



CLEARFIELD

NASDAQ:CLFD

Leader in Fiber Optic Management & Connectivity Solutions

Important Cautions Regarding Forward-Looking Statements



Forward-looking statements contained herein are made pursuant to the safe harbor provisions of the Private Litigation Reform Act of 1995. These statements are based upon the Company's current expectations and judgments about future developments in the Company's business.

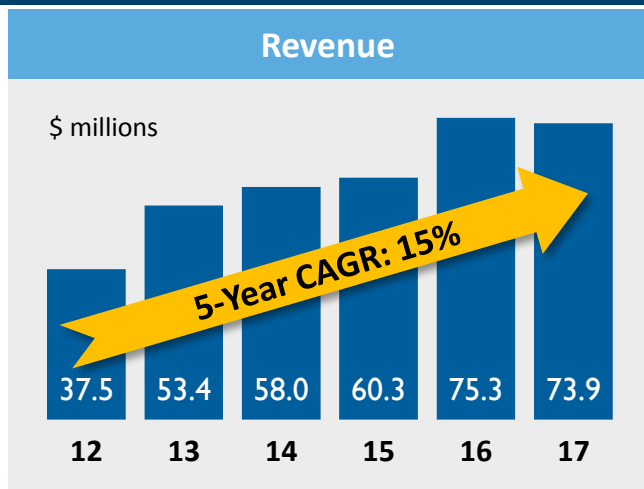
Certain important factors could have a material impact on the Company's performance, including, without limitation: our success depends upon adequate protection of our patent and intellectual property rights and our ability to successfully defend against claims of infringement; our results of operations could be adversely affected now that the stimulus funds of the American Recovery and Reinvestment Act are fully allocated and projections are nearing completion; National Broadband Plan's transitioning from the USF to the CAF program may cause our customers and prospective customers to delay or reduce purchases; 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 would adversely affect us; intense competition in our industry may result in price reductions, lower gross profits and loss of market share; our results of operations could be adversely affected by economic conditions and the effects of these conditions on our customers' businesses; 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; to compete effectively, we must continually improve existing products and introduce new products that achieve market acceptance; we may face circumstances in the future that will result in impairment charges, including, but not limited to, significant goodwill impairment charges; 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; we face risks associated with expanding our sales outside of the United States; 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 are dependent on key personnel; product defects or the failure of our products to meet specifications could cause us to lose customers and sales or to incur unexpected expenses; 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, 2017 as well as other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update these statements to reflect actual events.

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Key Stats



Stock Price (12/7/17)	\$13.30
52 Week Low-High	\$11.00 - \$21.60
Avg. Vol. (3 mo.)	34,696
Shares Outstanding	13.8M
Free Float (est.)	11.3M
Insider Holdings (est.)	19%
Institutional Holdings	30%
Market Cap	\$183.7M
Enterprise Value	\$159.2M
Return on Capital (5-Yr Avg.) ¹	10%
Return on Equity (5-Yr Avg.) ¹	11%



Total Revenue (FY17)	\$73.9M
Gross Margin (FY17)	41%
Operating Margin (FY17)	7%
Net Income (FY17)	\$3.8M
Diluted EPS (FY17)	\$0.28
Cash and Investments (MRQ)	\$44.3M
Total Debt	\$0M
Free Cash Flow (FY17)	\$4.3M
Free Cash Flow Yield	2.3%
Price/Earnings	47.5x
EV/EBITDA	23.0x

1. For the fiscal years 2013-2017. Clearfield's fiscal year ends September 30th

Data source: Yahoo Finance, Capital IQ
 TTM = Trailing Twelve Months
 MRQ = Most Recent Quarter

We provide fiber **management**, **protection**, and **delivery** products that enable service providers to cost-effectively build and scale their fiber networks

Manage

Uniform and modular platform reduces the costs of managing and deploying fiber



Protect

Innovative product design ensures fiber is protected throughout the network



Deliver

Patented technology forms the core building blocks for more than 550 deployments globally



Company History and Milestones



CLEARFIELD

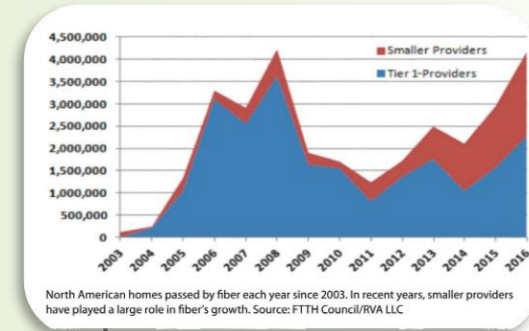
2008: Clearfield is born

2010: Entered the optical components packaging business

2012: Entered Caribbean and Latin America (CALA) markets



2014: Expanded manufacturing capacity with Mexico facility



| 2008

2016

2008: Launched patented Clearview Cassette



2013: Launched FieldShield



2015: Moved to larger U.S. facility to expand manufacturing and operations capacity



Today: Included in 550+ fiber deployments
550+

We Are a “Fiber to Anywhere” Company Serving Growing and Underpenetrated Markets

89%⁽¹⁾

of U.S. residences do not have a fiber connection



Fiber to the
Residence

90%⁽²⁾

Of surveyed telecom professionals believe fiber will be critical for enabling 5G



Fiber to the
Tower

Fiber to the
Business



64%⁽³⁾

of U.S. commercial buildings do not have a fiber connection

Fiber to the **Cell Site/Antenna**

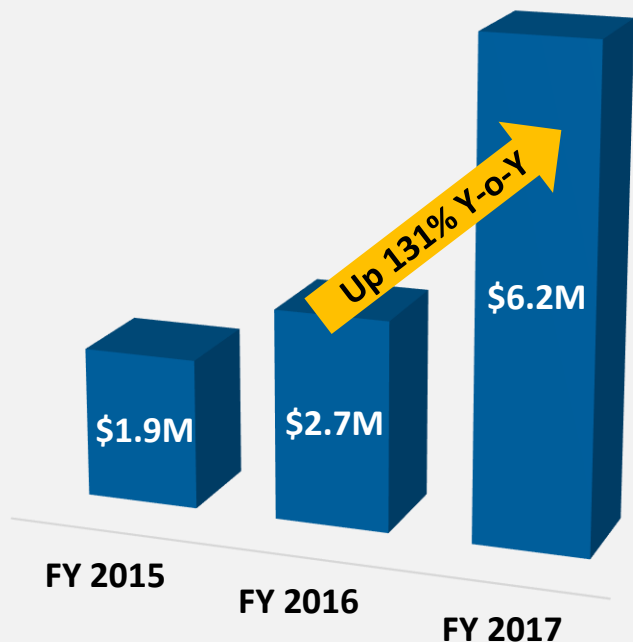
41%⁽⁴⁾

Forecasted annual growth of distributed antennas systems (DAS) through 2021



FY 2017 Revenue Composition & Markets

Tier 1 Revenue



WIREDLINE

58%

- **Core:** Tier 3 and muni.
- **Emerging:** Tier 2

WIRELESS & CABLE TV

14%

- Wireless service providers
- MSOs

WIREDLINE – TIER 1

9%

INTERNATIONAL

8%

- Caribbean/Latin America and Canada

OTHER

8%

- Contract manufacturing
- Misc. sales

ALTERNATIVE

3%

- Competitive local exchange carriers

What's Driving the Demand for Fiber?

Growing Video and Data Usage Needs



Consumers want faster and more reliable broadband

Internet of Things



Increasing number of Internet-connected devices

Competition Among Service Providers



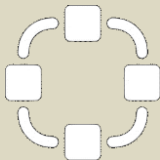
Efforts to reduce churn and increase customer satisfaction

Government Incentives



\$10B in subsidies to deliver greater broadband coverage

Future-Proofing



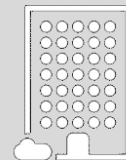
Building energy-efficient, economical & scalable networks

Telemedicine



High bandwidth features enable reliable video conferencing

Municipal Expansion



Gigabit network speeds attract more residents and businesses

Wireless Connectivity Support



LTE and 5G technologies require substantial fiber backhaul

We Are Changing the Way Fiber is Managed, Deployed & Stored

The 'Old' Way

The *Clearfield* Way

Fiber Management

One size fits all attitude



- Single product architecture that works across all environments
- Custom and modular solutions to meet customers' needs

Fiber Protection & Delivery

- Full range of solutions for cost, size, and flexibility preferences
- Easy and cost-efficient process requiring low-skilled labor

Deployment Cost Remains Greatest Challenge for Fiber Network Build-Out

- Cost of FTTx deployment historically a barrier for most *access networks*
- Traditional deployment methods are expensive, time-consuming & labor-intensive
- Labor accounts for 56% of the capital expenditure required to build a fiber network

Deployment Cost #1 Barrier to FTTH Adoption¹

Deployment cost



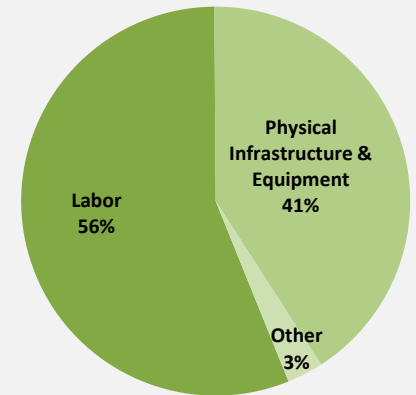
Regulatory uncertainty



Obtaining cost-effective equipment

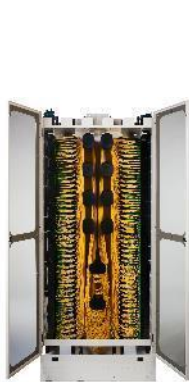


Typical FTTH Cost Breakdown²



1) NTCA 2014 Broadband/Internet Availability Survey Report
2) Lightwave, Oct. 2011; Clearfield estimates for 2016 that labor accounts for 70% of deployment cost

Our Scalable, Uniform & Cost-Effective Platform



Fiber Management

FieldSmart

Panels, frames, cabinets, pedestals, etc., for the inside plant, outside plant and access network

Clearview

Patented cassettes that connect multiple fiber optic cables




Fiber Protection & Delivery

FieldShield

Fiber pathway and protection system consisting of microducts, cables, connectors and terminals

Optical Fiber Value Chain



Raw Materials		Physical Layer Solutions	Equipment Makers	Network Infrastructure	Service Providers
<i>Optical Fiber Manufacturers</i>	<i>Optical Components</i>	<i>Fiber Management & Connectivity Infrastructure</i>	<i>Optical Networking Equipment</i>	<i>Engineering and Construction Companies</i>	<i>Traditional Carriers, Cable Providers, Alt. Carriers</i>
<p>CORNING</p> <p>ofs A Furukawa Company</p> <p>PRYSMIAN</p> <p>OCC OPTICAL CABLE CORPORATION</p> <p>AFL</p>	<p>FINISAR</p> <p>fabrinet®</p> <p>infinera</p> <p>NeoPhotonics</p> <p>OCLARO</p> <p>AOI APPLIED OPTOELECTRONICS, INC.</p> <p>emcore empower with light™</p>	 <p>CLEARFIELD</p> <p>CORNING</p> <p>COMMSCOPE®</p>	 <p>CISCO</p> <p>ERICSSON</p> <p>ADTRAN®</p> <p>Calix</p> <p>ciena.</p>	<p>DYCOM</p> <p>MasTec</p> <p>QUANTA SERVICES</p>	<p>verizon✓</p>  <p>Spectrum</p> <p>COMCAST</p> <p>Google fiber</p>

The Clearfield Advantage with Fiber Optic Cabling & Connectors

- ✓ Eliminates or reduces slack storage device
- ✓ Allows for labor-lite pre-construction engineering costs due to forgiving slack storage requirements
- ✓ Lighter & easier to handle
- ✓ Restoration is a simple coupler rather than requiring a costly and time-consuming re-trench

100 feet of Clearfield FieldShield Optical Fiber and pre-terminated FieldShield connector



100 feet of Corning Flat Drop with a pre-terminated HFOC Connector; Representative of CommScope

Why We Win Business



CORNING
COMMSCOPE®

Culture of listening leads to innovation



Company knows best attitude

Lowest TCO for 'Last Mile' deployments



No field restoration plan

In-cassette splicing speeds deployment



Required splice case

Single product architecture designed for today's Fiber to Anywhere requirements; Not the FTTH of old.



Multiple and legacy architectures increasing development, training and inventory costs

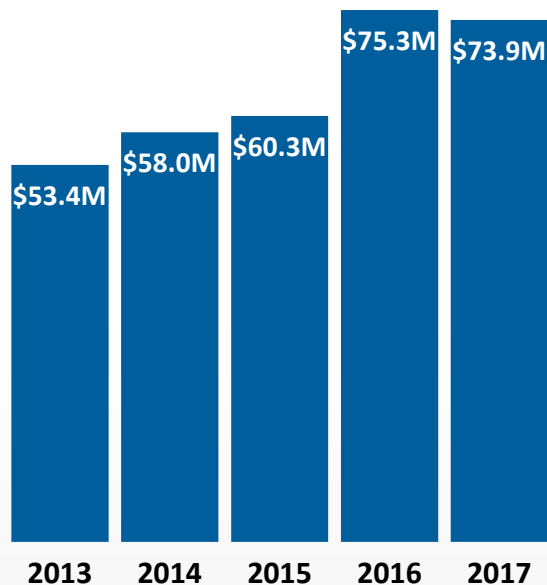
Building block approach allows rapid build to order



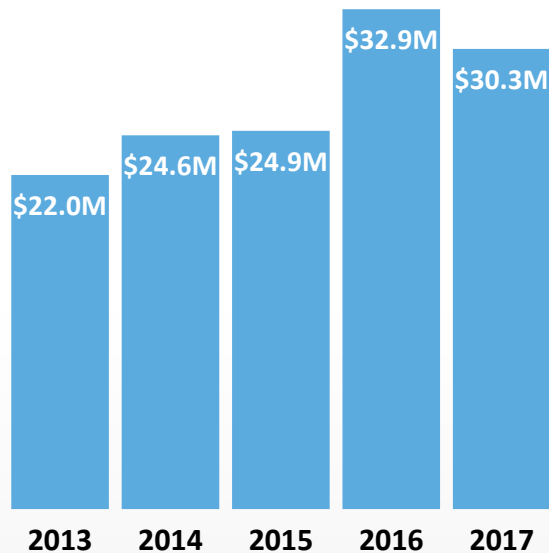
Lead times often 12 to 20 weeks from order

Annual Financial Performance

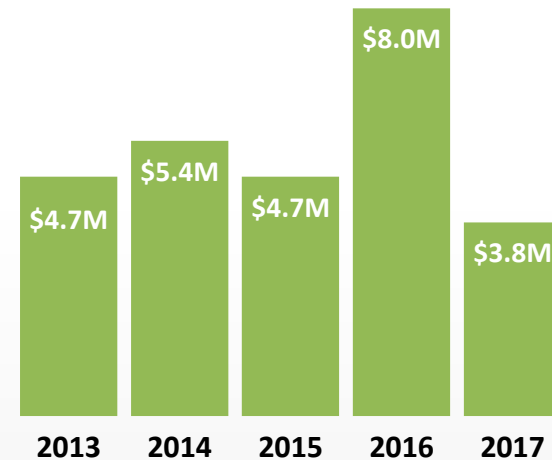
Revenue



Gross Profit



Net Income



+42% +9% +4% +25% -2%

Year-over-Year Growth Rate

41.2% 42.4% 41.2% 43.7% 40.9%

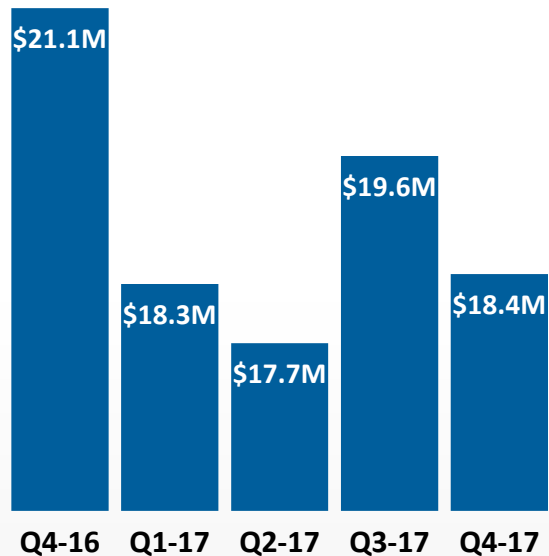
Gross Margin

8.9% 9.4% 7.8% 10.6% 5.2%

Net Margin

Quarterly Financial Performance

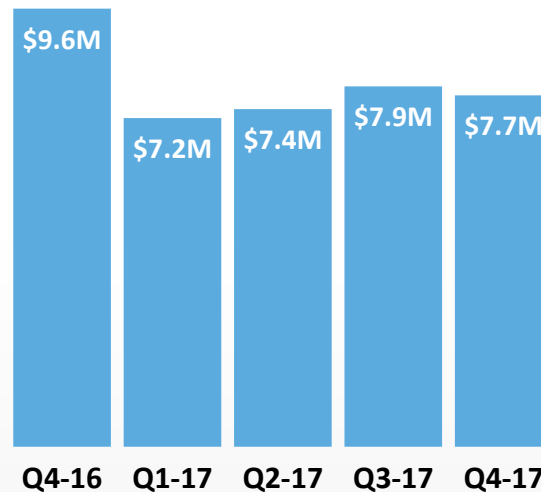
Revenue



+33% +16% +4% -9% -13%

Year-over-Year Growth Rate

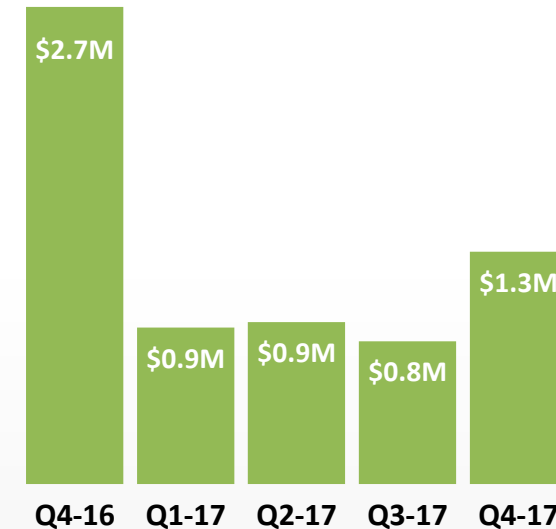
Gross Profit



45.5% 39.5% 42.2% 40.5% 41.7%

Gross Profit (%)

Net Income



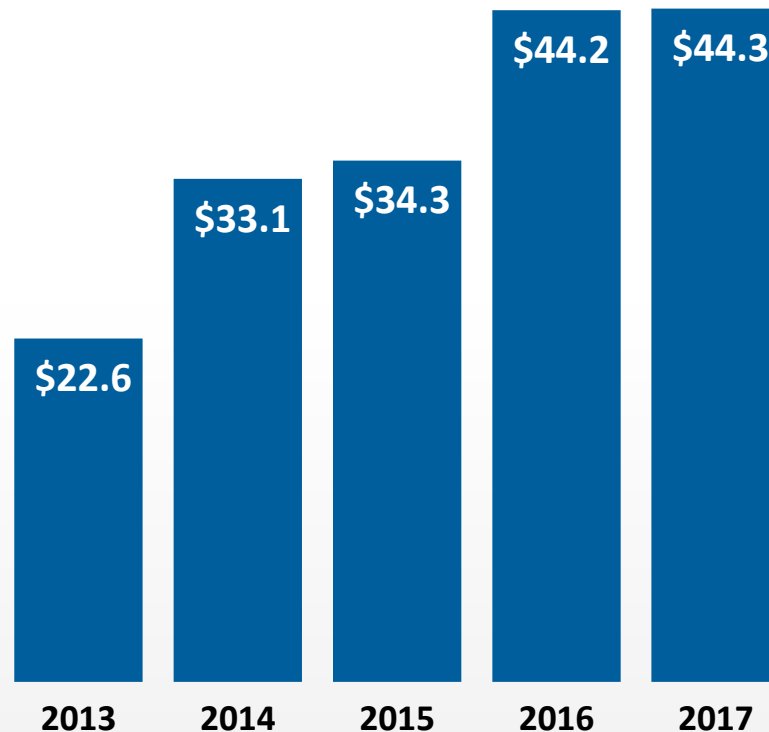
12.7% 4.8% 5.1% 4.1% 6.8%

Net Margin

Balance Sheet Supports Growth

<i>\$ in Millions</i>	Sept. 30, 2017	Sept. 30, 2016
Cash & Investments	\$44.3	\$44.2
Total Assets	\$69.5	\$70.6
Stockholders' Equity	\$64.5	\$62.6
Total Debt	\$0	\$0
<i>Total Capitalization</i>	<i>\$64.5</i>	<i>\$62.6</i>

Cash & Investment Balances



The Road to Profitably Growing Revenue Faster Than 15%



FIBER MANAGEMENT

FIELD SHIELD

CERTIFICATIONS

NATIONAL
CARRIER PRODUCT
APPROVALS

CHANNEL
DEVELOPMENT

STRATEGIC
ALLIANCES

MARKET &
PRODUCT LINE
ENHANCEMENTS

Phase I (2008-2015)

- Rebuild the company
- Restore balance sheet and develop profitable and sustainable growth business
- Build and expand the value proposition through patented and cost-minimizing solutions

Phase II (2015+)

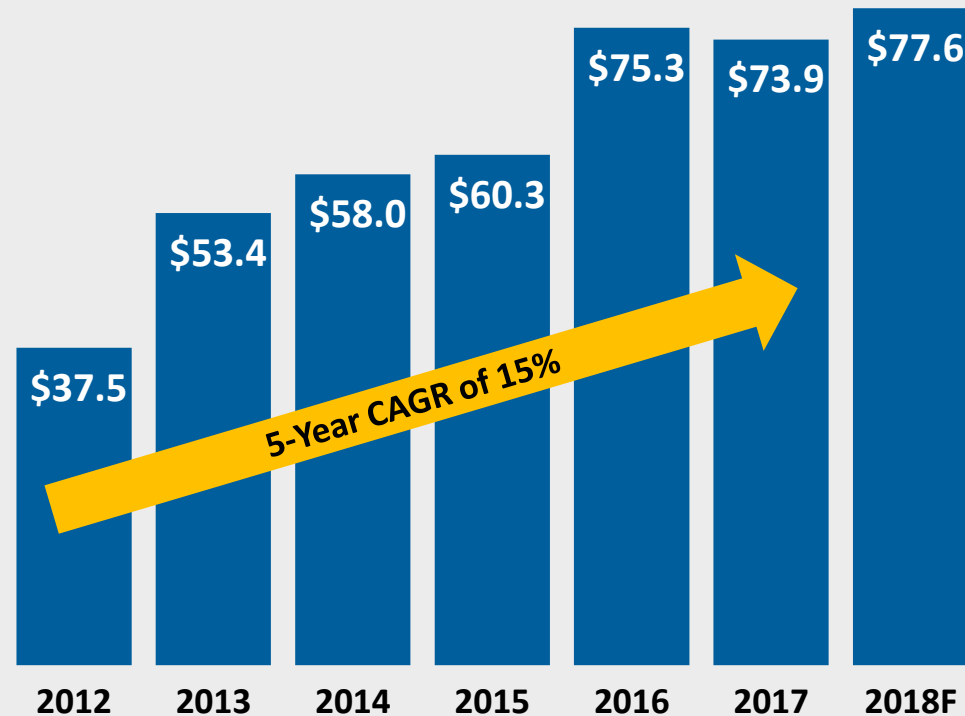
- Expand into Tier 1 market through product approvals and certifications:
 - Certifications achieved: NEBS (central office panels); GR-326 (SC and LC connectors and cables); GR-487 (Makwa)
 - Product approvals gained at Verizon, AT&T, CenturyLink, Frontier, Windstream, and Charter

Phase III (2018+)

- Secure additional partnerships that will expand “feet on the street”
- Dedicate sales resources to align company with industry EF&I firms, along with optical fiber and electronics vendors for referral business opportunities
- Expand product suite to add more revenue to existing clients and new markets for existing product technologies

- **5% revenue growth:**
 - 1H 2018 to be flat, while 2H 2018 to grow 10% year-over-year
 - Wireline to continue growing at high single digits
 - Wireless and cable TV markets to continue to be at a pause
 - Continued acceleration in the Tier 1 market
- **40-42% gross profit margins;**
- **Operating expenses consistent with fiscal 2017; and**
- **5% net income as a percent of revenue.**

Revenue Growth Outlook (*\$ in Millions*)



Why Invest in Clearfield

- ✓ **Proven business model** and management execution
- ✓ **Strong competitive position** in a multi-billion-dollar fiber optics industry experiencing an upgrade cycle
- ✓ **Growth acceleration** in existing markets with increasing penetration into newer markets
- ✓ Nine-year history of **continued organic growth, profitability, and positive free cash flow**
- ✓ **Healthy balance sheet:** \$44.3M in cash & investments and no debt
- ✓ Efficient capital allocation and **strong returns on capital**



WE TURN YOUR BROWNFIELD GREEN



Company Contact:

Cheri Beranek

CEO & President

Clearfield, Inc.

IR@clfd.net

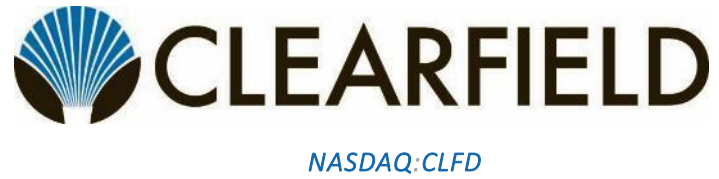
Investor Relations:

Matt Glover or Najim Mostamand, CFA

Liolios Group, Inc.

(949) 574-3860

CLFD@liolios.com



Appendix

Executive Management Team



Cheri Beranek

President & Chief Executive Officer

- Co-founded Clearfield in 2008
- Previously President of APA Cables & Networks (Clearfield's predecessor organization)
- Over 20 years of experience in executive roles at high-growth tech companies, including Americable, Transition Networks, and Digi International

Daniel Herzog

Chief Financial Officer

- CFO of Clearfield since 2011
- Previously Chief Financial Officer of Americable (which was acquired by Clearfield's predecessor organization, APA Cables and Networks)
- Held financial leadership roles in both public and private companies, including Schwing America and Computer Designed Systems

Johnny Hill

Chief Operating Officer

- Co-founded Clearfield in 2008
- Previously VP of engineering and product management
- Over 15 years of strategic and hands-on experience in the telecommunications networking industry

Kevin Morgan

Chief Marketing Officer

- CMO of Clearfield since 2016
- Previously held senior marketing positions at ADTRAN, Inc. and BellSouth (now part of AT&T)
- Held leadership positions with the Fiber-to-the-Home (FTTH) Council Americas, including as a regular Board Member since 2011 and Chairman of the Board in 2015

Glossary of Industry Terms



Alternative Carrier	Competitive providers that compete with the already established local exchange carriers through the process of overbuilding a network. <ul style="list-style-type: none"> • <i>Examples: Google Fiber, TelePacific, and Level 3 Communications</i>
Backhaul (Wireless)	The wireless communication and network infrastructure responsible for transporting communication data from end users (or nodes) to the central network or infrastructure. Fiber is often used as the medium to backhaul data from the antenna or tower to the central network.
Fiber to the Anywhere (FTTx)	A broadband network architecture using optical fiber to provide all or part of the local loop used for last mile telecommunications in any environment, including the home, business, curb, node, tower, cell site, etc.
Fiber to the Home (FTTH)	A communications architecture in which the final connection to the subscriber's premise is optical fiber.
Homes Connected	The number of homes connected or served via fiber.
Homes Passed	The potential number of premises to which an operator has capability to connect in a service area, but the premises may or may not be connected to the network.
Inside Plant	Telecommunications facilities placed inside a building.
Outside Plant (OSP)	All cables, conduits, ducts, poles, towers, repeaters, repeater huts, and other equipment located between a demarcation point in a switching facility and a demarcation point in another switching facility or customer premises.
Premises	The subscriber's home or place of business. In a multi dwelling unit, each apartment is therefore counted as one premise.
Subscriber	A premise that is connected to a FTTH network and uses at least one service on this connection under a commercial contract.
Take Rate	The number of subscribers divided by the number of homes connected.
Tier 1 Provider	<ul style="list-style-type: none"> • Largest national and global telecom providers • Multiple layers of decision makers; Long sales cycle (12-24 months) • <i>Examples: AT&T, Verizon, and CenturyLink</i>
Tier 2 Provider	<ul style="list-style-type: none"> • Carriers with a national footprint, cable and non-traditional providers • Several layers of decision makers; Long sales cycle (12+ months) • <i>Examples: TDS Telecom, Frontier Communications, and Windstream</i>
Tier 3 Provider	<ul style="list-style-type: none"> • Community or regional-based carriers with smaller networks • Direct access to decision maker; Short sales cycle (1-3 months) • <i>Examples: Arvig Communications, Cincinnati Bell, and Paul Bunyan Communications</i>
Traditional Carrier	Incumbent service providers within the wireline, wireless, municipality and cable TV markets.