



CLEARFIELD

NASDAQ: CLFD

January 2023

Important Notice and Disclaimer

Important Cautions Regarding Forward-Looking Statements

Forward-looking statements contained herein and in any related presentation or in the related Earnings Release are made pursuant to the safe harbor provisions of the Private Litigation Reform Act of 1995. Words such as “may,” “will,” “expect,” “believe,” “anticipate,” “estimate,” “outlook,” or “continue” or comparable terminology are intended to identify forward-looking statements. Such forward looking statements include, for example, statements about the Company’s future revenue and operating performance, anticipated shipping on backlog and future lead times, future availability of components and materials from the Company’s supply chain, the impact of the Rural Digital Opportunity Fund (RDOF) or other government programs on the demand for the Company’s products or timing of customer orders, the Company’s ability to add capacity to meet expected future demand, and trends in and growth of the FTTx markets, market segments or customer purchases and other statements that are not historical facts. These statements are based upon the Company’s current expectations and judgments about future developments in the Company’s business. Certain important factors could have a material impact on the Company’s performance, including, without limitation: a diverse global economic conditions and geopolitical issues could have a negative effect on our business, and results of operations and financial condition; our planned growth may strain our business infrastructure, which could adversely affect our operations and financial condition; the acquisition of Nestor Cables and integration activities could adversely affect our operating results; the COVID-19 pandemic has significantly impacted worldwide economic conditions and could have a material adverse effect on our business, financial condition and operating results; we rely on single-source suppliers, which could cause delays, increases in costs or prevent us from completing customer orders; fluctuations in product and labor costs which may not be able to be passed on to customers that could decrease margins; we depend on the availability of sufficient supply of certain materials, such as fiber optic cable and resins for plastics, and global disruptions in the supply chain for these materials could prevent us from meeting customer demand for our products; we rely on our manufacturing operations to produce product to ship to customers and manufacturing constraints and disruptions could result in decreased future revenue; a significant percentage of our sales in the last three fiscal years have been made to a small number of customers; further consolidation among our customers may result in the loss of some customers and may reduce sales during the pendency of business combinations and related integration activities; we may be subject to risks associated with acquisitions; product defects or the failure of our products to meet specifications could cause us to lose customers and sales or to incur unexpected expenses; we are dependent on key personnel; cyber-security incidents on our information technology systems, including ransomware, data breaches or computer viruses, could disrupt our business operations, damage our reputation, and potentially lead to litigation; our business is dependent on interdependent management information systems; to compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance; changes in government funding programs may cause our customers and prospective customers to delay, reduce, or accelerate purchases, leading to unpredictable and irregular purchase cycles; intense competition in our industry may result in price reductions, lower gross profits and loss of market share; our success depends upon adequate protection of our patent and intellectual property rights; if the telecommunications market does not expand as we expect, our business may not grow as fast as we expect; we face risks associated with expanding our sales outside of the United States; and other factors set forth in Part I, Item 1A. Risk Factors of Clearfield’s Annual Report on Form 10-K for the year ended September 30, 2021 as well as other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update these statements to reflect actual events unless required by law.

Trademarks

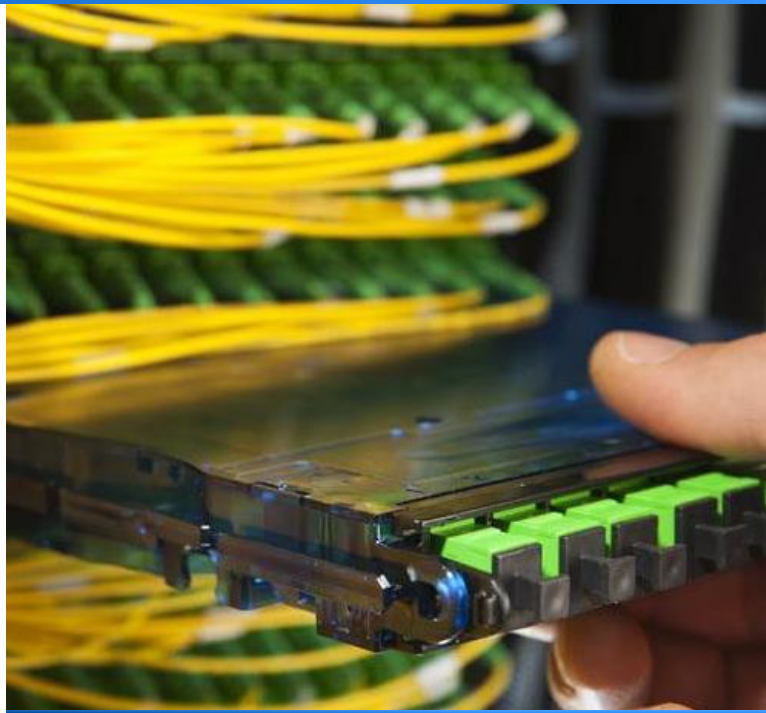
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Financial and Other Information

Certain historical financial information contained in this Presentation has been taken from or prepared based on unaudited historical financial statements of the Company. Accordingly, such financial information may not be included in, may be adjusted in, or may be presented differently in the registration statement filed by the Company with the SEC, or any amendment or supplement thereto.

OUR MISSION:

*Enabling the lifestyle
better broadband
provides*



WHAT WE DO:

*Clearfield provides fiber
protection, fiber
management and fiber
delivery solutions that
enable rapid and cost-
effective fiber-fed
deployment throughout
the broadband service
provider space*

Clearfield at a Glance

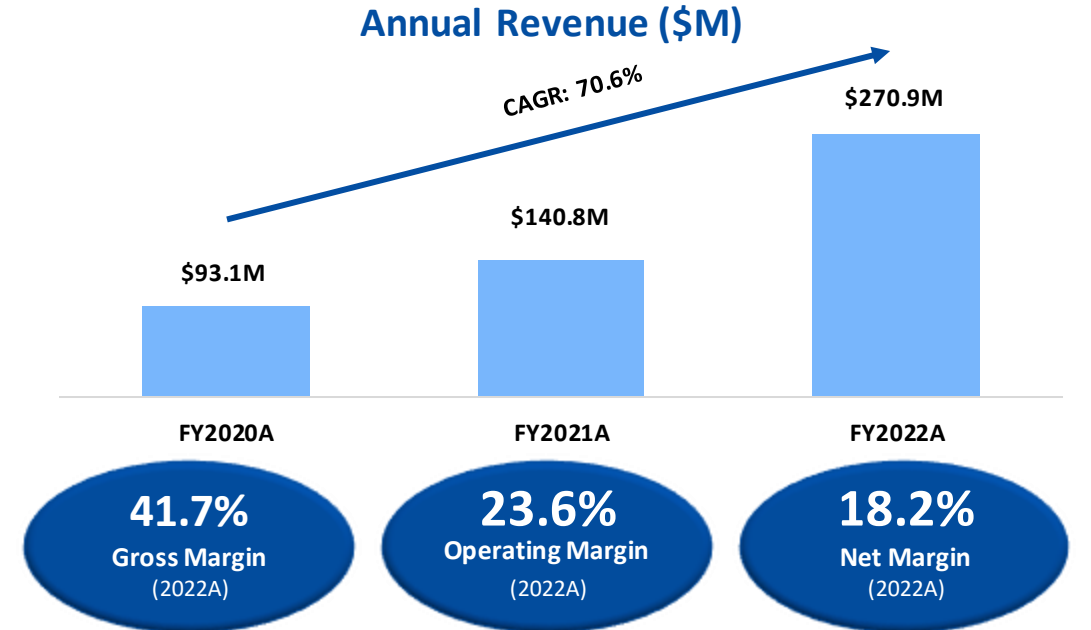
Company Overview and Key Investment Highlights

Leading provider of fiber protection, fiber management and fiber delivery solutions that enable rapid and cost-effective broadband deployment

- ✓ **Multi-billion Broadband Fiber Market with Strong Near-Term Tailwinds**
- ✓ **Market Leadership Position in Underserved Rural Broadband**
- ✓ **Differentiated, Scalable Platform For End-to-End Fiber Management & Delivery**
- ✓ **Strong History of Accelerating Growth and Profitability**
- ✓ **Seasoned Management Team With Deep Cable and Telecom Expertise**



Strong Growth and Profitability in Massively Expanding Market



14 Years of Internally Funded Growth and Profitability

Select Customers:
(1,200+ customer base)



LUMEN®



Cable One®

verizon✓



Why We Win

- ✓ *Singularly Focused on Serving the Fiber Market*
- ✓ *Attractive Total Cost of Ownership through Reduced Installation Cost and Maintenance Time*
- ✓ *Our Testing Shows FastPass™ Approach Cuts Install Time Required for Homes Passed by 50%*
- ✓ *Ease, Speed and Cost of Deployment*
- ✓ *Delivery of a Comprehensive Solution*
- ✓ *Commitment to Quality and Customers*
- ✓ *Recent Acquisition of Nestor Cables Highlights Investment to Integrate and Optimize Solutions and Mitigate Supply Chain Risk*

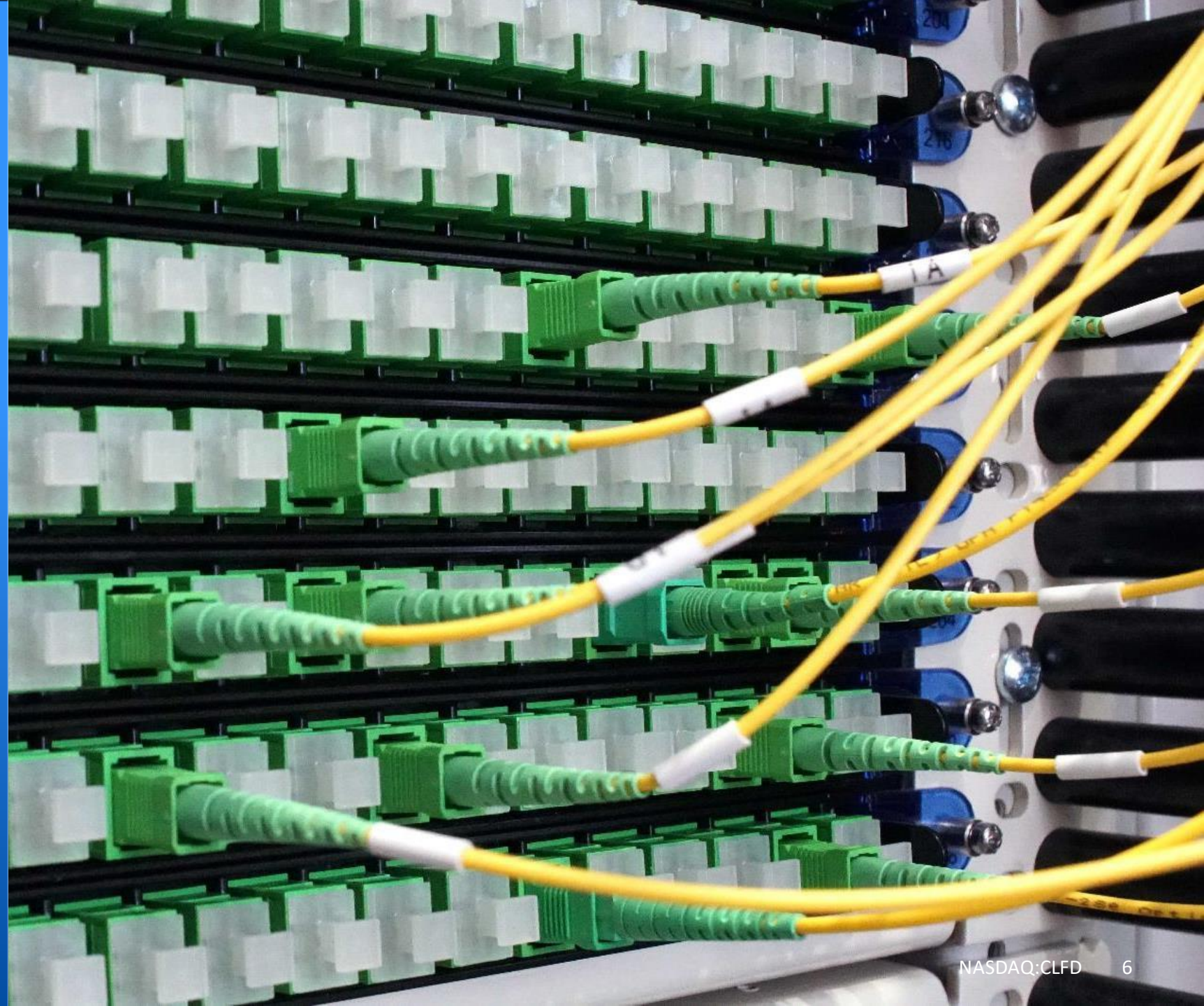


Providing Optimized Price Performance and Deep Technical Expertise

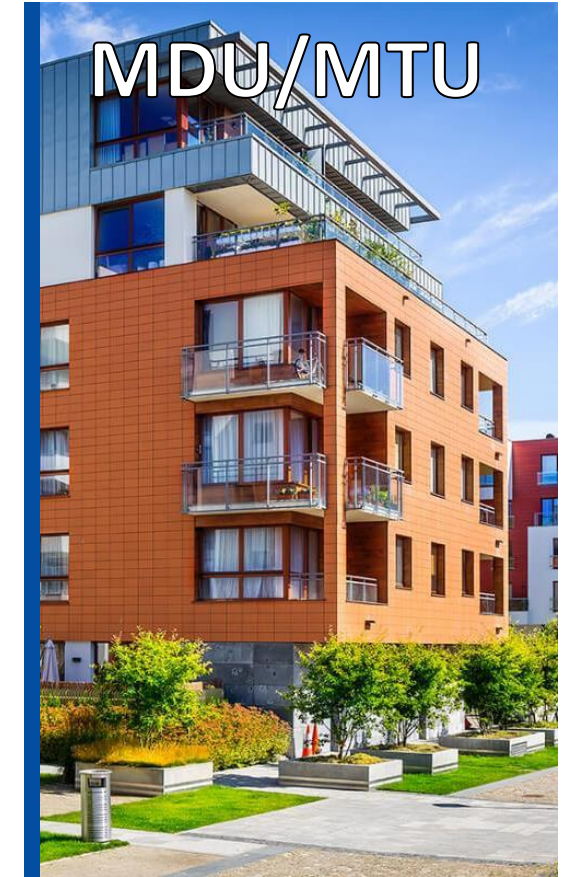
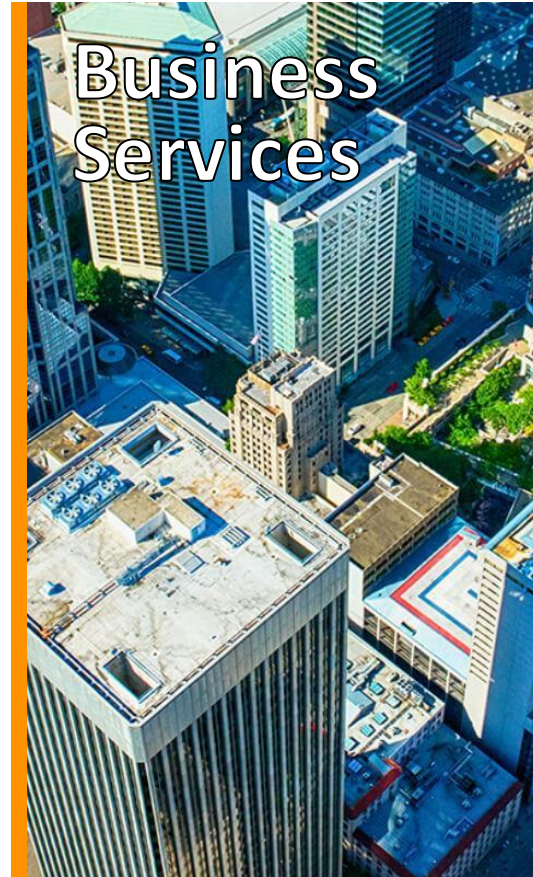


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Market Overview



What are our Target Markets?



Powerful Market Drivers Across Broadband

\$12.5B+ Estimated US FTTH Market

~\$200B 5G Market Size by 2030 with CAGR of ~48% from 2022 to 2030

~60M Committed Fiber Homes Passed By 2030

\$100B US Subsidies Allocated For Broadband Deployment¹

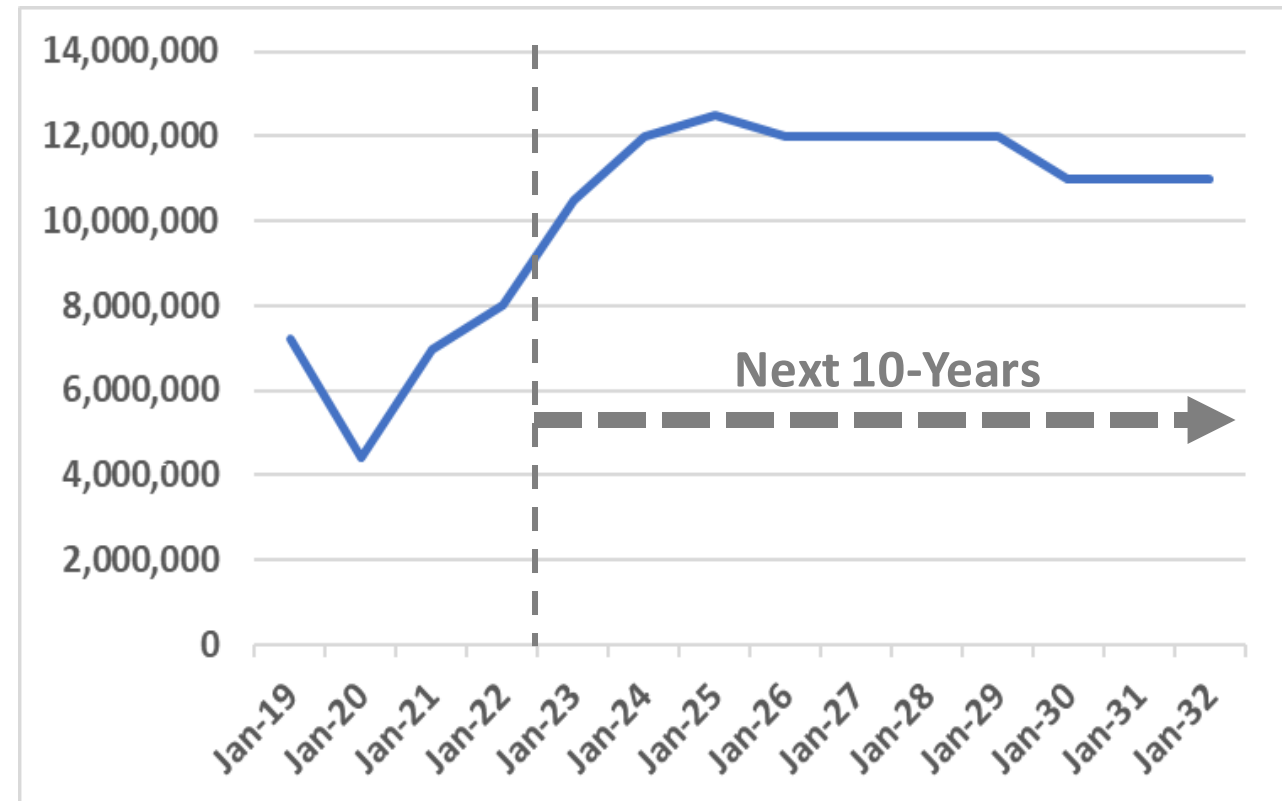
100% Target Broadband Coverage By 2030 Under Biden Administration



**Fiber Deployment is
projected to be
strong for the next
decade**



11.3M Ten Year Annual Average Run Rate



Assumes 12.3M New Housing Units

Homes with Fiber Availability: 92%

Homes with 2+ Fiber Availability: 34%

Current Product Suite Well Positioned For 5G

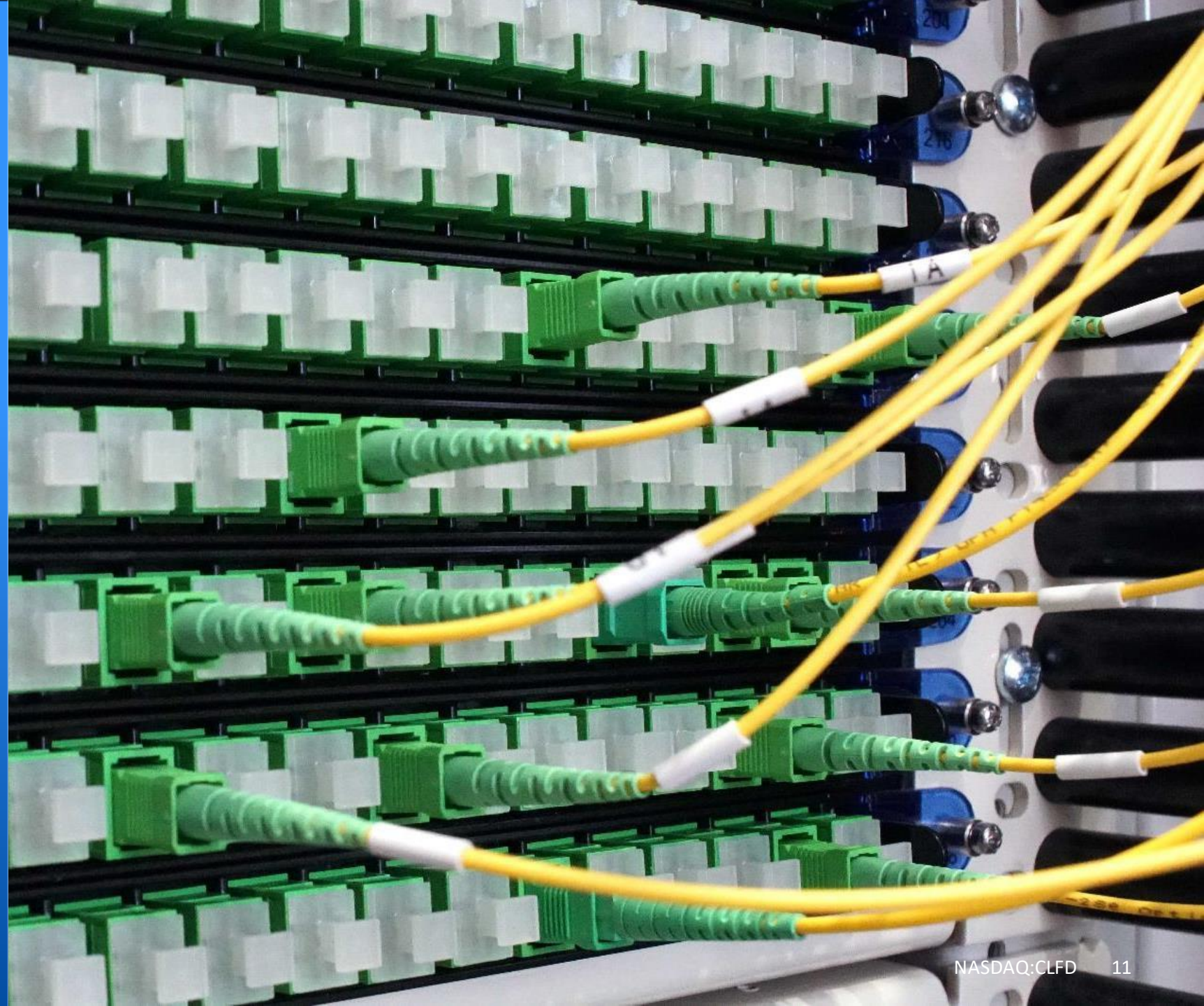
- ✓ Community broadband is the backbone for 5G, leveraging One-Fiber to be used for multiple deployments
- ✓ Current product suite is well positioned for 5G's big spend cycle
- ✓ Existing products can be used in wireless network for 5G implementation, bringing fiber management expertise to 5G
- ✓ 5G market is estimated to have 20+ years' sustainable opportunity
- ✓ Unique point of entry for Clearfield, with next three years as pivotal to gain 5G foothold
- ✓ Cumulative 5G cycle spend coincides with Clearfield's Now of Age Plan, removing obstacles for the integration of wireline and wireless networks









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Product and Technology



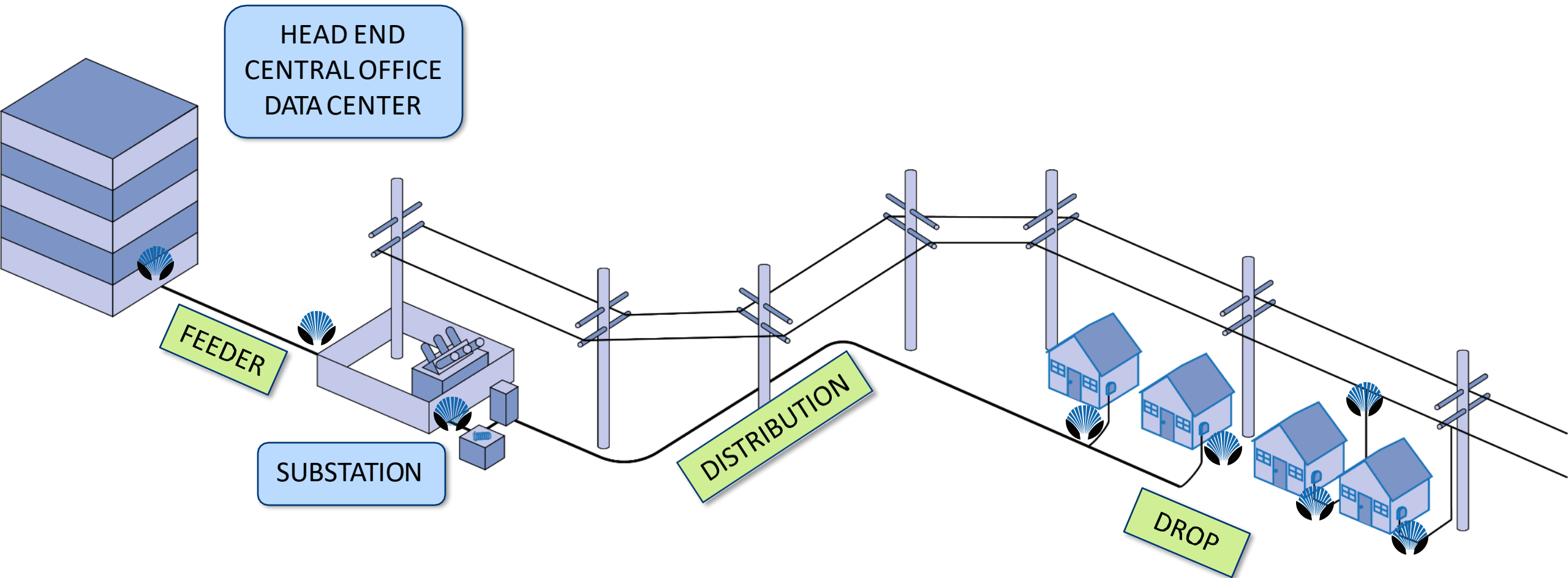
Our Scalable, Uniform & Cost-Effective Product Platform

| Fiber Management | | | Fiber Protection & Delivery |
|--|---|--|--|
| FieldSmart Passive Architecture | FieldSmart Active Architecture | Clearview | FieldShield & YOURx |
|  <p>Passive panels, frames, cabinets, wallboxes, and pedestals for the inside plant, outside plant and access network</p> |  <p>Powered cabinets for the outside plant and access network</p> |  <p>Patented cassettes that connect multiple fiber optic cables</p> |  <p>Fiber pathway and protection system consisting of microducts, cables, drop cables, connectors and terminals</p> |

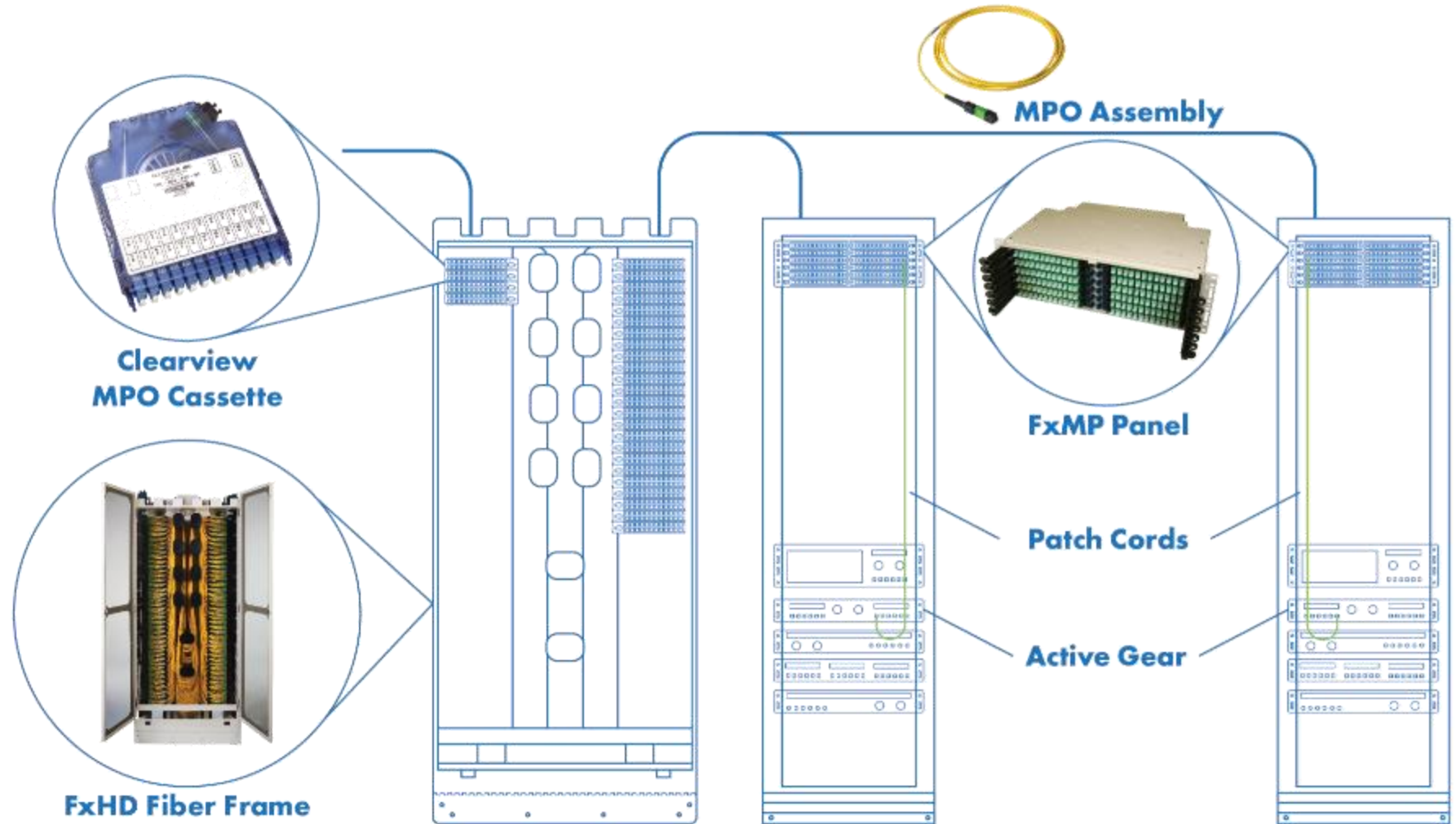
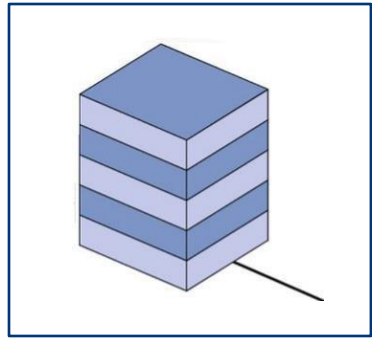
Value Propositions

- ✓ Craft-friendly – requires less skilled labor and overall labor time
- ✓ Designed to reduce permitting and right-of-way
- ✓ Faster turn-up time for quicker revenue per subscriber

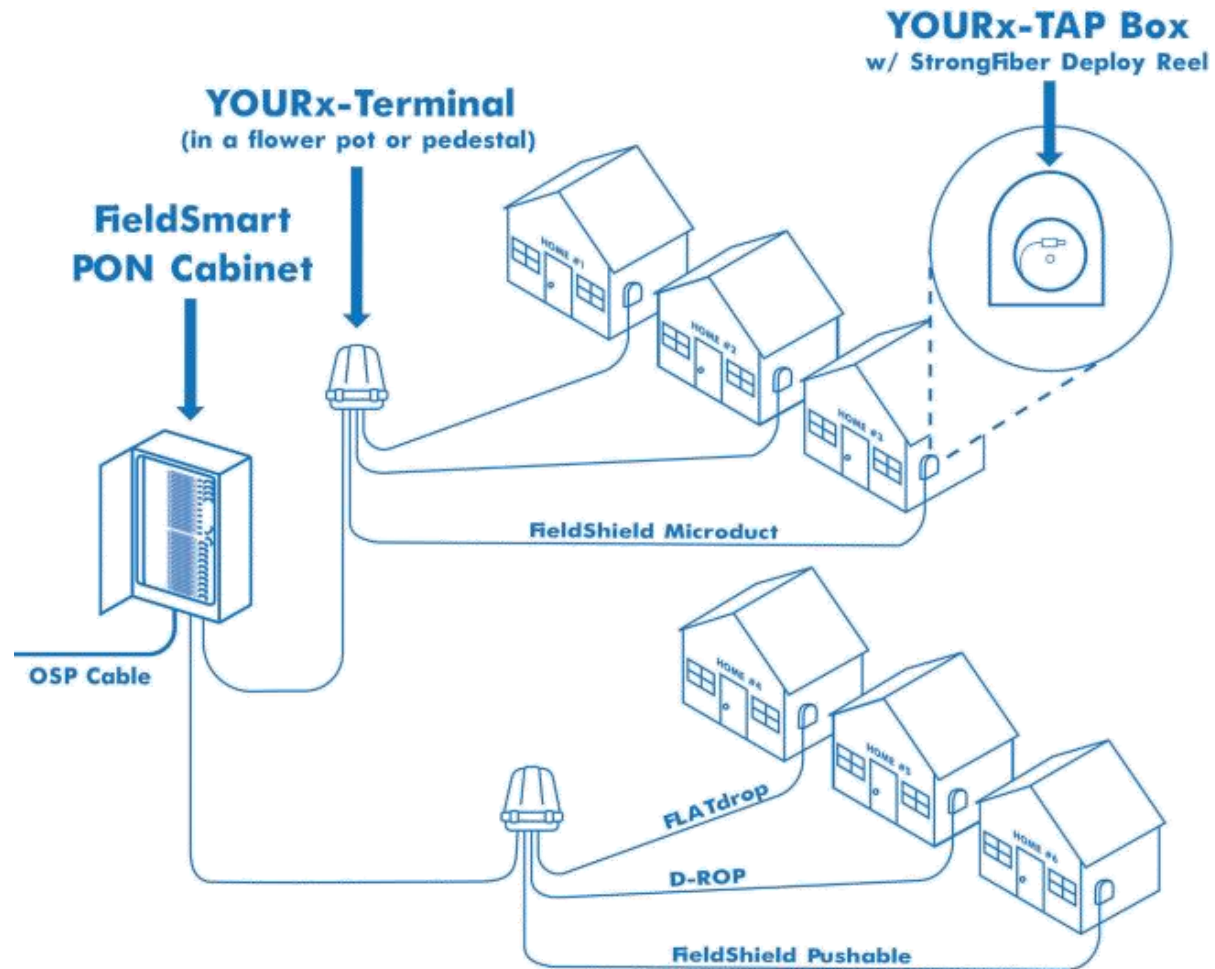
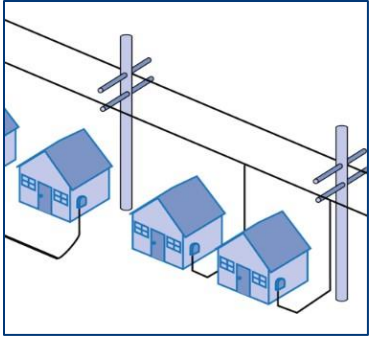
Clearfield Offers End-to-End Fiber Delivery



Head End / Central Office / Data Center



Fiber-to-the-Home (FTTH)



Clearfield “Now of Age” Plan



Accelerating our Operating Cadence

- ✓ Active investment in systems and processes to enable our agile work environment
- ✓ Speed of delivery in every part of our organization is paramount to our success



Amplifying Bold and Disruptive Growth

- ✓ Leveraging Community Broadband for One-Fiber Backhaul
- ✓ Removing obstacles for the integration of wireline and wireless networks
- ✓ Bringing fiber management expertise to 5G, NG-PON, and edge computing



Augmenting Capacity for Ongoing Growth

- ✓ Investing in products, manufacturing and supply chain to increase competitiveness and reduce costs
- ✓ Building upon domestic and global partnerships for faster product innovation and cost reduction programs

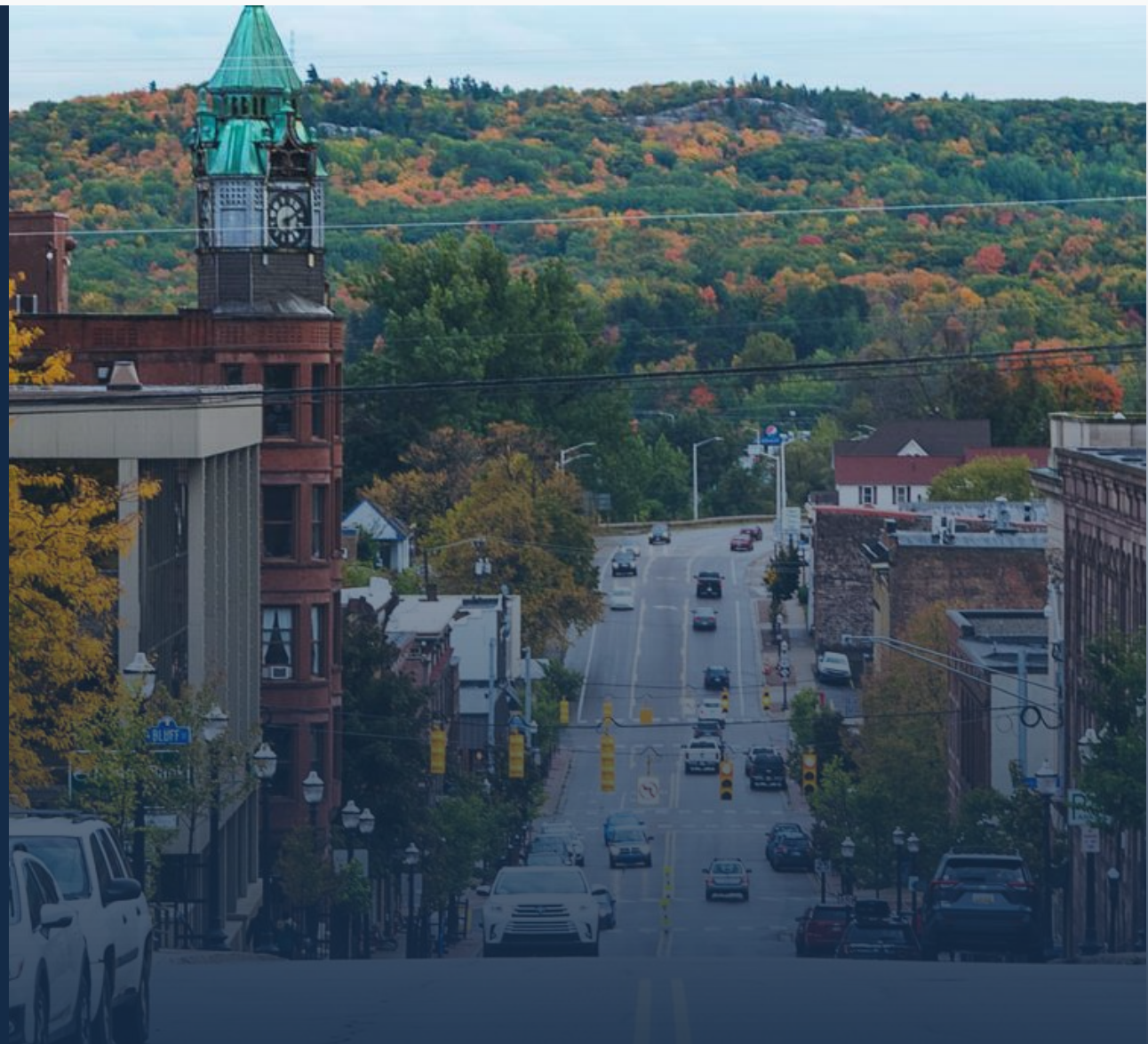


Leverage our decade-long excellence in Community Broadband

Execute capacity growth in advance of market opportunity

Accelerate infrastructure investment

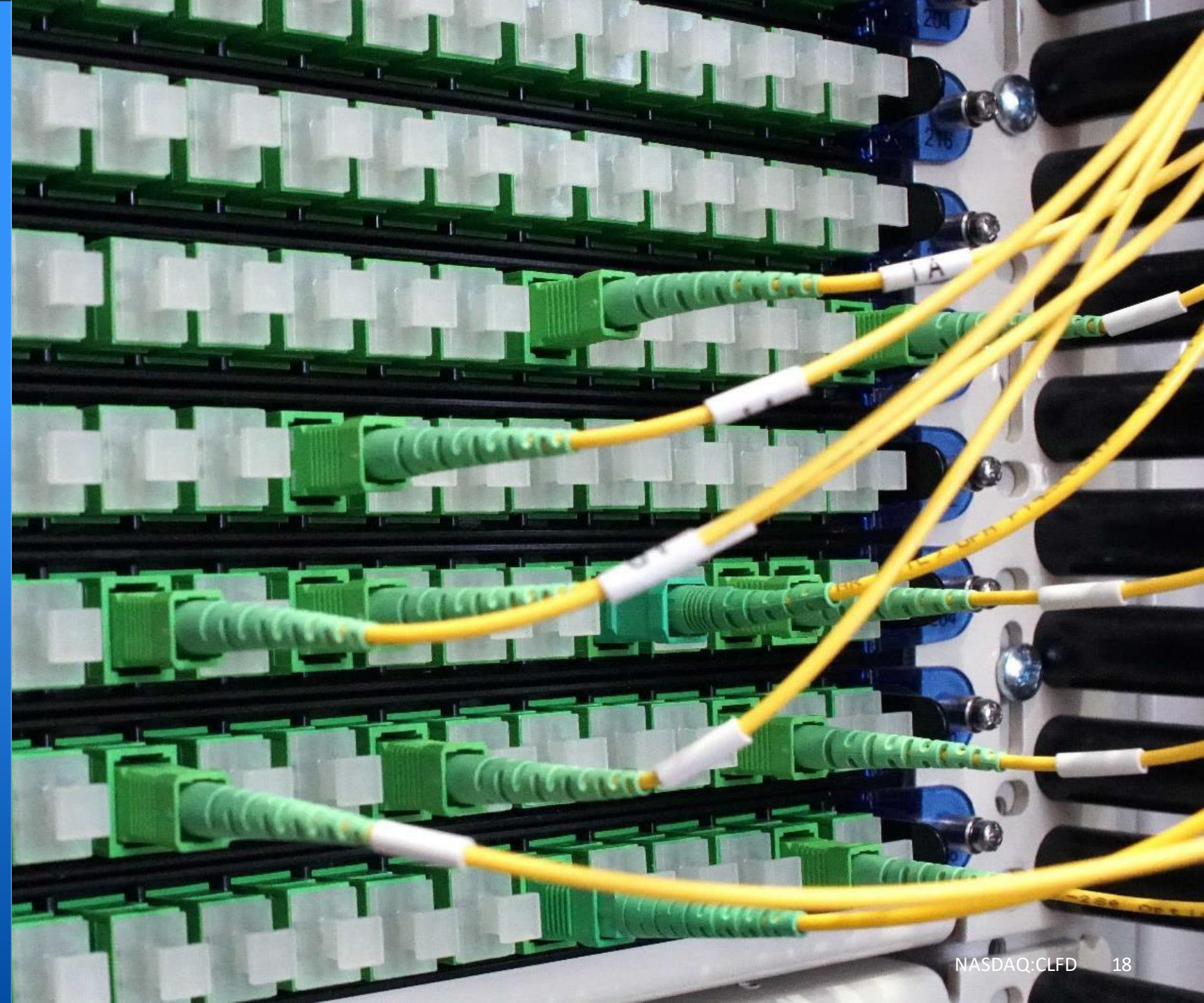
Position innovation at the forefront of our value proposition





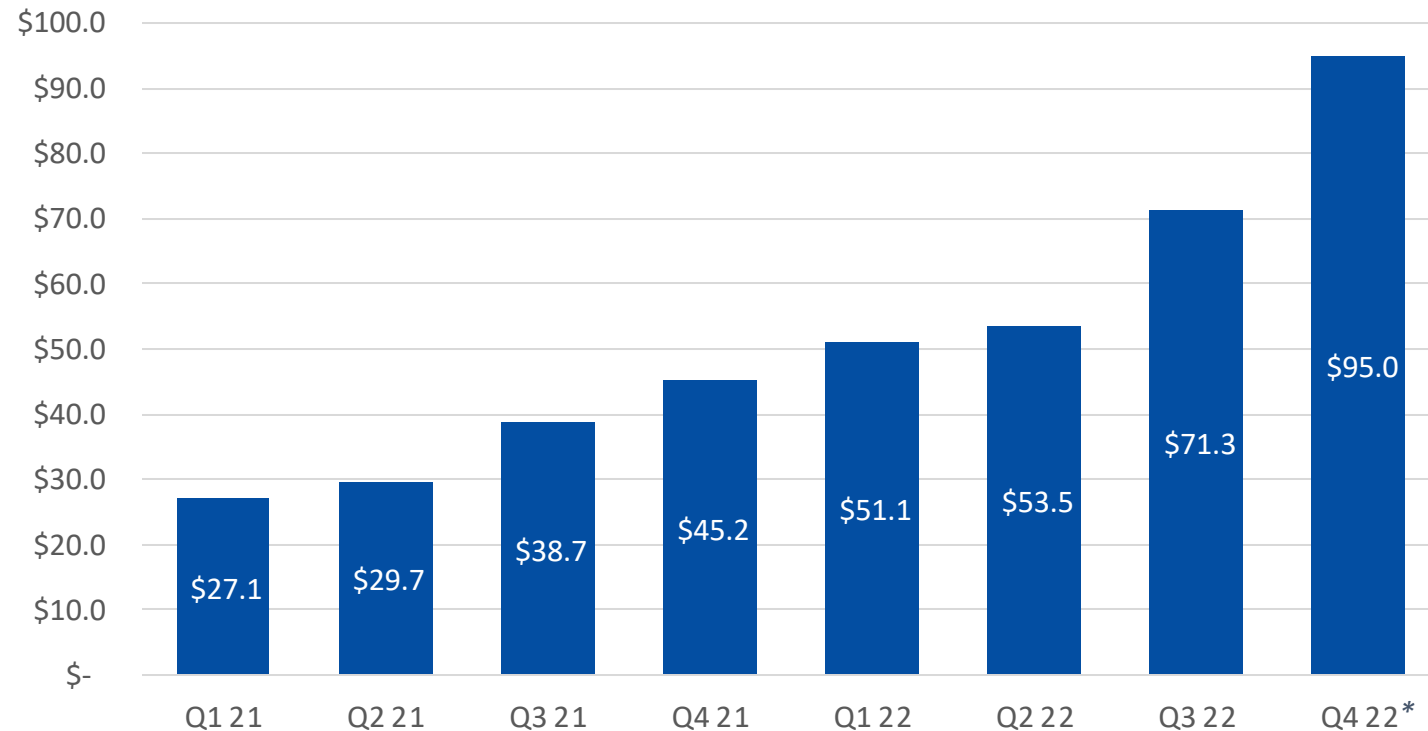
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Financial Update



Quarterly Revenue

\$ in millions



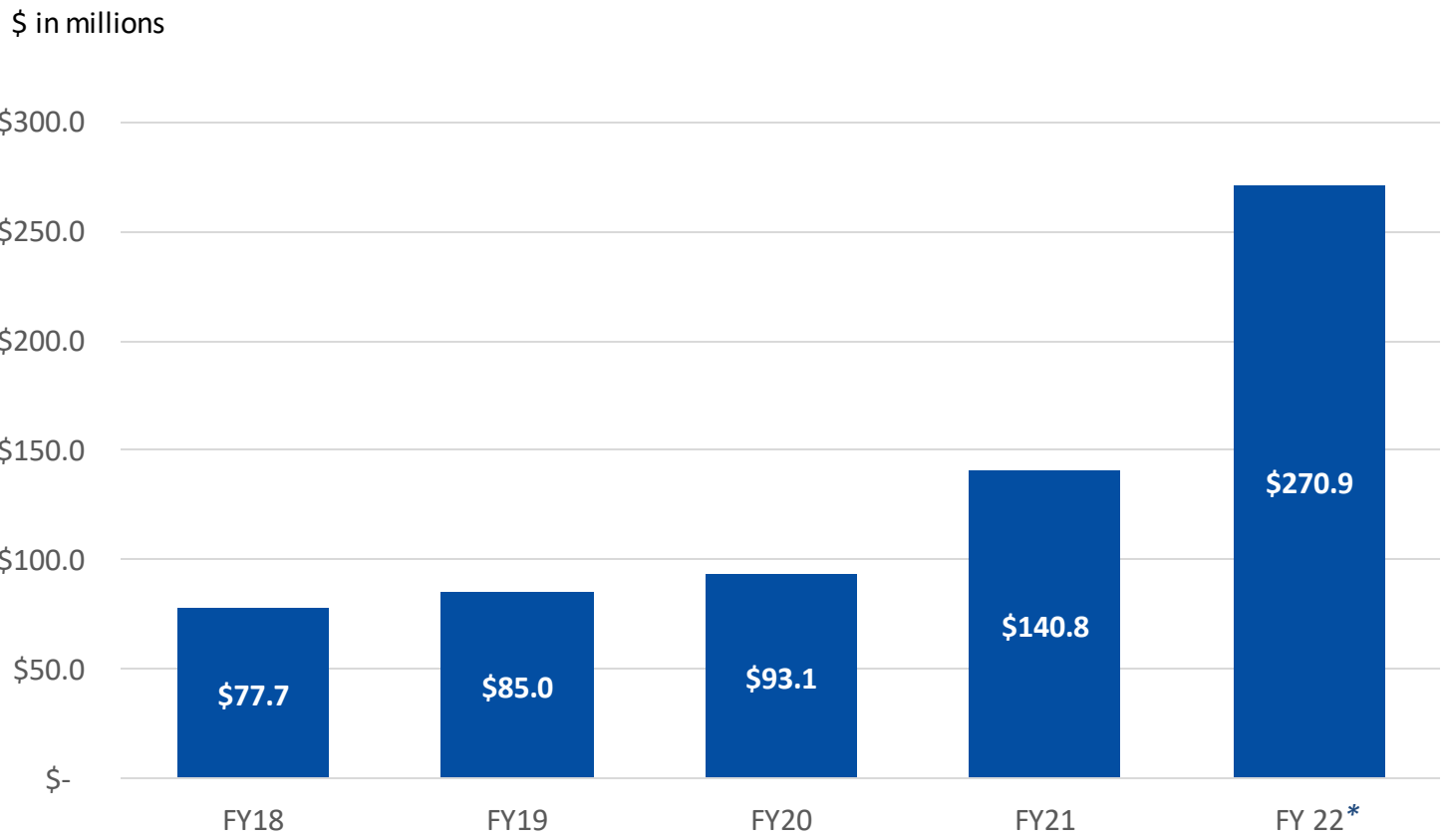
110%*

Q4 2022 Growth Rate

\$95M*

Q4 2022 Revenue

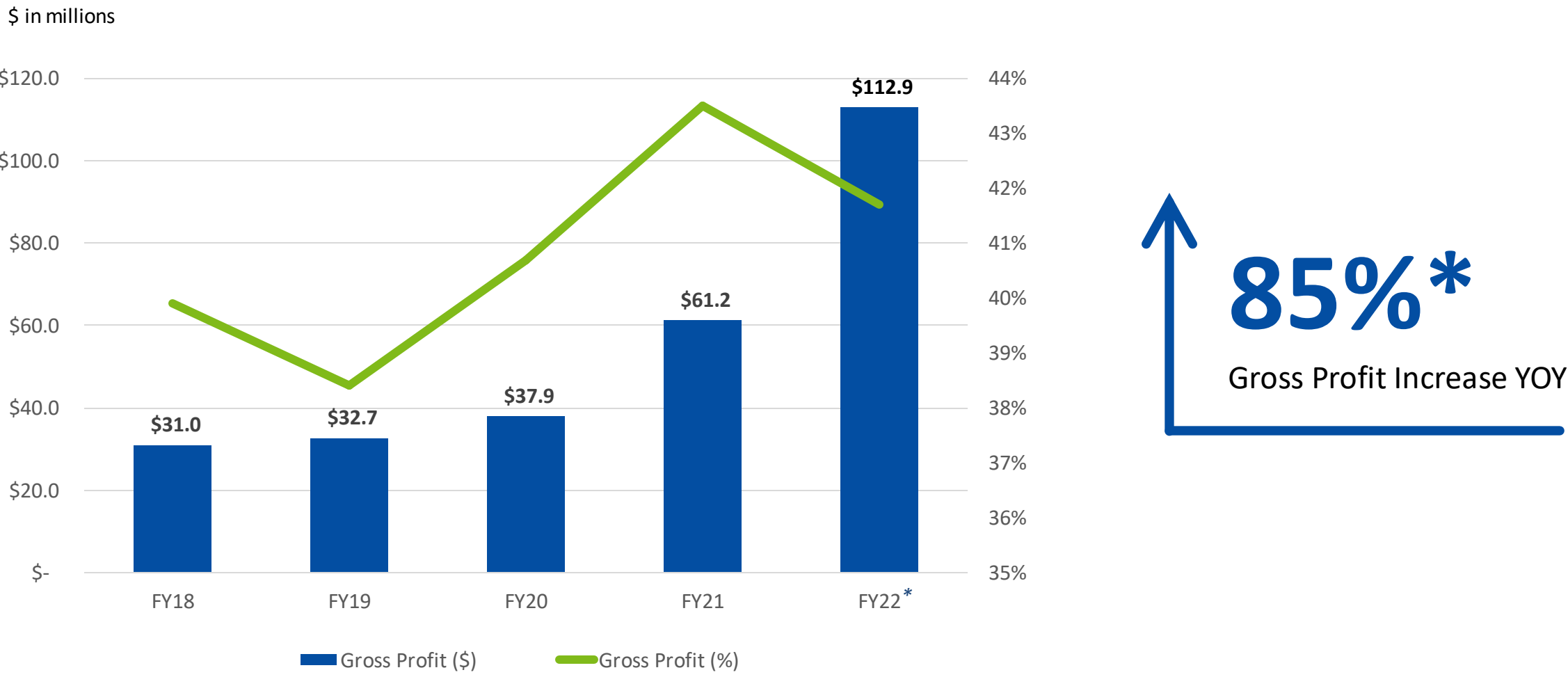
Annual Revenue



92%*
FY 2022 Growth Rate

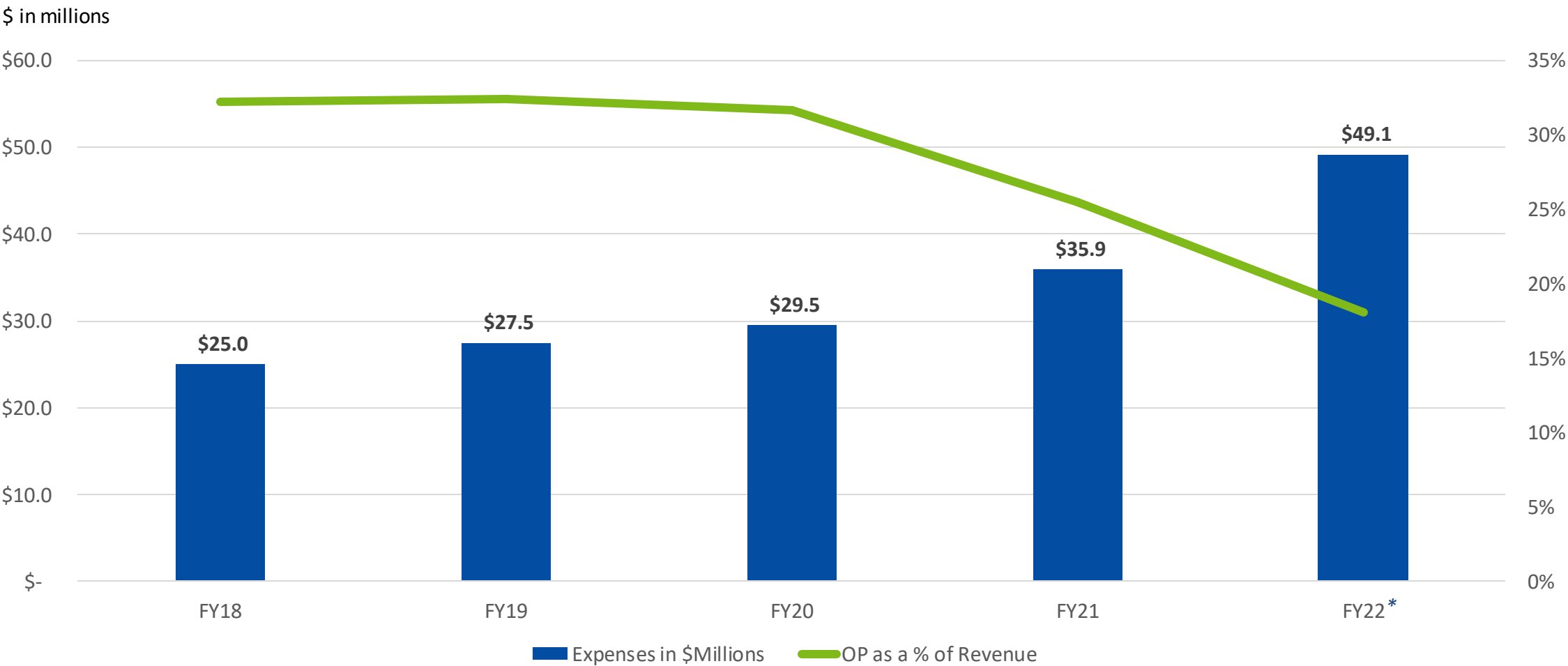
\$270.9M*
FY 2022 Revenue

Annual Gross Profit

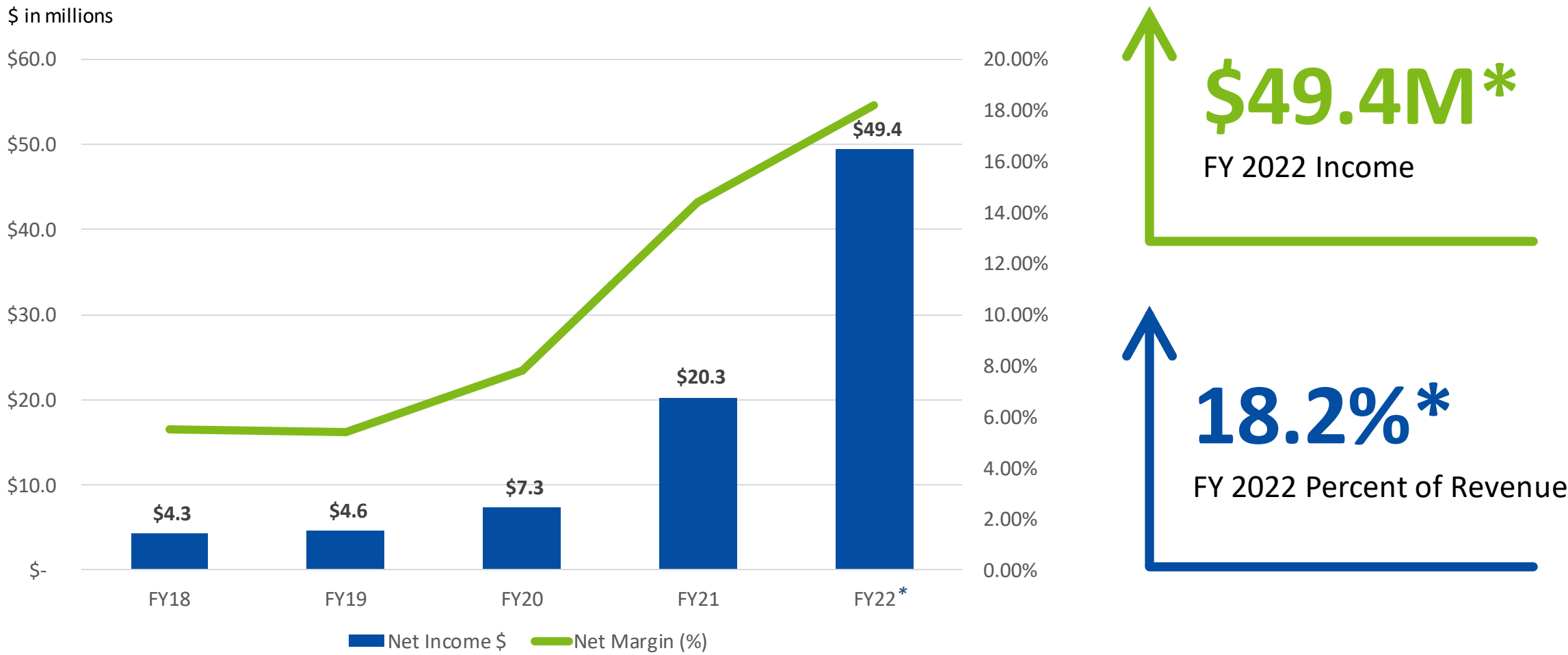


**Includes contribution from subsidiary Nestor Cables, which was acquired on July 26, 2022*

Annual Operating Expense



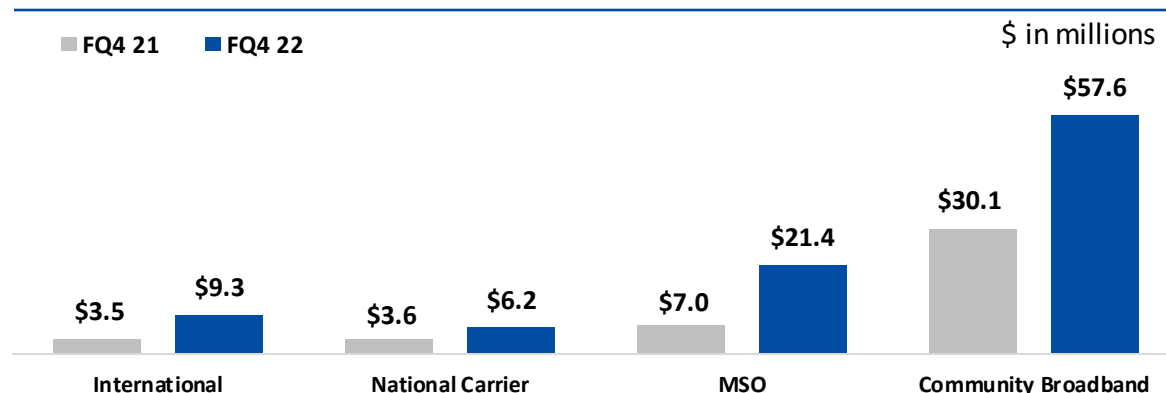
Annual Net Income



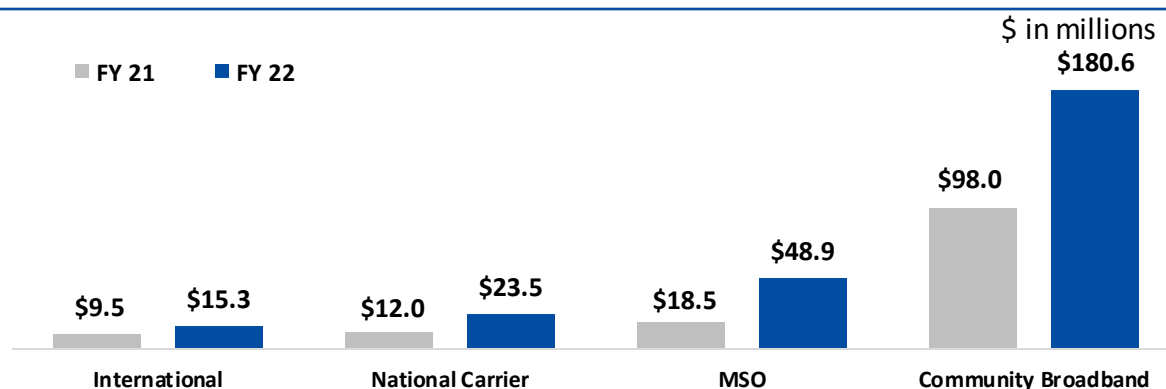
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Q4 & FY22 Revenue Comparison by Market

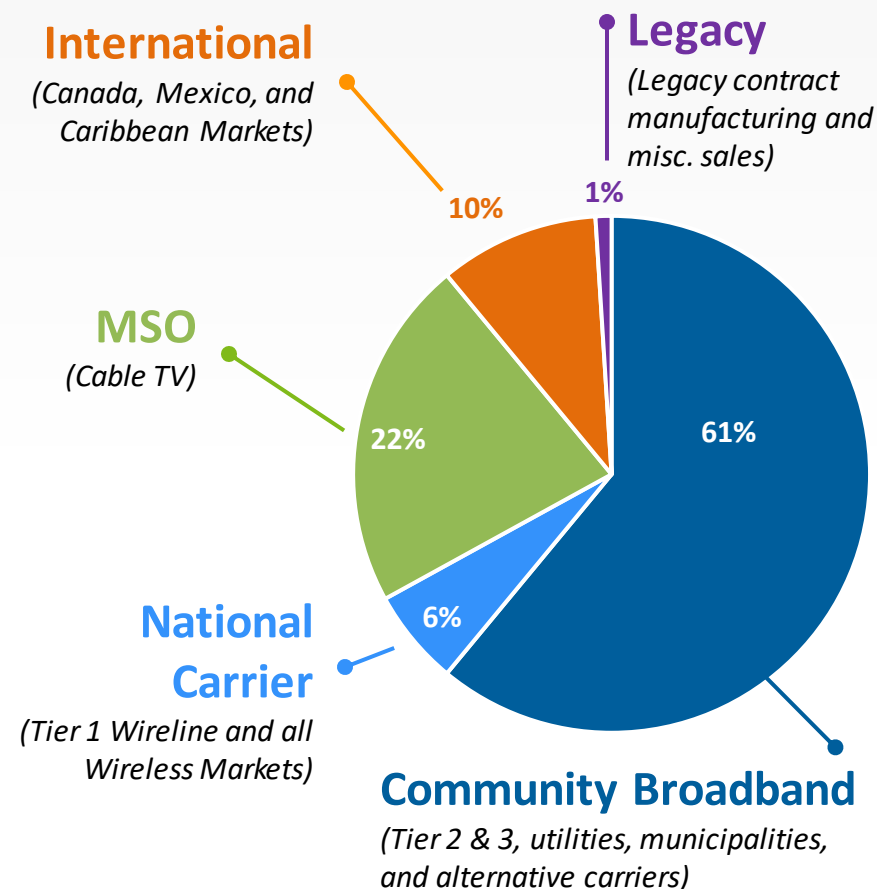
Quarterly Revenue



Fiscal Year Revenue



FY22 Revenue Composition Ended 9/30/22¹



Investment Highlights

- ✓ **Multi-billion Broadband Fiber Market with Strong Near-Term Tailwinds**
 - US subsidies totaling \$100B to accelerate expansion of high-speed broadband access in Tier 2 & 3 markets¹
 - Multiple incremental market expansion growth vectors in the Tier 1 US market, international markets, and 5G opportunities

- ✓ **Market Leadership Position in Underserved Rural Broadband**
 - Significant market share built upon differentiated platform delivering cost-effective, rapid fiber deployment
 - Strategic focus on underserved Tier 2 & 3 US market with minimal competition

- ✓ **Differentiated, Scalable Platform For End-to-End Fiber Management & Delivery**
 - Unique, uniform platform with modular architecture reduces customers' labor and time needs for deployment, with service providers able to connect twice as many homes in a day using CLFD's solutions

- ✓ **Strong History of Accelerating Growth and Profitability**
 - 14 consecutive years of profitability and sustained growth since 2008
 - 110% YOY revenue growth in Q4 FY 2022

- ✓ **Seasoned Management Team With Deep Cable and Telecom Expertise**
 - Average tenure of ~25 years in the telecommunications industry

Executive Management Team



Cheri Beranek

President & Chief Executive Officer

- Co-founded Clearfield in 2008
- Previously President of APA Cables & Networks (Clearfield's predecessor organization)
- Over 20 years of experience in executive roles at high-growth tech companies, including Americable, Transition Networks, and Digi International



Daniel Herzog

Chief Financial Officer

- CFO of Clearfield since 2011
- Previously Chief Financial Officer of Americable (which was acquired by Clearfield's predecessor organization, APA Cables and Networks)
- Held financial leadership roles in both public and private companies, including Schwing America and Computer Designed Systems



Johnny Hill

Chief Operating Officer

- Co-founded Clearfield in 2008
- Previously VP of engineering and product management
- Over 15 years of strategic and hands-on experience in the telecommunications networking industry



Kevin Morgan

Chief Marketing Officer

- CMO of Clearfield since 2016
- Previously held senior marketing positions at ADTRAN, Inc. and BellSouth (now part of AT&T)
- Held leadership positions with the Fiber Broadband Association (a.k.a, Fiber-to-the-Home (FTTH) Council Americas), including as a regular Board Member since 2011 and Chairman of the Board in 2015, 2019 and 2022



Allen Griser

Chief Commercial Officer

- Joined Clearfield in June 2019
- 30+ years of experience in the communications industry with extensive experience in sales, marketing, quality, and operations

Contact Us

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