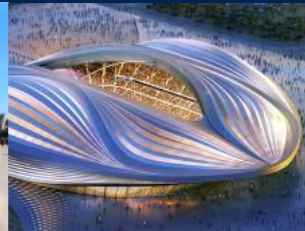


BELDEN

1ST QUARTER 2024

EARNINGS RESULTS

May 2024



CORPORATE PARTICIPANTS

Ashish Chand Belden Inc. – President & CEO

Jeremy Parks Belden Inc. – CFO

Aaron Reddington Belden Inc. – VP Investor Relations

PRESENTATION

Aaron Reddington, Belden Inc. – VP Investor Relations

Good morning everyone, and thank you for joining us for Belden's first quarter 2024 Earnings Conference Call. With me today are Belden's President and CEO Ashish Chand and Senior Vice President and CFO Jeremy Parks. Ashish will provide a strategic overview of our business, and then Jeremy will provide a detailed review of our financial and operating results, followed by Q&A.

We issued our earnings release earlier this morning, and have prepared a slide presentation that we will reference on this call. The press release, presentation, and transcript of these prepared remarks are currently available online at investor.belden.com.

Turning to slide 2 in the presentation. During this call, management will make certain forward-looking statements in reliance upon the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. For more information, please review today's press release and our most recent annual report on Form 10-K. Additionally, during today's call management will reference adjusted or non-GAAP financial information. In accordance with Regulation G, the appendix to our presentation and the investor relations section of our website contains a reconciliation of the most closely associated GAAP financial information to the non-GAAP financial information we communicate.

I will now turn the call over to our President and CEO Ashish Chand.

Ashish Chand, Belden Inc. – President & CEO

Thank you Aaron, and good morning everyone. We really appreciate you joining us today.

Let's turn to slide 4 for a summary of the major accomplishments we achieved in the first quarter and key messages I would like to highlight. As a reminder, I'll be referring to adjusted results today.

First, let me start by saying that once again the key theme for the quarter is stability. For the first quarter, our revenue and EPS both exceeded the high end of our guidance and our solutions transformation continues in this dynamic environment. Revenue totaled \$536 million dollars and EPS came in at one dollar and 24 cents.

Demand was stable, similar to what we saw in the prior period. Orders in the first quarter were up 5 percent sequentially resulting in a book-to-bill of 1.03 times, up from zero point 96 in the prior period.

Our markets continue to experience headwinds and I am encouraged to see steady execution resulting in performance exceeding our expectations.

Second, I am pleased to announce that we just recently signed a definitive purchase agreement for Precision Optical Technologies, Inc. for approximately \$290 million dollars in cash, subject to customary closing conditions and regulatory approval of course.

Precision Optical Technologies is a leading supplier of value-added optical transceivers with proprietary software, firmware configurations, and related components. I will go into further detail on the acquisition shortly, but let me summarize here by saying we are very excited to add the team and product set to our solutions and believe this acquisition will create new opportunities for our Enterprise segment and broadband markets, particularly in the passive optical network (or PON) market.

Third, our business continues to generate meaningful cash flow, and we are deploying capital consistent with our capital allocation priorities.

Trailing twelve month Free Cash Flow was strong at \$241 million dollars, roughly flat with what we produced in the same period last year.

With our ample free cash flow, our team took steps to reinvest in high-return opportunities.

For the quarter, we returned over \$58 million dollars to shareholders mostly through share repurchases with approximately 700 thousand shares purchased in the first quarter.

Further, our leverage remains low at 1.6 times, roughly in line with our targeted net leverage ratio of 1.5 times.

Finally, while it is not reflected in our Q1 figures, our team plans to deploy capital towards the acquisition of Precision Optical Technologies, which we expect to close in the second quarter.

Now please turn to slide 5 for a summary of a few noteworthy solutions wins.

As we do every quarter, let me take a moment to describe two recent customer wins to provide real-world examples of our solutions in action.

In the first example, our team was awarded a ten million dollar plus project to help with a rail network in India.

In this example, we were working directly with Hitachi Rail STS India as the system integrator, and Chennai Metro Rail Limited, our end customer. Chennai Metro was looking for a reliable and secure backbone network to ensure passenger safety and security. Reliability and in-house expertise in deploying complex solutions were top priorities for our customers combined with a proven product portfolio.

Our solutions consultants held multiple sessions with Chennai Metro, including a proof of concept test utilizing cutting-edge wireless and wired network components. The Belden-designed network proved successful in testing to increase operational efficiency by reducing communications-based train control outages. Further, the Belden solution also enabled IoT-based predictive maintenance functionality for a connected track system.

Our team of solutions consultants, along with Hitachi Rail STS India, were able to add value to Chennai Metro and build a network to solve critical KPIs and improve passenger experience.

In the second example, our team was awarded a multi-million dollar project to assist in the redevelopment of a major hospital facility in the Americas.

With a focus on better patient outcomes, our solutions consultants were able to recommend core data infrastructure components including our leading-edge DCX cabinets and high-flex cabling to support a robust network and allow for leading-edge use cases.

The result for our customer is a more reliable system, utilizing a smaller footprint, combined with reduced complexity to allow for a more streamlined network capable of supporting our customer's critical KPIs.

I am proud of our solutions team as they worked to gather highly reliable Belden products and put together a complete solution for our customer, ultimately winning their trust and business.

Again, we highlight these solutions to further emphasize that Belden is winning in the marketplace with our solutions transformation and that our value-add to customers spans beyond the high-quality products we produce.

In fact, as an example, we recently launched three solution capabilities – network resilience, edge computing and data interoperability targeted at discrete manufacturers. These capabilities are enabled through Belden Horizon, which brings together hardware, software and services in a single software platform. Our Horizon platform enables real-time management of complex industrial and enterprise networks and assists in the delivery of data-related services in a simple and highly secure manner. I point this out to highlight that at Belden our focus is on solving customer problems and deepening our relationship with customers.

Our high-quality products, Belden Horizon software platform, and our dedicated team and consultants are making our solutions incredibly impactful for customers and are keys to our success.

Now please turn to slide 6 for a summary of the Precision Optical Technologies acquisition.

Based in Rochester New York, Precision Optical Technologies is a leading supplier of value-added optical transceivers with proprietary software, firmware configurations, and related components. The company's products are core elements in fiber infrastructure deployments, expansions, and network upgrades, benefiting from multiple secular tailwinds.

Precision Optical Technologies' strong position in the optical transceiver market will be highly beneficial to Belden as we look to grow our solutions offerings in the Enterprise segment and broadband markets. As networks are upgraded, and bandwidth demands increase, Precision Optical Technologies' products will be critical components as fiber deployments accelerate.

Further, combined with Belden fiber and network products, our solutions teams will now have enhanced passive optical network (or "PON") components and will sit deeper in the fiber network allowing for additional use cases and opportunities with MSOs, telcos, data centers, and enterprise customers.

Precision Optical Technologies will be a great addition to the Belden team and will help us further drive solutions in our Enterprise segment.

On a full year basis, we expect the company to generate 2024 revenue of approximately \$150 million dollars. With exposure to optical transceivers and PON networks, we anticipate growth in the mid to high single digits over the next few years.

We anticipate closing towards the end of the second quarter and will provide updates as appropriate.

Post-close, the acquisition will be immediately accretive to our financials, and after being fully integrated, we expect the business to provide Adjusted EBITDA margins comparable to the rest of Belden.

Precision Optical Technologies is the perfect example of the types of deals that are most attractive to us, as we are always excited to add good people and products to our team that further enable our solutions offerings.

I will now request Jeremy Parks to provide additional insight into our first quarter financial performance.

Jeremy Parks, Belden Inc. – CFO

Thank you, Ashish.

I will start my comments with results for the first quarter of 2024, followed by a review of our segment results, a discussion of the balance sheet and cash flow performance, and finally our outlook. As a reminder, I will be referencing adjusted results today.

Now, please turn to Slide 7 in our presentation for a review of our results.

First quarter revenue decreased 17 percent year-over-year and was down 17 percent organically to \$536 million dollars, exceeding the high end of our guidance of \$520 million dollars.

As expected, we experienced softness in Industrial Automation with revenues decreasing 17 percent organically and Enterprise Solutions revenue decreasing 18 percent organically.

Orders were up 5 percent sequentially, with strength in Industrial Automation partially offset by typical seasonality in Enterprise Solutions. We ended the quarter with a book-to-bill of 1.03 indicating a more stable order environment for the quarter.

Gross profit margins were 38.4 percent, decreasing 20 basis points compared to the prior year as favorable mix benefits helped to offset lower volume.

EBITDA came in at \$85 million dollars with EBITDA margins down 160 basis points to 15.8 percent.

Decremental margins for the quarter performed as expected, in line with our target of 20 to 30 percent.

Net income was \$51 million dollars, down from \$73 million dollars in the prior-year period.

EPS was \$1.24, above the high end of our guidance range of \$1.10.

Turning now to slide 8 in the presentation for a review of our business segment results.

For the quarter, performance by segment was aligned with our expectations.

Orders were soft but stable, as our markets experienced continued slowness due to the impact of destocking.

For the first quarter, Revenue in our Industrial Automation Solutions segment was down 18 percent compared to the prior year. EBITDA margins were 19.5 percent in the quarter, down from 20.1 percent in the prior year.

Orders in Industrial Automation were up 12 percent sequentially, and down 5 percent year-over-year.

For the quarter, we experienced weakness in our discrete end markets, particularly in the EMEA region, which continues to exhibit customer destocking.

For the first quarter, Revenue in our Enterprise Solutions segment was down 15 percent compared to the prior year. EBITDA margins were 11 percent in the quarter, down from 13.5 percent in the prior year.

Orders in Enterprise Solutions were down 4 percent sequentially, and down 11 percent year-over-year.

As expected, we continue to see customer destocking in both the smart buildings and broadband markets.

Next please turn to Slide 9 for our balance sheet and cash flow highlights.

Our cash and cash equivalents balance at the end of the first quarter was \$507 million dollars compared to \$597 million in the fourth quarter of 2023.

Our financial leverage was 1.6 times net debt to EBITDA at the end of the first quarter. As we communicated before, we intend to maintain net leverage of approximately 1.5 times over the long term.

We plan to fund the acquisition of Precision Optical Technologies with cash on hand.

On a pro-forma basis, we estimate that our net leverage ratio will be around 2 times after close. With our ample free cash flow generation, we have the ability to quickly delever.

As a reminder, our next debt maturity is not until 2027 with all of our debt fixed at rates averaging 3.5 percent.

Through the first quarter, our trailing twelve-month free cash flow was \$241 million dollars.

During the first quarter, we repurchased approximately 700 thousand shares for \$58 million dollars with \$115 million dollars remaining on our current repurchase authorization.

Please turn to Slide 10 for our updated outlook.

For the second quarter, we anticipate customer destocking and other temporary headwinds to continue. Relative to the first quarter, end demand is expected to be stable with revenues up slightly, in line with normal seasonal patterns.

For the second quarter, assuming current market conditions do not deteriorate further, we expect sales in the range of \$565 million to \$580 million dollars and adjusted EPS in the range of \$1.30 to \$1.40.

The acquisition of Precision Optical Technologies is not included in Q2 2024 guidance. The close date is subject to certain regulatory approvals and customary closing conditions. We will provide updates, as appropriate.

That concludes my prepared remarks. I would now like to turn the call back to Ashish.

Ashish Chand, Belden Inc. – President & CEO

Thank you, Jeremy.

To close, let me reiterate the first quarter for Belden can best be described as stable. We came in anticipating a dynamic market environment with many customers continuing to reduce inventory, and it played out as expected.

Looking forward into the second quarter, we see steadiness in our business and are hopeful that conditions improve in the back half of the year resulting in an uptick in demand from current levels.

Longer-term, the secular drivers and investment cycles remain, and after we get on the other side of this weakness, we expect to see higher revenue and EPS through the next cycle.

Reindustrialization is just beginning and our products and solutions are aligned with many secular growth drivers. We are well-positioned to take advantage of the growth opportunities ahead of us, and our balance sheet is strong to enable our expansion.

Our team will continue to execute through this temporary weakness and will look for opportunities to gain share where possible.

I would like to take a moment and recognize the contributions of our associates this past quarter. I appreciate your efforts and would like to thank you for your support as we continue to transform Belden through a challenging environment. Thank you for your hard work.

That concludes our prepared remarks, operator please open the call to questions.