



 **CLEARFIELD**
FieldReport

November 4, 2021

Fiscal Q4 & 2021 Earnings Call

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: 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; 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; 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 IA. Risk Factors of Clearfield’s Annual Report on Form 10-K for the year ended September 30, 2020 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.

© Copyright 2021 Clearfield, Inc. All Rights Reserved.



CLEARFIELD

Introduction & Highlights



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.





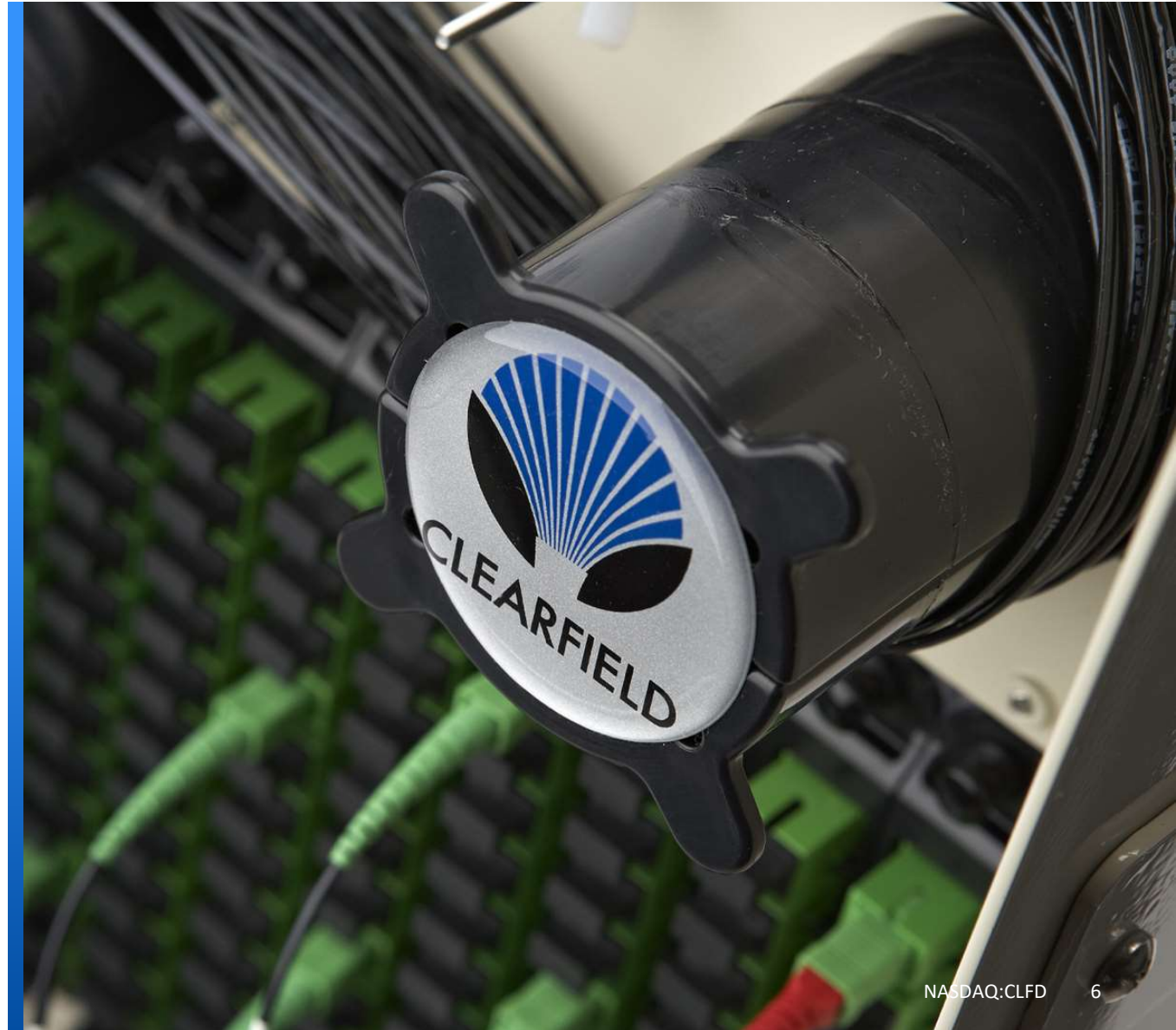
OUR MISSION:

*Enabling the
Lifestyle Better
Broadband
Provides*



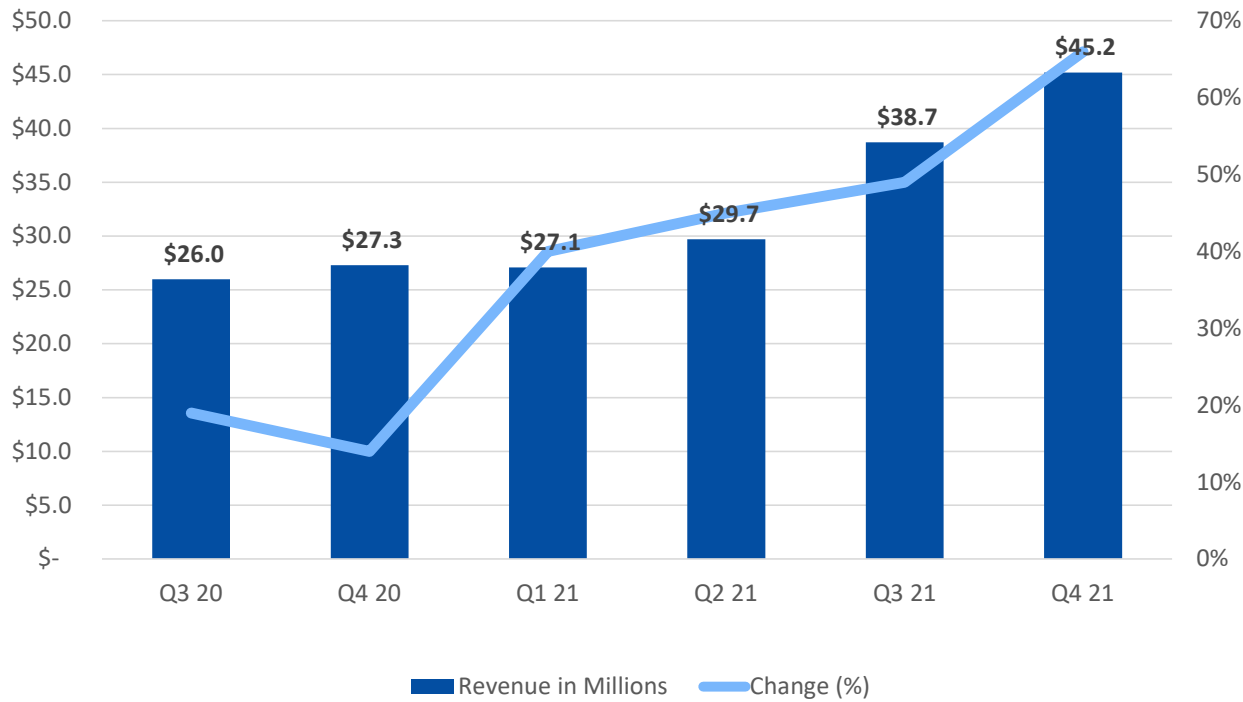
CLEARFIELD

Financial Performance



FINANCIAL PERFORMANCE

Quarterly Revenue

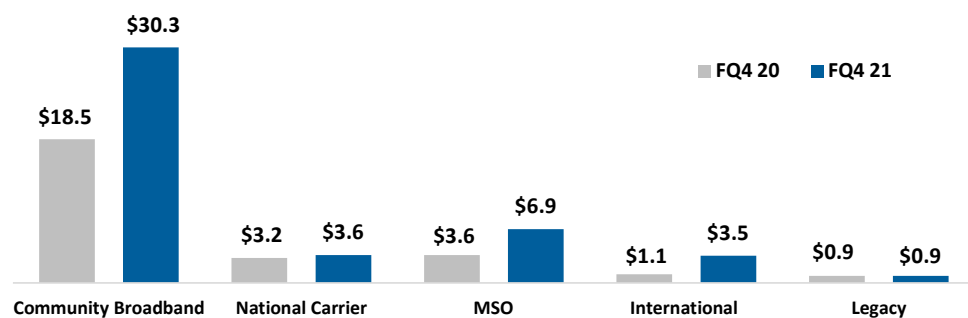


66%
Q4 2021 Growth Rate

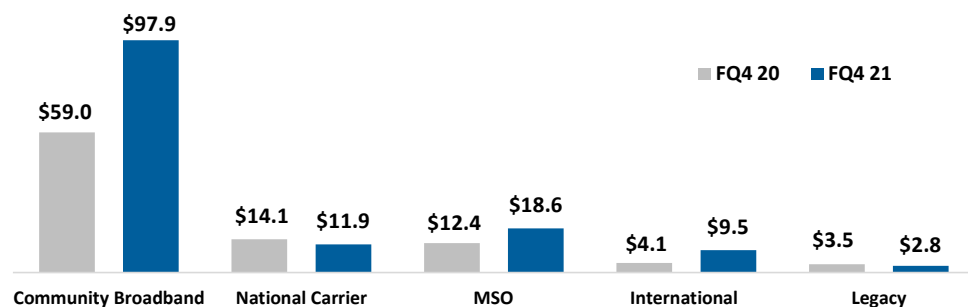
\$45.2M
Q4 2021 Revenue

Q4 & FY21 Net Sales Comparison by Market

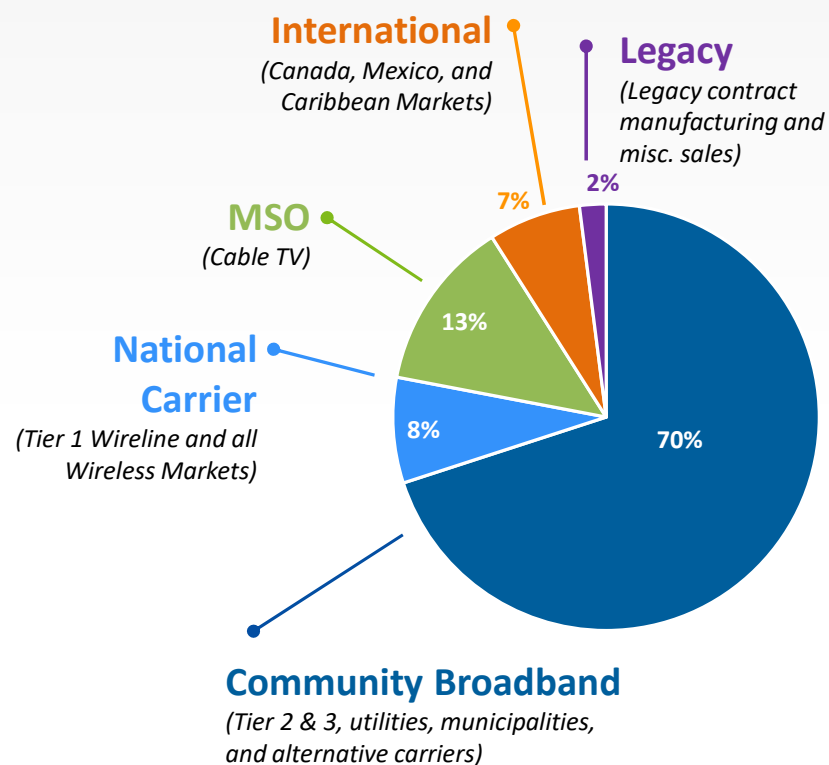
Quarterly Net Sales



FY21 Net Sales



FY21 Net Sales Composition Ended 9/30/21¹

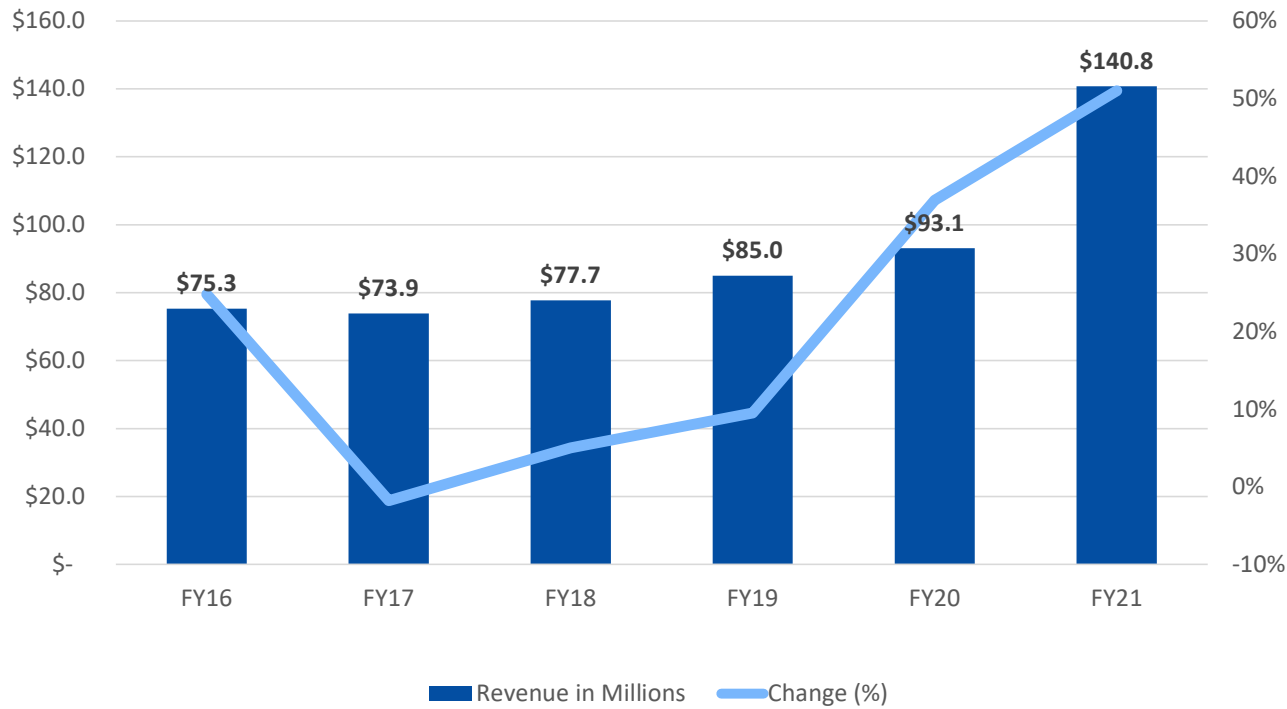


All dollar figures in millions

¹ Based on net sales of \$140.8 million and Point of Sales (POS) reporting from distributors who resell our product line into these markets.

FINANCIAL PERFORMANCE

Annual Revenue

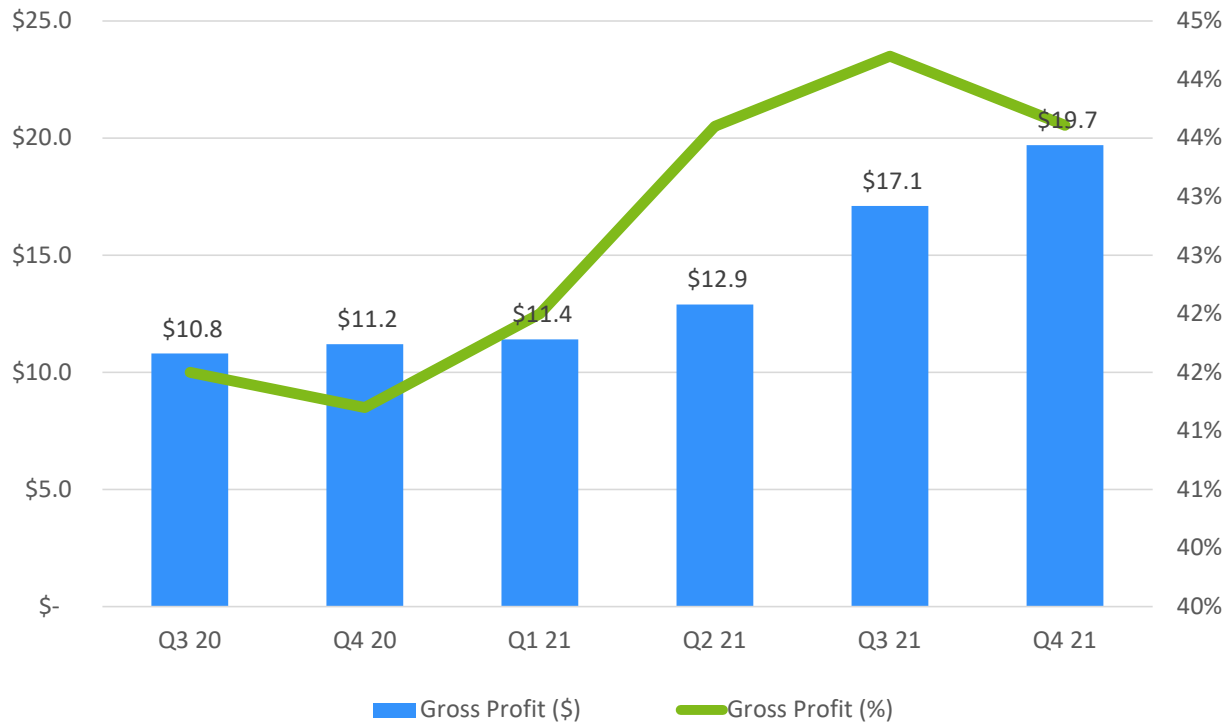


51%
FY 2021 Growth Rate

\$140.8M
FY 2021 Revenue

FINANCIAL PERFORMANCE

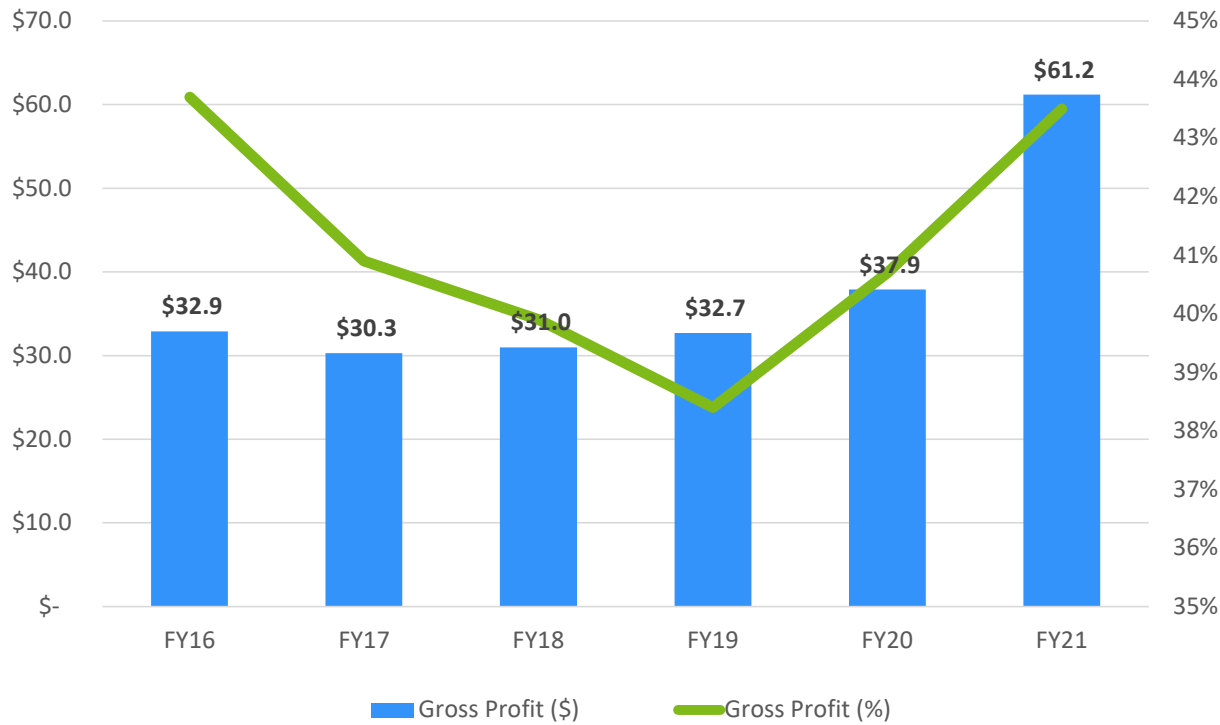
Quarterly Gross Profit



75%
Gross Profit increase YOY

FINANCIAL PERFORMANCE

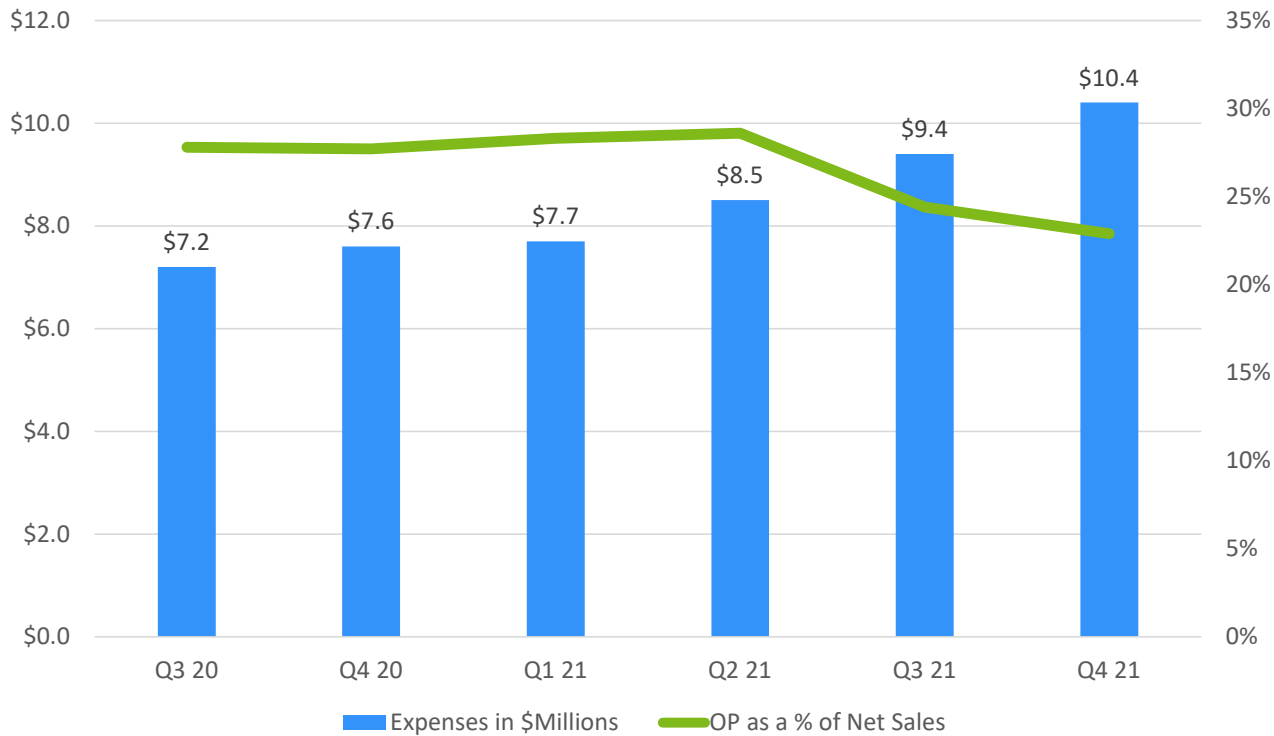
Annual Gross Profit



61%
Gross Profit increase YOY

FINANCIAL PERFORMANCE

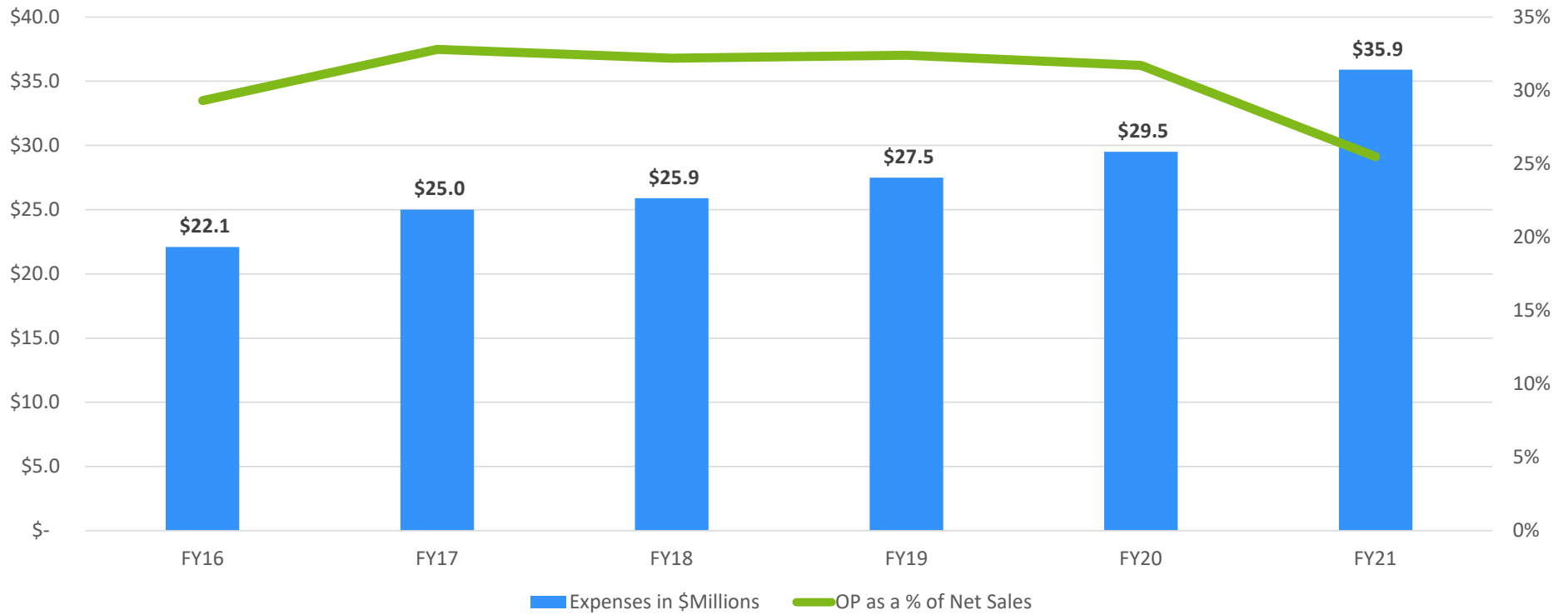
Quarterly Operating Expense



4.8%
YOY Operating Expense
as a percent of Net Sales

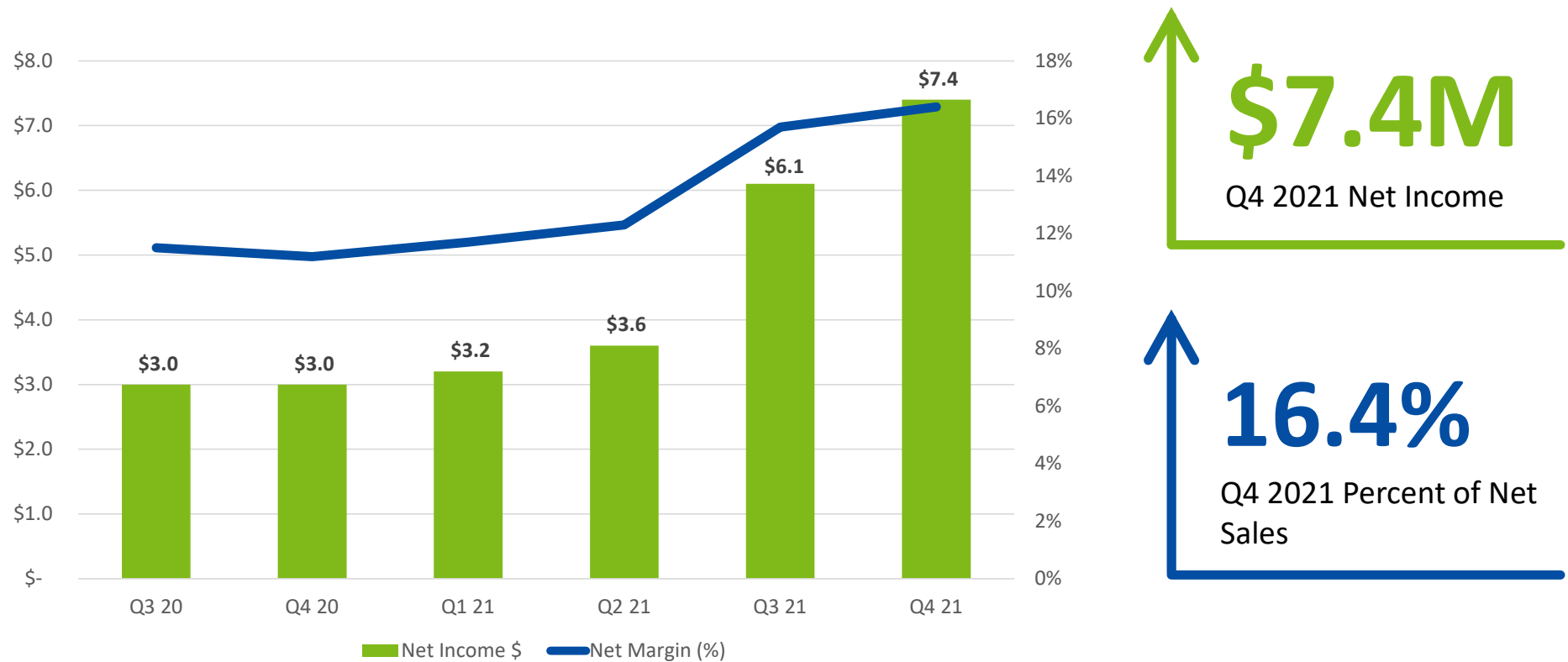
FINANCIAL PERFORMANCE

Annual Operating Expense



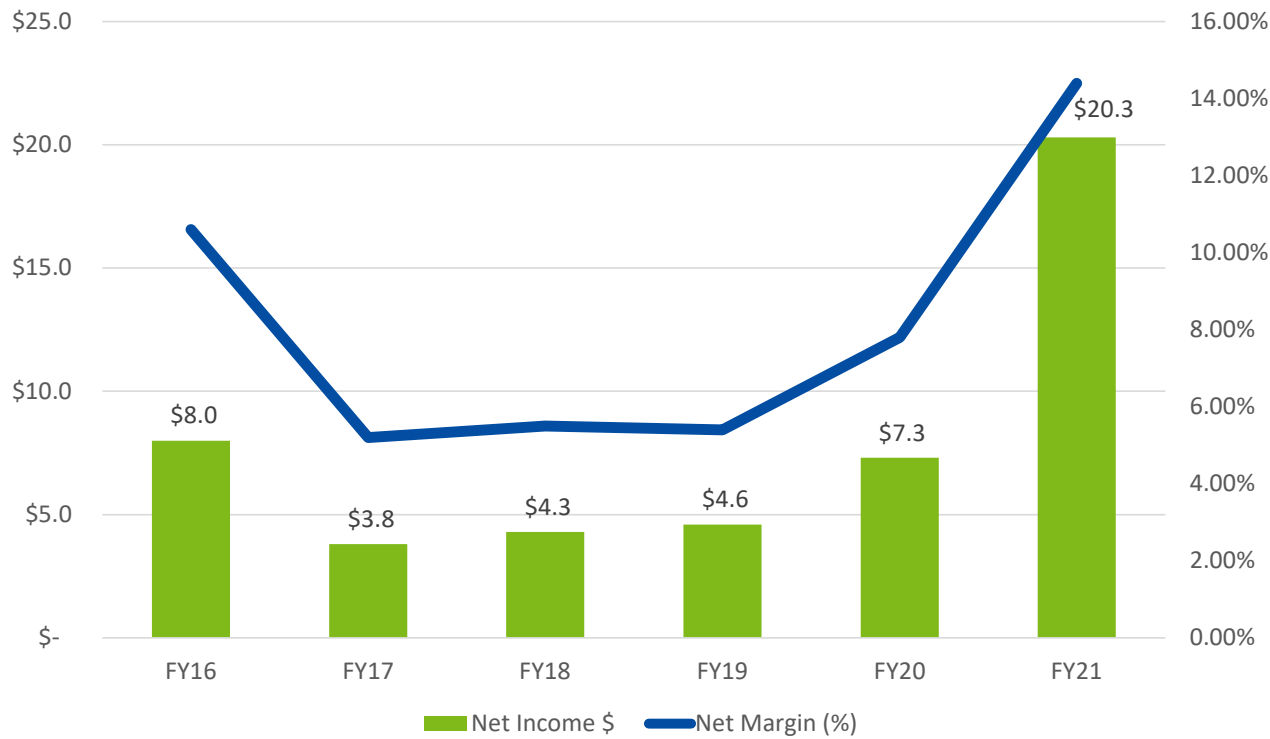
FINANCIAL PERFORMANCE

Quarterly Net Income



FINANCIAL PERFORMANCE

Annual Net Income



\$20.3M
FY 21 Net Income

14.4%
FY 2021 Percent of Net Sales



Business Update & Outlook



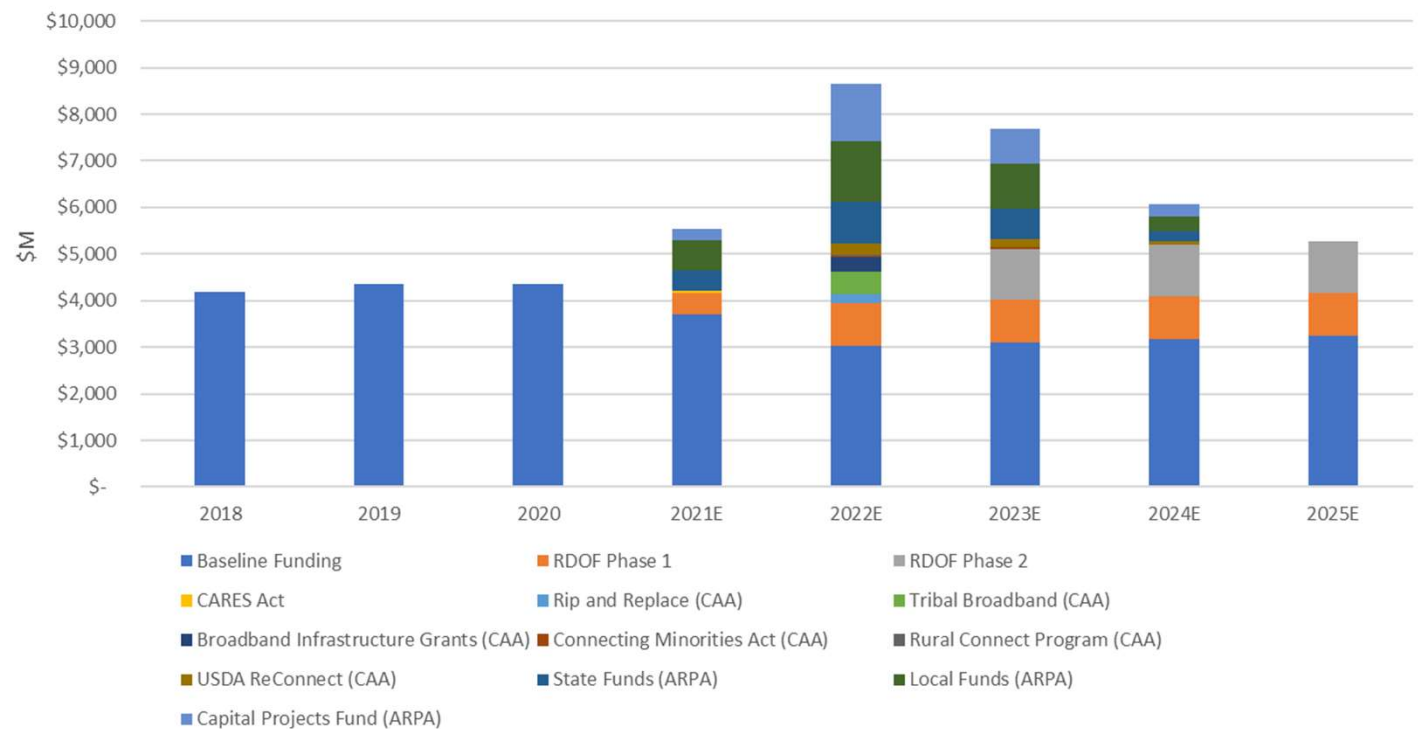
Our Value Proposition – Removing Obstacles

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



Legislation Supporting Broadband – What's Known

Estimated Broadband Infrastructure Subsidies based on Already Passed Legislation



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 Asian partnerships for faster product innovation and cost reduction programs

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



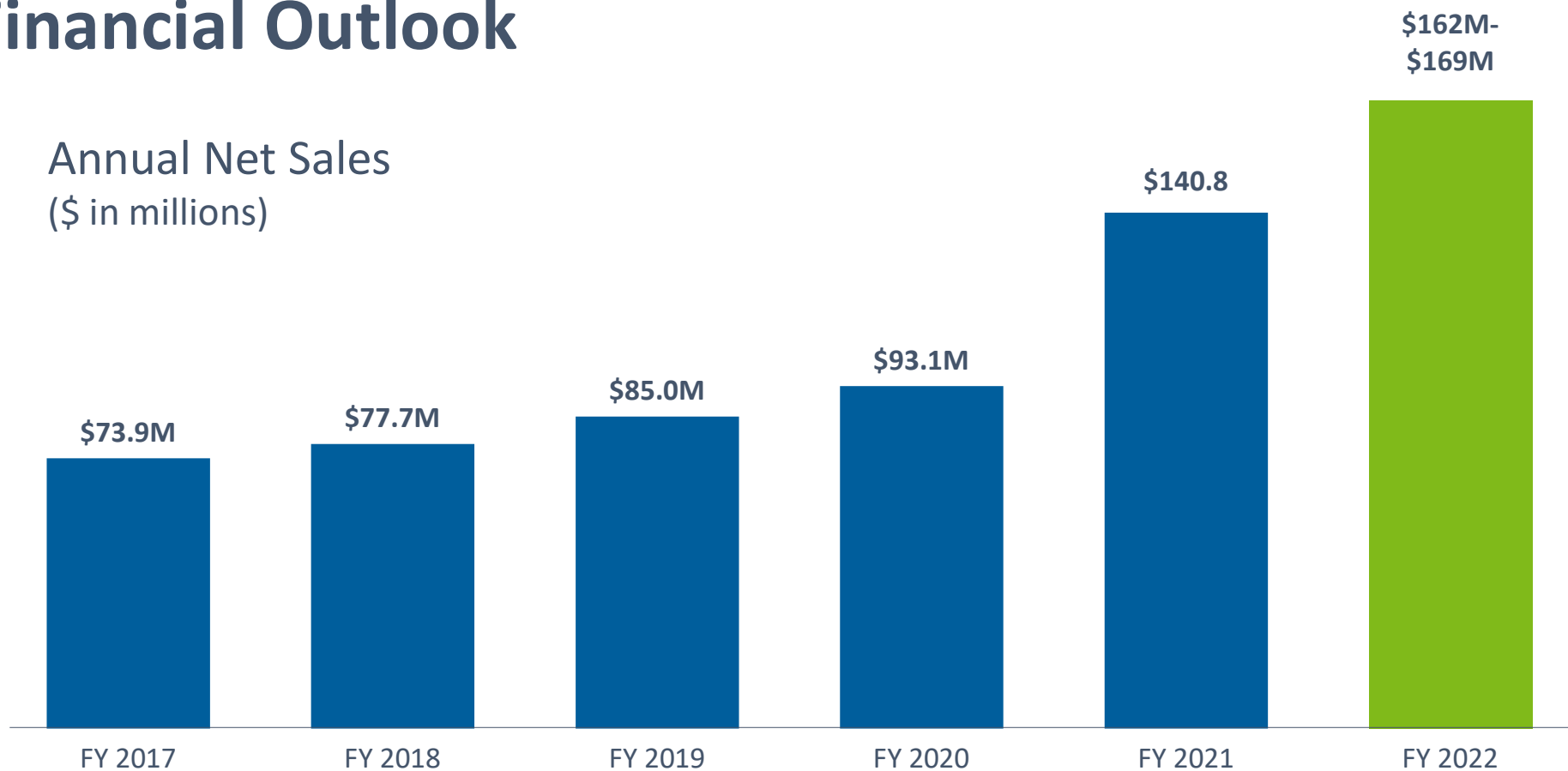
Augmenting Capacity for Ongoing Growth

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



Financial Outlook

Annual Net Sales
(\$ in millions)



Key Takeaways



Proven business model and management execution

14

Year history of **profitability** and **positive free cash flow**



Strong competitive position in a rapidly growing multi-billion-dollar fiber-fed broadband industry



Enhanced management team and **expansion** of total addressable market



Strong balance sheet: \$60M in cash and no debt

Q&A



Cheri Beranek
PRESIDENT & CEO



Dan Herzog
CHIEF FINANCIAL OFFICER

Contact Us

COMPANY CONTACT:

Cheri Beranek
President & CEO
Clearfield, Inc.
IR@clfd.net

INVESTOR RELATIONS:

Matt Glover and Sophie Pearson
Gateway Investor Relations
(949) 574-3860
CLFD@gatewayir.com