

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event Reported): July 25, 2019

CLEARFIELD, INC.

(Exact Name of Registrant as Specified in Charter)

Minnesota
(State or Other Jurisdiction of Incorporation)

0-16106
(Commission File Number)

41-1347235
(I.R.S. Employer Identification Number)

7050 Winnetka Avenue North, Suite 100, Brooklyn Park, Minnesota 55428
(Address of Principal Executive Offices) (Zip Code)

(763) 476-6866
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.01 per share | CLFD | The NASDAQ Stock Market LLC |

Items under Sections 1 and 3 through 8 are not applicable and therefore omitted.

Item 2.02. Results of Operations and Financial Condition.

On July 25, 2019, Clearfield, Inc. (the “Company”) issued a press release announcing the results of its third quarter and nine months ended June 30, 2019. A copy of that press release is furnished hereto as Exhibit 99.1 and is hereby incorporated by reference. Also furnished hereto as Exhibit 99.2 is the slide presentation to be used by Cheryl Beranek, the Company’s President and Chief Executive Officer, and Daniel Herzog, the Company’s Chief Financial Officer, during the live webcast of a telephone conference relating to the third quarter and nine months ended June 30, 2019 results.

Item 9.01. Financial Statements and Exhibits.

(c) The following exhibits are being furnished herewith:

[99.1 Press release dated July 25, 2019](#)

[99.2 Presentation for July 25, 2019 Live Webcast of Telephone Conference](#)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CLEARFIELD, INC.

Date: July 25, 2019

By: /s/ Cheryl Beranek
Cheryl Beranek
Chief Executive Officer

Clearfield Reports Fiscal Third Quarter 2019 Results

National Carrier Revenue up 46% Year-over-Year, Driven by Strong Market Adoption of FieldShield Pushable Fiber and FieldSmart Fiber Management Solutions

MINNEAPOLIS, July 25, 2019 (GLOBE NEWSWIRE) -- **Clearfield, Inc. (NASDAQ: CLFD)**, the specialist in fiber management for communications providers, reported results for the fiscal third quarter ended June 30, 2019.

Fiscal Q3 2019 Financial Summary

(in millions except per share data and percentages)

| | Q3 2019 | vs. Q3 2018 | Change |
|-------------------------------------|---------|-------------|-----------|
| Revenue | \$ 21.9 | \$ 21.5 | \$ 0.4 |
| Gross Profit (\$) | \$ 8.4 | \$ 8.5 | \$ (0.1) |
| Gross Profit (%) | 38.4% | 39.5% | -1.1% |
| Income from Operations | \$ 1.5 | \$ 2.4 | \$ (0.9) |
| Income Tax Expense | \$ 0.5 | \$ 0.8 | \$ (0.3) |
| Net Income | \$ 1.3 | \$ 1.8 | \$ (0.5) |
| Net Income per Diluted Share | \$ 0.10 | \$ 0.13 | \$ (0.03) |

Fiscal Q3 YTD 2019 Financial Summary

(in millions except per share data and percentages)

| | 2019 YTD | vs. 2018 YTD | Change |
|-------------------------------------|----------|--------------|---------|
| Revenue | \$ 61.1 | \$ 55.2 | \$ 5.9 |
| Gross Profit (\$) | \$ 23.4 | \$ 22.4 | \$ 1.0 |
| Gross Profit (%) | 38.3% | 40.6% | -2.3% |
| Income from Operations | \$ 3.0 | \$ 2.5 | \$ 0.5 |
| Income Tax Expense | \$ 0.8 | \$ 0.5 | \$ 0.4 |
| Net Income | \$ 2.7 | \$ 2.4 | \$ 0.3 |
| Net Income per Diluted Share | \$ 0.20 | \$ 0.18 | \$ 0.02 |

Management Commentary

“During the third quarter, we continued to build on our track record of growth and move closer toward achieving our full year guidance for 2019,” said Clearfield CEO, Cheri Beranek. “Revenue was up 2% year-over-year to \$21.9 million, which was driven primarily by the strong performance achieved in our National Carrier business, partially offset by softer demand in other segments of our markets.

“For the nine-month period ended June 30, 2019, revenue of \$61.1 million was 11% higher than the previous nine months in fiscal 2018. Revenue was up in all of our markets compared to the prior year period, with the strongest growth in our International and National Carrier businesses, which both experienced 20%+ growth compared to the prior nine-month period.

“Looking at the third quarter in more detail, gross margin of 38.4% was above what we are forecasting for the full year. During the quarter, we increased our U.S.-based production space to create a dedicated R&D test lab and to enhance our industry-leading on-time deliveries and short lead times. While the challenges of product tariffs remain the same as last quarter, we have a comprehensive supply chain strategy in place for ongoing cost reductions, which includes an expansion of our capacity in our Mexico-based facility. We expect these changes will improve margins, reduce the impact of the tariff requirements and create both operational efficiencies and leverage in the long term.

“In lock-step with these efforts, we are also positioning Clearfield for more robust growth opportunities, particularly related to 5G. Much of today’s work in 5G is addressing the new product requirements for the “meet-me,” or demarcation points of wireless and wireline network convergence as well as market densification of the small cell network. You can look for Clearfield to announce some of these products as they enter the market toward the end of this year.

“With net income of \$1.3 million for the quarter, we built on our strong track record of profitability, generating 5.9% net margin for the quarter, and bringing our nine-month net margin to 4.4%, which is comfortably within our previously announced guidance of 3% to 5% for the year. Overall, we are encouraged by the strong position we have developed in our markets and the progress we have made toward achieving our fiscal 2019 guidance.”

Fiscal Q3 2019 Financial Results

Revenue for the third quarter of fiscal 2019 increased 2% to \$21.9 million from \$21.5 million in the same year-ago quarter. The increase was primarily due to increased sales to National Carrier customers, which increased approximately \$1 million when compared to the third quarter of fiscal 2018.

Gross profit decreased 1% to \$8.4 million, or 38.4% of revenue, from \$8.5 million, or 39.5% of revenue, in the third quarter of fiscal 2018. The decrease in gross profit percent was due to tariff costs and product mix.

Operating expenses were \$6.9 million, an increase of 13% compared to \$6.1 million in the same year-ago quarter. The increase in the third quarter consists primarily of an increase of approximately \$800,000 in compensation costs primarily due to additional sales and engineering personnel as well as external sales commission fees.

Income from operations was \$1.5 million in the third quarter of fiscal 2019, in comparison to \$2.4 million in the same year-ago quarter. Income tax expense decreased from \$766,000 in the third quarter of 2018 to \$454,000 in the third quarter of fiscal 2019. In the third quarter of fiscal 2019, net income was \$1.3 million, or \$0.10 per diluted share, in comparison to \$1.8 million, or \$0.13 per diluted share, in the same year-ago quarter.

At June 30, 2019, cash, cash equivalents and investments totaled \$43.2 million, which compares to \$35.5 million at September 30, 2018. The Company had no debt at quarter end.

Order backlog (defined as purchase orders received but not yet fulfilled) at June 30, 2019 decreased 2% to \$5.6 million from \$5.7 million at March 31, 2019, and no change from the same year-ago quarter.

Fiscal Nine Month 2019 Financial Results

Revenue increased 11% to \$61.1 million for the nine months ended June 30, 2019 from \$55.2 million during the same period in fiscal 2018.

Gross profit was \$23.4 million, or 38.3% of revenue, for the nine months ended June 30, 2019, an increase of 4% from \$22.4 million, or 40.6% of revenue, during the same period in fiscal 2018.

Operating expenses increased 3% to \$20.4 million for the nine months ended June 30, 2019 from \$19.9 million during the same period in fiscal 2018.

Income from operations totaled \$3.0 million for the nine months ended June 30, 2019 compared to \$2.5 million during the same period in fiscal 2018.

Income tax expense was \$849,000 for the nine months ended June 30, 2019 as compared to \$462,000 during the same period in fiscal 2018. Net income totaled \$2.7 million, or \$0.20 per diluted share, for the nine months ended June 30, 2019, an increase from \$2.4 million, or \$0.18 per diluted share, during the same period in fiscal 2018.

Fiscal 2019 Financial Outlook

Clearfield reiterates its guidance for fiscal 2019 revenue of between \$83 million and \$87 million. The Company expects gross profit as a percentage of total revenue to be near the top end of its previously forecasted range of 37% and 38%. As the Company discovers more opportunities, it expects to invest in additional personnel, product development and product testing to capitalize on them. As a result, the Company expects its operating expenses to be near the top end of its previously forecasted range of 31% and 33% of total revenue. The Company also reiterates its guidance for net income as a percentage of revenue to be between 3% and 5%.

Conference Call

Clearfield management will hold a conference call today, July 25, 2019 at 5:00 p.m. Eastern Daylight Time (4:00 p.m. Central Daylight Time) to discuss these results and provide an update on business conditions.

Clearfield's President and CEO Cheri Beranek and CFO Dan Herzog will host the presentation, followed by a question and answer period.

Date: Thursday, July 25, 2019

Time: 5:00 p.m. Eastern Daylight Time (4:00 p.m. Central Daylight Time)

U.S. dial-in: 1-877-407-0792

International dial-in: 1-201-689-8263

The conference call will be webcast live and available for replay here.

Please call the conference telephone number 10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Gateway Investor Relations at 1-949-574-3860.

A replay of the call will be available after 8:00 p.m. Eastern Daylight Time on the same day through August 8, 2019.

U.S. replay dial-in: 1-844-512-2921

International replay dial-in: 1-412-317-6671

Replay ID: 13692492

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, data center and military markets. 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 FieldReport 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, integration of the acquired active cabinet line, trends in and growth of the FTTx markets, market segments or customer purchases, effectiveness of the Company’s sales and marketing strategies and organization, utilization of manufacturing capacity, and the development and marketing of products. 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: 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; to compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance; we must successfully integrate the acquired active cabinet line in order to obtain the anticipated financial results and customer synergies within the timeframes expected; 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 success depends upon adequate protection of our patent and intellectual property rights; intense competition in our industry may result in price reductions, lower gross profits and loss of market share; we rely on single-source suppliers, which could cause delays, increases in costs or prevent us from completing customer orders, all of which could materially harm our business; 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 or significant decline in business with these major customers would adversely affect us; our planned implementation of information technology systems could result in significant disruptions to our operations; 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 upon key personnel; we face risks associated with expanding our sales outside of the United States; our results of operations could be adversely affected by economic conditions and the effects of these conditions on our customers’ businesses; 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, 2018 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:

Matt Glover and Najim Mostamand, CFA

Gateway Investor Relations

949-574-3860

CLFD@gatewayir.com

CLEARFIELD, INC.

CONDENSED STATEMENTS OF OPERATIONS

UNAUDITED

| | Three Months Ended | | Nine Months Ended | |
|-------------------------------------|--------------------|---------------|-------------------|---------------|
| | June 30 | | June 30 | |
| | 2019 | 2018 | 2019 | 2018 |
| Revenues | \$ 21,892,244 | \$ 21,480,590 | \$ 61,065,759 | \$ 55,178,369 |
| Cost of sales | 13,479,617 | 12,988,545 | 37,681,191 | 32,798,083 |
| Gross profit | 8,412,627 | 8,492,045 | 23,384,568 | 22,380,286 |
| Operating expenses | | | | |
| Selling, general and administrative | 6,870,944 | 6,087,362 | 20,374,613 | 19,856,922 |
| Income from operations | 1,541,633 | 2,404,683 | 3,009,955 | 2,523,364 |
| Interest income | 212,894 | 116,549 | 517,474 | 331,650 |
| Income before income taxes | 1,754,527 | 2,521,232 | 3,527,429 | 2,855,014 |
| Income tax expense | 454,000 | 766,000 | 849,000 | 462,000 |
| Net income | \$ 1,300,527 | \$ 1,755,232 | \$ 2,678,429 | \$ 2,393,014 |
| Net income per share: | | | | |
| Basic | \$ 0.10 | \$ 0.13 | \$ 0.20 | \$ 0.18 |
| Diluted | \$ 0.10 | \$ 0.13 | \$ 0.20 | \$ 0.18 |

Weighted average shares outstanding:

| | | | | |
|---------|------------|------------|------------|------------|
| Basic | 13,446,289 | 13,430,503 | 13,422,885 | 13,441,619 |
| Diluted | 13,451,671 | 13,430,503 | 13,434,009 | 13,473,123 |

CLEARFIELD, INC.
CONDENSED BALANCED SHEETS

| | (Unaudited) June 30, 2019 | (Audited) September 30, 2018 |
|--|------------------------------|------------------------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 6,030,842 | \$ 8,547,777 |
| Short-term investments | 14,638,219 | 8,930,225 |
| Accounts receivable, net | 9,302,944 | 12,821,258 |
| Inventories, net | 9,424,262 | 10,050,135 |
| Other current assets | 883,613 | 742,136 |
| Total current assets | 40,279,880 | 41,091,531 |
| Property, plant and equipment, net | 4,470,145 | 4,744,584 |
| Other Assets | | |
| Long-term investments | 22,519,000 | 17,974,000 |
| Goodwill | 4,708,511 | 4,708,511 |
| Intangible assets, net | 5,242,689 | 5,482,555 |
| Other | 202,856 | 227,461 |
| Total other assets | 32,673,056 | 28,392,527 |
| Total Assets | \$ 77,423,081 | \$ 74,228,642 |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 1,566,900 | \$ 2,363,380 |
| Accrued compensation | 2,247,934 | 2,048,904 |
| Accrued expenses | 280,484 | 568,507 |
| Total current liabilities | 4,095,318 | 4,980,791 |
| Other Liabilities | | |
| Deferred taxes – long-term | 104,935 | 104,935 |
| Deferred rent | 251,759 | 268,040 |
| Total other liabilities | 356,694 | 372,975 |
| Total Liabilities | 4,452,012 | 5,353,766 |
| Commitment and contingencies | | |
| Shareholders' Equity | | |
| Common stock | 136,519 | 136,466 |
| Additional paid-in capital | 56,901,470 | 55,483,759 |
| Retained earnings | 15,933,080 | 13,254,651 |
| Total Shareholders' Equity | 72,971,069 | 68,874,876 |
| Total Liabilities and Shareholders' Equity | \$ 77,423,081 | \$ 74,228,642 |

CLEARFIELD, INC.
CONDENSED STATEMENT OF CASH FLOWS
UNAUDITED

| | Nine Months Ended June 30, 2019 | Nine Months Ended June 30, 2018 |
|---|---------------------------------------|---------------------------------------|
| Cash flows from operating activities: | | |
| Net income | \$ 2,678,429 | \$ 2,393,014 |
| Adjustments to reconcile net income to cash provided by operating activities: | | |
| Depreciation and amortization | 1,613,394 | 1,546,661 |
| Change in allowance for doubtful accounts | 210,000 | - |
| Amortization of discount on investments | (43,601) | - |
| Deferred income taxes | - | (384,000) |
| Loss on disposal of assets | - | (20,358) |
| Stock-based compensation expense | 1,535,628 | 1,488,304 |
| Changes in operating assets and liabilities, net of business acquisition: | | |
| Accounts receivable | 3,308,314 | (2,413,875) |
| Inventories, net | 625,873 | 1,546,081 |
| Other current assets | (116,872) | 289,305 |
| Accounts payable, accrued expenses and deferred rent | (901,754) | (146,317) |
| Net cash provided by operating activities | <u>8,909,411</u> | <u>4,298,815</u> |
| Cash flows from investing activities: | | |
| Purchases of property, plant and equipment and intangible assets | | |
| | (1,099,089) | (920,356) |
| Purchase of investments | (17,444,393) | (5,403,075) |
| Proceeds from Sale of property, plant, and equipment | - | 83,052 |
| Business acquisition | - | (10,350,000) |
| Proceeds from maturity of investments | 7,235,000 | 4,444,000 |
| Net cash used in investing activities | <u>(11,308,482)</u> | <u>(12,146,379)</u> |
| Cash flows from financing activities: | | |
| Repurchases of common stock | | |
| | - | (1,371,414) |
| Proceeds from issuance of common stock under employee stock purchase plan | | |
| | 313,891 | 297,860 |
| Proceeds from issuance of common stock | | |
| | 24 | 21,174 |
| Tax withholding related to vesting of restricted stock grants | | |
| | (431,779) | (348,527) |
| Net cash used in financing activities | <u>(117,864)</u> | <u>(1,400,907)</u> |
| Decrease in cash and cash equivalents | (2,516,935) | (9,248,471) |
| Cash and cash equivalents at beginning of period | 8,547,777 | 18,536,111 |
| Cash and cash equivalents at end of period | <u>\$ 6,030,842</u> | <u>\$ 9,287,640</u> |
| Supplemental cash flow information | | |
| Cash paid during the year for income taxes | | |
| | <u>\$ 1,081,068</u> | <u>\$ 48,987</u> |
| Non-cash financing activities | | |
| Cashless exercise of stock options | | |
| | <u>\$ 17,390</u> | <u>\$ 5,782</u> |



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



CLEARFIELD

Fiscal Q3 2019 Earnings Call FieldReport

Important Cautions Regarding Forward-Looking Statements

- *Forward-looking statements contained herein and in any related presentation or in the related FieldReport 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, integration of the acquired active cabinet line, trends in and growth of the FTTx markets, market segments or customer purchases, effectiveness of the Company's sales and marketing strategies and organization, utilization of manufacturing capacity, and the development and marketing of products. 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: 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; to compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance; we must successfully integrate the acquired active cabinet line in order to obtain the anticipated financial results and customer synergies within the timeframes expected; 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 success depends upon adequate protection of our patent and intellectual property rights; intense competition in our industry may result in price reductions, lower gross profits and loss of market share; we rely on single-source suppliers, which could cause delays, increases in costs or prevent us from completing customer orders, all of which could materially harm our business; 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 or significant decline in business with these major customers would adversely affect us; our planned implementation of information technology systems could result in significant disruptions to our operations; 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 upon key personnel; we face risks associated with expanding our sales outside of the United States; our results of operations could be adversely affected by economic conditions and the effects of these conditions on our customers' businesses; 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, 2018 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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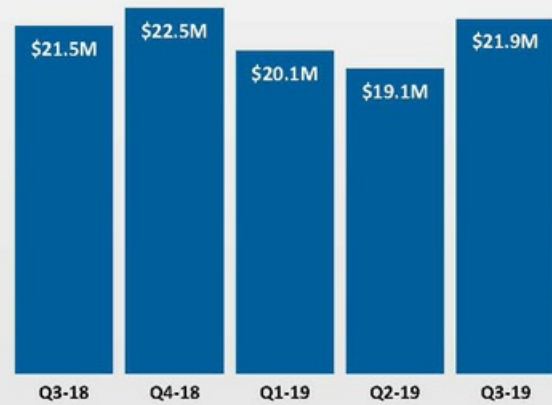
Cheri Beranek
PRESIDENT & CEO



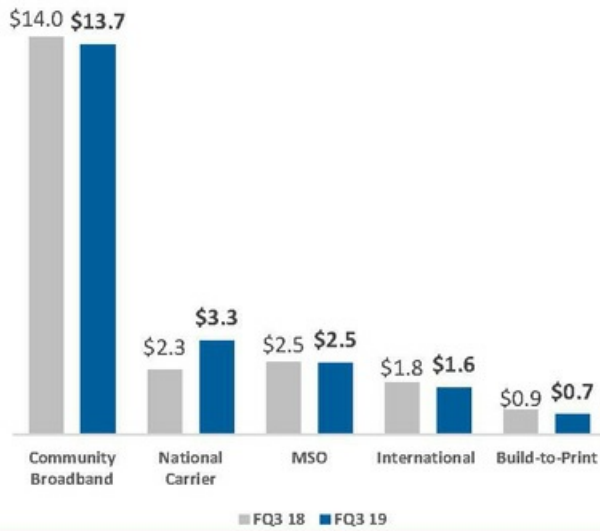
FQ3 2019 Review

- **Revenue** of \$21.9 million, up 2% year-over-year
- **Experienced significant growth in National Carrier market**, driven by strong market adoption of FieldShield and active cabinet solutions
- **Revenue was up in all key markets for the nine-month period**, including 20%+ growth for International and National Carrier businesses
- **On track** to achieve fiscal 2019 guidance

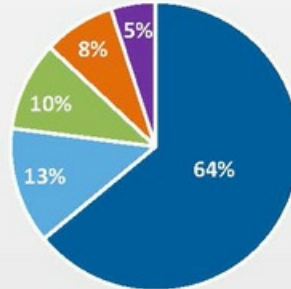
Quarterly Revenue



Q3 Year-over-Year Revenue by Market



Trailing Twelve Month Revenue Composition¹



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

Wireline/Wireless National Telco Carrier (Tier 1)

MSO (Cable TV)

International (Canada and CALA)

Build-to-Print (Legacy contract manufacturing and misc. sales)

¹) Based on trailing twelve month revenue of \$83.5 million and Point of Sales (POS) reporting from distributors who resell our product line into these markets.





Dan Herzog
CHIEF FINANCIAL OFFICER

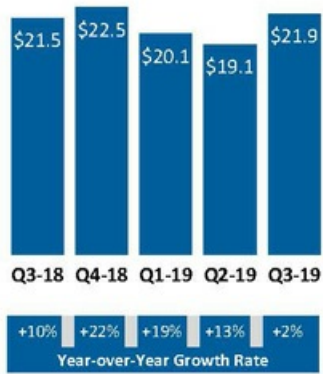


Financial Update



Quarterly Financial Performance

Revenue

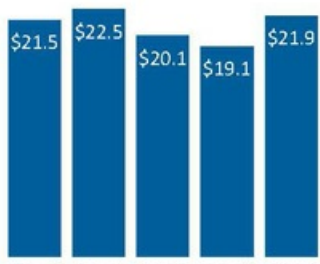


Note: Dollar figures in millions



Quarterly Financial Performance

Revenue

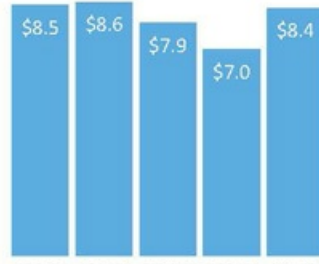


Q3-18 Q4-18 Q1-19 Q2-19 Q3-19



Year-over-Year Growth Rate

Gross Profit



Q3-18 Q4-18 Q1-19 Q2-19 Q3-19



Gross Profit (%)

Note: Dollar figures in millions



Quarterly Financial Performance



Note: Dollar figures in millions



Quarterly Financial Performance

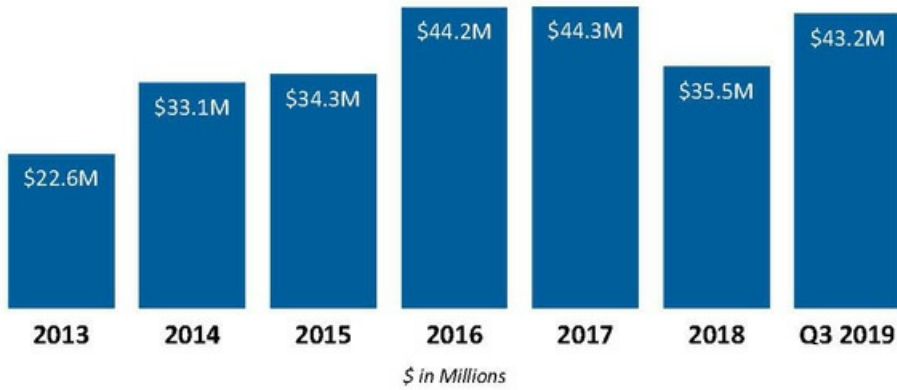


Note: Dollar figures in millions



Strong Balance Sheet Supports Profitable Growth

Cash and Investment Balances



- **\$43.2 million** in cash and cash investment balances
- **Zero Debt**



Clearfield's 'Coming of Age' Plan



Expanding Core Community Broadband Business

Attracting utilities, co-ops and CLECs as they enter underserved communities, and maintaining steady growth rate of 8-12%



Enhancing Competitive Position and Operational Effectiveness

Investing in products, manufacturing and supply chain to increase competitiveness and maintain and reduce costs



Capitalizing on Disruptive Growth Opportunities Within Tier 1 Markets

Leveraging customer relationships and application knowledge to capture opportunities related to 5G, NG-PON, and open computing initiatives



Fiscal 2019 Outlook & Guidance

\$83M - \$87M
REVENUE

37% - 38%
GROSS MARGINS

31% - 33%
OPERATING EXPENSES
as % of revenue

3% - 5%
NET INCOME
as a % of revenue

Revenue Growth Outlook
(\$ in Millions)





Cheri Beranek
PRESIDENT & CEO



Dan Herzog
CHIEF FINANCIAL
OFFICER



Q&A

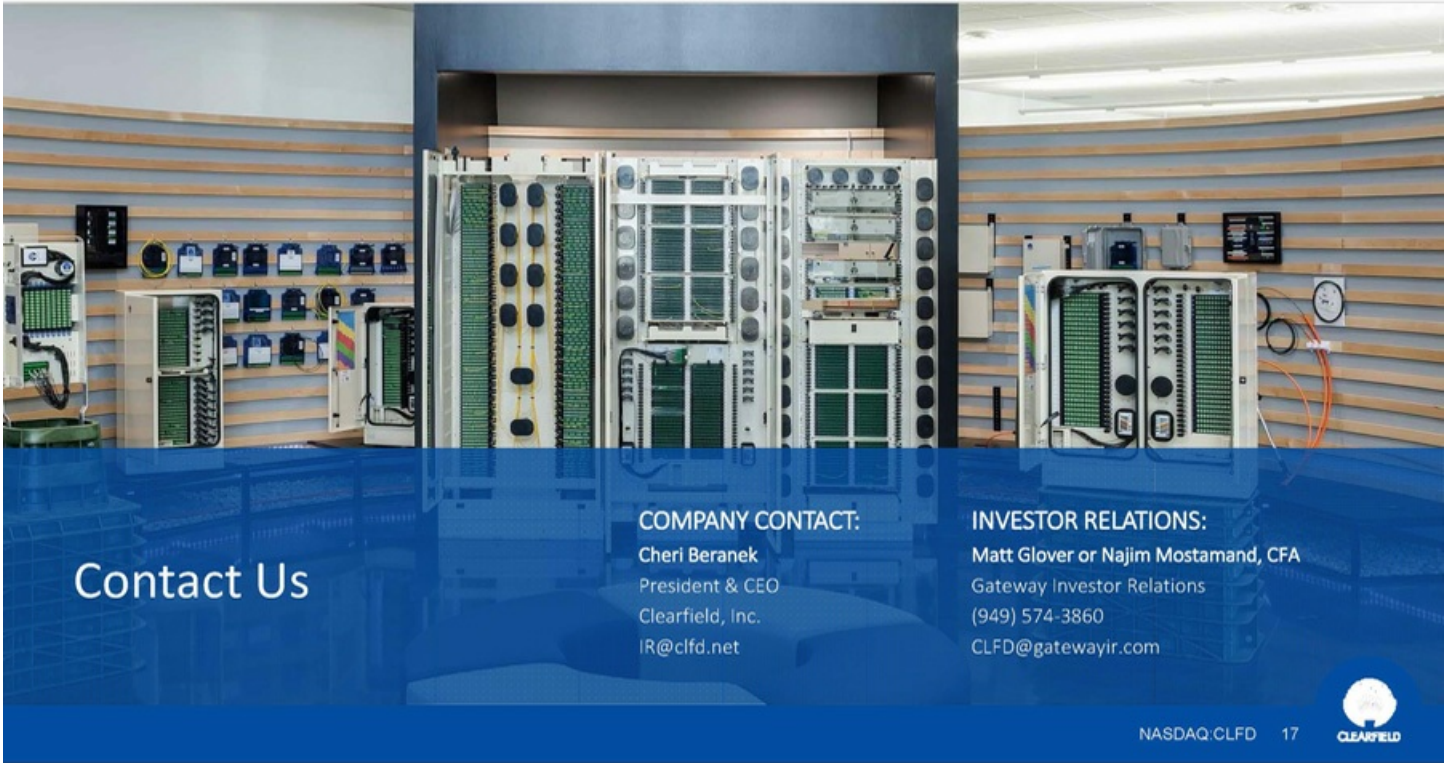






Cheri Beranek
PRESIDENT & CEO





Contact Us

COMPANY CONTACT:

Cheri Beranek
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Clearfield, Inc.
IR@clfd.net

INVESTOR RELATIONS:

Matt Glover or Najim Mostamand, CFA
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