solutions	Revenue	\$167.1M	   
	EBITDA Margin	15.8%	<p>Racks & Enclosures Copper & Fiber Connectivity Ethernet, Fiber Optic & Coaxial Precision A/V Cable & Connectivity</p>
Industrial Solutions	Revenue	\$160.5M	     
	EBITDA Margin	19.0%	<p>Industrial I/O Connectors Industrial Cables IP/Networking Cables I/O Modules/Active Distribution Boxes Customer-Specific Wiring</p>
Network Solutions	Revenue	\$100.4M	    
	EBITDA Margin	24.8%	<p>Switches & Routers Wireless, Gateways Embedded Firewalls Vulnerability & Configuration Management Network Management Software</p>

Q3 2017 Financial Summary

	Q3 2017	Q2 2017	Q3 2016
Revenue	\$621.7M	\$610.6M	\$602.5M
Gross profit	\$255.4M	\$252.1M	\$250.4M
Gross profit percentage	41.1%	41.3%	41.6%
EBITDA	\$119.2M	\$111.8M	\$111.5M
EBITDA percentage	19.2%	18.3%	18.5%
Net Income ⁽¹⁾	\$73.9M	\$64.3M	\$61.5M
Earnings Per Share ⁽²⁾	\$1.49	\$1.29	\$1.29

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

Q3 2017 Segment Results

	Broadcast Solutions	Enterprise Solutions	Industrial Solutions	Network Solutions	Consolidated
Q3 2017					
Revenue	\$193.8M	\$167.1M	\$160.5M	\$100.4M	\$621.7M
EBITDA ⁽¹⁾	\$35.7M	\$26.4M	\$30.5M	\$24.9M	\$119.2M
EBITDA Margin	18.4%	15.8%	19.0%	24.8%	19.2%
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%
Q3 2016					
Revenue	\$196.2M	\$156.7M	\$149.8M	\$99.8M	\$602.5M
EBITDA ⁽¹⁾	\$36.5M	\$27.3M	\$23.6M	\$24.4M	\$111.5M
EBITDA Margin	18.6%	17.4%	15.8%	24.5%	18.5%

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

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

Q3 2017 Balance Sheet Highlights

	Q3 2017	Q2 2017	Q3 2016
Cash and cash equivalents	\$461M	\$670M	\$748M
Working Capital Turns	7.1x	7.0x	8.9x
PP&E turns	7.7x	7.6x	7.4x
Total debt principal amount	\$1.55B	\$1.70B	\$1.71B
Net Leverage ⁽¹⁾	2.3x	2.2x	2.2x

(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.

Q3 2017 Cash Flow Highlights

	Q3 2017	Q3 2016	YTD 2017	YTD 2016
Cash flows from operating activities	\$68.8M	\$86.9M	\$103.6M	\$147.4M
Less: Net capital expenditures ⁽¹⁾	\$11.2M	\$10.7M	\$33.4M	\$35.8M
Free cash flow ⁽²⁾	\$57.6M	\$76.2M	\$70.2M	\$111.7M
Cash used to acquire businesses ⁽³⁾	\$0.0M	\$0.0M	\$166.9M	\$17.8M
Dividends / Share Repurchases	\$22.3M	\$2.1M	\$44.0M	\$6.3M

(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

Q4 2017

- Revenue of \$641 - \$661 million
- Earnings Per Share⁽¹⁾⁽²⁾ of \$1.71 - \$1.81

2017 Full Year

- Revenue of \$2.425 - \$2.445 billion
- Earnings Per Share⁽¹⁾⁽²⁾ of \$5.45 - \$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		Nine Months Ended	
	<u>October 1, 2017</u>	<u>October 2, 2016</u>	<u>October 1, 2017</u>	<u>October 2, 2016</u>
	(In thousands, except per share data)			
Revenues	\$ 621,745	\$ 601,109	\$ 1,783,759	\$ 1,744,237
Cost of sales	(381,921)	(355,147)	(1,079,312)	(1,025,027)
Gross profit	239,824	245,962	704,447	719,210
Selling, general and administrative expenses	(116,429)	(126,662)	(346,786)	(372,125)
Research and development	(35,442)	(33,512)	(105,108)	(106,297)
Amortization of intangibles	(27,162)	(23,808)	(77,944)	(75,603)
Operating income	60,791	61,980	174,609	165,185
Interest expense, net	(19,385)	(23,513)	(66,424)	(71,958)
Loss on debt extinguishment	(51,594)	—	(52,441)	—
Income (loss) before taxes	(10,188)	38,467	55,744	93,227
Income tax benefit (expense)	11,133	(2,395)	6,673	1,136
Net income	945	36,072	62,417	94,363
Less: Net loss attributable to noncontrolling interest	(82)	(88)	(274)	(286)
Net income attributable to Belden	1,027	36,160	62,691	94,649
Less: Preferred stock dividends	8,732	6,695	26,198	6,695
Net income (loss) attributable to Belden common stockholders	<u>\$ (7,705)</u>	<u>\$ 29,465</u>	<u>\$ 36,493</u>	<u>\$ 87,954</u>
Weighted average number of common shares and equivalents:				
Basic	42,256	42,126	42,251	42,073
Diluted	42,256	42,648	42,663	42,534
Basic income (loss) per share attributable to Belden common stockholders	<u>\$ (0.18)</u>	<u>\$ 0.70</u>	<u>\$ 0.86</u>	<u>\$ 2.09</u>
Diluted income (loss) per share attributable to Belden common stockholders	<u>\$ (0.18)</u>	<u>\$ 0.69</u>	<u>\$ 0.86</u>	<u>\$ 2.07</u>
Common stock dividends declared per share	\$ 0.05	\$ 0.05	\$ 0.15	\$ 0.15

Operating Segment Information

Unaudited

	Broadcast Solutions	Enterprise Solutions	Industrial Solutions	Network Solutions	Total Segments
(In thousands, except percentages)					
<u>For the three months ended October 1, 2017</u>					
Segment Revenues	\$ 193,753	\$ 167,089	\$ 160,471	\$ 100,432	\$ 621,745
Segment EBITDA	35,671	26,409	30,545	24,906	117,531
Segment EBITDA margin	18.4 %	15.8 %	19.0 %	24.8 %	18.9 %
Depreciation expense	4,088	2,740	3,285	1,570	11,683
Amortization of intangibles	13,482	438	646	12,596	27,162
Severance, restructuring, and acquisition integration costs	3,056	6,253	6,840	530	16,679
Purchase accounting effects related to acquisitions	2,922	—	—	—	2,922
<u>For the three months ended October 2, 2016</u>					
Segment Revenues	\$ 196,173	\$ 156,658	\$ 149,847	\$ 99,790	\$ 602,468
Segment EBITDA	36,545	27,294	23,649	24,448	111,936
Segment EBITDA margin	18.6 %	17.4 %	15.8 %	24.5 %	18.6 %
Depreciation expense	4,063	3,210	2,738	1,592	11,603
Amortization of intangibles	10,955	431	604	11,818	23,808
Severance, restructuring, and acquisition integration costs	174	5,573	4,746	2,302	12,795
Deferred gross profit adjustments	283	—	—	1,076	1,359
<u>For the nine months ended October 1, 2017</u>					
Segment Revenues	\$ 550,420	\$ 473,504	\$ 465,907	\$ 293,928	\$ 1,783,759
Segment EBITDA	90,681	77,310	87,314	65,563	320,868
Segment EBITDA margin	16.5 %	16.3 %	18.7 %	22.3 %	18.0 %
Depreciation expense	12,095	8,034	9,659	4,806	34,594
Amortization of intangibles	36,950	1,291	1,928	37,775	77,944
Severance, restructuring, and acquisition integration costs	4,434	19,267	8,307	831	32,839
Purchase accounting effects related to acquisitions	4,089	—	—	—	4,089
<u>For the nine months ended October 2, 2016</u>					
Segment Revenues	\$ 560,966	\$ 452,951	\$ 438,746	\$ 296,986	\$ 1,749,649
Segment EBITDA	89,317	80,605	73,700	66,715	310,337
Segment EBITDA margin	15.9 %	17.8 %	16.8 %	22.5 %	17.7 %
Depreciation expense	12,086	10,028	8,165	4,974	35,253
Amortization of intangibles	37,306	1,292	1,796	35,209	75,603
Severance, restructuring, and acquisition integration costs	5,871	7,280	7,982	5,939	27,072
Purchase accounting effects related to acquisitions	195	—	—	—	195
Deferred gross profit adjustments	1,391	—	—	4,021	5,412

Operating Segment Reconciliation to Consolidated Results

Unaudited

	Three Months Ended		Nine Months Ended	
	October 1, 2017	October 2, 2016	October 1, 2017	October 2, 2016
	(In thousands)			
Total Segment Revenues	\$ 621,745	\$ 602,468	\$ 1,783,759	\$ 1,749,649
Deferred revenue adjustments	—	(1,359)	—	(5,412)
Consolidated Revenues	<u>\$ 621,745</u>	<u>\$ 601,109</u>	<u>\$ 1,783,759</u>	<u>\$ 1,744,237</u>
Total Segment EBITDA	\$ 117,531	\$ 111,936	\$ 320,868	\$ 310,337
Income from equity method investment	2,551	586	5,835	1,077
Eliminations	<u>(845)</u>	<u>(977)</u>	<u>(2,628)</u>	<u>(2,694)</u>
Consolidated Adjusted EBITDA (1)	119,237	111,545	324,075	308,720
Amortization of intangibles	(27,162)	(23,808)	(77,944)	(75,603)
Depreciation expense	(11,683)	(11,603)	(34,594)	(35,253)
Severance, restructuring, and acquisition integration costs	(16,679)	(12,795)	(32,839)	(27,072)
Purchase accounting effects related to acquisitions	(2,922)	—	(4,089)	(195)
Deferred gross profit adjustments	<u>—</u>	<u>(1,359)</u>	<u>—</u>	<u>(5,412)</u>
Consolidated operating income	60,791	61,980	174,609	165,185
Interest expense, net	(19,385)	(23,513)	(66,424)	(71,958)
Loss on debt extinguishment	<u>(51,594)</u>	<u>—</u>	<u>(52,441)</u>	<u>—</u>
Consolidated income (loss) before taxes	<u>\$ (10,188)</u>	<u>\$ 38,467</u>	<u>\$ 55,744</u>	<u>\$ 93,227</u>

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

Balance Sheet

	October 1, 2017 (Unaudited)	December 31, 2016
	(In thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 461,363	\$ 848,116
Receivables, net	439,276	388,059
Inventories, net	262,494	190,408
Other current assets	67,048	29,176
Assets held for sale	35,953	23,193
Total current assets	<u>1,266,134</u>	<u>1,478,952</u>
Property, plant and equipment, less accumulated depreciation	324,617	309,291
Goodwill	1,475,467	1,385,995
Intangible assets, less accumulated amortization	566,958	560,082
Deferred income taxes	35,565	33,706
Other long-lived assets	36,107	38,777
	<u>\$ 3,704,848</u>	<u>\$ 3,806,803</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 301,173	\$ 258,203
Accrued liabilities	257,729	310,340
Liabilities held for sale	1,732	1,736
Total current liabilities	<u>560,634</u>	<u>570,279</u>
Long-term debt	1,530,077	1,620,161
Postretirement benefits	112,938	104,050
Deferred income taxes	21,528	14,276
Other long-term liabilities	37,311	36,720
Stockholders' equity:		
Preferred stock	1	1
Common stock	503	503
Additional paid-in capital	1,123,623	1,116,090
Retained earnings	813,936	783,812
Accumulated other comprehensive loss	(84,342)	(39,067)
Treasury stock	(412,059)	(401,026)
Total Belden stockholders' equity	<u>1,441,662</u>	<u>1,460,313</u>
Noncontrolling interest	698	1,004
Total stockholders' equity	<u>1,442,360</u>	<u>1,461,317</u>
	<u>\$ 3,704,848</u>	<u>\$ 3,806,803</u>

Cash Flow Statement

Unaudited

	Nine Months Ended	
	October 1, 2017	October 2, 2016
	(In thousands)	
Cash flows from operating activities:		
Net income	\$ 62,417	\$ 94,363
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	112,538	110,857
Share-based compensation	13,431	13,943
Loss on debt extinguishment	52,441	—
Changes in operating assets and liabilities, net of the effects of currency exchange rate changes and acquired businesses:		
Receivables	(32,950)	(9,843)
Inventories	(50,232)	5,626
Accounts payable	30,290	(3,889)
Accrued liabilities	(54,828)	(43,594)
Income taxes	(32,071)	(17,375)
Other assets	(9,046)	2,798
Other liabilities	11,625	(5,457)
Net cash provided by operating activities	<u>103,615</u>	<u>147,429</u>
Cash flows from investing activities:		
Cash used to acquire businesses, net of cash acquired	(166,896)	(17,848)
Capital expenditures	(33,430)	(36,057)
Other	—	(971)
Proceeds from disposal of tangible assets	15	282
Net cash used for investing activities	<u>(200,311)</u>	<u>(54,594)</u>
Cash flows from financing activities:		
Payments under borrowing arrangements	(1,105,892)	(51,875)
Cash dividends paid	(32,535)	(6,307)
Debt issuance costs paid	(16,586)	—
Payments under share repurchase program	(11,508)	—
Withholding tax payments for share-based payment awards, net of proceeds from the exercise of stock options	(5,421)	(5,302)
Proceeds from issuance of preferred stock, net	—	501,498
Borrowings under credit arrangements	866,700	—
Net cash provided by (used for) financing activities	<u>(305,242)</u>	<u>438,014</u>
Effect of foreign currency exchange rate changes on cash and cash equivalents	15,185	705
Increase (decrease) in cash and cash equivalents	(386,753)	531,554
Cash and cash equivalents, beginning of period	848,116	216,751
Cash and cash equivalents, end of period	<u>\$ 461,363</u>	<u>\$ 748,305</u>

Q3 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		Nine Months Ended	
	October 1, 2017	October 2, 2016	October 1, 2017	October 2, 2016
	(In thousands, except percentages and per share amounts)			
GAAP revenues	\$ 621,745	\$ 601,109	\$ 1,783,759	\$ 1,744,237
Deferred revenue adjustments	—	1,359	—	5,412
Adjusted revenues	\$ 621,745	\$ 602,468	\$ 1,783,759	\$ 1,749,649
GAAP gross profit	\$ 239,824	\$ 245,962	\$ 704,447	\$ 719,210
Severance, restructuring, and acquisition integration costs	12,406	2,897	26,523	6,815
Purchase accounting effects related to acquisitions	2,922	—	4,089	195
Accelerated depreciation	266	206	798	618
Deferred gross profit adjustments	—	1,359	—	5,412
Adjusted gross profit	\$ 255,418	\$ 250,424	\$ 735,857	\$ 732,250
GAAP gross profit margin	38.6 %	40.9 %	39.5 %	41.2 %
Adjusted gross profit margin	41.1 %	41.6 %	41.3 %	41.9 %
GAAP selling, general and administrative expenses	\$ (116,429)	\$ (126,662)	\$ (346,786)	\$ (372,125)
Severance, restructuring, and acquisition integration costs	4,174	9,924	6,264	19,604
Accelerated depreciation	—	16	—	16
Adjusted selling, general and administrative expenses	\$ (112,255)	\$ (116,722)	\$ (340,522)	\$ (352,505)
GAAP research and development	\$ (35,442)	\$ (33,512)	\$ (105,108)	\$ (106,297)
Severance, restructuring, and acquisition integration costs	99	(26)	52	653
Adjusted research and development	\$ (35,343)	\$ (33,538)	\$ (105,056)	\$ (105,644)
GAAP net income attributable to Belden	\$ 1,027	\$ 36,160	\$ 62,691	\$ 94,649
Interest expense, net	19,385	23,513	66,424	71,958
Income tax expense (benefit)	(11,133)	2,395	(6,673)	(1,136)
Loss on debt extinguishment	51,594	—	52,441	—
Noncontrolling interest	(482)	(88)	(274)	(286)
Total non-operating adjustments	59,764	25,820	111,918	70,536
Amortization of intangible assets	27,162	23,808	77,944	75,603
Severance, restructuring, and integration costs	16,679	12,795	32,839	27,072
Purchase accounting effects related to acquisitions	2,922	—	4,089	195
Accelerated depreciation	266	222	798	634
Deferred gross profit adjustments	—	1,359	—	5,412
Total operating income adjustments	47,029	38,184	115,670	108,916
Depreciation expense	11,417	11,381	33,796	34,619
Adjusted EBITDA	\$ 119,237	\$ 111,545	\$ 324,075	\$ 308,720
GAAP net income margin	0.2 %	6.0 %	3.5 %	5.4 %
Adjusted EBITDA margin	19.2 %	18.5 %	18.2 %	17.6 %
GAAP net income attributable to Belden	\$ 1,027	\$ 36,160	\$ 62,691	\$ 94,649
Operating income adjustments from above	47,029	38,184	115,670	108,916
Loss on debt extinguishment	51,594	—	52,441	—
Amortization expense attributable to noncontrolling interest, net of tax	(16)	(16)	(47)	(48)
Tax effect of adjustments	(25,782)	(12,820)	(44,750)	(33,850)
Adjusted net income attributable to Belden	\$ 73,852	\$ 61,508	\$ 186,005	\$ 169,667
GAAP net income attributable to Belden	\$ 1,027	\$ 36,160	\$ 62,691	\$ 94,649
Less: Preferred stock dividends	8,732	6,695	26,198	6,695
GAAP net income (loss) attributable to Belden common stockholders	\$ (7,705)	\$ 29,465	\$ 36,493	\$ 87,954
Adjusted net income attributable to Belden	\$ 73,852	\$ 61,508	\$ 186,005	\$ 169,667
Less: Preferred stock dividends	—	6,695	26,198	6,695
Adjusted net income attributable to Belden common stockholders	\$ 73,852	\$ 54,813	\$ 159,807	\$ 162,972
GAAP income (loss) per diluted share attributable to Belden common stockholders	\$ (0.18)	\$ 0.69	\$ 0.86	\$ 2.07
Adjusted income per diluted share attributable to Belden common stockholders	\$ 1.49	\$ 1.29	\$ 3.75	\$ 3.83
GAAP diluted weighted average shares	42,256	42,648	42,663	42,534
Adjustment for assumed conversion of preferred stock into common stock	6,848	—	—	—
Adjustment for anti-dilutive shares that are dilutive under adjusted measures	414	—	—	—
Adjusted diluted weighted average shares	49,518	42,648	42,663	42,534

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		Nine Months Ended	
	<u>October 1, 2017</u>	<u>October 2, 2016</u>	<u>October 1, 2017</u>	<u>October 2, 2016</u>
	(In thousands)			
GAAP net cash provided by operating activities	\$ 68,834	\$ 86,859	\$ 103,615	\$ 147,429
Capital expenditures, net of proceeds from the disposal of tangible assets	<u>(11,218)</u>	<u>(10,692)</u>	<u>(33,415)</u>	<u>(35,775)</u>
Non-GAAP free cash flow	<u>\$ 57,616</u>	<u>\$ 76,167</u>	<u>\$ 70,200</u>	<u>\$ 111,654</u>

Reconciliation of Non-GAAP Measures

Q4 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 December 31, 2017
Adjusted income per diluted share attributable to Belden common stockholders	\$5.45 - \$5.55	\$1.71 - \$1.81
Amortization of intangible assets	\$(1.51)	\$(0.07)
Loss on debt extinguishment	\$(0.76)	\$0.00
Severance, restructuring, and acquisition integration costs	\$(0.59)	\$(0.02)
Purchase accounting effects related to acquisitions	\$(0.09)	\$(0.01)
GAAP income per diluted share attributable to Belden common stockholders	<u>\$2.50 - \$2.60</u>	<u>\$1.61 - \$1.71</u>