

# Letter to Shareholders

 **CLEARFIELD**  
Second Quarter of Fiscal 2025



We are pleased to share our results for the second quarter of fiscal 2025 ended March 31, 2025. Second quarter net sales of \$47.2 million were up 28% over the same period in the prior year and above our guidance range, with Clearfield segment net sales up 47% year-over-year. Our net income per share of \$0.09 was also above our guidance range and reflects a significant improvement from the year-ago period. Our outperformance was driven by strong customer demand across all of our Clearfield segment end markets and solid execution by our talented employees, as we converted early quarter quoting activity into Q2 revenue at a faster pace and higher rate than anticipated. These results are consistent with our expectation of a U-shaped recovery. We continue to execute on our strategy and strengthen our alignment with customer ordering plans as the industry moves to a normalized cadence heading into the upcoming build season.

Given recent tariff announcements, we would like to provide some color on the potential tariff implications for Clearfield. First, all of Clearfield's products manufactured in Mexico are currently exempt from current tariffs as they are covered under the United States-Mexico-Canada Agreement (USMCA). Our U.S. and Mexican manufacturing facilities were designed to support dual sourcing, cost optimization, and supply chain resilience. In terms of the different components of our supply chain, sheet metal is both built and procured in the U.S., and our acquisition of Nestor has enabled us to establish our cable production into the U.S. as well. Additionally, we are shifting the production of other affected components to multiple manufacturing sites across the globe. Our proactive diversification of our supply chain has allowed us to maintain stable product availability, even as trade policies fluctuate. While the shifting nature of these policies makes it difficult to anticipate the potential financial impact on Clearfield, our experience managing previous tariff environments will enable us to respond quickly and take measured steps to mitigate new and increased tariffs and responsive tariffs.

Regarding Asian sourced components that we include in our products, we are closely evaluating the near-term and longer-term impact of the newly increased tariffs. We maintain strong relationships across Asia and have secondary sources in place globally to ensure continued product availability. However, while we do anticipate increased costs as a result of the recent tariff policies, we continue to implement tactics to address these impacts and understand how potential increases in selling prices could impact the revenue demand from our customers. We do not believe the evolving tariff situation as currently known will materially affect our operating results.

## Fiscal Q2 2025 Financial Summary

### Fiscal Q2 2025 Financial Summary

(in millions except per share data and percentages)

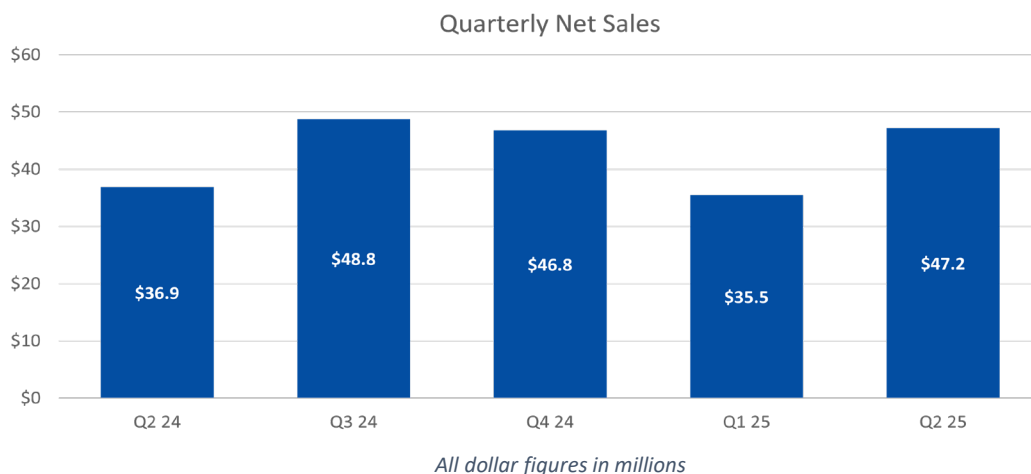
	Q2 2025	vs. Q2 2024	Change	Change (%)
<b>Net Sales</b>	\$ 47.2	\$ 36.9	\$ 10.3	28%
<b>Gross Profit (\$)</b>	\$ 14.2	\$ 2.8	\$ 11.4	401%
<b>Gross Profit (%)</b>	30.1%	7.7%	22.4%	292%
<b>Income (Loss) from Operations</b>	\$ 0.3	\$ (9.7)	\$ 10.0	103%
<b>Income Tax Expense (Benefit)</b>	\$ 0.5	\$ (2.1)	\$ 2.5	122%
<b>Net Income (Loss)</b>	\$ 1.3	\$ (5.9)	\$ 7.2	122%
<b>Net Income (Loss) per Diluted Share</b>	\$ 0.09	\$ (0.40)	\$ 0.49	123%

## Fiscal Q2 YTD 2025 Financial Summary

(in millions except per share data and percentages)

	2025 YTD	vs. 2024 YTD	Change	Change (%)
Net Sales	\$ 82.6	\$ 71.1	\$ 11.5	16%
Gross Profit (\$)	\$ 22.4	\$ 7.5	\$ 14.8	197%
Gross Profit (%)	27.1%	10.6%	16.5%	156%
Loss from Operations	\$ (3.7)	\$ (17.9)	\$ 14.2	-79%
Income Tax Expense (Benefit)	\$ 0.0	\$ (3.0)	\$ 3.0	-101%
Net Loss	\$ (0.6)	\$ (11.2)	\$ 10.6	-95%
Net Loss per Diluted Share	\$ (0.04)	\$ (0.75)	\$ 0.71	-95%

## Business & Financial Performance



Consolidated net sales in the second quarter of fiscal 2025 were \$47.2 million, a 28% increase from \$36.9 million in the prior year second quarter and above our guidance range of \$37 million to \$40 million. This figure includes \$40.6 million of Clearfield segment net sales, up 47% year-over-year, and \$6.6 million of Nestor segment net sales, down 30% year-over-year. Our outperformance this quarter was driven by strong customer demand across all our Clearfield segment end markets and solid execution, as we converted quoting activity into revenue at a faster pace and higher rate than anticipated. The continued momentum in quoting activity highlights the underlying return to health of the industry, even excluding government-funded programs.

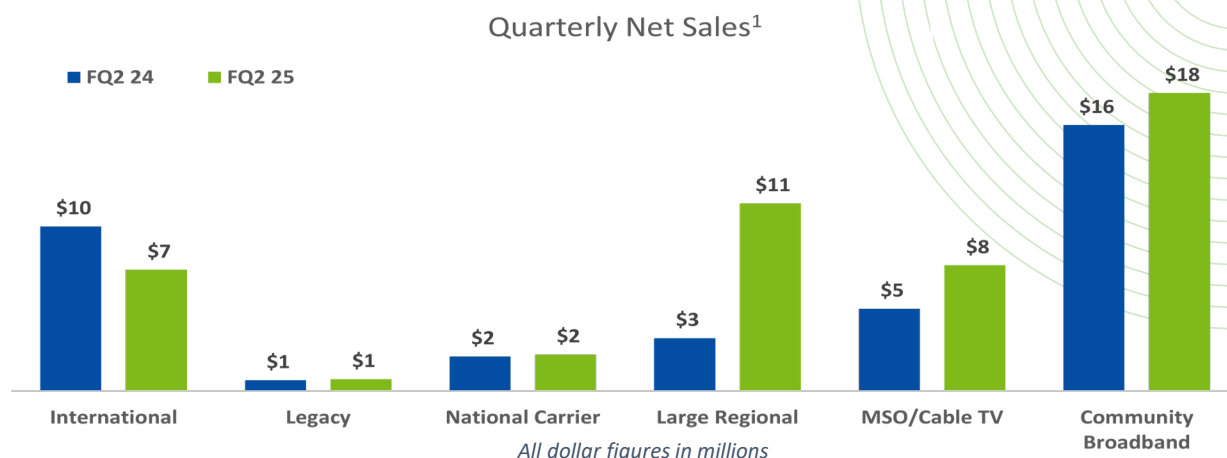
We are pleased with the progress our Nestor segment is making with the production of microduct at our new facility in Estonia as we continue to right size the cost structure for the business. We remain focused on executing on our strategy of improving our European operations by prioritizing higher gross margin solutions including our European-based sales of microduct.

Our backlog as of March 31, 2025, increased to \$34.1 million from \$26.0 million on December 31, 2024. The increase in backlog is consistent with the normalization of seasonality into the business. Our average lead time remains steady at approximately four weeks across most product lines.

## Net Sales Comparison by Key Market

Net sales in Clearfield's primary market, Community Broadband, comprised 38% of net sales in the second quarter of fiscal 2025. We generated net sales of \$18 million in Community Broadband, up 12% from the prior year second quarter. Sequentially, Community Broadband experienced an uptick of 36% from the first quarter, due to increased customer demand, an early start to the build season, and overall reduced inventory levels held by our customers across the market.

Net sales in the MSO market were \$7.6 million in the second quarter, which comprised 16% of net sales in the quarter and increased by approximately 53% from the prior year second quarter. Our MSO business experienced a sequential uptick of 37% from the first quarter, driven by higher volumes from portfolio customers in this market. Some of our MSO customers are still carrying elevated inventory levels, but we anticipate a return to more typical inventory positions over the next year.



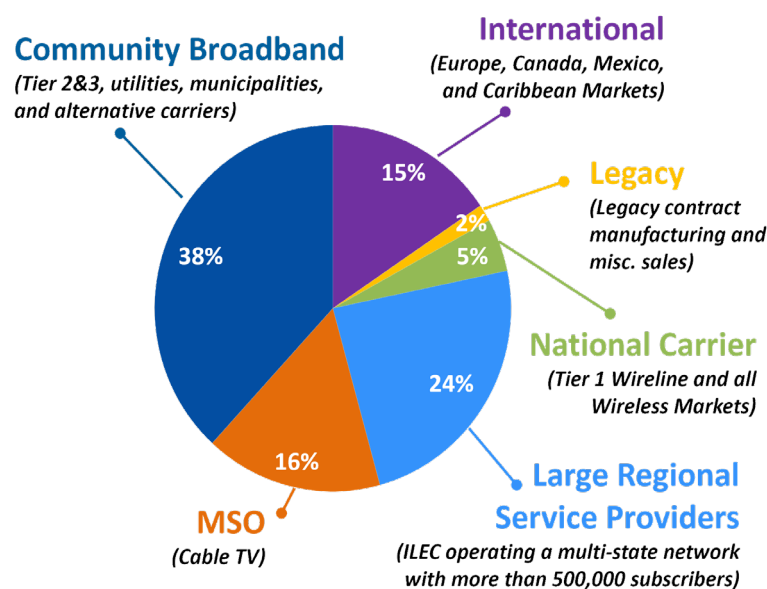
<sup>1</sup>Based on net sales of \$47.2 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets.

Net sales in the Large Regional Service Provider market were \$11.3 million in the second quarter, which comprised 24% of net sales in the quarter and increased by approximately 255% from the prior year second quarter. Our Large Regional Service Provider business experienced a sequential uptick of 54% over the first quarter, driven by increased customer demand, an early start to the build season, and overall reduced inventory levels held by our customers across the market. However, we continue to expect quarter-to-quarter variability in this market due to shifts in product mix and evolving deployment timelines and strategies.

Net sales in the National Carrier market were \$2.2 million in the second quarter, which comprised 5% of net sales in the quarter and increased by approximately 6% from the prior year second quarter. Our National Carrier business experienced a sequential downtick of 19% from the first quarter as a result of lumpiness in stocking programs among these customers.

Net sales in the International market, which includes sales in the Nestor segment as well as sales into Canada, Mexico and other parts of Central America from the Clearfield segment, were \$7.3 million in the second quarter and comprised 16% of total net sales in the quarter. Net sales in this market decreased by approximately 26% in the second quarter of fiscal 2025 from the prior year second quarter. Our International market revenue was up 19% sequentially from the first quarter as a result of normal seasonality.

Q2 FY25 Net Sales Composition Ended 3/31/25<sup>1</sup>

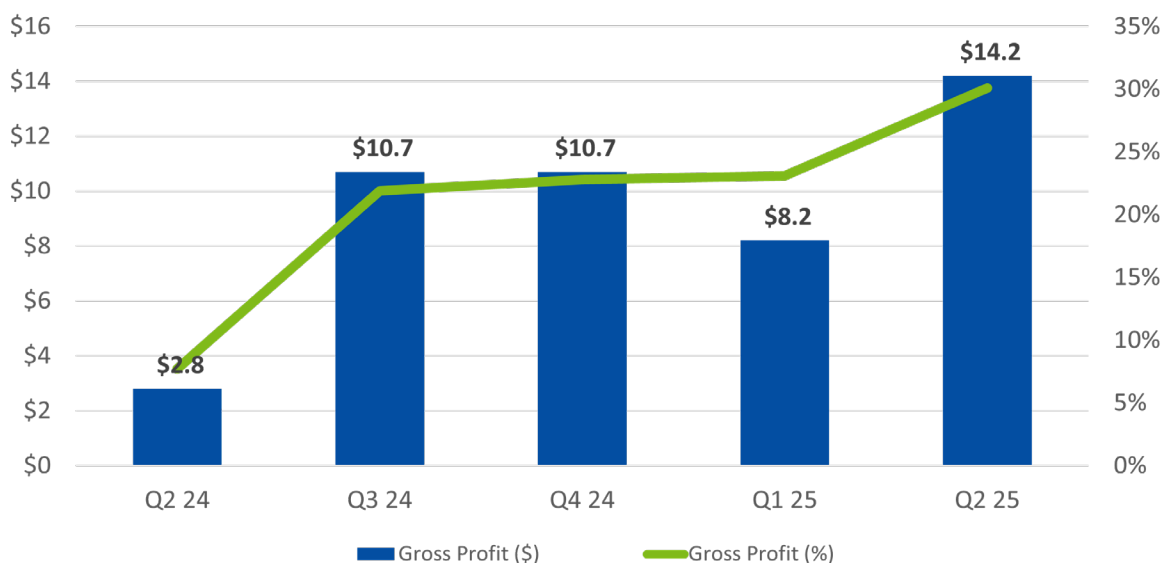


<sup>1</sup>Based on net sales of \$47.2 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets.

## Gross Profit and Profit Margin

Clearfield's overall gross profit margin in the second quarter was 30.1% of net sales, up from 7.7% of net sales in the prior year's second quarter and up from 23.1% in the first quarter. While gross margins in our Clearfield segment are highly volume-dependent, we were able to deliver meaningful improvements through our targeted programs addressing productivity and general cost reduction initiatives. Additionally, non-cash excess inventory charges decreased year-over-year by \$4.5 million to approximately \$400,000 in the quarter reflecting improved inventory utilization and beneficial recoveries from previously reserved inventory. As a result of these strong gross margins, our Clearfield segment delivered a positive operating margin of 4%.

### Quarterly Gross Profit and Margin

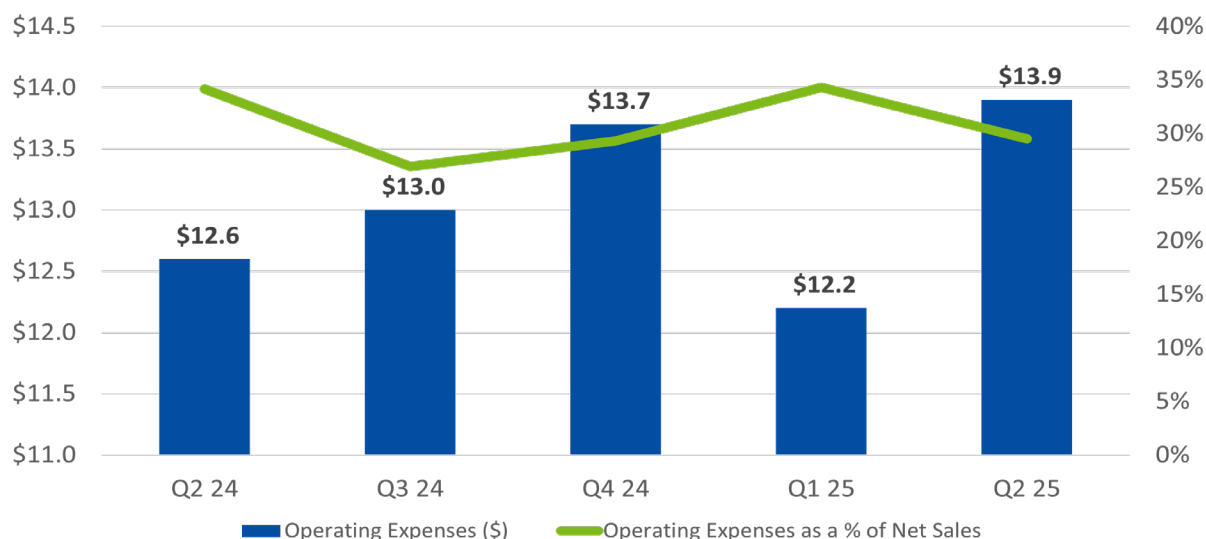


All dollar figures in millions

## Operating Expenses

Operating expenses for the second quarter were \$13.9 million in comparison to \$12.6 million in the prior year second quarter, driven by higher wages and performance-based compensation accruals. As a percentage of net sales, operating expenses for the second quarter were 29.5%, down from 34.3% in the first quarter and down from 34.1% in the prior year second quarter.

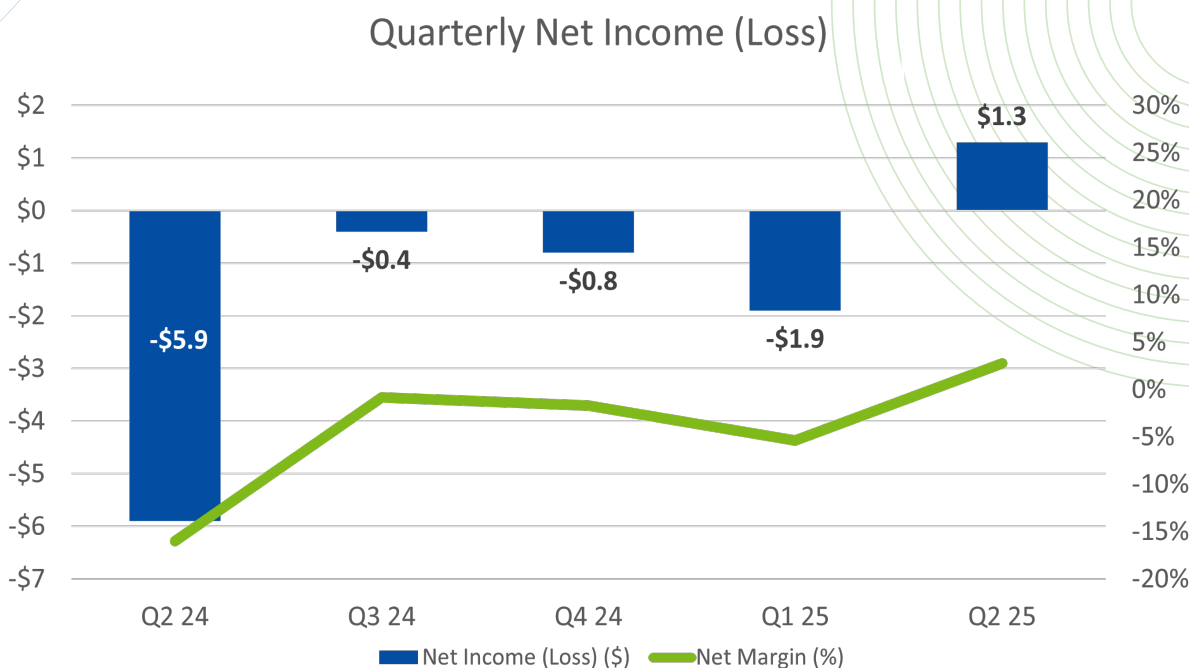
### Quarterly Operating Expenses



All dollar figures in millions

## Net Income (Loss)

Clearfield's net income in the second quarter was \$1.3 million, or \$0.09 per diluted share, up from a net loss of \$5.9 million, or \$(0.40) per diluted share, in the prior year second quarter and a net loss of \$1.9 million, or (\$0.13) per diluted share, in the first quarter of fiscal 2025. The significant improvement was primarily driven by strong performance in the Clearfield segment, where better-than-expected revenue, reduced excess inventory charges and improved overhead absorption contributed meaningfully to the bottom line.



*All dollar figures in millions*

## Balance Sheet and Cash Flow

- The Company's balance sheet remains strong with \$153 million of cash, short-term and long-term investments and low levels of debt.
- Clearfield recorded positive cash flow from operations of approximately \$3 million in the second quarter, including a reduction in net inventory of approximately \$3.6 million in the quarter.
- The Company repurchased approximately \$4.7 million in shares under its share repurchase program in the second quarter.
- Backed by our healthy balance sheet, we believe we are well positioned to pursue larger customer opportunities and strategic initiatives to strengthen our market position and expand our product portfolio. Our strong cash balance also equips us for the anticipated growth in demand ahead.



## Operational and Strategic Initiatives

As previously mentioned, a trend we have been tracking for some time is the shift of electronics out of the central office to cabinets closer to the end-user. We designed our FiberFlex cabinet line to address this trend, with a universal flexibility to the type of electronics, cooling, power source and, of course, fiber count. We are proud that our FieldSmart® FiberFlex 600 active cabinet has been named among the best in the industry by the 2025 Lightwave + BTR Innovation Reviews in the Optical Category, which includes Carrier Fiber, Cable, Enclosures, and Accessories. As operators expand FTTH, 5G, and edge computing backhaul networks, Lightwave + BTR recognizes Clearfield for our innovative, customer-centric solutions. We remain committed to delivering flexible, scalable solutions that empower our customers to deploy networks efficiently and effectively. We will continue to work to drive progress in the market with cutting-edge technology designed to meet the evolving needs of the industry and to establish ourselves as the one-stop shop for active cabinet deployments.



*FieldSmart® FiberFlex 600 - Front View*



*FieldSmart® FiberFlex 600 - Back View*



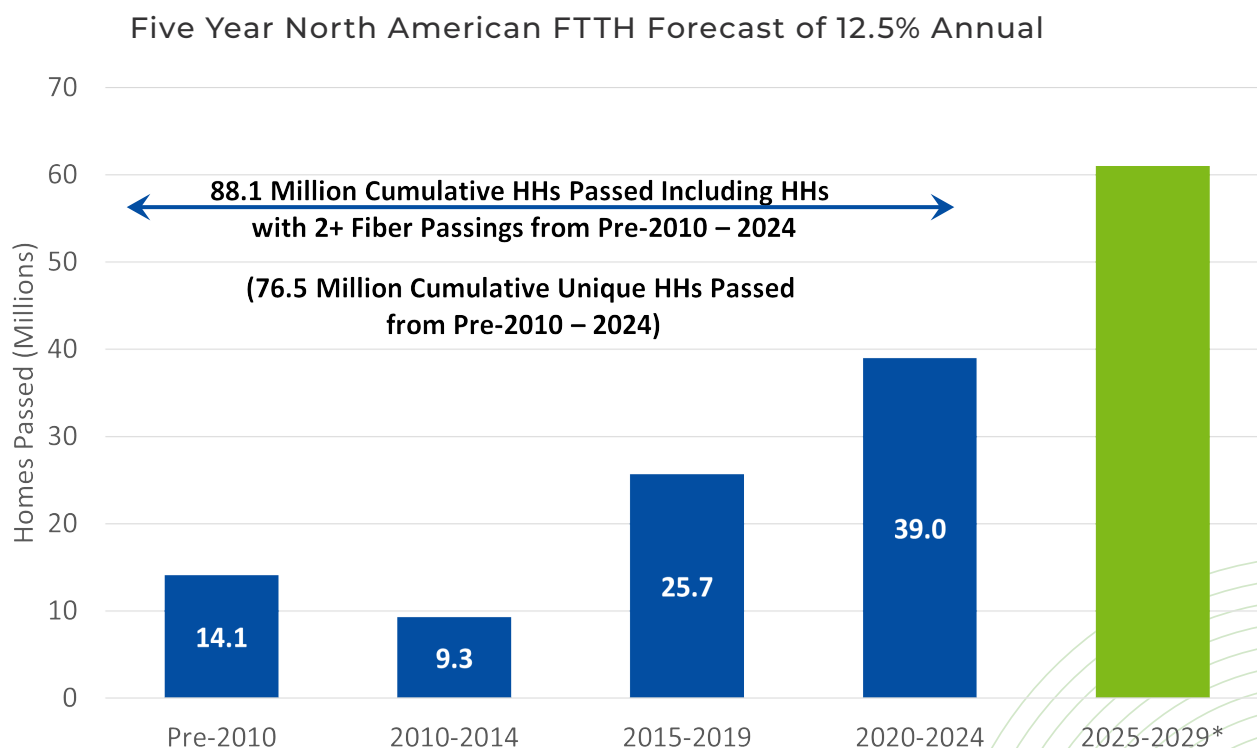
As we continue positioning the company to capitalize on current opportunities, we remain focused on identifying the next catalysts for growth, which include 6G and long-haul fiber to edge network architectures, data center opportunities, and select international markets. We're actively building the teams to support these initiatives under the leadership of our Chief Marketing Officer, Anis Khemakhem.

## Framing Views on the Industry

We continue to view the Broadband Equity, Access and Deployment (BEAD) program as a meaningful long-term growth catalyst, particularly for Community Broadband and Tier 3 service providers. Although funding has faced administrative delays and evolving regulatory guidance, we remain optimistic in the program's direction. Despite political shifts and increased discussion around technology neutrality, we believe the majority of BEAD funding will ultimately support fiber-based infrastructure. We expect BEAD to begin contributing more significantly to Clearfield's revenue in fiscal 2026. With our modular product portfolio and strong customer relationships in rural and Community Broadband markets Clearfield is positioned to capitalize on the opportunities this program will bring.

The Enhanced Alternative Connect America Cost Model (E-ACAM) program has already been driving activity in our core markets, and we expect it to contribute meaningfully in the upcoming build season. With a four-year deployment timeline, the program provides a clear and actionable path forward for participating service providers, many of whom are already Clearfield customers. While E-ACAM and BEAD funding cannot be applied to the same service addresses, providers can leverage both programs across different areas of their networks, enabling broader and more efficient network expansion.

RVA, a leading market research firm, projects the fiber industry to grow at a 12.5% compound annual growth rate over the next five years, with approximately one-third of new households expected to gain access to multiple fiber providers. Similarly, industry analysts anticipate that the annual number of homes connected will outpace homes passed through 2028. We believe Clearfield is well positioned to benefit from these industry trends.



*\*Forecast (Exact 2025-2029 Forecast Not Yet Available) assumes 10M in household growth and 2M rural not buildable (off grid). The number of redundant passings is most speculative.  
Source: RVA (12/10/2024), Clearfield*

## Fiscal 2025 and Q3 2025 Outlook

We are reiterating our fiscal 2025 net sales outlook in the range of \$170 million to \$185 million. As a result of the economic instability as well as the evolving tariff situation that originated early in our third quarter, we are not raising our net sales guidance despite our strong first half performance.

As a result of the acceleration of several million dollars of business into our second fiscal quarter that was originally anticipated in our third quarter plan, we anticipate third quarter fiscal 2025 net sales in the range of \$45 million to \$50 million. This range also reflects a higher percentage of net sales being generated in the third quarter from our Nestor segment in comparison to the second quarter, adversely affecting our gross margin for the quarter.

We expect operating expenses to increase from the second quarter to reflect higher seasonal and marketing fees. We expect to generate net income per share in the range of \$0.01 to \$0.08 in the third quarter of fiscal 2025. The net income per share range is based on the number of shares outstanding at the end of the second quarter and does not reflect potential share repurchases completed in the third quarter. Our guidance reflects our current understanding of the impact of the evolving tariff situation, which we expect will contribute to uncertainty in our business and in the macroeconomic environment. As we currently understand the tariff environment, we do not believe that the tariffs in their present form will materially affect our operating results.

### Fiscal 2025

Annual Net Sales of \$170M to \$185M

Q3 Net Sales of \$45M to \$50M

Q3 Net Income Per Share \$0.01 to \$0.08



## Conference Call

Management will hold a conference call today, May 8, 2025, at 4:30 p.m. Eastern Time (3:30 p.m. Central Time) to discuss these results and provide an update on business conditions.

Clearfield's President and Chief Executive Officer, Cheri Beranek, and Chief Financial Officer, Dan Herzog, will host the presentation, followed by a question-and-answer period.

U.S. dial-in: 1-877-407-0792 | International dial-in: 1-201-689-8263 | Conference ID: 13752678

The live webcast of the call can be accessed at the [Clearfield Investor Relations](#) website along with the company's earnings press release and presentation.

A replay of the call will be available after 8:00 p.m. Eastern Time on the same day through May 22 2025, while an archived version of the webcast will be available on the Investor Relations website for 90 days.

U.S. replay dial-in: 1-844-512-2921 | International replay dial-in: 1-412-317-6671 | Replay ID: 13752678

About Clearfield, Inc.

[Clearfield, Inc.](#) (NASDAQ: CLFD) designs, manufactures, and distributes fiber optic management, protection, and delivery products for communications networks. Our "fiber to anywhere" platform serves the unique requirements of leading incumbent local exchange carriers (traditional carriers), competitive local exchange carriers (alternative carriers), and MSO/cable TV companies, while also catering to the broadband needs of the utility/municipality, enterprise, and data center markets. Headquartered in Minneapolis, MN, Clearfield deploys more than a million fiber ports each year. For more information, visit [www.SeeClearfield.com](http://www.SeeClearfield.com).

### Cautionary Statement Regarding Forward-Looking Information

*Forward-looking statements contained herein and in any related presentation or in the related Earnings Presentation are made pursuant to the safe harbor provisions of the Private Litigation Reform Act of 1995. Words such as "may," "plan," "expect," "aim," "believe," "project," "target," "anticipate," "intend," "estimate," "will," "should," "could," "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, the impact of recent trade policy changes, including new and increased tariffs, retaliatory tariffs, trade disputes, and market and economic reactions to such changes, expected customer ordering patterns and future supply agreements with customers, anticipated shipping on backlog and future lead times, future availability of components and materials from the Company's supply chain, compliance with Build America Buy America (BABA) Act requirements, future availability of labor impacting our customers' network builds, the impact of the Broadband Equity, Access, and Deployment (BEAD) Program, 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 match capacity to meet demand, expansion into new markets 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: our business is dependent on interdependent management information systems; inflationary price pressures and uncertain availability of components, raw materials, labor and logistics used by us and our suppliers could negatively impact our profitability; we rely on single-source suppliers, which could cause delays, increase costs or prevent us from completing customer orders; we depend on the availability of sufficient supply of certain materials 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, and the loss of these major customers could adversely affect us; 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, and the risks could adversely affect future operating results; we have exposure to movements in foreign currency exchange rates; adverse global economic conditions and geopolitical issues could have a negative effect on our business, and results of operations and financial condition; growth may strain our business infrastructure, which could adversely affect our operations and financial condition; 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, including ransomware, data breaches or computer viruses, could disrupt our business operations, damage our reputation, result in increased expense, and potentially lead to legal proceedings; natural disasters, extreme weather conditions or other catastrophic events could negatively affect our business, financial condition, and operating results; pandemics and other health crises could have a material adverse effect on our business, financial condition, and operating results; to compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance; if the telecommunications market does not continue to expand, our business may not grow as fast as we expect, which could adversely impact our business, financial condition and operating results; changes in U.S. 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; we face risks associated with expanding our sales outside of the United States; expectations relating to environmental, social and governance matters may increase our cost of doing business and expose us to reputational harm and potential liability; our operating results may fluctuate significantly from quarter to quarter, which may make budgeting for expenses difficult and may negatively affect the market price of our common stock; our stock price has been volatile historically and may continue to be volatile - the price of our common stock may fluctuate significantly; anti-takeover provisions in our organizational documents, Minnesota law and other agreements could prevent or delay a change in control of our Company; 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, 2024 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.*

### **Investor Relations Contact:**

Greg McNiff | The Blueshirt Group | 773-485-7191

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**CLEARFIELD, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(IN THOUSANDS, EXCEPT SHARE DATA)

	March 31, 2025 (Unaudited)	September 30, 2024
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 28,848	\$ 16,167
Short-term investments	83,142	114,825
Accounts receivables, net	24,196	21,309
Inventories, net	56,084	66,766
Other current assets	13,998	10,528
Total current assets	206,268	229,595
Property, plant and equipment, net	25,166	23,953
Other Assets		
Long-term investments	41,356	24,505
Goodwill	6,573	6,627
Intangible assets, net	5,868	6,343
Right-of-use lease assets	17,834	15,797
Deferred tax asset	6,830	6,135
Other	962	2,320
Total other assets	79,423	61,727
<b>Total Assets</b>	<b>\$ 310,857</b>	<b>\$ 315,275</b>
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities		
Current portion of lease liability	\$ 3,778	\$ 3,357
Current maturities of long-term debt	2,165	-
Accounts payable	8,683	6,720
Accrued compensation	7,053	6,977
Accrued expenses	3,460	4,378
Bank overdraft	1,239	-
Factoring liability	4,118	2,920
Total current liabilities	30,496	24,352
Other Liabilities		
Long-term debt, net of current maturities	-	2,228
Long-term portion of lease liability	14,462	12,771
Deferred tax liability	-	161
Total liabilities	44,958	39,512
Shareholders' Equity		
Preferred stock, \$.01 par value; 500,000 shares; no shares issued or outstanding	-	-
Common stock, authorized 50,000,000, \$.01 par value; 13,991,769 and 14,229,107 shares issued and outstanding as of March 31, 2025 and September 30, 2024, respectively	140	142
Additional paid-in capital	150,789	159,579
Accumulated other comprehensive income	586	1,079
Retained earnings	114,384	114,963
Total shareholders' equity	265,899	275,763
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 310,857</b>	<b>\$ 315,275</b>

**CLEARFIELD, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS**  
(UNAUDITED)  
(IN THOUSANDS, EXCEPT SHARE DATA)

	Three Months Ended March 31,		Six Months Ended March 31,	
	2025	2024	2025	2024
Net sales	\$ 47,168	\$ 36,910	\$ 82,644	\$ 71,140
Cost of sales	<u>32,976</u>	<u>34,078</u>	<u>60,270</u>	<u>63,611</u>
Gross profit	14,192	2,832	22,374	7,529
Operating expenses				
Selling, general and administrative	<u>13,930</u>	<u>12,573</u>	<u>26,087</u>	<u>25,432</u>
Income (Loss) from operations	262	(9,741)	(3,713)	(17,903)
Net investment income	1,589	1,849	3,332	3,918
Interest expense	<u>(69)</u>	<u>(102)</u>	<u>(169)</u>	<u>(228)</u>
Income (Loss) before income taxes	1,782	(7,994)	(550)	(14,213)
Income tax expense (benefit)	<u>455</u>	<u>(2,083)</u>	<u>29</u>	<u>(3,034)</u>
Net income (loss)	<u>\$ 1,327</u>	<u>\$ (5,911)</u>	<u>\$ (579)</u>	<u>\$ (11,179)</u>
Net income (loss) per share Basic	<u>\$ 0.09</u>	<u>\$ (0.40)</u>	<u>\$ (0.04)</u>	<u>\$ (0.75)</u>
Net income (loss) per share Diluted	<u>\$ 0.09</u>	<u>\$ (0.40)</u>	<u>\$ (0.04)</u>	<u>\$ (0.75)</u>
Weighted average shares outstanding:				
Basic	14,095,341	14,629,489	14,154,830	14,922,811
Diluted	14,095,341	14,629,489	14,154,830	14,922,811

**CLEARFIELD, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(UNAUDITED)  
(IN THOUSANDS)

	Six Months Ended March 31, 2025	Six Months Ended March 31, 2024
<b>Cash flows from operating activities</b>		
Net loss	\$ (579)	\$ (11,179)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,711	3,572
Amortization of premium and discount on investments, net	(1,202)	(2,195)
Deferred taxes	(891)	(195)
Stock-based compensation	2,427	2,284
Changes in operating assets and liabilities, net of acquired amounts:		
Accounts receivable	(3,447)	6,600
Inventories, net	10,478	14,414
Other assets	(2,154)	(5,951)
Accounts payable and accrued expenses	1,855	(2,256)
Net cash provided by operating activities	10,198	5,094
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment and intangible assets	(4,722)	(4,389)
Purchases of investments	(59,234)	(47,748)
Proceeds from maturities of investments	75,176	53,293
Net cash provided by investing activities	11,220	1,156
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock under employee stock purchase plan	301	250
Repurchase of shares for payment of withholding taxes for vested restricted stock grants	(494)	(240)
Withholding related to exercise of stock options	(12)	(9)
Borrowings and repayments of bank overdrafts, net	1,212	-
Borrowings and repayments of factoring liability, net	1,253	(497)
Net proceeds from issuance of common stock	-	-
Repurchase of common stock	(11,015)	(27,814)
Net cash used in financing activities	(8,755)	(28,310)
Effect of exchange rates on cash	18	51
Increase (decrease) in cash and cash equivalents	12,681	(22,009)
Cash and cash equivalents, beginning of period	16,167	37,827
Cash and cash equivalents, end of period	\$ 28,848	\$ 15,818
<b>Supplemental disclosures for cash flow information</b>		
Cash paid for income taxes	\$ 403	\$ 157
Cash paid for interest	\$ 109	\$ 172
Right of use assets obtained through lease liabilities	\$ 3,795	\$ -
<b>Non-cash financing activities</b>		
Cashless exercise of stock options	\$ 97	\$ 19