CLEARFIELD

Letter to Shareholders

Fourth Quarter & Full Year of Fiscal 2026

THE ART OF CONNECTIONS

Letter to Shareholders

Fourth Quarter and Full Year Fiscal 2026

Cheri Beranek
President & CEO

Dan Herzog
Chief Financial Officer

Fiscal 2026 represented a pivotal transition year for Clearfield. We continued serving our established broadband customers while expanding our fiber management expertise to the rapidly growing artificial intelligence (AI) infrastructure market. We remain focused on serving our established broadband customers while applying our fiber management expertise to broader opportunities within digital infrastructure, including data centers, edge computing and other connectivity markets. Together, the progress made during the year, and our current momentum give us confidence in this strategy. In addition, over the past three years, we have strengthened our financial position through disciplined balance sheet management, including strong cash generation and thoughtful capital allocation. Specifically, we generated approximately $41 million in cumulative free cash flow and returned $65 million to shareholders through share repurchases, while maintaining a debt-free balance sheet. This financial strength has enabled us to invest in our business, expand our addressable markets, and position Clearfield for its next phase of growth. Looking ahead, we expect a gradual recovery in broadband demand and view the data center market as a significant catalyst for potential future growth.

In the Broadband market, we continue to see demand for fiber infrastructure and are encouraged by signs of a gradual recovery. Since our third quarter letter, the Broadband Equity, Access, and Deployment (BEAD) program has continued to advance toward implementation with several states recently announcing funding disbursements or the commencement of network deployments. Recently, we shared that East Central Energy, (ECE), a Minnesota-based electric cooperative, is expanding its fiber broadband access service across rural Minnesota and northwestern Wisconsin. ECE, a Clearfield customer, is the first broadband provider in Minnesota to secure an executed BEAD agreement. We believe ECE is the first of many providers to move forward with their broadband deployments that were delayed as providers awaited greater clarity on funding and investment decisions. Progress on BEAD may also help unlock financing for non-BEAD projects, supporting a broader recovery in broadband investment. As BEAD projects advance and investment across the broader broadband market begins to recover, we anticipate a return to mid-to high-single digit growth in this market in fiscal 2027.

We are particularly pleased with our progress in the data center market. Following the approximately $22 million initial purchase order announced in July 2026, we began shipping products during the fiscal fourth quarter at the customer's request to support its deployment. We continue to work closely with this customer to meet its delivery requirements and support the next phases of its expansion. As described in our third quarter letter, our involvement began early in the design process, when we worked with the customer to develop a solution tailored to its needs. That collaboration has continued through production and delivery, and we believe it provides a strong foundation for future work as the customer's projects advance.

Beyond this initial relationship, we are working with the engineering teams of several prospective customers to evaluate designs for future data center deployments. We are encouraged by the level of interest. It gives us the opportunity to apply our deep experience in fiber management to a market where fiber density, limited space, and installation speed are becoming critical constraints. Listening to these customers and understanding their needs led to the recent introduction of our NOVA™ Velocity Panel, designed to simplify the installation and management of high fiber counts in limited space. We have long taken pride in developing products that simplify the deployment and management of fiber networks. That principle continues to shape how we bring new technologies to market and find additional ways to serve our customers. While the timing and size of future projects remain uncertain, this early interest supports our belief that we will build a meaningful business in this market.

Alongside our product and market expansion, we are focused on improving gross margin and strengthening our manufacturing operations. After absorbing higher costs for optical fiber and other materials over the past year, we are responding through improved sourcing, greater manufacturing efficiency, better overhead absorption and selective pricing adjustments. We also see opportunities to bring more outsourced production in-house and make better use of our existing capacity, which could lower costs and improve delivery times. The initial ramp in data center production will carry additional costs that may limit gross margin improvement in the first quarter of fiscal 2027. We anticipate sequential improvement beginning in the second quarter as production volumes increase, manufacturing efficiencies improve and overhead absorption strengthens.

We currently expect fiscal 2027 annual revenue in the range of $195 million to $205 million, equating to 30% year-over-year growth at the midpoint, supported by an anticipated gradual recovery in broadband demand and expected ramp up of our data center business. Because data center deployments are project-based and can result in lumpy revenue opportunities, the timing of customer orders and shipments may cause quarterly revenue to fluctuate and vary from our traditional seasonality.

Fiscal 2026 Annual and Q4 2026 Financial Summary

Fiscal Q4 2026 Financial Summary

(in millions except per share data and percentages)

	Q4 2026	vs. Q4 2025	Change	Change (%)
Net Sales from Continuing Operations	**$ 39.3**	$ 41.1	$ (1.7)	-4%
Gross Profit ($) from Continuing Operations	**$ 12.1**	$ 14.2	$ (2.2)	-15%
Gross Profit (%) from Continuing Operations	**30.7%**	34.6%	-4.0%	-11%
(Loss) Income from Operations from Continuing Operations	**$ (1.0)**	$ 1.0	$ (2.0)	-210%
Income Tax Expense from Continuing Operations	**$ 0.5**	$ 0.8	$ (0.3)	-40%
Net (Loss) from Continuing Operations	**$ (0.1)**	$ 1.8	$ (1.9)	-104%
Net Income per Diluted Share from Continuing Operations	**$ 0.00**	$ 0.13	$ (0.13)	-100%
Net Income (Loss) from Discontinued Operations, net of tax	**$ 0.00**	$ (0.5)	$ 0.5	100%
Income (Loss) from Impairment of Discontinued Operations, net of tax	**$ 0.00**	$ (10.4)	$ 10.4	100%
Net Income (Loss) per Diluted Share from Discontinued Operations	**$ 0.00**	$ (0.78)	$ 0.78	100%
Consolidated Net Income (Loss) Per Diluted Share	**$ 0.00**	$ (0.65)	$ 0.65	100%

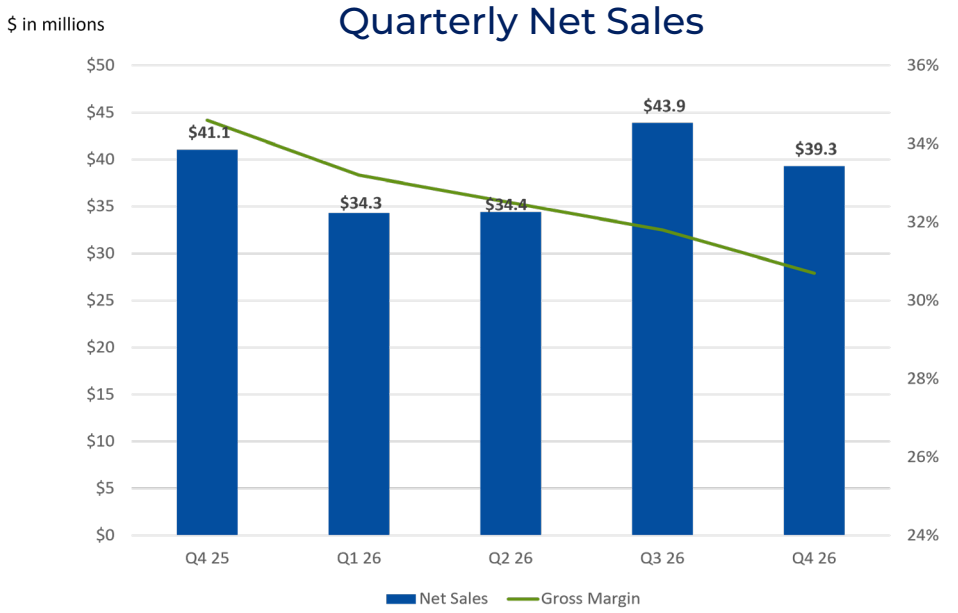
Fiscal Q4 YTD 2026 Financial Summary

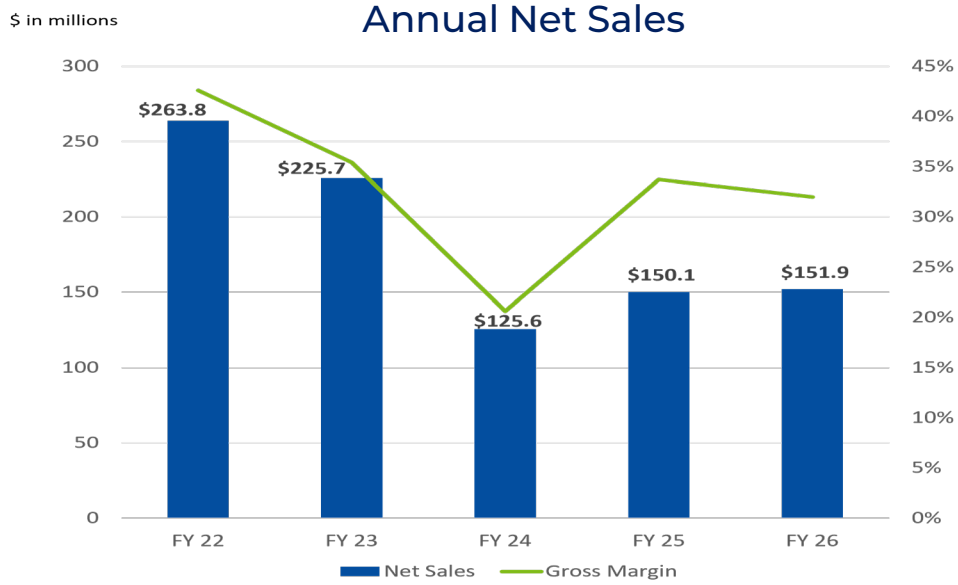
(in millions except per share data and percentages)

	2026 YTD	vs. 2025 YTD	Change	Change (%)
Net Sales from Continuing Operations	**$ 151.9**	$ 150.1	$ 1.8	1%
Gross Profit ($) from Continuing Operations	**$ 48.6**	$ 50.5	$ (2.0)	-4%
Gross Profit (%) from Continuing Operations	**32.0%**	33.7%	-1.7%	-5%
(Loss) Income from Operations from Continuing Operations	**$ (2.4)**	$ 2.1	$ (4.5)	-212%
Income Tax Expense from Continuing Operations	**$ 1.2**	$ 2.4	$ (1.1)	-48%
Net Income from Continuing Operations	**$ 2.1**	$ 6.3	$ (4.2)	-66%
Net Income per Diluted Share from Continuing Operations	**$ 0.16**	$ 0.45	$ (0.29)	-64%
Net Loss from Discontinued Operations, net of tax	**$ (0.3)**	$ (3.9)	$ 3.6	91%
Income (Loss) from Impairment of Discontinued Operations, net of tax	**$ 0.00**	$ (10.4)	$ 10.4	100%
Net Loss per Diluted Share from Discontinued Operations	**$ (0.02)**	$ (1.03)	$ 1.01	98%
Consolidated Net Income (Loss) per Diluted Share	**$ 0.14**	$ (0.58)	$ 0.72	124%

Net Sales

Net sales from continuing operations in the fourth quarter of fiscal 2026 were $39.3 million, a 4% decrease from $41.1 million in the prior year fourth quarter. Net sales from continuing operations for fiscal 2026 were $151.9 million, a 1% increase from $150.1 million in fiscal 2025. Performance for the quarter and full year reflected growth in the Large Regional segment, partly offset by softness in the MSO market.





Backlog as of September 30, 2026, was $43.3 million, compared to $21.0 million on June 30, 2026. The increase in our backlog was primarily driven by the approximately $22 million data center order we received in July 2026. We shipped approximately $100,000 against that order during the fourth quarter, leaving most of it in backlog as of September 30, 2026. Year over year, backlog increased by $18.6 million from $24.7 million on September 30, 2025.

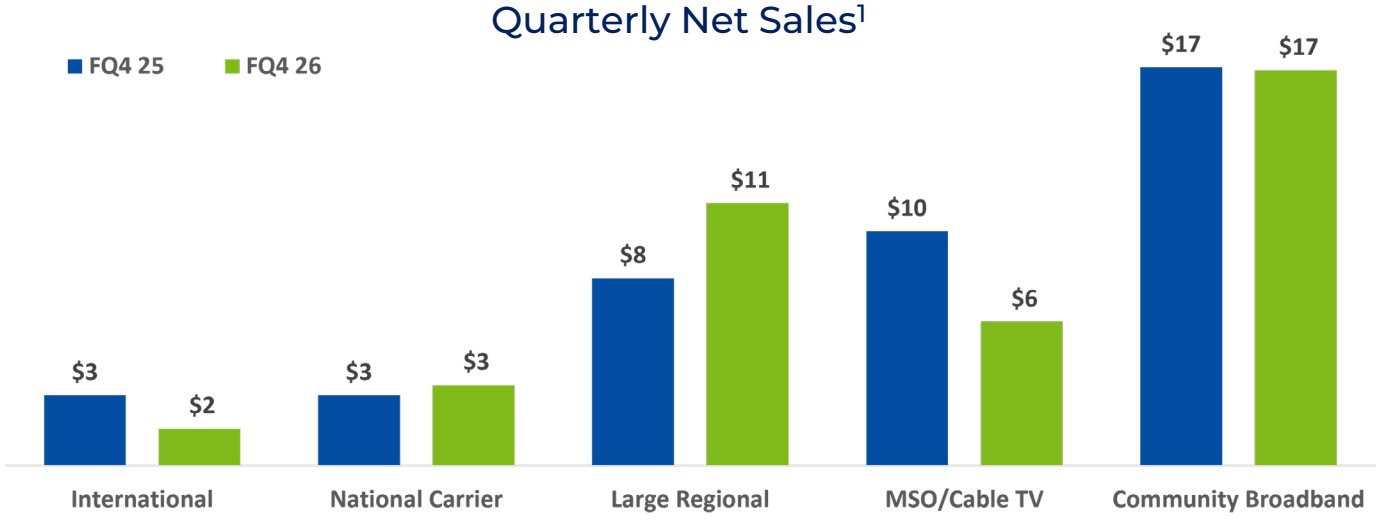
Net Sales Comparison by Key Market

In our largest market, Community Broadband, net sales for fiscal year 2026 were $70.8 million, comprising 47% of total net sales for the year, up 6% compared to net sales of $66.8 million in fiscal year 2025. Fourth quarter net sales in Community Broadband were $16.9 million, comprising 43% of quarterly net sales and were relatively unchanged from the prior year.

Net sales in the Large Regional Service Provider market for fiscal year 2026 were $40.1 million, comprising 26% of total net sales and increasing 19% from $33.7 million in fiscal year 2025. Fourth quarter net sales in this market were $11.2 million, comprising 28% of quarterly net sales and increasing approximately 38% from the prior year quarter.

Net sales in the MSO market were $24.7 million in fiscal year 2026, down 24% from $32.4 million in fiscal 2025. Fourth quarter net sales to MSOs were $6.1 million, comprising 16% of quarterly net sales and decreasing by approximately 39% from the prior year quarter.

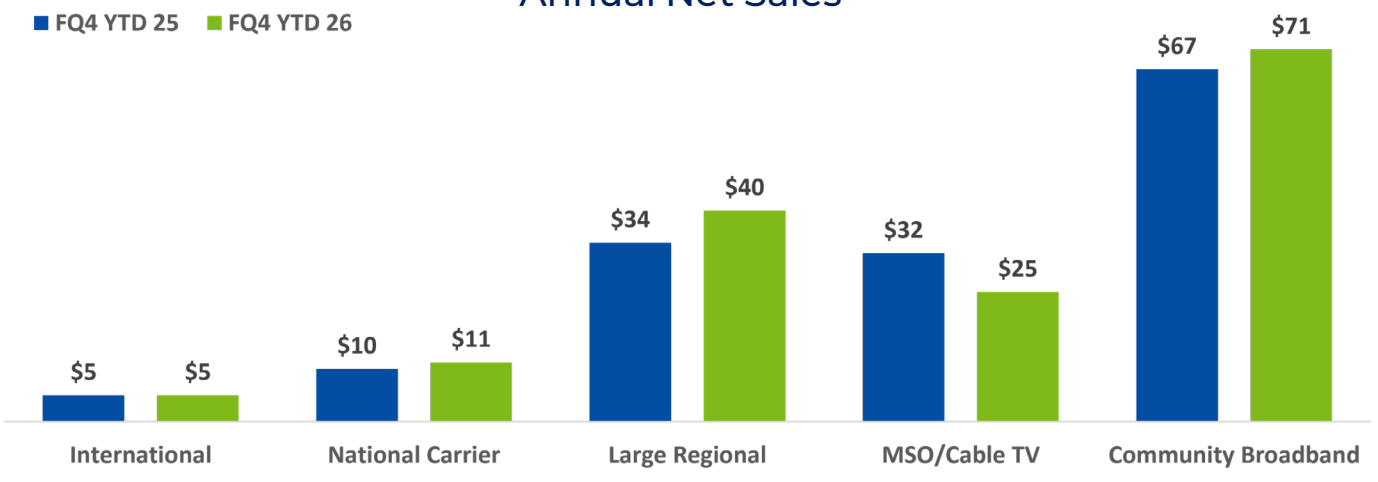
Quarterly Net Sales[1]



All dollar figures in millions

[1]Based on net sales of $39.3 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets. The Company previously listed Legacy Market in this slide. However, the Company no longer serves this market as it divested its build-to-print copper cable assemblies business in FY25 Q4 and sales for FY26 were immaterial.

Annual Net Sales[2]



All dollar figures in millions

[2]Based on net sales of $151.9 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets. The Company previously listed Legacy Market in this slide. However, the Company no longer serves this market as it divested its build-to-print copper cable assemblies business in FY25 Q4 and sales for FY26 were immaterial.

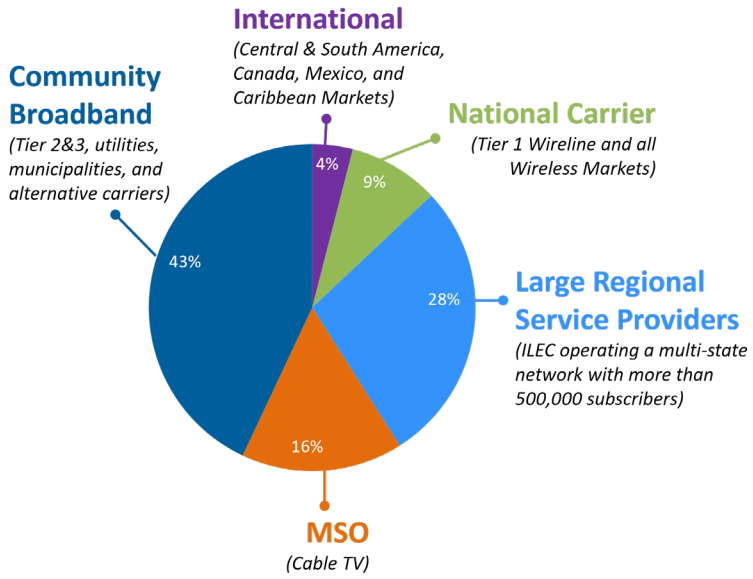
Net Sales Comparison by Key Market

Net sales in the MSO market were $24.7 million in fiscal year 2026, down 24%, from $32.4 million in fiscal 2025. Fourth quarter net sales to MSOs were $6.1 million, comprising 16% of quarterly net sales and decreasing by approximately 39% from the prior year quarter.

Net sales in the National Carrier market were $11.2 million in fiscal 2026, comprising 7% of total net sales and increasing 15% from the prior year. Fourth quarter net sales in this market were $3.4 million, comprising 9% of quarterly net sales and increasing approximately 29% from the prior year quarter.

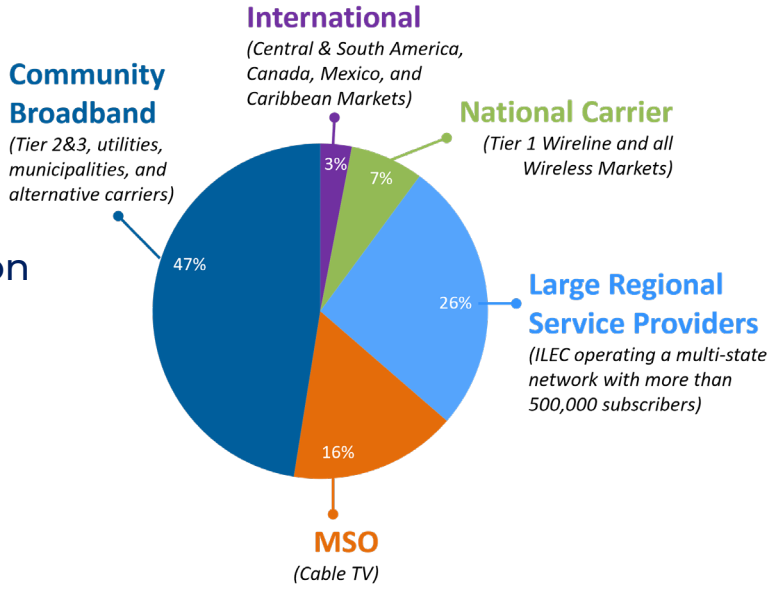
Net sales in our new Data Center market were approximately $100,000 for the year, all recognized in the fourth quarter. Sales in this market were related to the approximately $22 million data center order we received in July.

Q4 FY26 Net Sale Composition Ending 9/30/26[3]



[3]Based on net sales of $39.3 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets.

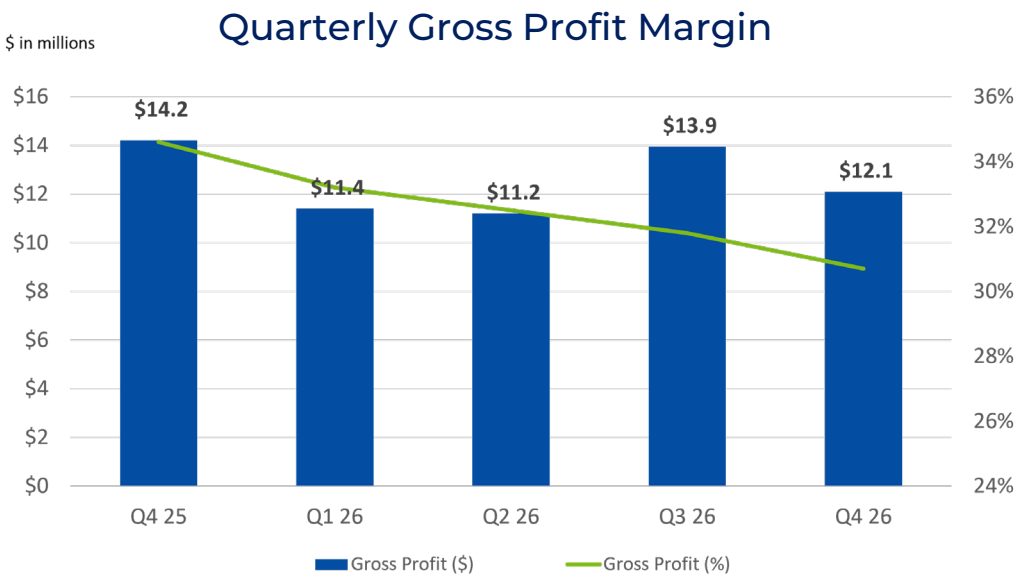
FY26 Annual Net Sale Composition Ending 9/30/26[4]

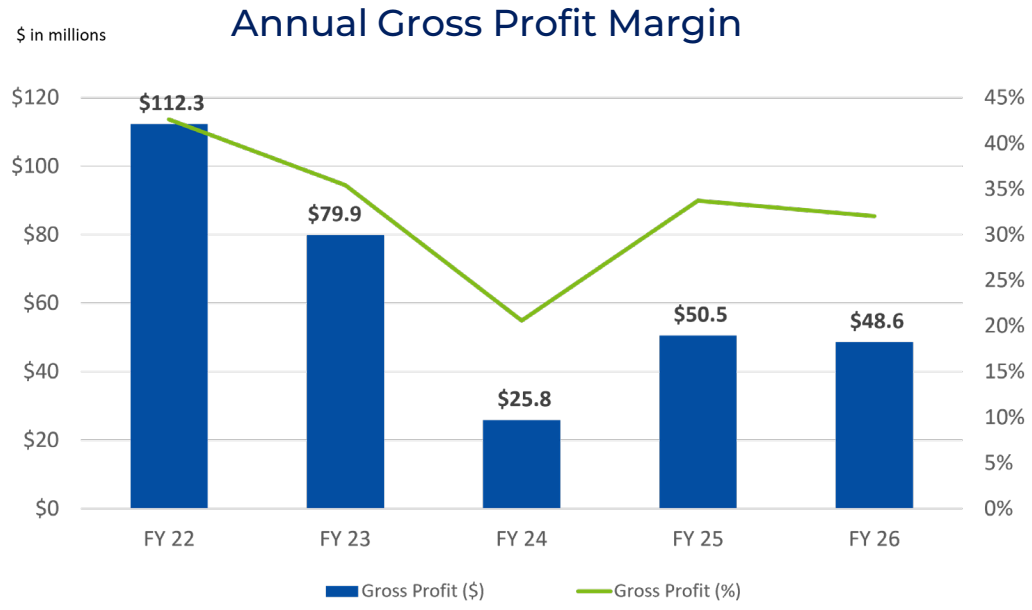


[4]Based on net sales of $151.9 million for Clearfield and Point of Sales (POS) reporting from distributors who resell our product line into these markets.

Gross Profit Margin

Gross profit margin from continuing operations in the fourth quarter was 30.7%, compared with 34.6% in the prior year quarter and 31.8% in the third quarter. For fiscal 2026, gross profit margin from continuing operations was 32.0%, compared to 33.7% in fiscal 2025. Gross profit margin for the fourth quarter and full year was affected by higher material costs compared to prior periods, particularly in the latter part of the fiscal year. As noted in our third quarter shareholder letter, we initiated a gross margin recovery initiative focused on improving gross margin through a combination of pricing discipline, product mix optimization, sourcing improvements and operational efficiencies. We expect these efforts to support margin improvement beginning in the second quarter of fiscal 2027.



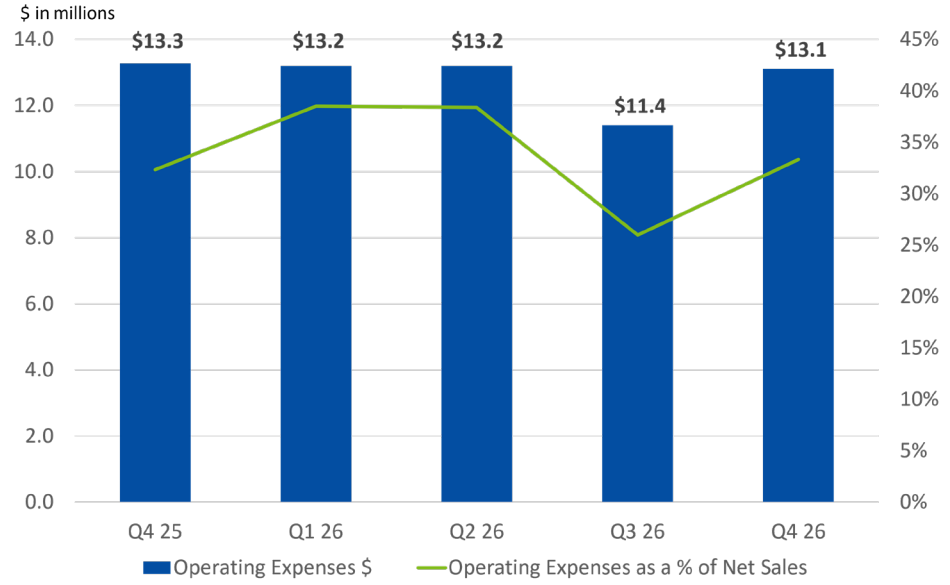


Operating Expenses

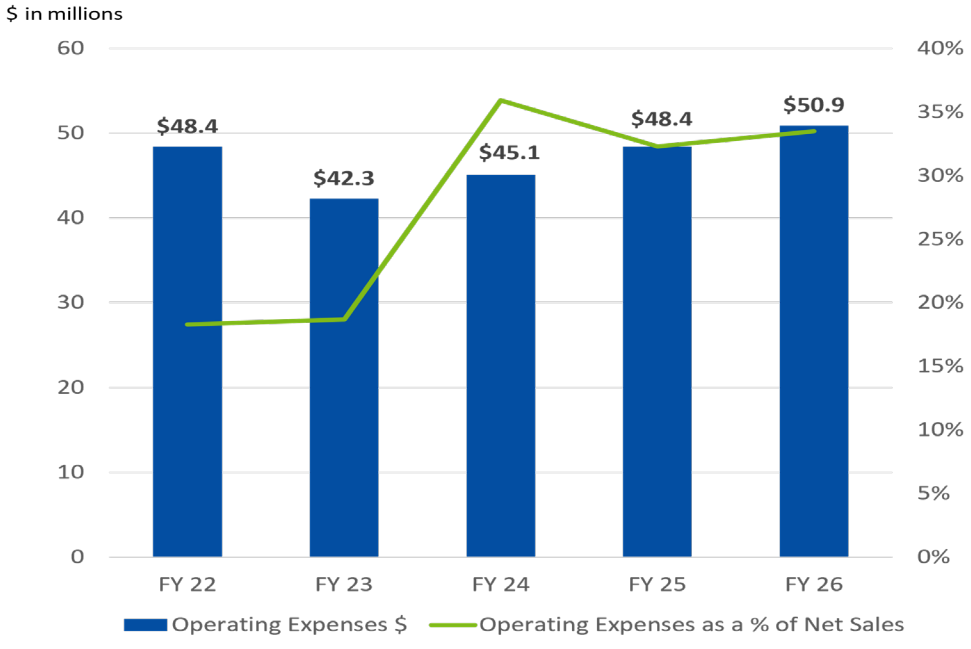
Operating expenses from continuing operations for the fourth quarter of fiscal 2026 were relatively unchanged at $13.1 million compared to $13.3 million in the prior year quarter. As a percentage of net sales, operating expenses from continuing operations for the fourth quarter increased to 33.3% from 32.3% in the prior year fourth quarter.

Operating expenses from continuing operations for fiscal 2026 were $50.9 million, up 5% from $48.4 million in fiscal year 2025. As a percentage of net sales, operating expenses increased to 33.5% from 32.3% in fiscal 2025. The increase was mainly due to higher personnel and IT costs.

Quarterly Operating Expenses



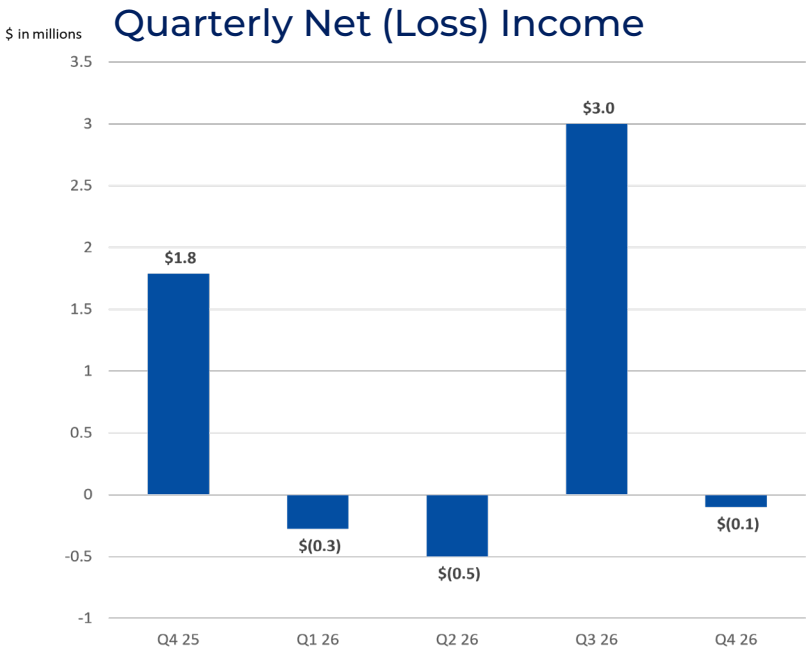
Annual Operating Expenses

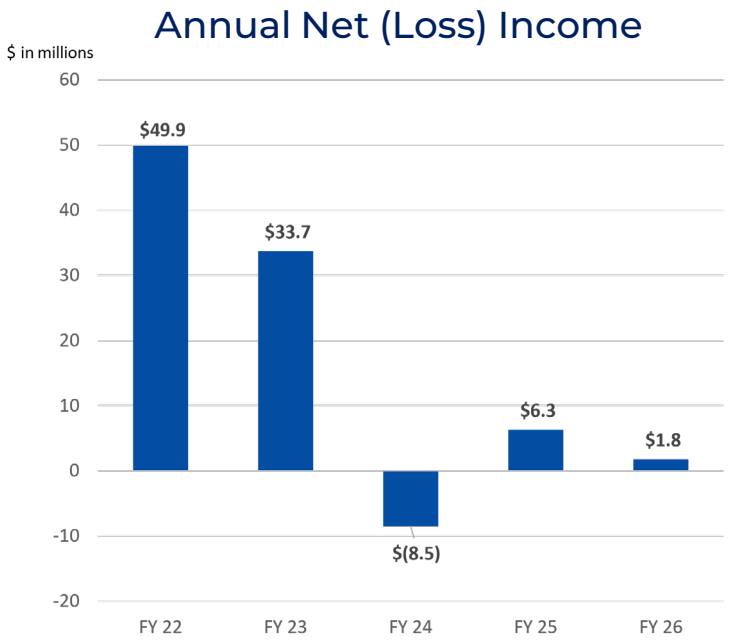


Net Income (Loss)

Net loss from continuing operations in the fourth quarter of fiscal 2026 was approximately $100,000, or breakeven per diluted share, a decrease from net income of $1.8 million, or $0.13 per diluted share, in the prior year fourth quarter.

Net income from continuing operations for fiscal 2026 was $2.1 million, down from $6.3 million in fiscal 2025. Earnings per diluted share from continuing operations decreased to $0.16 in fiscal 2026 from $0.45 per diluted share in fiscal 2025, reflecting higher material costs and increased operating expenses mentioned above.





Balance Sheet & Cash Flow

Our balance sheet remains a significant competitive strength, with $157 million in cash and short-term and long-term investments and no debt as of September 30, 2026.

During the fourth quarter of fiscal 2026, we repurchased approximately 60,000 shares of our common stock for approximately $1.8 million under our $85 million share repurchase authorization program. As of September 30, 2026, $13.2 million remained available for future share repurchases.

Fiscal 2027 and Q1 Outlook

For the first quarter of fiscal 2027, we expect net sales in the range of $48 million to $52 million, operating expenses as a percentage of net sales to remain consistent with the fourth quarter of fiscal 2026, and net income (loss) per share in the range of $(0.06) to $0.03.

For fiscal 2027, we expect net sales to be in the range of $195 million to $205 million, operating expenses as a percentage of net sales to remain consistent with fiscal 2026, and net income per diluted share in the range of $0.25 to $0.46. This guidance reflects an increase in operating expense driven by investments in additional personnel related to our growth strategy and higher incentive-based compensation. Additionally, gross margin has been negatively affected due to the rising costs of optical fiber and the ongoing tariff impacts of Chinese fiber. The Company's procurement organization has identified potential relationships that could free up global sources of optical fiber, which could improve this guidance as agreements are finalized and the materials are delivered to our North American manufacturing sites.

The net income per share ranges are based on the number of shares outstanding at the end of the fourth quarter of fiscal 2026 and do not reflect potential share repurchases completed in fiscal 2027. Our guidance also reflects our current expectations regarding the potential supply chain constraints for optical fiber, cable and connectors discussed in our previous fiscal 2026 quarterly letters to shareholders, as well as our current understanding of the impact of the evolving tariff situation. These factors could contribute to uncertainty in our business and in the macroeconomic environment.

The five-year vision for Clearfield is to expand and accelerate our reach. You will see more evidence in the quarters ahead. We serve fiber professionals who take pride in a properly cleaned connector and approach cable routing as a craft.

Our clients want partners who prioritize the same level of care, flexibility, and collaboration that we do. As a scalable, nimble, and trusted leader in fiber innovation, Clearfield designs and builds technologies for fiber experts who believe good enough isn't good enough.

Because making connections across telecom, data center, and edge networks, between people and opportunities, isn't just a job. It's an art. The Art of Connections.

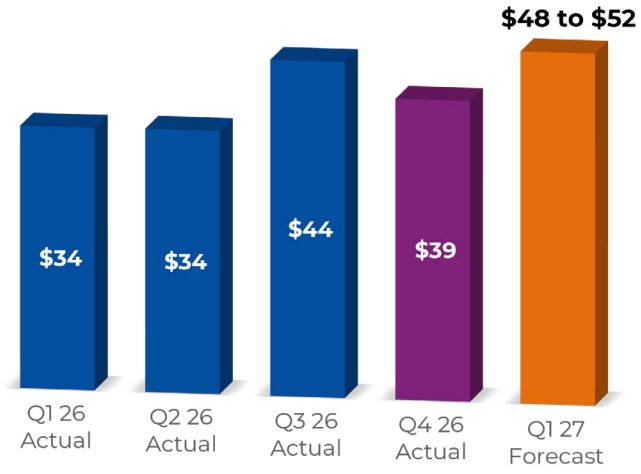
Finally, as we announced on October 20th, I plan to retire as Clearfield's President and Chief Executive Officer. I will remain in my current role until my successor is appointed or my retirement, whichever occurs first. After my successor is appointed, I will continue with Clearfield as President and CEO Emeritus to assist with the transition.

Since co-founding the Company in 2008, it has been a privilege to help build Clearfield. I believe this is the right time to ensure Clearfield has the next generation of leadership in place to guide it through its next phase of growth. I am proud of what our team has accomplished, confident in Clearfield's future and grateful to our employees for their dedication. I look forward to supporting a smooth transition.

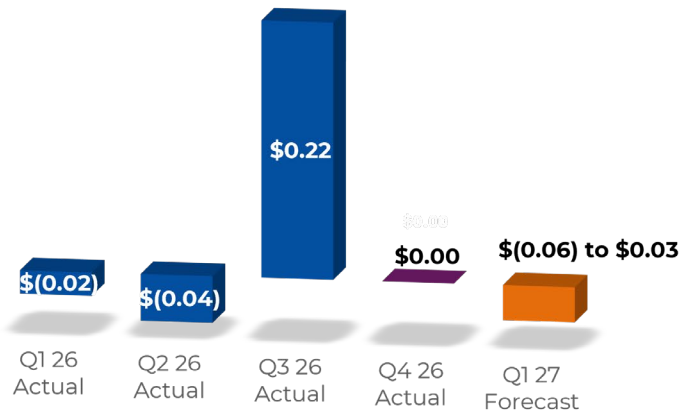
We look forward to updating you on our progress next quarter.

Fiscal 2027 and Q1 Outlook

Quarterly Net Sales*
($ in millions)



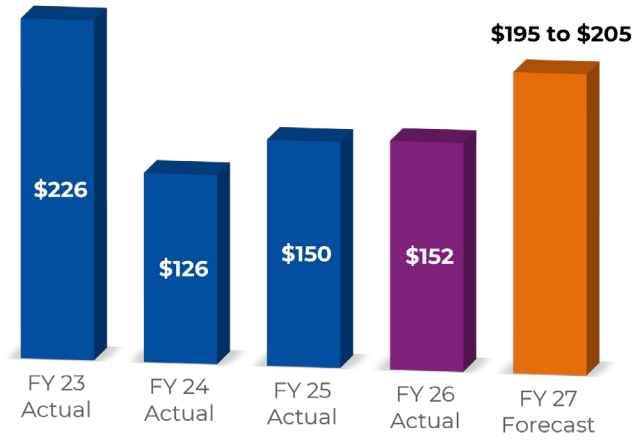
Net Income (Loss) Per Share*
($)



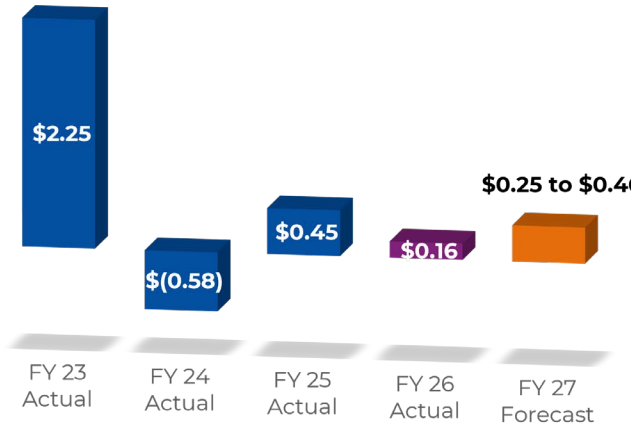
Q1 Net Sales of $48M to $52M
Q1 Net Income (Loss) Per Share $(0.06) to $0.03

**All figures are presented on a continuing operations basis, consistent with Clearfield's fiscal year 2026 financial statements. FY27 Q1 and fiscal year 2027 net sales and net income per diluted share guidance issued are effective as of November 10, 2026. The Company's FY 27 Q1 and full fiscal year 2027 guidance reflects the potential supply chain constraints of optical fiber, as well as our current understanding of the impact of the evolving tariff situation, both of which could contribute to uncertainty in our business and in the macroeconomic environment.*

Annual Net Sales*
($ in millions)



Net Income (Loss) Per Share*
($)



Annual Net Sales of $195M to $205M
Annual Net Income Per Share $0.25 to $0.46

**All figures are presented on a continuing operations basis, consistent with Clearfield's fiscal year 2026 financial statements. FY27 Q1 and fiscal year 2027 net sales and net income per diluted share guidance issued are effective as of November 10, 2026. The Company's FY 27 Q1 and full fiscal year 2027 guidance reflects the potential supply chain constraints of optical fiber, as well as our current understanding of the impact of the evolving tariff situation, both of which could contribute to uncertainty in our business and in the macroeconomic environment.*

Conference Call

Management will hold a conference call today, November 10, 2026, at 5:00 p.m. Eastern Time (4:00 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: 1-844-501-2063 | International dial-in: 1-412-365-5136 | Conference ID: 10212806

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 November 24, 2026, 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: 10212806

About Clearfield, Inc.

Clearfield, Inc. (NASDAQ: CLFD) designs, manufactures, and distributes fiber optic management, protection, and delivery solutions that enable high-performance connectivity across a wide range of markets, helping to close the digital divide. Clearfield's labor lite, craft-friendly platform is leveraged by community broadband providers, MSOs, incumbent service providers, ISPs, data centers, wireless providers, IoT networks, the military, municipalities, and cooperatives to connect homes, businesses and critical infrastructure faster and more efficiently. Headquartered in Minneapolis, MN, Clearfield deploys more than a million fiber ports each year. For more information, visit 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 development and marketing of new products, 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, expectations regarding the impact on our business of M&A activity among our 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, 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: 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; we rely on single-source suppliers, which could cause delays, increase costs or prevent us from completing customer orders; changes in trade policy in the U.S. and other countries may adversely affect our business and results of operations; inflationary price pressures and uncertain availability of components, raw materials, labor and logistics used by us and our suppliers could negatively impact our profitability; 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; our business is dependent on interdependent management information systems; we may be subject to risks associated with acquisitions, and the risks could adversely affect future operating results; adverse global economic conditions and geopolitical issues could have a negative effect on our business, and results of 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; to compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance; our business is dependent upon capital spending by broadband service providers, and any delay, reduction or cancellation in capital spending by broadband service providers could adversely affect our business; 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; 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 IA. Risk Factors of Clearfield's Annual Report on Form 10-K for the year ended September 30, 2025 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

clearfield@blueshirtgroup.com

CLEARFIELD, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)

	September 30, 2026	September 30, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 29,295	$ 21,493
Short-term investments	79,048	84,484
Accounts receivables, net	20,435	17,991
Inventories, net	37,930	42,031
Prepaid and other current assets	11,017	11,152
Current assets held for sale	-	21,337
Total current assets	177,725	198,488
Property, plant and equipment, net	8,925	9,682
Long-term investments	49,087	59,822
Goodwill	4,709	4,709
Intangible assets, net	7,506	9,353
Right-of-use lease assets	9,283	8,420
Deferred tax asset	9,624	10,263
Other non-current assets	445	608
Non-current assets held for sale	-	4,828
Total assets	$ 267,304	$ 306,173
Liabilities and Shareholders' Equity		
Current liabilities		
Current portion of lease liability	$ 2,816	$ 2,823
Accounts payable	6,924	7,028
Accrued compensation	4,823	6,598
Accrued expenses	1,241	2,197
Current liabilities held for sale	-	17,957
Total current liabilities	15,804	36,603
Other liabilities		
Long-term portion of lease liability	6,783	5,934
Non-current liabilities held for sale	-	7,473
Total liabilities	22,587	50,010
Shareholders' equity		
Preferred stock, $0.01 par value; 500,000 shares; no shares issued or outstanding	-	-
Common stock, authorized 50,000,000, $0.01 par value; 13,537,530 and 13,839,675 shares issued and outstanding as of September 30, 2026 and September 30, 2025, respectively	135	138
Additional paid-in capital	136,588	147,382
Accumulated other comprehensive (loss) income	(703)	1,731
Retained earnings	108,697	106,912
Total shareholders' equity	244,717	256,163
Total Liabilities and Shareholders' Equity	$ 267,304	$ 306,173

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

	Year Ended September 30, 2026	Year Ended September 30, 2025	Year Ended September 30, 2024
Net sales	$ 151,939	$ 150,134	$ 125,568
Cost of sales	103,381	99,597	99,721
Gross profit	48,558	50,537	25,847
Operating expenses			
Selling, general and administrative	50,929	48,419	45,081
(Loss) income from continuing operations	(2,371)	2,118	(19,234)
Net investment income	5,726	6,549	7,472
Income (loss) from continuing operations before inc	3,355	8,667	(11,762)
Income tax expense (benefit)	1,233	2,357	(3,248)
Income (loss) from continuing operations, net of tax	2,122	6,310	(8,514)
Loss from discontinued operations, net of tax	(337)	(3,947)	(3,939)
Loss from impairment of discontinued operations, net of tax	-	(10,413)	-
Net income (loss)	$ 1,785	$ (8,050)	$ (12,453)
Income (loss) per share			
Basic			
Continuing operations	$ 0.16	$ 0.45	$ (0.58)
Discontinued operations	(0.02)	(1.03)	(0.27)
Basic income (loss) per share	$ 0.14	$ (0.58)	$ (0.85)
Diluted			
Continuing operations	$ 0.16	$ 0.45	$ (0.58)
Discontinued operations	(0.02)	(1.03)	(0.27)
Diluted income (loss) per share	$ 0.14	$ (0.58)	$ (0.85)
Weighted average shares outstanding:			
Basic	13,676,450	13,989,489	14,582,450
Diluted	13,676,450	13,989,489	14,582,450

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

	Year Ended September 30, 2026	Year Ended September 30, 2025	Year Ended September 30, 2024
Cash flows from operating activities (continuing)			
Net income (loss)	$ 1,785	$ (8,050)	$ (12,453)
Loss from discontinued operations, net of tax	337	3,947	3,939
Loss from impairment of discontinued operations, net of tax	-	10,413	-
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	6,288	6,121	5,924
(Gain) loss on sale of assets	-	(284)	10
Amortization of premium and discount on investments, net	(311)	(1,777)	(4,406)
Deferred taxes	842	(4,244)	(3,358)
Stock-based compensation	4,649	4,597	4,375
Changes in operating assets and liabilities:			
Accounts receivable	(2,444)	(3,548)	6,473
Inventories, net	4,101	13,643	26,458
Other assets	211	173	(9,456)
Accounts payable and accrued expenses	(2,837)	5,562	264
Net cash provided by operating activities (continuing)	12,621	26,553	17,770
Cash flows from investing activities (continuing)			
Purchases of property, plant and equipment and intangibl	(3,597)	(4,743)	(7,985)
Proceeds from sale of property and equipment	-	903	45
Purchases of investments	(85,640)	(119,074)	(159,393)
Proceeds from maturities of investments	101,158	115,866	162,064
Cash paid on disposal of business	(1,012)	-	-
Net cash provided by (used in) investing activities (continuing)	10,909	(7,048)	(5,269)
Cash flows from financing activities (continuing)			
Proceeds from issuance of common stock under employee stock purchase plan	513	595	586
Repurchase of shares for payment of withholding taxes for vested restricted stock grants	(1,019)	(494)	(493)
Withholding related to exercise of stock options	(142)	(689)	(9)
Issuance of stock under equity compensation plans	-	-	1
Repurchase of common stock	(15,293)	(16,653)	(33,374)
Net cash used in financing activities (continuing)	(15,941)	(17,241)	(33,289)
Cash flows from discontinued operations			
Net cash provided by operating activities	1,380	2,897	4,453
Net cash used in investing activities	-	(1,796)	(1,627)
Net cash (used in) provided by financing activities	(1,196)	3,000	(3,617)
Net cash provided by (used in) discontinued operations	184	4,101	(791)
Effect of exchange rates on cash and cash equivalents	(13)	(97)	(81)
Net increase (decrease) in cash and cash equivalents	7,760	6,268	(21,660)
Change in cash held for sale	42	1,077	(19)
Cash and cash equivalents, beginning of period	21,493	14,148	35,827
Cash and cash equivalents, end of period	$ 29,295	$ 21,493	$ 14,148
Supplemental disclosures for cash flow information			
Cash (refunded) paid for income taxes, net	$ (1,463)	$ 1,670	$ 160
Right of use assets obtained through lease liabilities	$ 3,553	$ -	$ 4,364
Non-cash financing activities			
Cashless exercise of stock options	$ 2,666	$ 2,533	$ 19