

Welcome to Clearfield's Annual Meeting



CLEARFIELD

NASDAQ:CLFD

Leader in Fiber Optic Management & Connectivity Solutions

This meeting was called by a
notice and proxy statement first mailed on
January 10, 2017
to all shareholders of record on
December 28, 2016

We have received proxies representing more than a majority
of the outstanding shares of common stock.

Therefore, this meeting has been duly called and a
quorum is present.

- Elect six (6) directors to serve until the next Annual Meeting of the Shareholders or until their respective successors have been elected and qualified;
- Approve amendments to the Clearfield, Inc. 2007 Stock Compensation Plan;
- Approve, on a non-binding advisory basis, the compensation paid to our named executive officers;
- Approve, on a non-binding advisory basis, the frequency of future executive compensation advisory votes; and
- Ratify the appointment of Baker Tilly Virchow Krause, LLP as the independent registered public accounting firm for Clearfield, Inc. for the fiscal year ending September 30, 2017.

Adjournment

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 1A. Risk Factors of Clearfield's Annual Report on Form 10-K for the year ended September 30, 2016 as well as other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update these statements to reflect actual events.

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



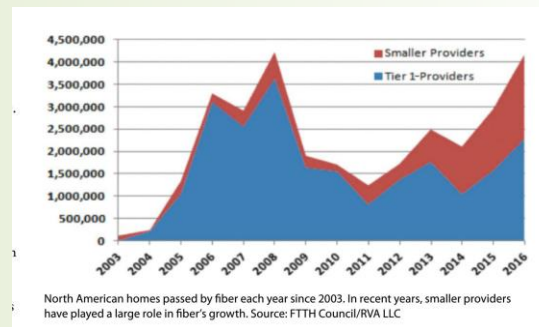
2008: Clearfield is born

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



Revenue Composition

WIRELINE

58%

- **Core:** Tier 3 and municipalities
- **Emerging:** Tier 1 and 2

INTERNATIONAL

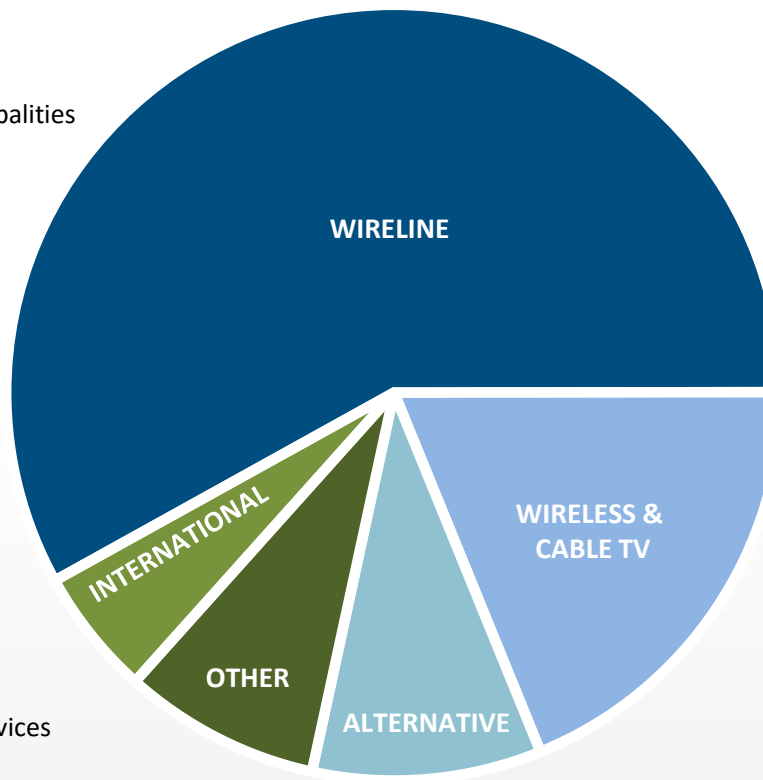
5%

- Caribbean and Latin America

OTHER

7%

- Contract mfg. services
- Misc. sales



WIRELESS & CABLE TV

19%

- Wireless service providers
- MSOs

ALTERNATIVE

10%

- 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



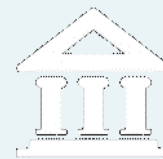
Increasing number of Internet-connected devices

Competition Among Service Providers



Efforts to reduce churn and increase customer satisfaction

Government Incentives



\$10B in subsidies to deliver greater broadband coverage

Future-Proofing



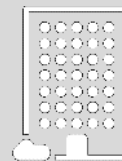
Building energy-efficient, economical & scalable networks

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

Clearfield is Uniquely Positioned to Respond

The 'Old' Way

The *Clearfield* Way

Fiber Management

One size fits all attitude

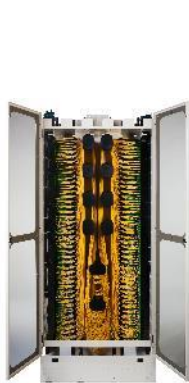


- Single product architecture that works across all environments
- Custom and modular solutions to meet customers' needs

Fiber Protection & Delivery

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

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
Optical Fiber Manufacturers	Optical Components	Fiber Management & Connectivity Infrastructure	Optical Networking Equipment	Engineering and Construction Companies	Traditional Carriers, Cable Providers, Alt. Carriers
  <small>A Furukawa Company</small>   <small>OPTICAL CABLE CORPORATION</small> 	      <small>APPLIED OPTOELECTRONICS, INC.</small>  <small>empower with light™</small>	 <small>CLEARFIELD</small>  	    	  	    

Why Clearfield Wins 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



Clearfield Responds to CommScope Claims of Patent Infringement

Minneapolis, MN — February 1, 2017 — Clearfield, Inc. (NASDAQ:CLFD), the specialist in fiber management, optical pathway and connectivity platforms for communication service providers, reported today that it intends to vigorously defend against the patent infringement suit recently brought by CommScope in the United States District Court for the District of Minnesota. Clearfield invested significant resources in bringing to market Clearfield's FieldSmart® PON Cabinets, WaveSmart® Ruggedized Splitters, FieldShield® Deployment Reel System, SmartRoute® Panel, FieldShield® Multiport SmarTerminal and FieldShield® Hardened Connectors named in the suit and **does not believe that these innovative products violate any valid intellectual property of CommScope.**

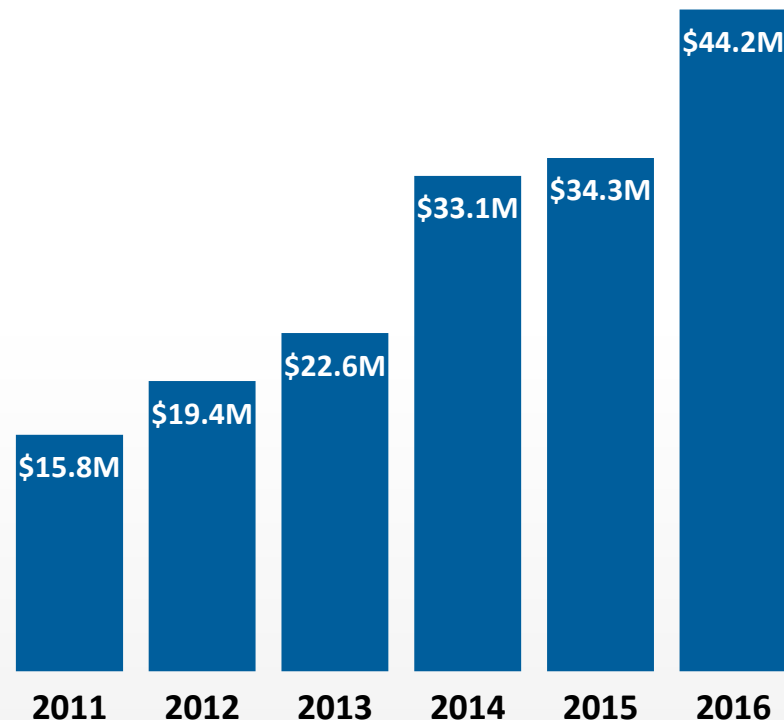
Cheri Beranek, Chief Executive Officer of Clearfield, said in response to the lawsuit: "It seems that Clearfield's successful penetration and growth in the fiber broadband market has attracted the notice of its competitors. **Clearfield remains committed to pursuing its market development initiatives and to winning business with an expansive product offering to a broad customer base that recognizes Clearfield's strong value proposition.**"

Strong Fundamentals Support Continued Organic Growth

<i>In millions except for current ratio data</i>	Sept. 30, 2016	Sept. 30, 2015
Cash & Investments	\$44.2	\$34.3
Current Ratio	7.0x	8.1x
Total Debt	\$0	\$0

<i>In millions</i>	Fiscal Year 2016	Fiscal Year 2015
Order Backlog¹	\$4.6	\$3.5
Cash Flow from Operations	\$11.6	\$6.8
Free Cash Flow²	\$10.0	\$2.3

Cash & Investment Balances³







1) Order backlog is defined as purchase orders received but not yet fulfilled.

2) Free cash flow in fiscal 2015 was impacted by expenditures associated with the build out of the company's new corporate headquarters

3) Cash and investment balances are calculated as of the end of the company's fiscal calendar year on September 30.

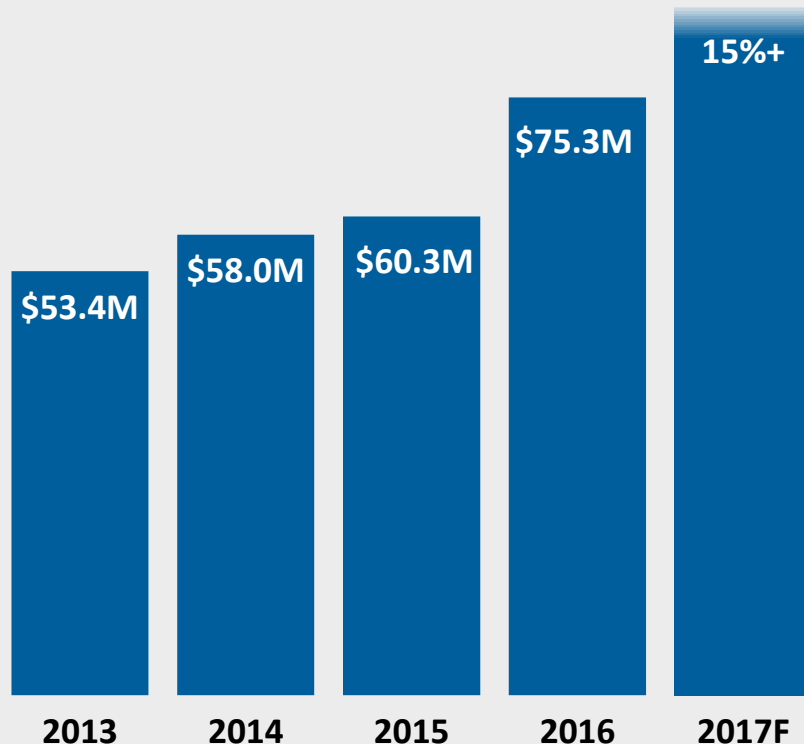
Growth Strategies and Initiatives

Strategy	Initiative
 <p>Multiply — Increase exposure and presence in key markets</p>	<ul style="list-style-type: none">▶ Expanding global salesforce and strengthening relationships with distributors
 <p>Build Out — Continue expanding and evolving our solutions to meet customers' dynamic needs</p>	<ul style="list-style-type: none">▶ Working more closely with the engineering and design teams of service providers to create custom products for their platforms
 <p>Leverage — Use installed base of reference accounts to penetrate newer customers</p>	<ul style="list-style-type: none">▶ Taking our field expertise gained from 550+ deployments to solve the challenges of national Tier 1 and 2 carriers
 <p>Communicate — Promote our core competencies and unique skill sets to drive accelerated growth in sales to wireless and cable TV providers</p>	<ul style="list-style-type: none">▶ Demonstrating our ability to help cost-effectively take fiber deeper into the network and terminate and package optical components

Based on current outlook and pipeline, we forecast:

- **15%+ revenue growth:**
 - Continued growth in core Tier 3 wireline and municipality markets
 - Substantial growth in wireless and cable TV markets
- **Operating income to grow with revenue:**
 - Continue to make investments to position us to scale
 - Long-term OPEX forecasted to be 30% as a percentage of revenue

Revenue Growth Outlook



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:** \$44.2M in cash & investments and no debt
- ✓ Efficient capital allocation and **strong returns on capital**

