



The Industry Leader in Craft Friendly Fiber Optic
Management and Connectivity Solutions

Fiscal Q3 2021 Earnings Call FieldReport



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; 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 1A. 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.

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Cheri Beranek
PRESIDENT & CEO





FY 21 Q3 and YTD Highlights

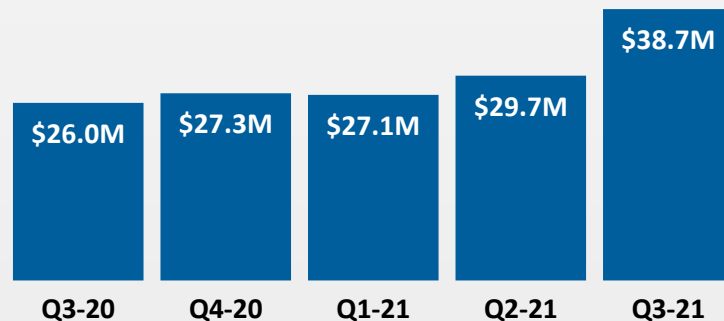
Third Quarter of Fiscal 2021:

- **Net sales** of \$38.7M, up 49% y/o/y
- **Gross profit** up 59% to \$17.1M (44.2% of net sales)
- **Net income** of \$6.1M or \$0.44 per diluted share
- **Order backlog** increased 377% to \$40.3M
- **Cash and investments:** \$58.9M

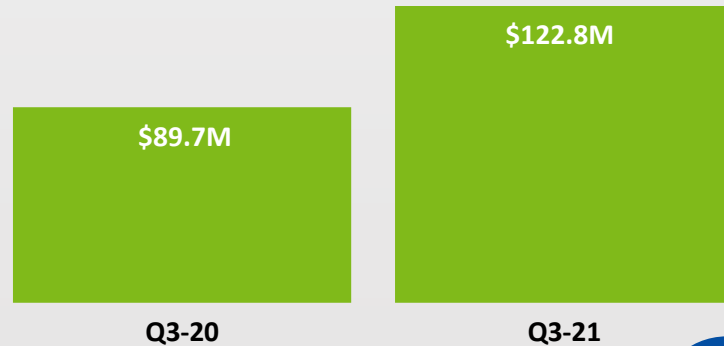
First Nine Months of Fiscal 2021:

- **Net sales** of \$95.5M, up 45% y/o/y
- **Gross profit** of \$41.4M (43.4% of net sales), up 55% y/o/y
- **Net income** of \$12.9M or \$0.94 per diluted share, up 204% from \$4.2M or \$0.31 per diluted share last year

Quarterly Net Sales

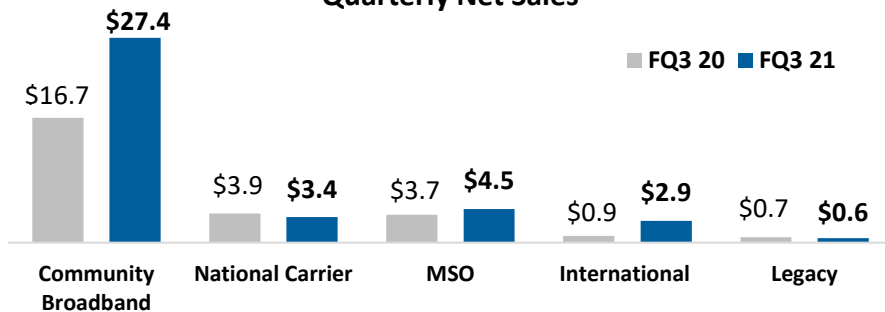


Trailing-Twelve Month (TTM) Net Sales

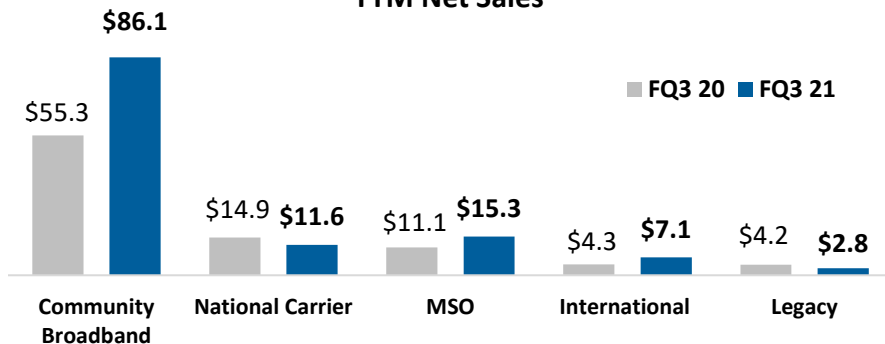


FY 21 Q3 & TTM Net Sales Comparison by Market

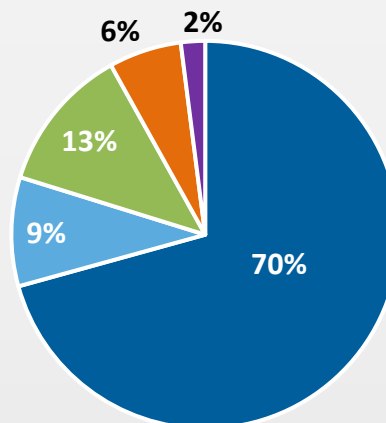
Quarterly Net Sales



TTM Net Sales



TTM Net Sales Composition Ended 6/30/21¹



Community Broadband (Tier 2 & 3, utilities, municipalities, and alternative carriers)

National Carrier (Tier 1 Wireline and all Wireless Markets)

MSO (Cable TV)

International (Canada, Mexico, and Caribbean Markets)

Legacy (Legacy contract manufacturing and misc. sales)

All dollar figures in millions

¹) Based on net sales of \$122.8 million and Point of Sales (POS) reporting from distributors who resell our product line into these markets.



Dan Herzog

CHIEF FINANCIAL OFFICER

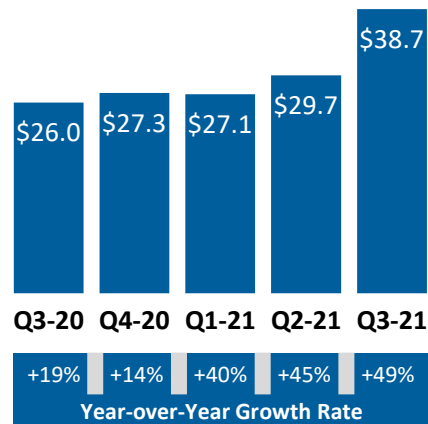
Financial Update





Quarterly Financial Performance

Net Sales

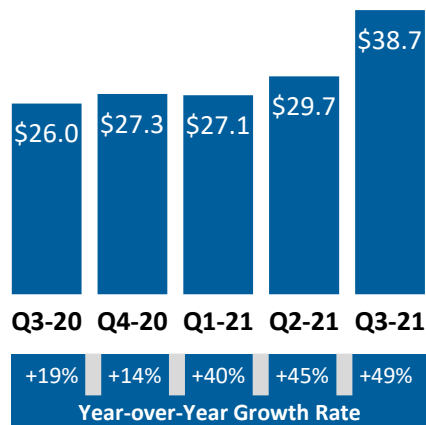


Note: Dollar figures in millions

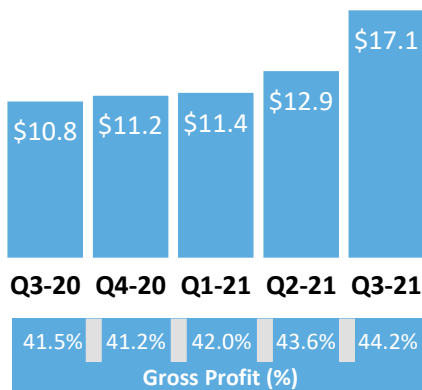


Quarterly Financial Performance

Net Sales



Gross Profit



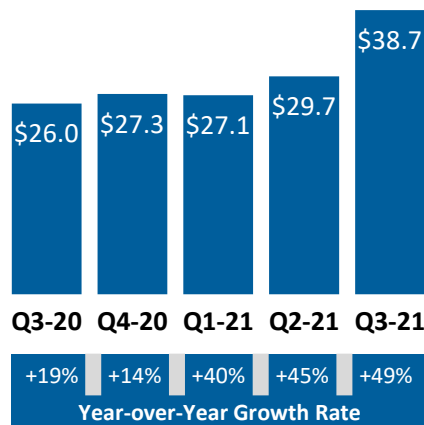
Note: Dollar figures in millions



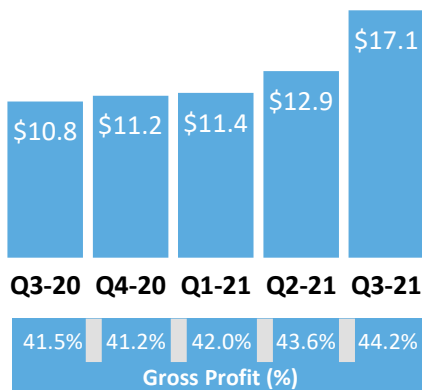


Quarterly Financial Performance

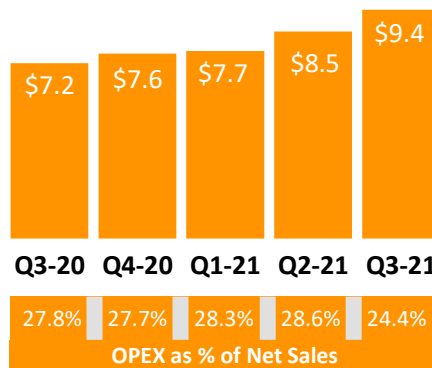
Net Sales



Gross Profit



Operating Expenses

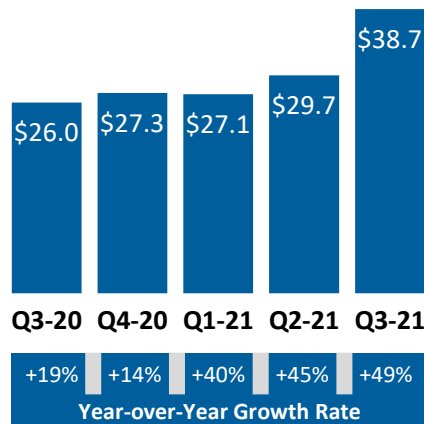


Note: Dollar figures in millions

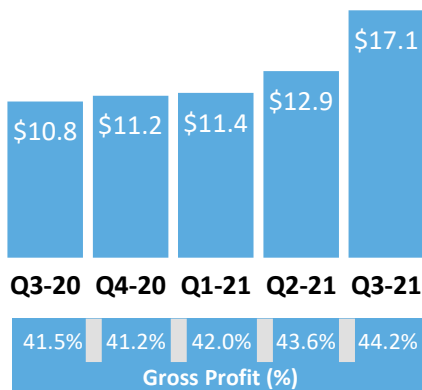


Quarterly Financial Performance

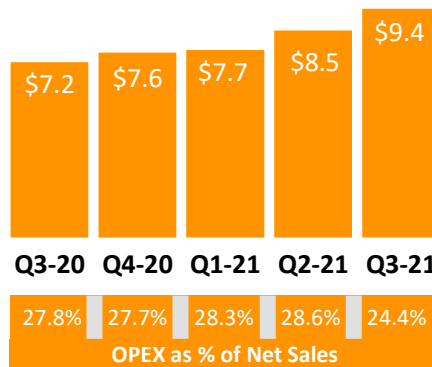
Net Sales



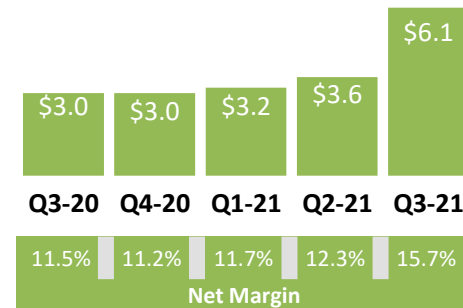
Gross Profit



Operating Expenses



Net Income



Note: Dollar figures in millions



COVID-19 Operational Update

- Critical manufacturer status
- Operating at normal capacity and adhering to state and federal government social distancing guidelines
- Enhanced safety measures for on-site production personnel
- Majority of supply chain remains operational
- Maintaining higher minimum stocking levels on component level inventory to ensure customer needs are met



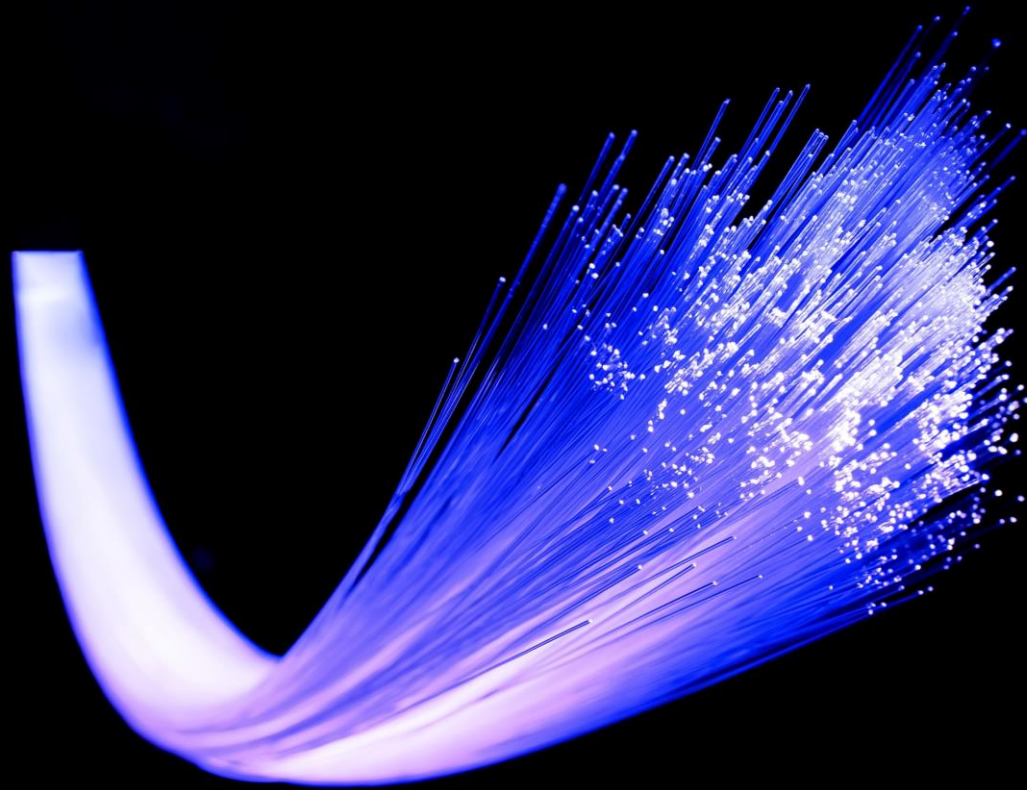


Cheri Beranek
PRESIDENT & CEO



Operational Update





Now
of Age



Clearfield "Now of Age" Plan

Now of Age

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

Now of Age

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

Now of Age

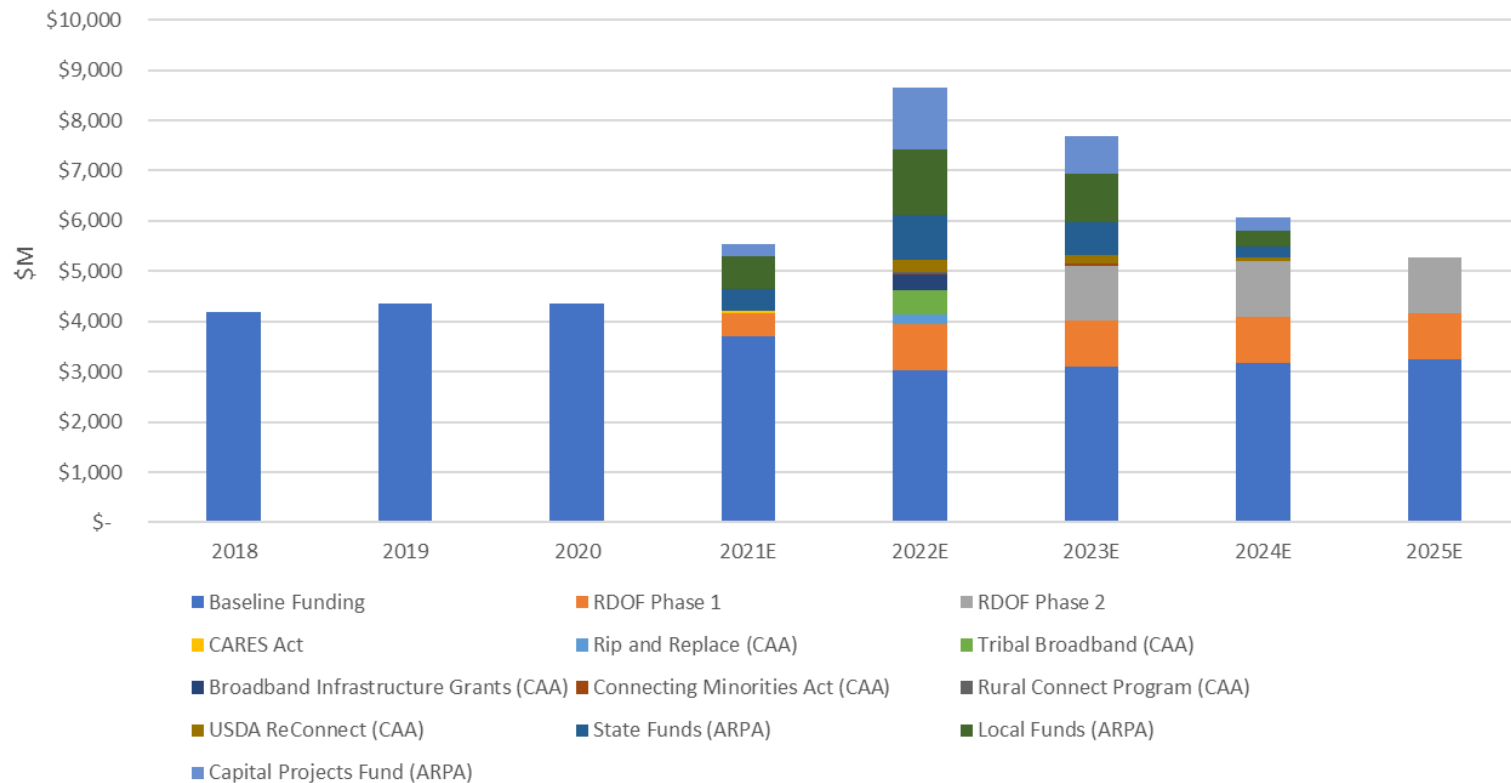
Augmenting Capacity for Ongoing Growth

- 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





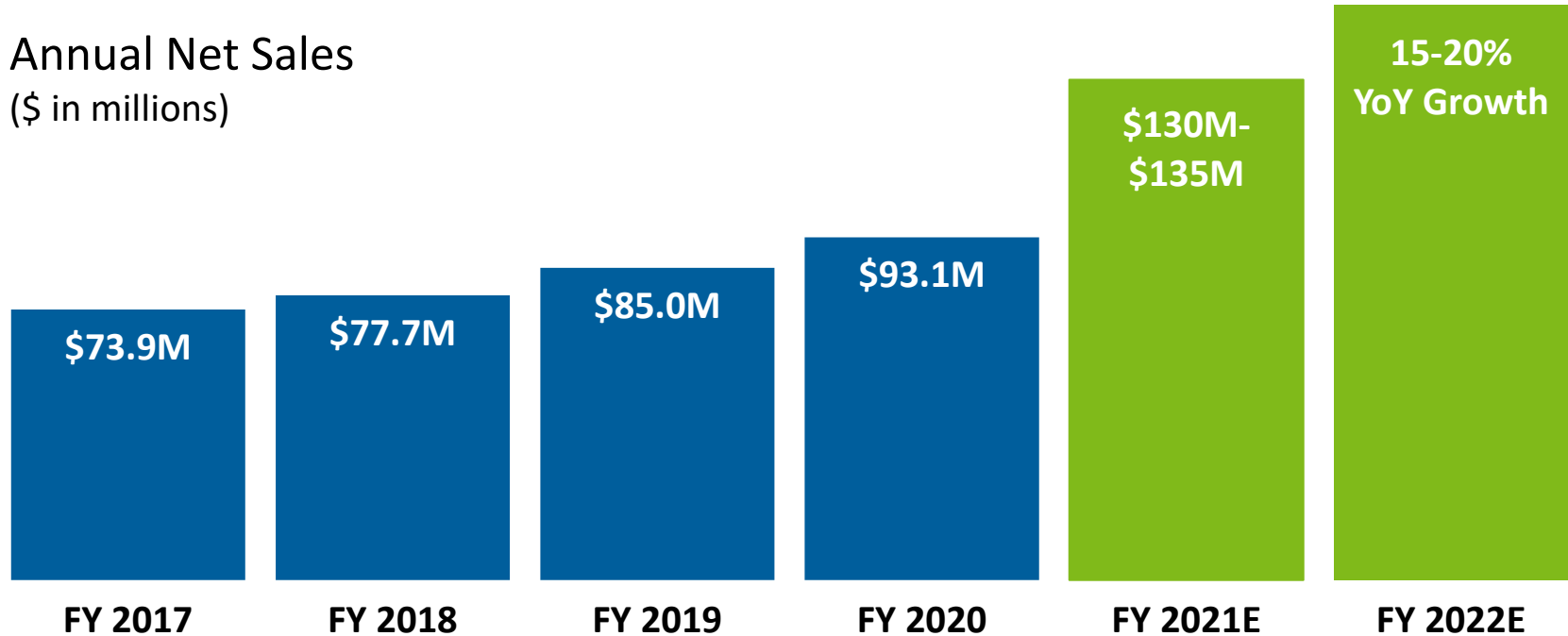
Estimated Broadband Infrastructure Subsidies based on Already Passed Legislation





Financial Outlook

Annual Net Sales
(\$ in millions)



FY 2021 guidance issued and effective as of July. 22, 2021; growth rate is based on midpoint of net sales guidance range



Key Takeaways



Proven business model
and management
execution

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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



Healthy balance sheet:
\$58.9M in cash and
investments



Cheri Beranek
PRESIDENT & CEO



Dan Herzog
CHIEF FINANCIAL
OFFICER

Q&A





Enabling the **Lifestyle** that
Better Broadband Provides





Contact Us

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