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	**0-16106**	**41-1347235**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(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

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 29, 2019

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

EXHIBIT 99.1

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 IA. 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 June 30		Nine Months Ended 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	8,909,411	4,298,815
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	(11,308,482)	(12,146,379)
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	(117,864)	(1,400,907)
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	$ 6,030,842	$ 9,287,640
Supplemental cash flow information		
Cash paid during the year for income taxes	$ 1,081,068	$ 48,987
Non-cash financing activities		
Cashless exercise of stock options	$ 17,390	$ 5,782

Exhibit 99.2

Good afternoon. Welcome to Clearfield's fiscal third quarter 2019 earnings conference call. My name is Ben, and I will be your operator this afternoon.

Joining us for today's presentation are the Company's President and CEO, Cheri Beranek and CFO, Dan Herzog. Following their commentary, we will open the call for questions.

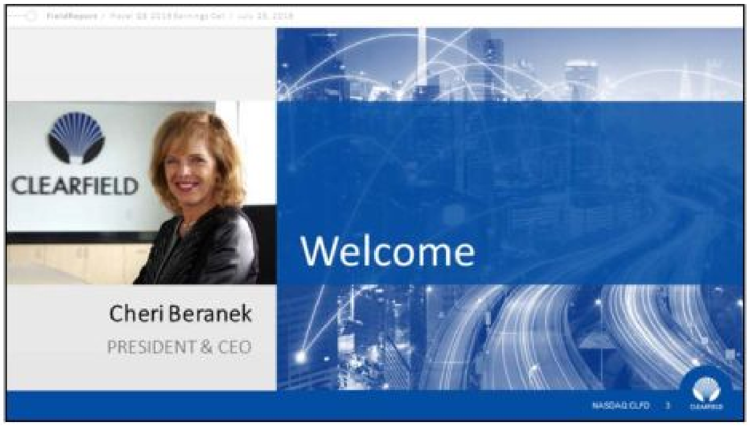
I would now like to remind everyone that this call will be recorded and made available for replay via a link in the investor relations section of the Company's website. This call is also being webcasted and accompanied by a PowerPoint presentation called the FieldReport, which is also available in the investor relations section of the Company's website.

Please note that during the course of this call, management will be making forward-looking statements regarding future events and the future financial performance of the Company. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements.

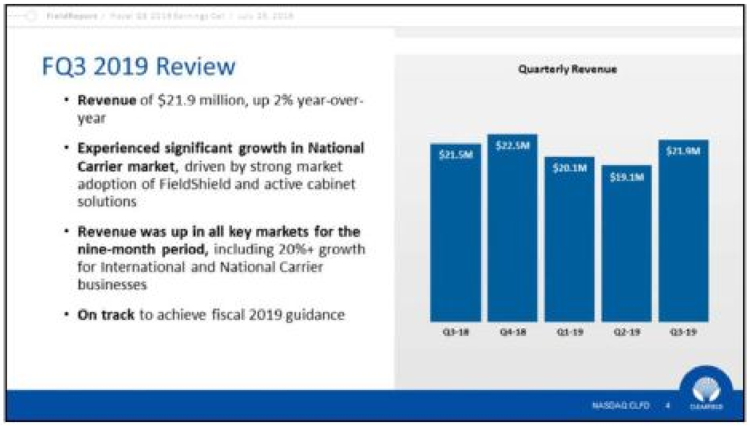
It's important to note also that the Company undertakes no obligation to update such statements except as required by law. The Company cautions you to consider risk factors that could cause actual results to differ materially from those in the forward-looking statements contained in today's press release, FieldReport, and in this conference call. The risk factors section in Clearfield's most recent Form 10-K filing with the Securities and Exchange Commission provides descriptions of those risks. As a reminder, the slides in this presentation are not controlled by the speaker but rather by you, the listener. Please advance forward through the presentation as the speaker presents their remarks.

With that, I would like to turn the call over to Clearfield's CEO, Cheri Beranek.

Please proceed.



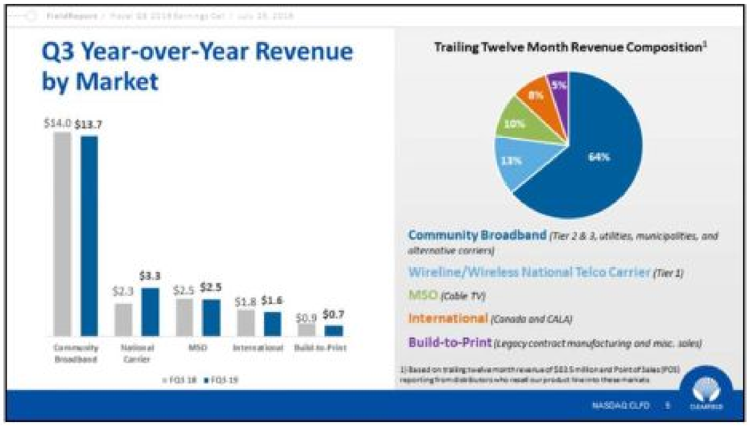
Good afternoon, and thank you everyone for joining us today.



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. 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 first nine months of 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. We're encouraged by the overall nine-month result and the backlog we have built, enabling us to reiterate our previously announced revenue guidance of $83 million to $87 million for fiscal 2019.

Before I dive deeper into our results and progress against our 'Coming of Age' plan, I'd like to spend a moment going over our recent operational and market progress.



I'll start, as always, with our core Community Broadband market, which had a roughly flat quarter with $13.7 million in revenue. The softness in this market is due in part to the transition in the federal funding programs from the last six years under the Connect America Fund, which is ending in 2019, to the Rural Digital Opportunity Fund, which begins a 10-year program in 2020. The roughly $2 billion annual spend under the Rural Digital Opportunity Fund increases the minimum speed threshold. While it maintains its technology-neutral position, it is positive to ongoing fiber growth because of the speed requirements. We believe we will continue to gain market share and to be a supplier of choice for the communications providers who have consistently relied on our solutions over the past decade.

Our National Carrier business recorded one of its strongest quarters to date, up 46% to $3.3 million of revenue. This significant growth was driven by the continued strong adoption of our FieldShield products at one carrier, and increasing sales of FieldSmart fiber distribution cabinets at another. This achievement not only demonstrates our solutions' continued competency in the field, but also the growing trust and comfort these larger carriers are developing with Clearfield to support and scale their networks. While we are only just scratching the surface in this market, our progress to date has been a promising reminder and preview of the level of potential growth we believe we can achieve through the National Carriers.

Looking at some of our other markets, our MSO business was consistent with last year at $2.5 million of revenue, while up 4% for the nine-month period ended June 30, 2019. Our international business declined slightly year-over-year to $1.6 million of revenue during the quarter, but is up 31% for the nine-month period, demonstrating once again the benefits of looking at our business through the lens of a longer time horizon. As it relates to our legacy Build-to-Print business, we have historically achieved a $4 million annual run-rate for this business, making this quarter an anomaly for us. Although this business has limited growth opportunities, we expect to continue achieving this annual run-rate despite this quarter's shortfall.

With that, I'll now turn the presentation over to our CFO, Dan Herzog, who will walk us through our financial performance for the third quarter of fiscal 2019.

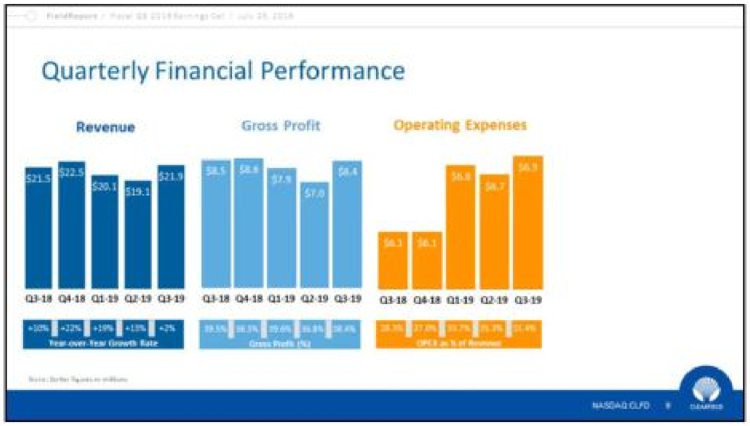
Thank you, Cheri.

Now, looking at our financial results in more detail…

Our revenue in the third quarter of fiscal 2019 increased 2% to $21.9 million from $21.5 million in the same year-ago period. The increase for the quarter was largely driven by increased sales to our National Carrier customers, which was up 46%, or approximately $1 million, compared to fiscal Q3 2018.

Gross profit for the third quarter of fiscal 2019 totaled $8.4 million, or 38.4% of total revenue, compared to $8.5 million, or 39.5% of total revenue, in the third quarter of fiscal 2018. Gross profit percentage for the third quarter of fiscal 2019 was down year-over-year in part due to tariff costs which we are currently experiencing, but is up 160 basis points from the prior quarter due to product mix.

Even with the tariffs, however, we remain confident in achieving our gross margin forecast of 37% to 38% for fiscal 2019, due to our continued efforts to enhance our supply chain and cost structure.



Our operating expenses for fiscal Q3 were $6.9 million, which were up from $6.1 million in the same year-ago quarter while consistent with the last two quarters. The increase was due to an increase in compensation expense as a result of additions in headcount to support the Company's growth, as well as an increase in external sales commission and fees generated by manufacturing sales reps and agents.

Income from operations totaled $1.5 million in the third quarter of fiscal 2019 from $2.4 million in the same year-ago quarter. Income tax expense was $454,000 compared to $766,000 in the third quarter of fiscal 2018. The resulting net income was $1.3 million, or $0.10 per diluted share for the third quarter of fiscal 2019.

Turning now to our balance sheet…

During the third quarter, our cash, cash equivalents and investments decreased slightly to $43.2 million from $43.5 million in the prior quarter ended March 31, 2019 mainly as a result of changes in working capital in the quarter.

We continue to evaluate ways to deploy our capital to generate the highest returns for our shareholders.

Now with that, I would like to turn the call back over to Cheri.

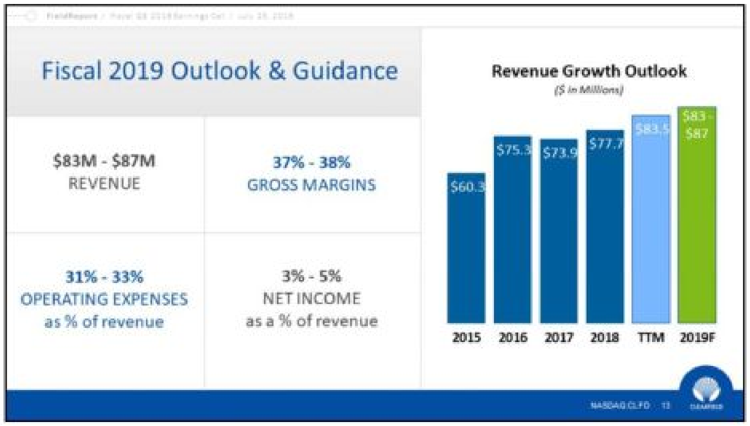
Cheri?

Thanks, Dan. I'll now spend a moment going over our progress with respect to our 'Coming of Age' plan.

As I mentioned earlier, we continue to take market share in our core Community Broadband business. We are in active dialogue with our customers on how to support their fiber management and connectivity needs of tomorrow. This includes developing new products that empower them and their networks for future growth. As an example of this, we recently expanded our FieldShield portfolio with the launch of our D-ROP pre-connectorized assembly, which is ideal for deployments in the rapidly growing MDU and MTU markets. The FieldShield D-ROP is a one-pass solution to deliver and protect drop fiber, offering significant time and cost savings.

We are enhancing our competitive position through our manufacturing capabilities. During the quarter, we increased our 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 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.

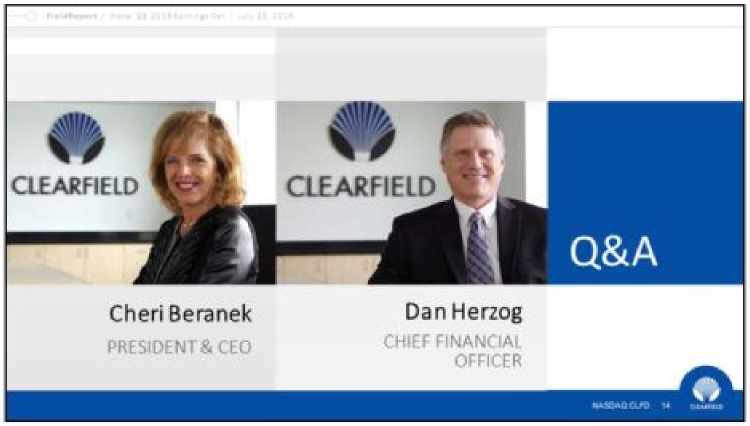


In closing, with the strong performance that we have generated for the first nine months of 2019, we are reiterating our guidance for fiscal 2019 revenue of between $83 million and $87 million. We expect gross profit as a percentage of total revenue to be near the top end of our forecasted range of 37% to 38%. As we discover more opportunities, we are investing in additional personnel, development and product testing to achieve them. As a result, we expect our operating expenses to be near the top end of our forecasted range of 31% to 33% of total revenue. We are reiterating our guidance for net income as a percentage of revenue to be between 3% and 5%.

Overall, I'm encouraged by the strong position we have developed in our markets as well as the progress we have made toward achieving the financial targets we set out for ourselves when we began the year.

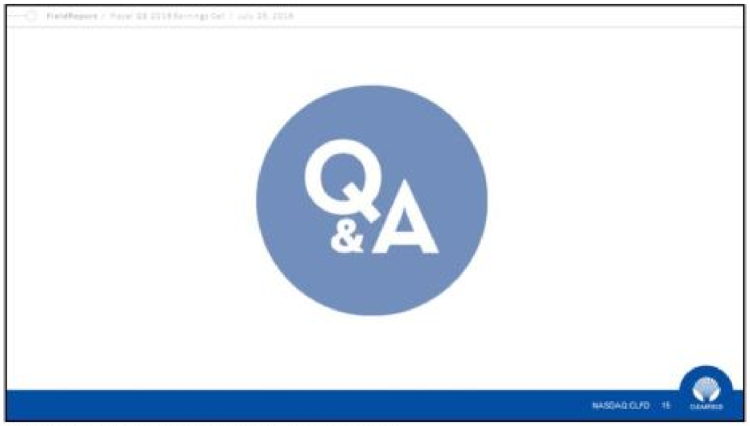
And with that, we're ready to open the call for your questions.

Operator?



Thank you.

We will now be taking questions from the company's publishing sell-side analysts.



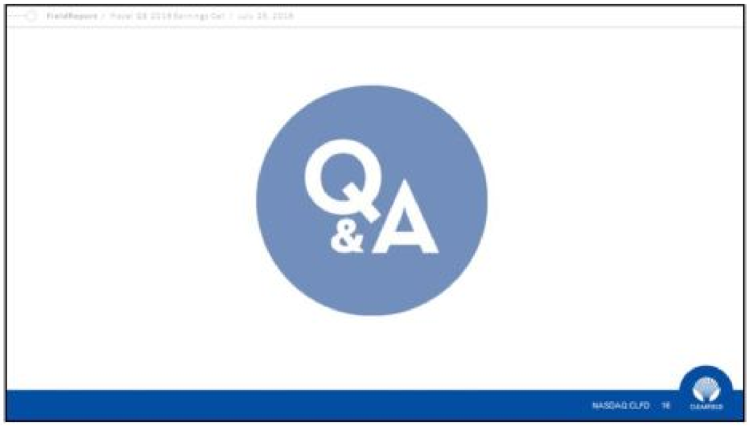
Our first question is from Jaeson Schmidt of Lake Street. Please go ahead sir…

Jaeson Schmidt
Lake Street Capital Markets, LLC, Research Division
Hey guys. Thanks for taking my questions. I just want to start – I know you guys are reiterating your guidance, but just curious if you could talk about – if the current macro backdrop has impacted the spending environment and your overall visibility over the past 3 months here.

Cheri Beranek
Chief Executive Officer, President & Director
Jaeson, can you give me a little insight as to what you're referring to in regard to the macro backdrop?

Jaeson Schmidt
Lake Street Capital Markets, LLC Research Division
Just with kind of trade tensions, etcetera, curious if that has impacted your visibility or how far your visibility extends.

Cheri Beranek
Chief Executive Officer, President & Director
We've always been pretty cautious in regard to being too far out in regard to forecasting and where we think this more than – the following year might look. We haven't provided any type of insight in regard to what fiscal year '20 might look for us as an organization, but we are anticipating that 5G and some of the 5G opportunities will start to play out kind of near the end of this calendar year and then into next year for our fiscal year '20 program. The – and from a macro standpoint associated with costing and some of the tensions, we've worked to mitigate those issues for our customers. And that with rare exception, we are not increasing prices to any of our customers in that our market really is not one that is willing to bear any kind of cost increases. That's why we're working hard on operational efficiency, manufacturing expansion, utilization of our Mexican labor cost structure for high labor count product lines and maintaining our Brooklyn Park, Minnesota-based manufacturing for the higher complexity product lines and the higher mix, lower volume product requirements.

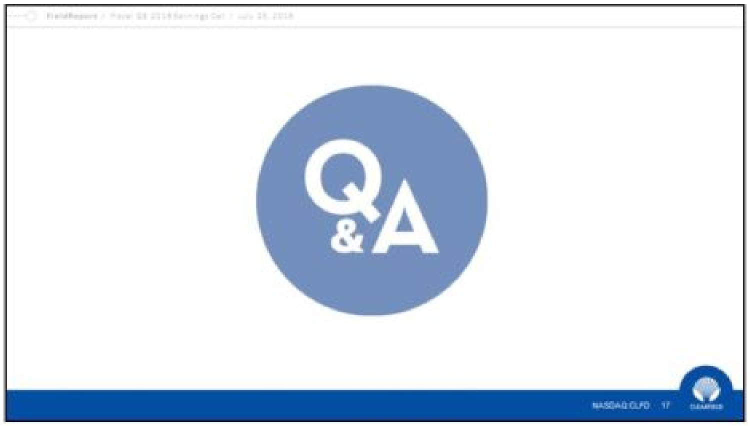


Jaeson Schmidt
Lake Street Capital Markets, LLC Research Division
Okay. That's very helpful. And I think last quarter you indicated that the tariff impact was about 1.7%. Is that still consistent in this past quarter as well?

Cheri Beranek
Chief Executive Officer, President & Director
The costs are about the same. They're a little over $300,000. So that – I think the actual percentage is like closer to 1.3% or 1.4%. So it's an ongoing struggle for us but also a standpoint of just maintaining – we're starting to be able to, I guess, bake it into our run rate a little bit. That said, we're going to work hard for fiscal year '20 to have a lot of that behind us by diverting some of the programs and some of the materials that we were doing in some of the Chinese markets to alternative markets and expanding the use of our Mexican facility to offset it.

Jaeson Schmidt
Lake Street Capital Markets, LLC Research Division
Okay, thanks a lot.

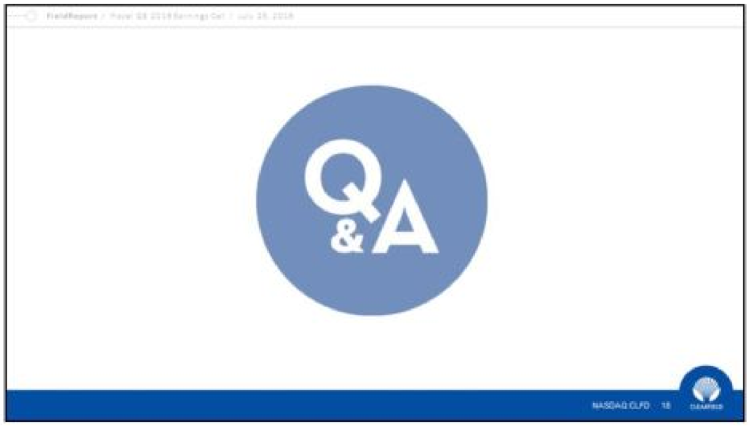
Cheri Beranek
Chief Executive Officer, President & Director
I appreciate it Jaeson.



Operator
The next question comes from Tim Savageaux of Northland Capital Markets.

Tim Savageaux
Northland Capital Markets, Research Division
Hi, good afternoon and congrats on the good results. I have a couple of questions. And I guess, first, I want to focus on the Tier 1 strength in the quarter and the growth. I think you mentioned a couple of different customers and applications, but it's getting sort of increasingly material as a percent of your total revenue. And I'd love it if you can give us some sense of how that Tier 1 business is distributed across this major carrier universe. You've mentioned the FieldShield and the FieldSmart application. Should we think of those being kind of equally distributed among a couple or 3 big carriers? And then to follow up on that, you've mentioned scratching the surface in terms of the opportunity. I'd like to get a better sense, if possible, of what the surface is, which is to say, what – at least how do you look at the – to the extent you're able to continue to gain traction here, the potential magnitude of the Tier 1 opportunity you're facing and just separate from 5G in a moment, which is going to be my next question.

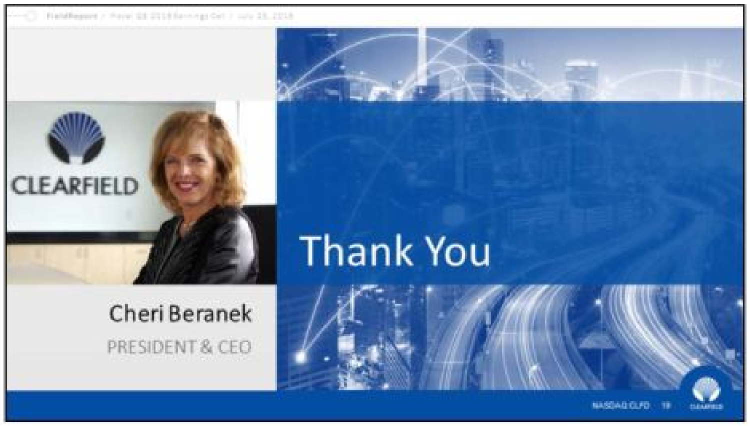
Cheri Beranek
Chief Executive Officer, President & Director
Okay. Tim, the product line, I called out the fact that we use both FieldShield and FieldSmart in predominantly 2 different carriers, but we do have business in both wired line and wireless carriers. So it's broader than just the big 3. I've called out both FieldSmart for the fiber management aspect of it as well as FieldShield for the fiber delivery aspect of it because typically fiber delivery is a higher revenue opportunity for us and when you physically are connecting home business or antenna, we have maybe $40 to $50 worth of revenue opportunity. And then when you – excuse me, it would be kind of the equivalent of passing. And then when you're physically connecting, we have a broader opportunity of about $100 to $110 worth of opportunity. So it's important for us to be at the front end for passing as well as for the ongoing revenue opportunity for the physical connection.



Cheri Beranek (continued)
The business we're doing today for both FieldSmart and FieldShield at both major carriers are associated with business class services, which is really where the range of today's new deployments are heading in that business class services are a much higher revenue opportunity for the carriers to work through. Most of our business in Community Broadband remains fiber-to-the-home and more fiber-to-the-business than those National Carriers because of a higher concentration in urban environments. As we move to the 5G space, we try to anticipate this a little bit, is that what we're doing in business class services is gaining the visibility of the technology groups inside of those carriers, the requirements associated with connector types, the certifications required for both enclosures as well as the certifications required for termination types and provides the credibility that we as an organization have the means and service and now the capacity by which to be able to build the business moving forward.
Tim, did you have something more on 5G?

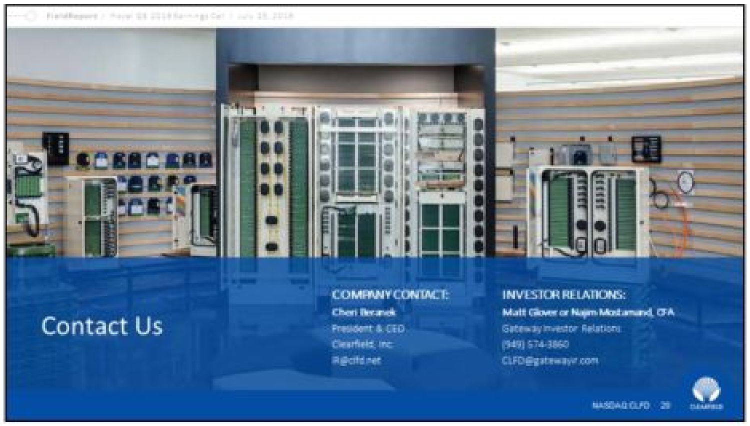
Operator
I'm sorry, Tim – his line has been cleared.

This concludes the question-and-answer session. If your question was not taken, you may contact Clearfield's Investor Relations team at CLFD@gatewayir.com. The company will post the most relevant questions and answers in the For Investors section of Clearfield's website. I would now like to turn the call back to CEO, Cheri Beranek, for her closing comments.



Thank you again for joining us today.

We look forward to updating you again on our progress at the end of our fiscal year.



Thank you for joining us today for Clearfield's fiscal third quarter 2019 earnings conference call. You may now disconnect.