

**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): November 5, 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, 3, 4, and 6 through 8 are not applicable and therefore omitted.

Item 2.02. Results of Operations and Financial Condition.

On November 7, 2019, Clearfield, Inc. (the “Company”) issued a press release announcing the results of its fourth quarter and fiscal year ended September 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 fourth quarter and fiscal year ended September 30, 2019 results.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

FY 2019 Cash Bonus Program

On November 6, 2018, the Compensation Committee (the “Committee”) of the Board of Directors of the Company approved a cash bonus program for fiscal year 2019 for company employees (the “2019 Bonus Program”). The current executive officers (the “Executives”) that participated in the 2019 Bonus Program are: Cheryl Beranek, Chief Executive Officer; John Hill, Chief Operating Officer; and Daniel Herzog, Chief Financial Officer.

Under the 2019 Bonus Program, the Compensation Committee determined minimum, target and maximum performance goal relating to the Company’s revenue for fiscal year 2019, as well as the cash bonus that each Executive could earn as a percentage of their base salary at the minimum, target and maximum level.

On November 5, 2019, the Compensation Committee determined that the Company achieved greater than the minimum but less than the target 2019 revenue goal set by the Compensation Committee under the 2019 Bonus Program. On November 5, 2019, the Compensation Committee approved payouts to the Executives under the 2019 Bonus Program of 40.2% of the base salary of Ms. Beranek and Mr. Hill, or \$129,568 for each, and 13.9% of the base salary for Mr. Herzog, or \$26,993.

Item 9.01. Financial Statements and Exhibits.

(c) The following exhibits are being furnished herewith:

[99.1 Press release dated November 7, 2019](#)

[99.2 Presentation for November 7, 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: November 7, 2019

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

Clearfield Reports Fiscal Fourth Quarter and Full Year 2019 Results

Company Achieves Record Revenue of \$85 Million, Driven by 31% Growth in National Carrier Market

MINNEAPOLIS, Nov. 07, 2019 (GLOBE NEWSWIRE) -- **Clearfield, Inc. (NASDAQ: CLFD)**, the specialist in fiber management and connectivity platforms for communication service providers, reported results for the fiscal fourth quarter and fiscal year ended September 30, 2019.

Fiscal Q4 2019 Financial Summary

(in millions except per share data and percentages)

| | Q4 2019 | vs. Q4 2018 | Change | Change (%) |
|-------------------------------------|---------|-------------|----------|------------|
| Revenue | \$ 24.0 | \$ 22.5 | \$ 1.5 | 7% |
| Gross Profit (\$) | \$ 9.3 | \$ 8.6 | \$ 0.7 | 8% |
| Gross Profit (%) | 38.8% | 38.3% | 0.5% | 1% |
| Income from Operations | \$ 2.2 | \$ 2.5 | \$ (0.4) | -14% |
| Income Tax Expense | \$ 0.5 | \$ 0.8 | \$ (0.3) | -35% |
| Net Income | \$ 1.9 | \$ 1.9 | \$ 0.0 | 0% |
| Net Income per Diluted Share | \$ 0.14 | \$ 0.14 | \$ - | 0% |

Fiscal 2019 Financial Summary

(in millions except per share data and percentages)

| | 2019 YTD | vs. 2018 YTD | Change | Change (%) |
|-------------------------------------|----------|--------------|---------|------------|
| Revenue | \$ 85.0 | \$ 77.7 | \$ 7.3 | 10% |
| Gross Profit (\$) | \$ 32.7 | \$ 31.0 | \$ 1.7 | 5% |
| Gross Profit (%) | 38.4% | 39.9% | -1.5% | -4% |
| Income from Operations | \$ 5.2 | \$ 5.1 | \$ 0.1 | 2% |
| Income Tax Expense | \$ 1.4 | \$ 1.3 | \$ 0.1 | 9% |
| Net Income | \$ 4.6 | \$ 4.3 | \$ 0.3 | 7% |
| Net Income per Diluted Share | \$ 0.34 | \$ 0.32 | \$ 0.02 | 6% |

Management Commentary

“The fourth quarter was a strong period for Clearfield, as we achieved the highest level of quarterly revenue in our company's history at \$24.0 million, which was up 7% year-over-year,” said Clearfield CEO, Cheri Beranek. “The majority of this growth came from our national carrier market, which was driven by strong demand in faster-growing applications, such as wireless connectivity, business class services and multi-dwelling unit deployments. In fact, revenue from Tier 1 customers increased each quarter in fiscal 2019. This building momentum not only validates the strategic investments we’ve made over the last two years to capitalize on the Tier 1 market opportunity, but it also demonstrates the increasing traction we’re achieving in this important market.”

“Our financial performance in the fourth quarter finished off what was a strategic year for Clearfield. Our success in the Tier 1 market along with broad-based growth in our other markets helped us achieve our guidance for fiscal 2019, including record revenue of \$85.0 million, which was up 10% year-over-year. We achieved this growth, while keeping expenses in line with our plan and maintaining solid gross profit and net income margins of 38.4% and 5.4%, respectively.”

“We entered fiscal 2020 with significant operating momentum, abundant opportunities on the horizon and a solid balance sheet. During the first half of 2020, we are strategically investing in 5G initiatives and expect the fiscal year to be characterized by growth and consistent profitability, particularly in the second half of the year. While these investments will put pressure on margins in the beginning of the year, we are anticipating stronger tier 1 revenue and margin acceleration in the second half of the year.”

Financial Results for the Quarter Ended September 30, 2019

Revenue for the fourth quarter of fiscal 2019 increased 7% to \$24.0 million from \$22.5 million in the same year-ago quarter. The increase in revenue was largely driven by increased sales to National Carrier customers, which was up 36%, or approximately \$1.1 million, compared to fiscal Q4 2018.

Gross profit for the fourth quarter of fiscal 2019 increased 8% to \$9.3 million, or 38.8% of revenue, from \$8.6 million, or 38.3% of revenue, in the fourth quarter of fiscal 2018. The increase in gross profit was due to increased sales volume while the increase in gross profit percentage

was due to an increasing absorption of overhead with higher volume.

Operating expenses for the fourth quarter of fiscal 2019 totaled \$7.1 million, which compares to \$6.1 million in the same year-ago quarter. The increase in the fourth quarter consisted primarily of an increase of approximately \$989,000 in compensation costs primarily due to additional sales and engineering personnel as well as external sales commission fees.

Income from operations decreased 14.5% to \$2.2 million for the fourth quarter of fiscal 2019 from \$2.5 million in the same year-ago quarter. Income tax expense decreased 35.4% to \$511,000 for the fourth quarter of fiscal 2019 from \$791,000 in the same year-ago quarter. Net income was \$1.9 million for the fourth quarter of fiscal 2019, or \$0.14 per diluted share, unchanged from the same year-ago quarter.

Financial Results for the Year Ended September 30, 2019

Revenue increased 9.5% to \$85.0 million for fiscal 2019 from \$77.7 million in fiscal 2018. The increase in revenue was due to higher sales in the Company's Tier 1, community broadband and international markets. Fiscal year 2019 revenue of \$85.0 million was in the midpoint of revenue guidance of \$83 million to \$87 million.

Gross profit was \$32.7 million, or 38.4% of revenue, for fiscal 2019, an increase of 5.5% from \$31.0 million, or 39.9% of revenue, in fiscal 2018. Gross profit was negatively affected by just more than a million dollars in tariff costs absorbed into the Company's cost of goods in fiscal 2019. Fiscal 2019 gross profit as a percentage of revenue of 38.4% compares to the forecasted range of 37% to 38%.

Operating expenses increased 6.1% to \$27.5 million for fiscal 2019 from \$25.9 million in fiscal 2018. Fiscal 2019 operating expense as a percentage of fiscal 2019 revenue was 32.3%, within the range of the Company's guidance for fiscal 2019 of 31% to 33%.

Income from operations totaled \$5.2 million, or 6.1% of revenue, for fiscal 2019 compared to \$5.1 million, or 6.5% of revenue, in fiscal 2018.

Income tax expense increased 8.5% to \$1.4 million for the year ended September 30, 2019 from \$1.3 million during fiscal 2018. Net income totaled \$4.6 million, or \$0.34 per diluted share, for the year ended September 30, 2019, an increase of 6.8% from \$4.3 million, or \$0.32 per diluted share, during fiscal 2018. Net income as a percentage of revenue for fiscal 2019 was 5.4% as compared to the Company's guidance of between 3% and 5%.

As of September 30, 2019, cash, cash equivalents and investments totaled \$47.5 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) as of September 30, 2019 decreased 25.3% to \$4.2 million from \$5.6 million as of both June 30, 2019 and September 30, 2018.

Fiscal 2020 Financial Outlook

Clearfield expects revenue for fiscal 2020 to be between \$92 million and \$95 million, representing continued growth over fiscal 2019 of 10% at the midpoint, driven by growth in the Company's Tier 1 market. The Company expects its gross profit as a percentage of total revenue to range between 37% and 38% and net income as a percentage of revenue to be between 3% and 5% with some variability on a quarter-to-quarter basis.

Conference Call

Clearfield management will hold a conference call today, November 7, 2019 at 5:00 p.m. Eastern Standard Time (4:00 p.m. Central Standard 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, November 7, 2019

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

U.S. dial-in: 1-855-327-6837

International dial-in: 1-631-891-4304

Conference ID: 10007908

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 time on the same day through November 21, 2019.

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

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

Replay ID: 10007908

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 Tom Colton

Gateway Investor Relations

1-949-574-3860

CLFD@gatewayir.com

CLEARFIELD, INC.

STATEMENTS OF OPERATIONS

| | (Unaudited) Three Months Ended September 30 | | Year Ended September 30 | |
|--|---|---------------|----------------------------|---------------|
| | 2019 | 2018 | 2019 | 2018 |
| Net sales | \$ 23,968,423 | \$ 22,472,985 | \$ 85,034,182 | \$ 77,651,354 |
| Cost of sales | 14,663,868 | 13,856,487 | 52,345,059 | 46,654,570 |
| Gross profit | 9,304,555 | 8,616,498 | 32,689,123 | 30,996,784 |
| Operating expenses | | | | |
| Selling, general and administrative | 7,126,376 | 6,069,011 | 27,500,989 | 25,925,933 |
| Income from operations | 2,178,179 | 2,547,487 | 5,188,134 | 5,070,851 |
| Interest income | 220,985 | 125,451 | 738,459 | 457,101 |
| Income before income taxes | 2,399,164 | 2,672,938 | 5,926,593 | 5,527,952 |
| Income tax expense | 511,437 | 791,405 | 1,360,437 | 1,253,405 |
| Net income | \$ 1,887,727 | \$ 1,881,533 | \$ 4,566,156 | \$ 4,274,547 |
| Net income per share: | | | | |
| Basic | \$0.14 | \$0.14 | \$0.34 | \$0.32 |
| Diluted | \$0.14 | \$0.14 | \$0.34 | \$0.32 |

Weighted average shares outstanding:

| | | | | |
|---------|------------|------------|------------|------------|
| Basic | 13,502,178 | 13,392,475 | 13,442,871 | 13,429,232 |
| Diluted | 13,502,178 | 13,392,475 | 13,451,214 | 13,452,860 |

CLEARFIELD, INC.
BALANCE SHEETS

| | September 30, 2019 | September 30, 2018 |
|--|-----------------------|-----------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 10,081,721 | \$ 8,547,777 |
| Short-term investments | 13,524,270 | 8,930,225 |
| Accounts receivable, net | 9,118,639 | 12,821,258 |
| Inventories, net | 9,012,980 | 10,050,135 |
| Other current assets | 769,161 | 742,136 |
| Total current assets | 42,506,771 | 41,091,531 |
| Property, plant and equipment, net | 5,413,241 | 4,744,584 |
| Other Assets | | |
| Long-term investments | 23,902,000 | 17,974,000 |
| Goodwill | 4,708,511 | 4,708,511 |
| Intangible assets, net | 5,147,135 | 5,482,555 |
| Other | 210,905 | 227,461 |
| Total other assets | 33,968,551 | 28,392,527 |
| Total Assets | \$ 81,888,563 | \$ 74,228,642 |
| Liabilities and Shareholders' Equity | | |
| Current Liabilities | | |
| Accounts payable | \$ 3,173,599 | \$ 2,363,380 |
| Accrued compensation | 3,224,860 | 2,048,904 |
| Accrued expenses | 208,603 | 568,507 |
| Total current liabilities | 6,607,062 | 4,980,791 |
| Other Liabilities | | |
| Deferred taxes | 101,690 | 104,935 |
| Deferred rent | 246,424 | 268,040 |
| Total other liabilities | 348,114 | 372,975 |
| Total Liabilities | 6,955,176 | 5,353,766 |
| Shareholders' Equity | | |
| Common stock | 136,418 | 136,466 |
| Additional paid-in capital | 56,976,162 | 55,483,759 |
| Retained earnings | 17,820,807 | 13,254,651 |
| Total Shareholders' Equity | 74,933,387 | 68,874,876 |
| Total Liabilities and Shareholders' Equity | \$ 81,888,563 | \$ 74,228,642 |

CLEARFIELD, INC.
STATEMENTS OF CASH FLOWS

| | Year Ended September 30, 2019 | Year Ended September 30, 2018 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities: | | |
| Net income | \$ 4,566,156 | \$ 4,274,547 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 2,178,409 | 2,047,746 |

| | | |
|---|----------------------|---------------------|
| Change in allowance for doubtful accounts | 210,000 | - |
| Amortization of discount on investments | (71,652) | - |
| Deferred taxes | (3,245) | (339,141) |
| (Gain) on disposal of assets | - | (17,691) |
| Stock-based compensation | 1,729,025 | 2,003,207 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | 3,492,619 | (5,583,617) |
| Inventories, net | 1,037,155 | 1,183,998 |
| Other assets | (10,469) | 254,501 |
| Accounts payable, accrued expenses and deferred rent | 1,604,655 | 723,990 |
| Net cash provided by operating activities | <u>14,732,653</u> | <u>4,547,540</u> |
| Cash flows from investing activities: | | |
| Business acquisition | - | (10,350,000) |
| Purchases of property, plant and equipment and intangible assets | (2,511,646) | (1,189,853) |
| Purchase of investments | (20,311,393) | (7,283,075) |
| Proceeds from sale of property, plant and equipment | - | 83,052 |
| Proceeds from maturities of investments | 9,861,000 | 6,132,000 |
| Net cash used in investing activities | <u>(12,962,039)</u> | <u>(12,607,876)</u> |
| Cash flows from financing activities: | | |
| Repurchases of common stock | - | (1,760,442) |
| Proceeds from issuance of common stock under employee stock purchase plan | 313,891 | 297,860 |
| Proceeds from issuance of common stock upon exercise of stock options | 2,604 | 24,012 |
| Tax withholding related to vesting of restricted stock grants and exercise of stock options | (553,165) | (489,428) |
| Net cash used in financing activities | <u>(236,670)</u> | <u>(1,927,998)</u> |
| Increase (decrease) in cash and cash equivalents | 1,533,944 | (9,988,334) |
| Cash and cash equivalents, beginning of year | 8,547,777 | 18,536,111 |
| Cash and cash equivalents, end of year | <u>\$ 10,081,721</u> | <u>\$ 8,547,777</u> |
| Supplemental disclosures for cash flow information | | |
| Cash paid during the year for income taxes | \$ 1,683,113 | \$ 719,694 |
| Non-cash financing activities | | |
| Cashless exercise of stock options | \$ 17,390 | \$ 5,782 |



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

Fiscal Q4 and FY 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 FTx 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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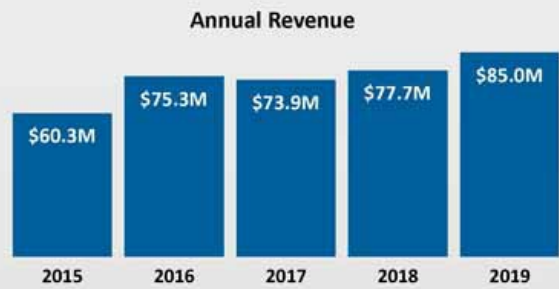


Cheri Beranek
PRESIDENT & CEO



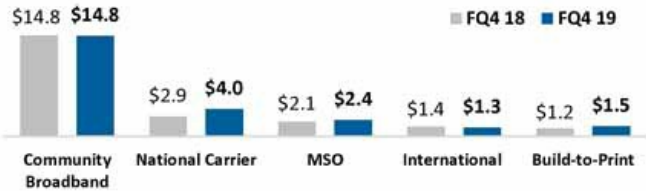
FQ4 and FY 2019 Review

- **Revenue** up 7% in FQ4 and 10% in FY 2019
- **Experienced 31% growth in National Carrier market**, driven by strong market adoption of FieldShield and other fiber connectivity solutions
- **Achieved financial guidance for 2019**
- **Net income and net income per diluted share up 7% and 6%, respectively, for FY19**



Revenue Comparison by Market

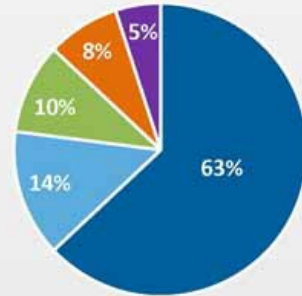
Quarterly Revenue



Annual Revenue



FY 19 Revenue Composition¹



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)

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

¹) Based on revenue of \$85.0 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



Note: Dollar figures in millions



Quarterly Financial Performance



Note: Dollar figures in millions



Quarterly Financial Performance

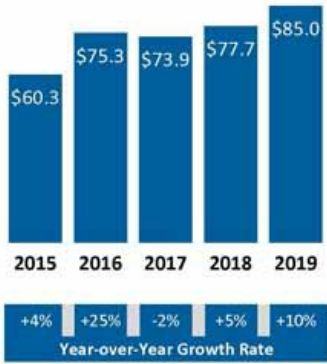


Note: Dollar figures in millions



Annual Financial Performance

Revenue



Note: Dollar figures in millions



Annual Financial Performance



Note: Dollar figures in millions



Annual Financial Performance



Note: Dollar figures in millions



Annual Financial Performance

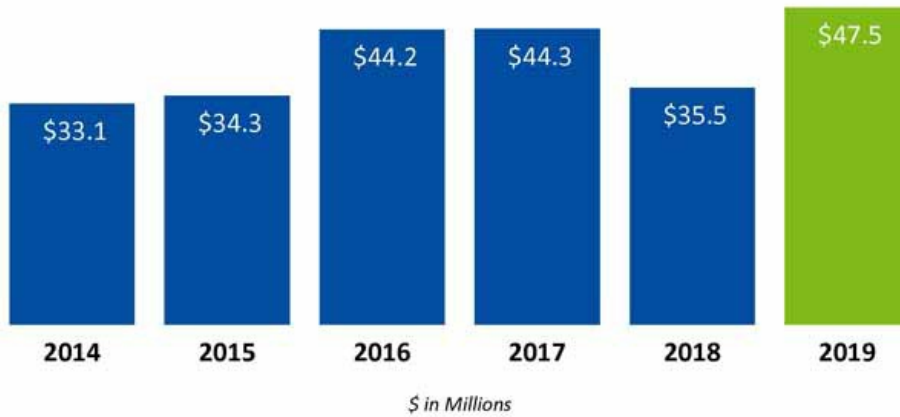


Note: Dollar figures in millions



Strong Balance Sheet Supports Profitable Growth

Cash and Investment Balances



- **\$47.5 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, maintaining a steady growth rate



Clearfield's 'Coming of Age' Plan



Expanding Core Community Broadband Business

Attracting utilities, co-ops and CLECs as they enter underserved communities, maintaining a steady growth rate



Enhancing Competitive Position and Operational Effectiveness

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



Clearfield's 'Coming of Age' Plan



Expanding Core Community Broadband Business

Attracting utilities, co-ops and CLECs as they enter underserved communities, maintaining a steady growth rate



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 National Wireline and Wireless Markets

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



Fiscal 2020 Outlook & Guidance

\$92M - \$95M
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

