

**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 3, 2020**

**CLEARFIELD, INC.**

(Exact name of registrant as specified in its charter)

**Minnesota**  
(State or Other Jurisdiction of Incorporation)

**000-16106**  
(Commission File Number)

**41-1347235**  
(I.R.S. Employer Identification No.)

**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))

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, \$0.01 par value	CLFD	The NASDAQ Stock Market LLC

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

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.

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 4, 2020, Clearfield, Inc. (the "Company") issued a press release announcing the results of its fourth quarter and fiscal year ended September 30, 2020. 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 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, 2020 results.

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

**FY 2020 Cash Bonus Program**

On December 3, 2019, the Board of Directors of the Company approved a cash bonus program for fiscal year 2020 for company employees (the "2020 Bonus Program") that was recommended by the Company's Compensation Committee. The current executive officers (the "Executives") that participated in the 2020 Bonus Program are: Cheryl Beranek, Chief Executive Officer; John Hill, Chief Operating Officer; and Daniel Herzog, Chief Financial Officer.

Under the 2020 Bonus Program, the Compensation Committee determined four performance goals relating to the Company's revenue for fiscal year 2020, as well as the cash bonus that each Executive could earn as a percentage of her or his base salary for achievement of the four performance goals.

On November 3, 2020, the Compensation Committee determined that the Company's 2020 revenue resulted in achievement of between the first and second revenue performance goals determined by the Compensation Committee. On November 3, 2020, the Compensation Committee approved payouts to the Executives under the 2020 Bonus Program of 75.1% of the base salary of Ms. Beranek and Mr. Hill, or \$263,803 for each, and 59.6% of the base salary for Mr. Herzog, or \$130,034.

**Item 9.01. Financial Statements and Exhibits.**

The following exhibits are being furnished herewith:

<a href="#">99.1</a>	<a href="#">Press release dated November 4, 2020</a>
<a href="#">99.2</a>	<a href="#">Presentation for November 4, 2020 Live Webcast of Telephone Conference</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**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 4, 2020

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

## Clearfield Reports Fiscal Fourth Quarter and Full Year 2020 Results

- *Company Achieves Record Annual Revenue of \$93.1 Million, Driven by 48% Growth in MSO (Multiple System Operators) Revenue, 18% Growth in National Carrier Revenue and 10% Growth in Community Broadband Revenue.*
- *Continued Execution on Operational Effectiveness Initiatives and Favorable Product Mix Produces 41.2% Quarterly Gross Profit Margin and Quarterly Record Gross Profit Dollars.*
- *Company Backlog Increased 153% to \$10.7 Million at Year End compared to End of Fiscal 2019.*
- *Net Income Totaled \$7.3 Million, or \$0.53 per diluted share, an Improvement from \$4.6 Million, or \$0.34 per diluted share, in Fiscal 2019.*

MINNEAPOLIS, Nov. 04, 2020 (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, 2020.

### Fiscal Q4 2020 Financial Summary

(in millions except per share data and percentages)

	Q4 2020	vs. Q4 2019	Change	Change (%)
<b>Revenue</b>	\$ 27.3	\$ 24.0	\$ 3.3	14%
<b>Gross Profit (\$)</b>	\$ 11.2	\$ 9.3	\$ 1.9	21%
<b>Gross Profit (%)</b>	41.2%	38.8%	2.4%	6%
<b>Income from Operations</b>	\$ 3.7	\$ 2.2	\$ 1.5	69%
<b>Income Tax Expense</b>	\$ 0.8	\$ 0.5	\$ 0.3	54%
<b>Net Income</b>	\$ 3.0	\$ 1.9	\$ 1.2	62%
<b>Net Income per Diluted Share</b>	\$ 0.22	\$ 0.14	\$ 0.08	57%

### Fiscal 2020 Financial Summary

(in millions except per share data and percentages)

	2020 YTD	vs. 2019 YTD	Change	Change (%)
<b>Revenue</b>	\$ 93.1	\$ 85.0	\$ 8.0	9%
<b>Gross Profit (\$)</b>	\$ 37.9	\$ 32.7	\$ 5.2	16%
<b>Gross Profit (%)</b>	40.7%	38.4%	2.3%	6%
<b>Income from Operations</b>	\$ 8.4	\$ 5.2	\$ 3.2	62%
<b>Income Tax Expense</b>	\$ 1.9	\$ 1.4	\$ 0.5	37%
<b>Net Income</b>	\$ 7.3	\$ 4.6	\$ 2.7	60%
<b>Net Income per Diluted Share</b>	\$ 0.53	\$ 0.34	\$ 0.19	56%

### Management Commentary

“The fourth quarter of fiscal 2020 capped off a record year for Clearfield,” said Company President and CEO Cheri Beranek. “The fourth quarter marked the highest quarterly revenue level in our company’s history, bringing our total revenue for the fiscal year 2020 to a record \$93.1 million. Our record topline results were driven by solid contributions across our core markets, including 48% growth in our MSO (Multiple System Operators) revenue, 18% growth in our National Carrier revenue and 10% growth in our Community Broadband revenue.

“As our overall performance in fiscal Q4 and fiscal 2020 indicate, we are realizing demonstrable results from our execution of our ‘Coming of Age’ Plan, which is designed to strengthen our core business and position our company for disruptive growth opportunities, and from our ability to take advantage of the shifts in demand driven by COVID-19. Fiscal Q4 represented a continuation of our Community Broadband customers accelerating their purchasing decisions and deployments in response to COVID-19. This trend is carrying into fiscal 2021, supported by continued demand for broadband and the government programs such as The CARES Act are helping to fund and accelerate these deployments. Our track record and reputation in the Community Broadband market has positioned us extremely well to take share and further capitalize on the expansion that’s currently underway which we believe will accelerate due to pending programs including the Rural Digital Opportunity Fund, or RDOF initiative, which will finance up to \$20.4 billion of gigabit speed broadband over the next ten years.

“Our successful execution on our operational effectiveness initiatives over the last several quarters are most evident by our increasing gross profit in fiscal Q4. One of the underlying drivers for this improvement is leveraging our core nucleus of U.S.-based operations for value-added integration while we’ve capitalized on the investments we’ve made in our operations in Mexico. These investments are starting to yield beneficial results both in improved efficiencies and cost effectiveness.

“An integral part of our success has been our employees’ unwavering commitment to providing best-in-class products and customer support, and none of this could have been accomplished without their dedication to our mission.

“Our strong financial and operational performance in fiscal 2020 speaks to the resiliency of our business as well as our strategic positioning within our customer base and industry. Our success in fiscal Q4 specifically has given us significant momentum starting our fiscal year Q1, giving us a bullish outlook for fiscal 2021. The business case for optical fiber markets for 5G and Access Networks deployment couldn’t be more evident. Based on our strong backlog, ongoing robust bookings and pipeline of business, we currently anticipate a strong first quarter of fiscal 2021 compared to the same year-ago period. Longer term, the traction we are getting with our ‘Coming of Age’ Plan and the success of our operational improvements positions Clearfield for even greater success in the years ahead.”

### **Financial Results for the Year Ended September 30, 2020**

Revenues increased 9% to \$93.1 million for the year ended September 30, 2020 from \$85.0 million in fiscal 2019. The increase in revenues was primarily due to higher sales in the Company’s National Carrier, MSO and Community Broadband markets, partially offset by lower sales in the Company’s international and contract manufacturing markets. We anticipate the momentum will continue into FY 2021 Q1 in that order backlog (defined as purchase orders received but not yet fulfilled) as of September 30, 2020 increased 26% to \$10.7 million from \$8.5 million at June 30, 2020 and increased 153% to \$10.7 million from \$4.2 million as of September 30, 2019.

Gross profit was \$37.9 million, or 40.7% of revenue, for the year ended September 30, 2020, an increase of 16% from \$32.7 million, or 38.4% of revenue, in fiscal 2019. The increase in gross profit dollars was due to increased sales volume. The increase in gross profit percent was due to a favorable product mix and cost reduction efforts across the Company’s product lines, including increased production at its Mexico manufacturing plants and efficiencies realized from supply chain programs, and lower tariff costs.

Operating expenses increased 7% to \$29.5 million for the year ended September 30, 2020 from \$27.5 million during the same period in fiscal 2019. The increase in operating expenses was primarily due to the higher compensation and performance incentive expenses and external sales commissions and agent fees, offset by lower stock-based compensation expense and travel, entertainment and marketing costs due to COVID-19 restrictions.

Income from operations totaled \$8.4 million for the year ended September 30, 2020 compared to \$5.2 million in fiscal 2019.

Income tax expense was \$1.9 million for the year ended September 30, 2020 as compared to \$1.4 million during the same period in fiscal 2019 due to higher taxable income. Net income totaled \$7.3 million, or \$0.53 per diluted share, for the year ended September 30, 2020, an improvement from \$4.6 million, or \$0.34 per diluted share, in fiscal 2019.

As of September 30, 2020, cash, cash equivalents and investments totaled \$52.2 million, which compares to \$47.5 million as of September 30, 2019.

### **Financial Results for the Quarter Ended September 30, 2020**

Revenue for the fourth quarter of fiscal 2020 increased 14% to \$27.3 million from \$24.0 million in the same year-ago quarter. The increase in revenues was primarily due to higher sales in the Company’s Community Broadband and MSO markets, partially offset by decreases in national carrier revenue due to ordering cycles and our international market.

Gross profit for the fourth quarter of fiscal 2020 increased 21% to \$11.2 million, or 41.2% of revenue, from \$9.3 million, or 38.8% of revenue, in the fourth quarter of fiscal 2019. The increase in gross profit dollars was due to increased sales volume. The increase in gross profit percent was due to a favorable product mix and cost reduction efforts across the Company’s product lines, including increased production at its Mexico manufacturing plants, and efficiencies realized from supply chain programs and lower tariff costs.

Operating expenses for the fourth quarter of fiscal 2020 totaled \$7.6 million, which compares to \$7.1 million in the same year-ago quarter. The increase in operating expenses consisted primarily of higher compensation costs related to performance compensation accruals.

Income from operations increased 69% to \$3.7 million for the fourth quarter of fiscal 2020 from \$2.2 million in the same year-ago quarter.

Income tax expense increased 54% to \$786,000 for the fourth quarter of fiscal 2020 from \$511,000 in the same year-ago quarter due to higher taxable income. Net income was \$3.0 million for the fourth quarter of fiscal 2020, or \$0.22 per diluted share, from \$1.9 million, or \$0.14 per diluted share in the same year-ago quarter.

### **Conference Call**

Clearfield management will hold a conference call today, November 4, 2020 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.

U.S. dial-in: 1-800-771-6883

International dial-in: 1-212-231-2915

Conference ID: 21971085

The conference call will be webcast live and available for replay here: <http://public.viavid.com/index.php?id=142048>.

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 18, 2020.

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

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

Replay ID: 21971085

#### **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](http://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 expected impact of COVID-19 and related economic uncertainty, the Company’s future revenue and operating performance, the impact of the CARES Act or other government programs on the demand for the Company’s products or timing of customer orders, and trends in and growth of the FTTx markets, market segments or customer purchases and other statements that are not historical facts. These statements are based upon the Company’s current expectations and judgments about future developments in the Company’s business. Certain important factors could have a material impact on the Company’s performance, including, without limitation: the as yet-unknown impact of COVID-19 and related economic uncertainty; to compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance; our expected growth is based upon the expansion of the telecommunications market; 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; further consolidation among our customers may result in the loss of some customers and may reduce sales during the pendency of business combinations and related integration activities; we may be subject to risks associated with acquisitions that could adversely affect future operating results; 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 business is dependent on effective management information systems and information technology infrastructure; our results of operations could be adversely affected by economic conditions and the effects of these conditions on our customers’ businesses; changes in government funding programs may cause our customers and prospective customers to delay or reduce purchases; and other factors set forth in Part I, Item 1A. Risk Factors of Clearfield’s Annual Report on Form 10-K for the year ended September 30, 2020 as well as other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update these statements to reflect actual events unless required by law.*

#### **Investor Relations Contact:**

**Matt Glover and Tom Colton**

Gateway Investor Relations

1-949-574-3860

CLFD@gatewayir.com

#### **CLEARFIELD, INC.**

#### **STATEMENTS OF EARNINGS**

	(Unaudited)			
	Three Months Ended		Year Ended	
	September 30,		September 30,	
	2020	2019	2020	2019
Revenues	\$ 27,317,969	\$ 23,968,423	\$ 93,074,514	\$ 85,034,182
Cost of sales	16,072,909	14,663,868	55,160,316	52,345,059
Gross profit	11,245,060	9,304,555	37,914,198	32,689,123
Operating expenses				
Selling, general and administrative	7,565,160	7,126,376	29,530,198	27,500,989
Income from operations	3,679,900	2,178,179	8,384,000	5,188,134

Interest income	155,427	220,985	770,950	738,459
Income before income taxes	<u>3,835,327</u>	<u>2,399,164</u>	<u>9,154,950</u>	<u>5,926,593</u>
Income tax expense	<u>785,884</u>	<u>511,437</u>	<u>1,861,884</u>	<u>1,360,437</u>
Net income	<u>\$ 3,049,443</u>	<u>\$ 1,887,727</u>	<u>\$ 7,293,066</u>	<u>\$ 4,566,156</u>
Net income per share:				
Basic	<u>\$ 0.22</u>	<u>\$ 0.14</u>	<u>\$ 0.53</u>	<u>\$ 0.34</u>
Diluted	<u>\$ 0.22</u>	<u>\$ 0.14</u>	<u>\$ 0.53</u>	<u>\$ 0.34</u>
Weighted average shares outstanding:				
Basic	<u>13,650,316</u>	<u>13,502,178</u>	<u>13,643,355</u>	<u>13,442,871</u>
Diluted	<u>13,650,316</u>	<u>13,502,178</u>	<u>13,643,355</u>	<u>13,451,214</u>

**CLEARFIELD, INC.**  
**BALANCE SHEETS**

	September 30, 2020	September 30, 2019
Assets		
Current Assets		
Cash and cash equivalents	\$ 16,449,636	\$ 10,081,721
Short-term investments	10,582,527	13,524,270
Accounts receivable, net	10,496,672	9,118,639
Inventories, net	14,408,538	9,012,980
Other current assets	585,436	769,161
Total current assets	<u>52,522,809</u>	<u>42,506,771</u>
Property, plant and equipment, net	5,109,988	5,413,241
Other Assets		
Long-term investments	25,143,000	23,902,000
Goodwill	4,708,511	4,708,511
Intangible assets, net	4,829,047	5,147,135
Right of use lease assets	2,539,100	-
Deferred tax asset	178,118	-
Other	266,857	210,905
Total other assets	<u>37,664,633</u>	<u>33,968,551</u>
Total Assets	<u>\$ 95,297,430</u>	<u>\$ 81,888,563</u>
Liabilities and Shareholders' Equity		
Current Liabilities		
Current portion of lease liability	\$ 665,584	\$ -
Accounts payable	3,689,587	3,173,599
Accrued compensation	4,856,885	3,224,860
Accrued expenses	1,202,753	208,603
Total current liabilities	<u>10,414,809</u>	<u>6,607,062</u>
Other Liabilities		
Long-term portion of lease liability	2,129,343	-
Deferred tax liability	-	101,690
Deferred rent	-	246,424
Total other liabilities	<u>2,129,343</u>	<u>348,114</u>

Total Liabilities	12,544,152	6,955,176
Shareholders' Equity		
Common stock	136,500	136,418
Additional paid-in capital	57,502,905	56,976,162
Retained earnings	25,113,873	17,820,807
Total Shareholders' Equity	82,753,278	74,933,387
Total Liabilities and Shareholders' Equity	<u>\$ 95,297,430</u>	<u>\$ 81,888,563</u>

	Year Ended September 30, 2020	Year Ended September 30, 2019
Cash flows from operating activities:		
Net income	\$ 7,293,066	\$ 4,566,156
Adjustments to reconcile net income to cash provided by (used in) operating activities:		
Depreciation and amortization	2,421,754	2,178,409
Change in allowance for doubtful accounts	-	210,000
Amortization of discount on investments	(64,327)	(71,652)
Deferred income taxes	(279,808)	(3,245)
Loss on disposal of assets	5,785	-
Stock-based compensation expense	773,555	1,729,025
Changes in operating assets and liabilities:		
Accounts receivable	(1,378,033)	3,492,619
Inventories	(5,395,558)	1,037,155
Other current assets	127,773	(10,469)
Accounts payable, accrued expenses and deferred rent	3,151,566	1,604,655
Net cash provided by operating activities	<u>6,655,773</u>	<u>14,732,653</u>
Cash flows from investing activities:		
Purchases of property, plant and equipment and intangible assets	(1,806,198)	(2,511,646)
Purchase of investments	(34,056,930)	(20,311,393)
Proceeds from maturities of investments	35,822,000	9,861,000
Net cash used in investing activities	<u>(41,128)</u>	<u>(12,962,039)</u>
Cash flows from financing activities:		
Repurchases of common stock	(428,654)	-
Proceeds from issuance of common stock under employee stock purchase plan	348,776	313,891
Proceeds from issuance of common stock employee stock purchase plan	9,564	2,604
Tax withholding related to vesting of restricted stock grants and exercise of stock options	(176,416)	(553,165)
Net cash used in financing activities	<u>(246,730)</u>	<u>(236,670)</u>
Increase in cash and cash equivalents	6,367,915	1,533,944
Cash and cash equivalents at beginning of year	10,081,721	8,547,777
Cash and cash equivalents at end of year	<u>\$ 16,449,636</u>	<u>\$ 10,081,721</u>
Supplemental disclosures for cash flow information		
Cash paid during the year for income taxes	\$ 1,442,079	\$ 1,683,113
Non-cash financing activities		
Cashless exercise of stock options	\$ 97,811	\$ 17,390







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

# Fiscal Q4 and FY 2020 Earnings Call

## FieldReport

# Important Cautions Regarding Forward-Looking Statements

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**Cheri Beranek**  
PRESIDENT & CEO

Welcome



## FQ4 & 2020 Highlights

### Fourth Quarter:

- **Record revenue** of \$27.3M, up 14% y/o/y
- **Gross profit** up 21% to record \$11.2M (41.2% of revenue)
- **Net income** of \$3.0M or \$0.22 per diluted share
- **Order backlog** increased 153% to \$10.7M

### FY2020:

- **Record revenue** of \$93.1M, up 9% y/o/y
- **Gross profit** up 16% to \$37.9M (40.7% of revenue)
- **Net income** of \$7.3M or \$0.53 per diluted share

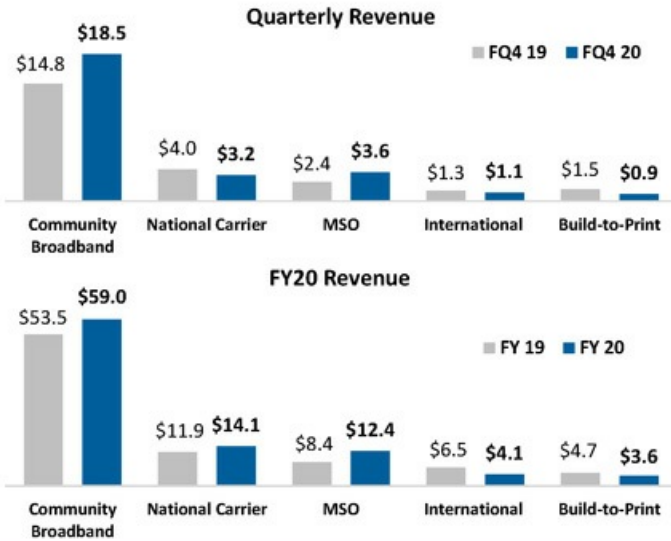
### Quarterly Revenue



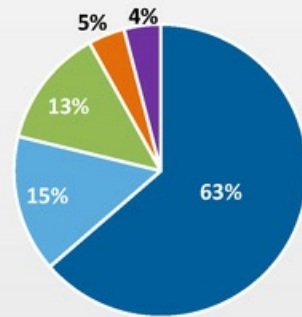
### Annual Revenue



# FQ4 & 2020 Revenue Comparison by Market



## Annual Revenue Composition Ended 9/30/20<sup>1</sup>



**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)

All dollar figures in millions

1) Based on revenue of \$93.1 million and Point of Sales (POS) reporting from distributors who resell our product line into these markets.





# Financial Update

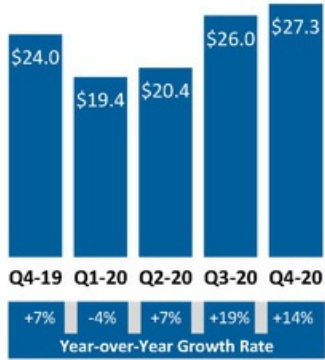
**Dan Herzog**

CHIEF FINANCIAL OFFICER



# Quarterly Financial Performance

## Revenue

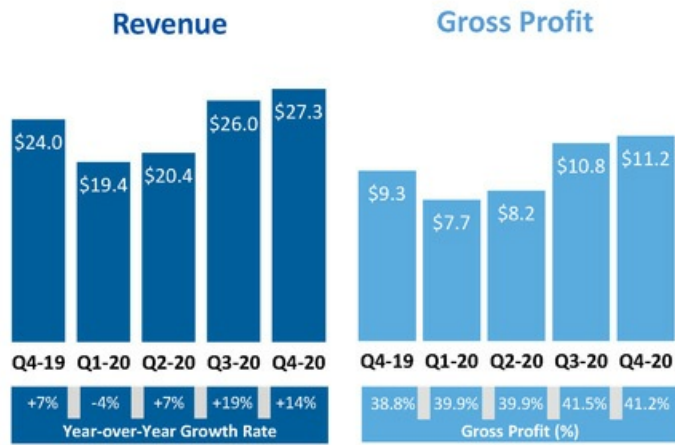


Note: Dollar figures in millions





# Quarterly Financial Performance



Note: Dollar figures in millions



# Quarterly Financial Performance



Note: Dollar figures in millions



# Quarterly Financial Performance

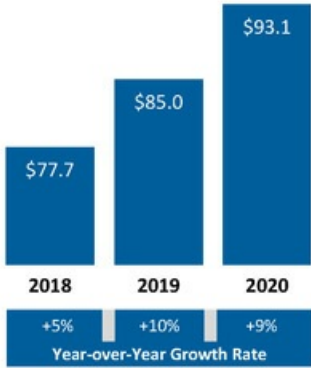


Note: Dollar figures in millions



# Annual Financial Performance

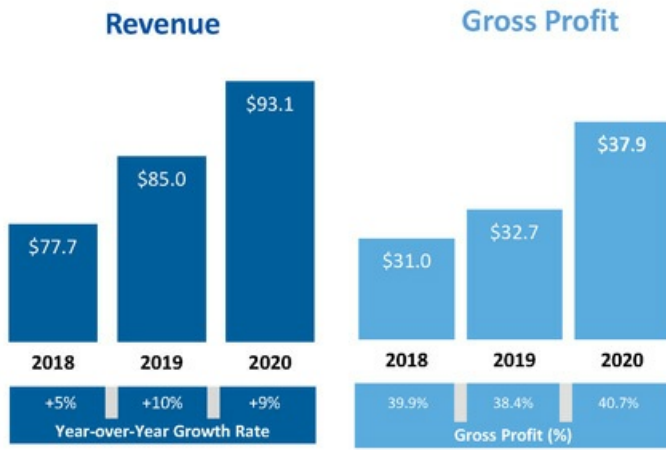
## Revenue



Note: Dollar figures in millions



# Annual Financial Performance



Note: Dollar figures in millions



# Annual Financial Performance



Note: Dollar figures in millions



# Annual Financial Performance

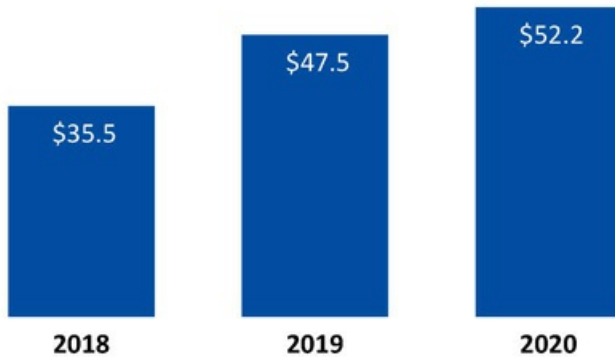


Note: Dollar figures in millions



## Strong Balance Sheet Supports Profitable Growth

Cash and Investment Balances



*\$ in Millions as of September 30*

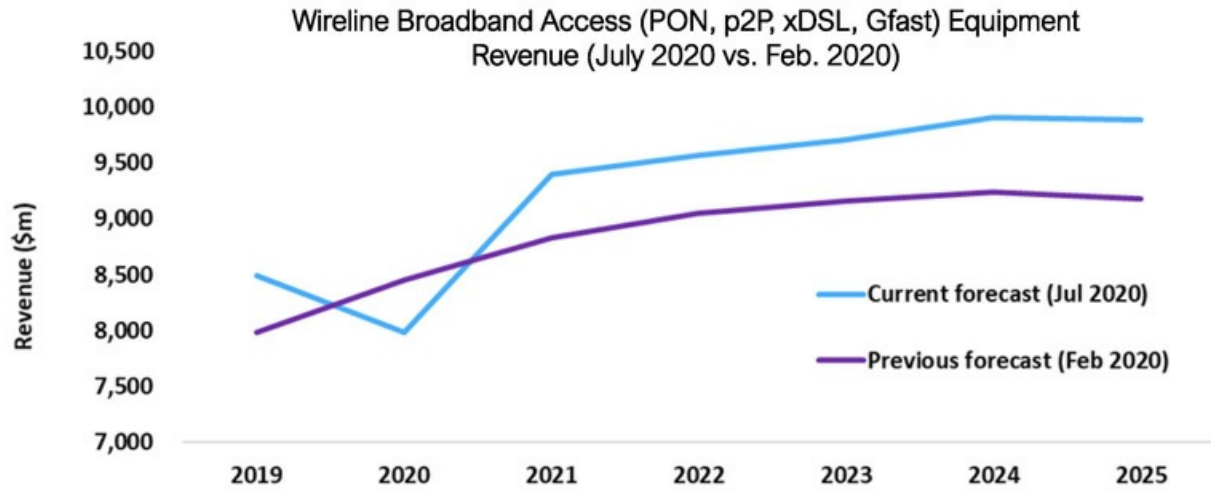
- **\$52.2 million** in cash and cash investment balances



## COVID-19 Operational Update

- Critical manufacturer status
- Operating at normal capacity while adhering to state and federal government social distancing guidelines
- Majority of supply chain remains operational
- Established higher minimum stocking levels on component level inventory to ensure customer needs are met

## COVID-19 Accelerating Broadband Demand



Source: Omdia

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# 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 288 PON Fiber Distribution Hubs

Inside Plant	Outside Plant			
	Traditional PON	Below Grade	Aerial	Pre-Assigned
				
<b>FieldSmart 288 Indoor FDH</b>	<b>FieldSmart 288 Outdoor Cabinet</b>	<b>FieldSmart Makwa</b>	<b>StreetSmart Aerial FDH</b>	<b>StreetSmart Pre-Assigned FDH</b>
Designed to provide flexible inside plant FTTH connectivity for high-count MDU environments with complete plug-and-play, eliminating the need for splicing.	Designed to provide FTTH distribution scalability for both existing subscribers as well as future growth opportunities, aligning CAPEX with customer take-rates.	Designed for below grade deployment, eliminating potential above-grade aesthetics and permitting issues from the deployment equation.	Designed to offer a strand mount solution to distribute FTTH in rural, urban or dense neighborhoods, eliminating the need for pole attachment or right-of-way fees.	Fully equipped at initial install, this FDH is designed for rapid turn-up when high initial take-rate is expected and the lowest possible OPEX is needed.



# 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



# Key Takeaways



**Proven business model**  
and management  
execution

**13**

Year history of **profitability**  
and **positive free cash flow**



**Strong competitive position**  
in a rapidly growing  
multi-billion-dollar fiber  
optics industry, especially  
with the roll-out of 5G and  
NG-PON2 technologies



**Enhanced management  
team** and **expansion** of  
total addressable market



**Healthy balance sheet:**  
\$52.2M in cash and  
investments



**Cheri Beranek**  
PRESIDENT & CEO



**Dan Herzog**  
CHIEF FINANCIAL  
OFFICER



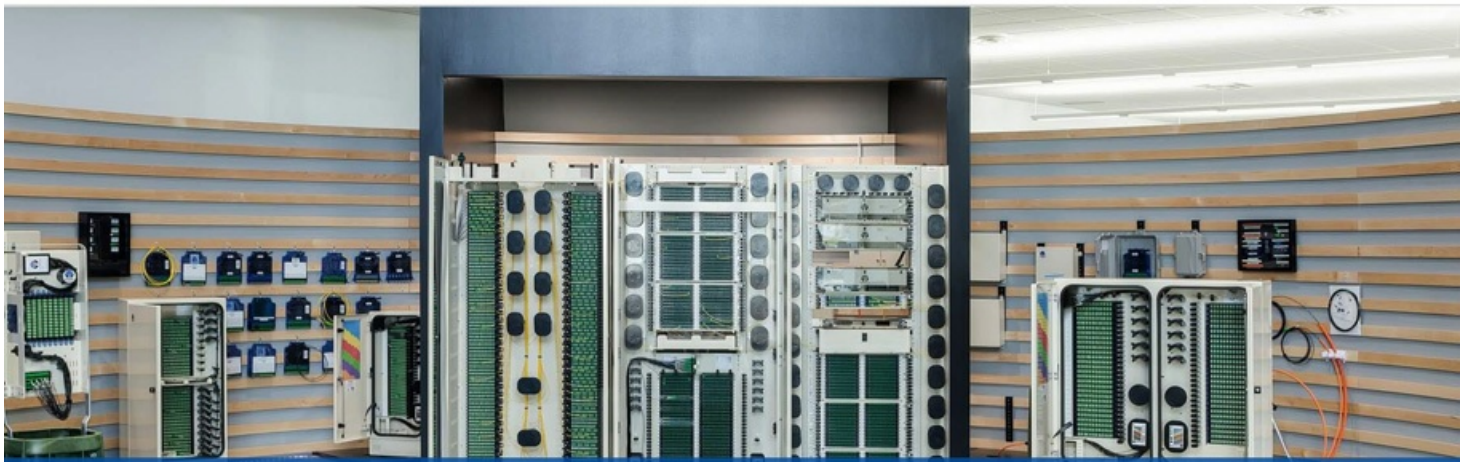
Q&A





# Enabling the **Lifestyle** that **Better Broadband** Provides





## Contact Us

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