



# PLP Fourth Quarter & Full Year 2024 Earnings Presentation

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MARCH 13, 2025



# FORWARD LOOKING STATEMENTS AND NON-GAAP MEASURES

## **Cautionary Note Regarding Forward-Looking Statements**

This presentation contains forward-looking statements regarding Preformed Line Products Company's (the "Company", "we" "us" or "our") and our management's beliefs and expectations. Any forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. As a general matter, forward-looking statements are those focused upon future plans, objectives or performance (as opposed to historical items) and include statements of anticipated events or trends and expectations and beliefs relating to matters not historical in nature. Use of words such "anticipates," "believes," "may," "should," "will," "would," "could," "plans," "projects," "expects," "estimates," "predicts," "targets," "forecasts," "intends," "contemplates," and similar words may identify forward-looking statements. Such forward-looking statements are subject to uncertainties and factors relating to the Company's operations and business environment, all of which are difficult to predict and many of which are beyond our control. Such uncertainties and factors could cause our actual results to differ materially from those matters expressed in or implied by such forward-looking statements, and include, without limitation, the following: (1) the overall demand for cable anchoring and control hardware for electrical transmission and distribution lines on a worldwide basis, which has a slow growth rate in mature markets and may grow slowly or experience prolonged delay in developing regions despite expanding power needs; (2) the impact of global political and economic conditions on our ongoing profitability and future growth opportunities in our core markets, which may experience continued or further instability, such as due to inflation and rising interest rates, social unrest, acts of war, military conflict, international hostilities or the perception that hostilities may be imminent, terrorism, changes in diplomatic and trade relationships and public health concerns; (3) the ability of our customers to raise funds needed to build the infrastructure projects their customers require; (4) technological developments that affect longer-term trends for communication lines, such as wireless communication; (5) the decreasing demand for products supporting copper-based infrastructure due to the introduction of products using new technologies or adoption of new industry standards; (6) our success at continuing to develop proprietary technology and maintaining high quality products and customer service to meet or exceed new industry performance standards and individual customer expectations; (7) our success in strengthening and retaining customer relationships, growing sales and expanding geographically; (8) our success in supporting the renewable energy sector; (9) the growth of autonomous technologies and artificial intelligence; (10) the extent to which we are successful at expanding our product line or production facilities into new areas or implementing efficiency measures at existing facilities; (11) the effects of fluctuation in currency exchange rates, together with non-currency risks of investing in and conducting significant operations in foreign countries, including those relating to political, social, economic and regulatory factors; (12) our ability to identify, complete, obtain funding for and integrate acquisitions for profitable growth; (13) the potential impact of consolidation, deregulation and bankruptcy among our suppliers, competitors and customers and of any legal or regulatory claims; (14) competition and customer price pressure on our products; (15) the cost, availability and quality of raw materials required for the manufacture of products and any tariffs that may be associated with the purchase of these products and impacts of any disruption to our supply chain; (16) strikes, labor disruptions and other fluctuations in labor costs; (17) changes in significant government regulations affecting tax, environmental compliance or other litigation matters; (18) security breaches or other disruptions to our information technology structure; (19) the frequency and intensity of severe weather; (20) the telecommunications market's continued deployment of Fiber-to-the-Premises; (21) the impact of any failure to timely implement and maintain adequate financial, information technology and management processes and controls and procedures; and (22) additional factors described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the U.S. Securities and Exchange Commission.

In light of these risks and uncertainties, we caution you not to place undue reliance on these forward-looking statements. Any forward-looking statement that we make in this presentation speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statement or to publicly announce the results of any revision to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

## **Non-GAAP Financial Measures**

In addition to the results provided in accordance with GAAP, this presentation includes certain non-GAAP measures, which present operating results on an adjusted basis. These are supplemental measures of performance that are not required by or presented in accordance with GAAP and include: (i) free cash flow (or FCF), (ii) free cash flow conversion (or FCF conversion), (iii) Adjusted EBITDA and (v) debt to Adjusted EBITDA ratio.

We believe that these are useful as supplemental measures in assessing the operating performance of our business. These permit investors to assess the operating performance of our business relative to our performance based on GAAP results and relative to other companies within our industry by isolating the effects of certain items that may vary from period to period without correlation to core operating performance or that vary widely among similar companies. However, our inclusion of these adjusted measures should not be construed as an indication that our future results will be unaffected by unusual or infrequent items or that the items for which we have made adjustments are unusual or infrequent or will not recur. These non-GAAP financial measures are not intended to replace GAAP financial measures, and they are not necessarily standardized or comparable to similarly titled measures used by other companies.



# Q4 & FULL-YEAR 2024 SUMMARY

## Q4 2024

- Net sales of \$167.1 million, up 15% from Q4 2023
- Net income of \$10.5 million
- Diluted EPS of \$2.13, up 65% from Q4 2023
- Free cash flow of \$20.6 million, 197% free cash flow conversation of Net Income\*

## Full Year 2024

- Net sales of \$593.7 million, down 11% from 2023
- Net income of \$37.1 million
- Diluted EPS of \$7.50, down 41% from 2023
- Free cash flow of \$56.2 million\*

## 2024 Highlights

- Strong cash generation, with a \$33.7 million reduction in debt and 152% free cash flow conversion\*
- International footprint provides cyclical benefits with U.S. markets down
- Strong storm orders indicative of decreasing headwinds from end-market destocking
- PLP's steadfast commitment to U.S. manufacturing positions us well in the current trade environment

\* See reconciliation to net cash provided by operating activities in Appendix.

# CORPORATE OVERVIEW

# OVERVIEW

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FOUNDED

**1947**

TEAM MEMBERS

**3,400**

PRODUCTS

**20,000+**

HEADQUARTERS

**CLEVELAND, OHIO**

ENGINEERING CENTERS

**11**

MANUFACTURING PLANTS

**25**

## OUR MISSION

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**TO PROTECT** THE WORLD'S  
MOST **CRITICAL CONNECTIONS**  
TO CREATE **STRONGER** AND MORE  
**RELIABLE** NETWORKS.



# OUR VALUES

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## METICULOUS

We have high standards and exceed expectations.

## KNOWLEDGEABLE

We are experts who seek out solutions.

## RESPONSIVE

We react quickly to the needs of others.

## AUTHENTIC

We are original and stay true to who we are.

## TRUSTWORTHY

We are reliable and inspire confidence.

## ENTHUSIASTIC

We are passionate about our mission.

## INNOVATIVE

We implement creative ideas that add value.



# VERTICALS

## ENERGY



### Electric Power Infrastructure

- Transmission
- Distribution
- Substation

## COMMUNICATIONS



### Wireline Network Infrastructure

- Fiber Optics
- Cable TV
- Telephone

## SPECIAL INDUSTRIES



### Critical Infrastructure Industries

- Agriculture
- Industrial & Construction
- Renewables
- Other Critical Infrastructure

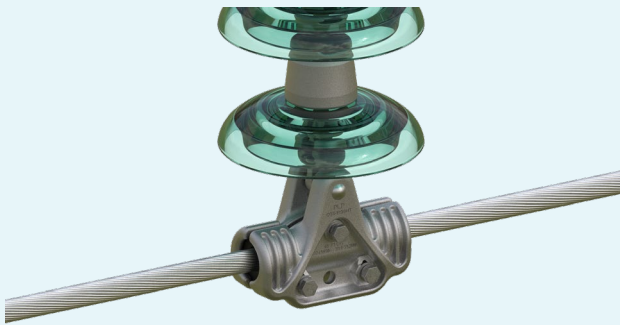


# PRODUCTS & SERVICES

## INFRASTRUCTURE SOLUTIONS

**Products that help protect and connect critical infrastructure**

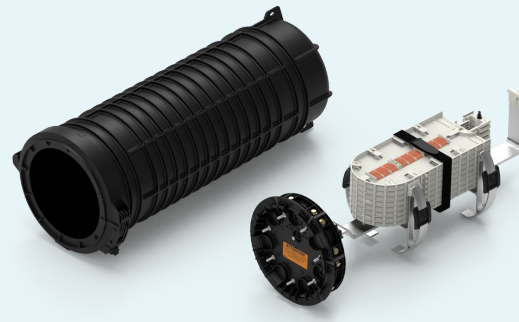
- T&D Infrastructure Solutions
- Communications Networks
- EV Charging Infrastructure
- Solar Mounting Systems



## CONNECTIVITY DEVICES

**Products that protect critical communications connections**

- Fiber Optic Closures
- Splice Cases
- Pedestals
- Pre-Terminated Cabinets



## PROFESSIONAL SERVICES

**Services that increase efficiency, safety, and reliability**

- Utility Asset Inspections
- Robotic Installations
- Line Monitoring
- Laboratory Testing



# VALUE PROPOSITION

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A close-up photograph of a dense bundle of white cables or wires, with a blue overlay and the text 'PRECISION ENGINEERING' in white.

## PRECISION ENGINEERING

Our goal is products that are designed and manufactured to exact specifications to ensure optimal performance.

A photograph showing a person's hands working on a complex electrical assembly with many colored wires, with a blue overlay and the text 'QUALITY PRODUCTS' in white.

## QUALITY PRODUCTS

Our products reflect industry-leading quality, setting high standards for the competition.

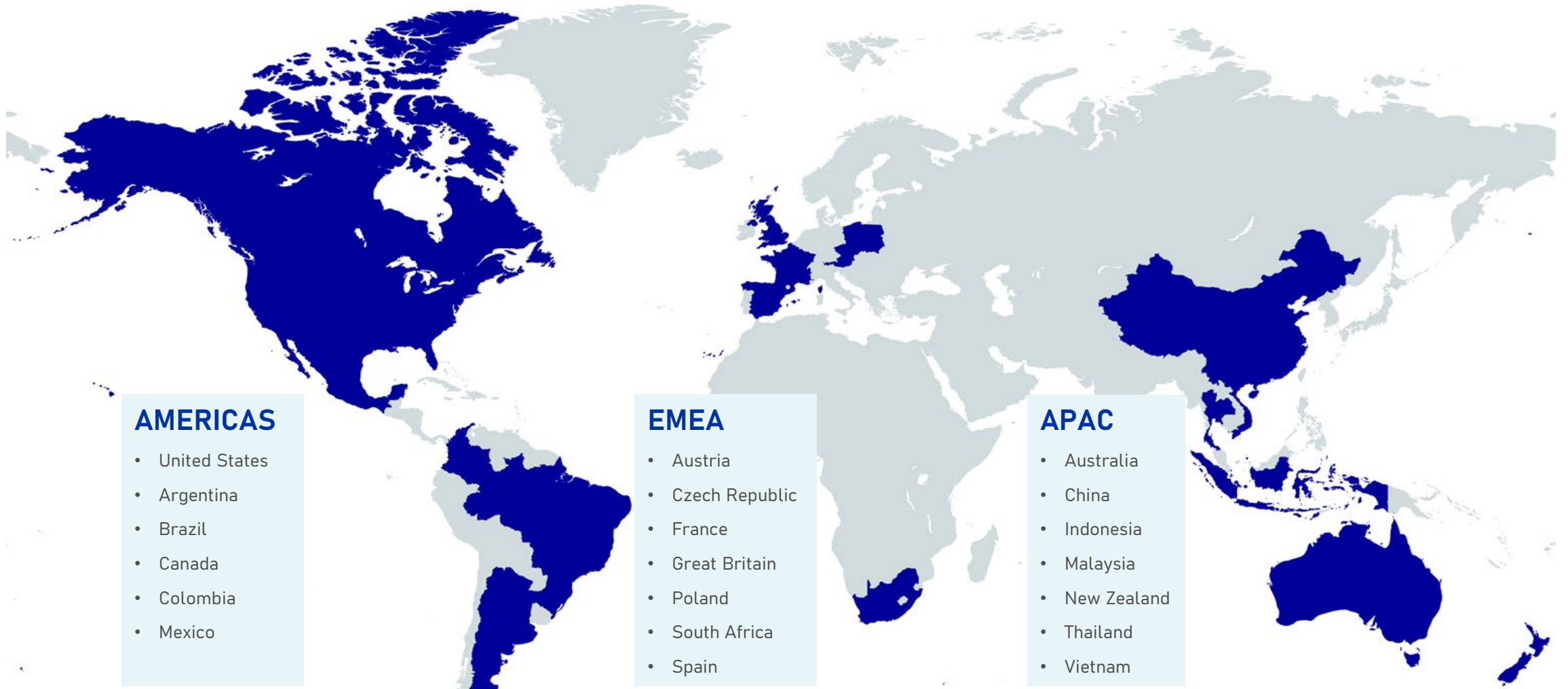
A photograph of a construction worker in a hard hat and safety gear working on a structure, with a blue overlay and the text 'UNPARALLELED SERVICE' in white.

## UNPARALLELED SERVICE

We seek to go above and beyond in everything we do. Our expert-level customer service, technical support, and industry knowledge are paramount to our success.

# GLOBAL OPERATIONS

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## AMERICAS

- United States
- Argentina
- Brazil
- Canada
- Colombia
- Mexico

## EMEA

- Austria
- Czech Republic
- France
- Great Britain
- Poland
- South Africa
- Spain

## APAC

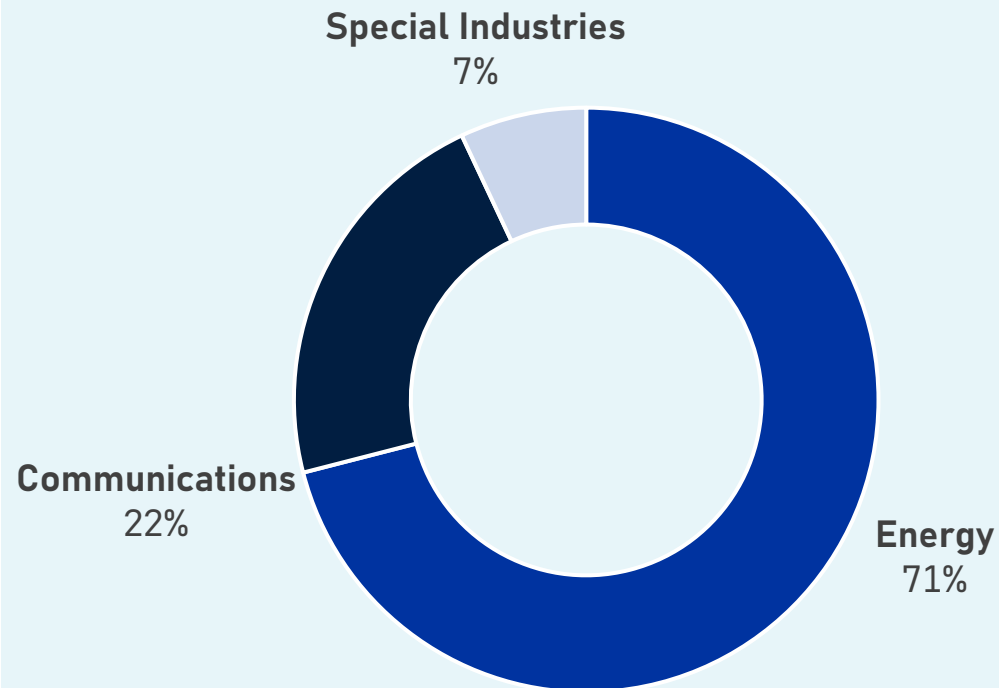
- Australia
- China
- Indonesia
- Malaysia
- New Zealand
- Thailand
- Vietnam



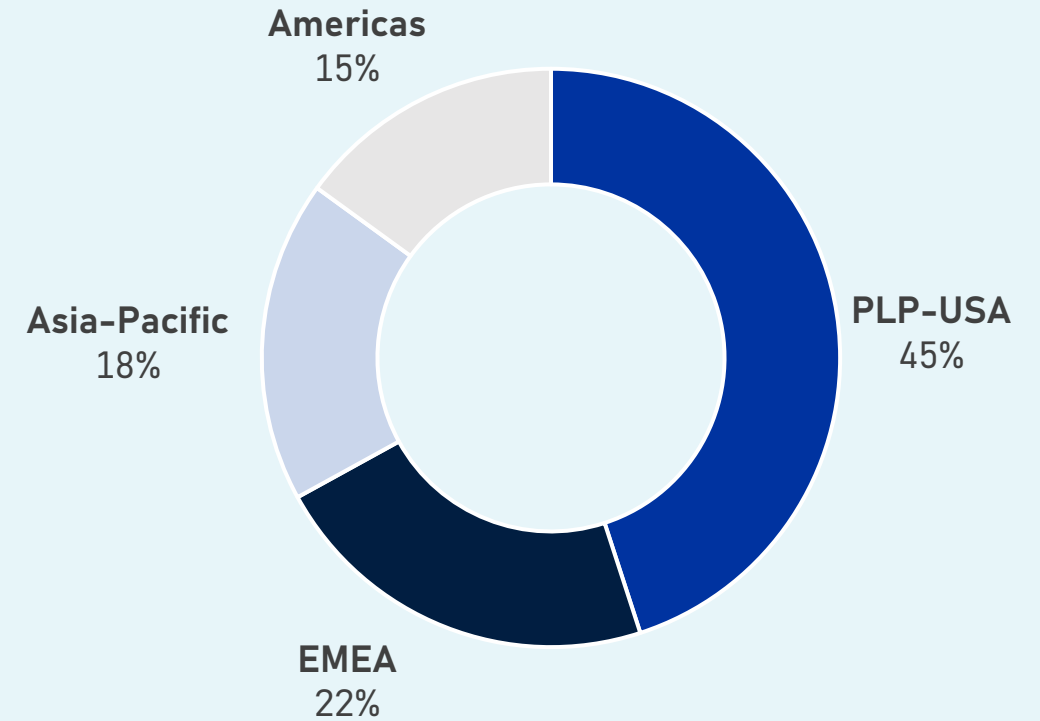
# OPERATIONAL HIGHLIGHTS

FY 2024 Sales

## Key Markets



## Sales Geographies



# INDUSTRY MACRO TRENDS

# INDUSTRY MACRO TRENDS

## AGING INFRASTRUCTURE & INCREASING DEMAND

Population growth and trends (*migration, urbanization, remote work, etc.*), technological advancements (*IoT, AI, data centers, electric vehicles, digitalization, etc.*), and economic development are leading to significant modernization efforts and increases in demand for electric power and communications networks.

- 70% of U.S. electrical transmission lines are over 25 years old ([U.S. Department of Energy](#))\*
- 40% of the European grid is over 40 years old ([European Council on Foreign Relations](#))\*
- 150% growth in global electricity demand projected by 2050 ([Deloitte](#))\*
- 11.8% CAGR projected through 2030 for the global FTTH (Fiber-to-the-Home) market ([Broadband Communities](#))\*

**PLP IMPACT:** T&D and Communications Infrastructure Solutions; Substation Connectors; Connectivity Devices; Inspection Services

\* Estimated by the cited source.



# INDUSTRY MACRO TRENDS

## GRID HARDENING & STORM PREPAREDNESS

The increasing frequency and intensity of severe weather events has utilities focusing on upgrading and fortifying infrastructure to better withstand hurricanes, floods, wildfires, extreme heat and cold, and other natural disasters to reduce the risk of prolonged outages and costly repairs.

- **\$36.4 billion in grid modernization projects currently planned by 25 investor-owned utilities** ([Wood Mackenzie](#))\*
- **37% CAGR in grid modernization investment since 2012** ([Wood Mackenzie](#))\*
- **Significant investment in grid hardening could reduce major event outages by as much as 30%** ([McKinsey](#))\*

**PLP IMPACT:** T&D Infrastructure Solutions; Inspection Services; Line Monitoring

\* Estimated by the cited source.

# INDUSTRY MACRO TRENDS



## RENEWABLE ENERGY TRANSITION

The renewables sector continues to expand rapidly, and with renewable generation sites often located in remote areas—such as offshore wind farms or solar installations in deserts—there is a growing need for new, long-distance transmission lines and substation facilities to efficiently transfer renewable power to areas where demand is concentrated.

- **\$3.1 trillion in global grid infrastructure investments related to renewables are required by 2030** ([Rystad Energy](#))\*
- **Global renewables capacity expected to increase by two-and-a-half times by 2030** ([International Energy Agency](#))\*
- **U.S. electric vehicle charging network projected to grow nearly tenfold to 35 million charge points by 2030** ([PwC](#))\*

**PLP IMPACT:** T&D Infrastructure Solutions; Substation Connectors; Solar Mounting Systems; EV Charging Infrastructure

\* Estimated by the cited source.

# INDUSTRY MACRO TRENDS

## AUTONOMOUS TECHNOLOGY & DATA ANALYSIS

The increasing shortage of workers combined with new technologies that provide safer, more efficient, and more cost-effective results is driving significant growth in robotic technology, artificial intelligence, and data analysis tools by electric utilities, communications network operators, and other critical infrastructure industries.

- Global power industry faces a 3.9 million workforce gap ([Deloitte](#))\*
- 15% CAGR projected through 2032 for the robotics sector, reaching \$169.8 billion in market value ([Benchmark International](#))\*

**PLP IMPACT:** Robotic Installations; Inspection Services; Line Monitoring, T&D Infrastructure Solutions

\* Estimated by the cited source.



# INDUSTRY MACRO TRENDS

## GOVERNMENT INVESTMENT (U.S.)

The Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) include \$2 trillion of funding for infrastructure projects, including electric power, communications, renewables, and other critical infrastructure. The Build America, Buy America (BABA) Act establishes domestic sourcing requirements.

- **\$42.5 billion for broadband infrastructure** ([BroadbandUSA](#))\*
- **\$20 billion to modernize the grid** ([U.S. Department of Energy](#))\*
  - **\$10.5 billion to improve grid resilience** ([U.S. Department of Energy](#))\*
- **\$369 billion in incentives for renewable energy transition** ([Inflation Reduction Act](#))\*

**PLP IMPACT:** T&D and Communications Infrastructure Solutions; Substation Connectors; Connectivity Devices; Solar Mounting Systems; EV Charging Infrastructure, U.S. Manufacturing

\* Estimated by the cited source.

# INDUSTRY MACRO TRENDS

## GLOBAL INVESTMENT & INITIATIVES

The rapid uptake of renewables due to government and diplomatic mandates, as well as the increasing global demand for electric power and communications services, is putting a significant strain on current network infrastructure and driving private and public investment in modernization and expansion projects.

- **€584 billion of investment in Europe's T&D infrastructure needed by 2030** ([European Commission](#))\*
- **REPowerEU Plan aims to deploy over 600 GW of new solar PV generation in Europe by 2030** ([International Energy Agency](#))\*
- **Global annual investment in T&D networks projected to reach between \$600 billion and \$1.2 trillion by 2040** ([McKinsey](#))\*

**PLP IMPACT:** T&D and Communications Infrastructure Solutions; Substation Connectors; Connectivity Devices; Solar Mounting Systems; EV Charging Infrastructure, Global Sales Diversification

\* Estimated by the cited source.

# FINANCIAL HIGHLIGHTS



# HISTORICAL FINANCIAL HIGHLIGHTS

## FULL-YEAR 2024

NET SALES

**\$593.7 million**

GROSS PROFIT MARGIN

**32.0%**

NET INCOME

**\$37.1 million**

## NET SALES PER YEAR (IN MILLIONS)

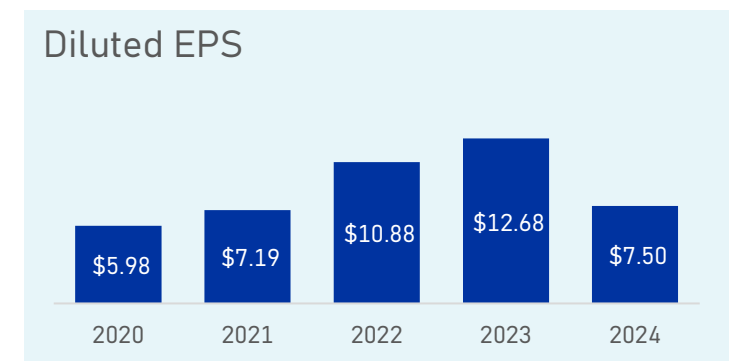
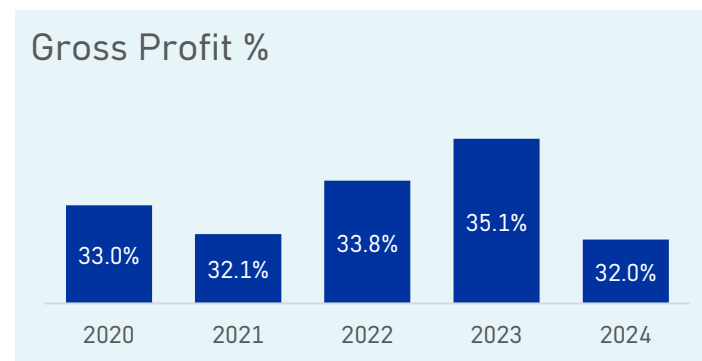


# 2024 FULL YEAR HIGHLIGHTS

\$ Millions, except per share amounts

	2024	2023	YoY
Net Sales	\$593.7	\$669.7	(11)%
Gross Profit	\$189.8	\$234.8	(19)%
Gross Profit %	32.0%	35.1%	(310) bps
Pre-Tax Income	\$50.8	\$82.3	(38)%
Pre-Tax Income %	8.6%	12.3%	(370) bps
Diluted EPS	\$7.50	\$12.68	(41)%

- 11% decrease in sales, primarily in the U.S. markets impacted by inventory destocking
  - International markets' sales modestly increased from 2023
- 310 bps decline in gross profit margin primarily due to lower sales volumes and product mix
- Prioritized cost containment initiatives throughout 2024
  - Approximately \$11.6 million or 8% reduction in costs and expenses



# Q4 2024 HIGHLIGHTS

\$ Millions, except per share amounts

	Q4 23	Q1 24	Q2 24	Q3 24	Q4 24	Q4 24 vs Q3 24
Net Sales	\$145.6	\$140.9	\$138.7	\$147.0	\$167.1	15%
Gross Profit	\$48.1	\$44.1	\$44.3	\$45.8	\$55.6	16%
Gross Profit %	33.0%	31.3%	31.9%	31.1%	33.3%	30 bps
Pre-Tax Income	\$7.0	\$11.9	\$11.2	\$10.4	\$17.3	149%
Pre-Tax Income %	4.8%	8.4%	8.0%	7.1%	10.4%	560 bps
Diluted EPS	\$1.29	\$1.94	\$1.89	\$1.54	\$2.13	65%

- 15% increase in sales vs Q4 2023, energy and communications up 12% and 18%, respectively
- Strong gross profit margin driven by increased sales volumes and product mix
- Diluted EPS of \$2.13, up 65% from Q4 2023
- Free cash flow of \$20.6 million, 197% free cash flow conversion of Net Income\*

\* See reconciliation to net cash provided by operating activities in Appendix.

# DISAGGREGATED REVENUE

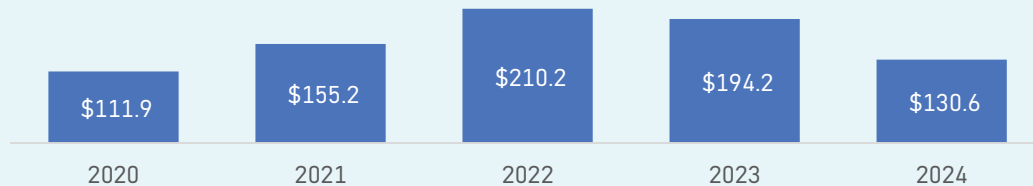
\$ Millions

## ENERGY



- Decrease in year-over-year sales due to customer inventory destocking
- Expect that industry-wide destocking efforts will lessen throughout 2025

## COMMUNICATIONS



- Decrease 33% year-over-year
- Market headwinds primarily in the U.S. include higher borrowing costs, customer inventory destocking, and delayed BEAD Program funding

## SPECIAL INDUSTRIES



- Decrease of 11% in renewable product sales compared to the 2023, primarily in Asia-Pacific region



# SEGMENT RESULTS

\$ Millions

## PLP-USA

	2024	2023	YoY
Net Sales	\$266.7	\$345.6	(23)%
Pre-Tax Income	\$19.5	\$57.7	(66)%
Pre-Tax Income %	7.3%	16.7%	(940) bps

- Lower volumes in communication and energy product sales
- Higher cost of products sold primarily due to sales mix
- Decrease in costs and expenses of 8%, primarily due to cost containment efforts

## AMERICAS

	2024	2023	YoY
Net Sales	\$90.3	\$86.1	5%
Pre-Tax Income	\$12.2	\$8.8	38%
Pre-Tax Income %	13.5%	10.2%	326 bps

- Higher volumes in energy product sales
- Decrease in costs and expenses primarily due to due to a legal settlement in the third quarter of 2023 and the impact of foreign currency remeasurement

# SEGMENT RESULTS

\$ Millions

## EMEA

	2024	2023	YoY
Net Sales	\$128.2	\$135.1	(5)%
Pre-Tax Income	\$10.5	\$7.5	40%
Pre-Tax Income %	8.2%	5.5%	263 bps

- Lower volumes in communication product sales
- Decrease in costs and expenses primarily due to lower personnel costs and bad debt expenses

## ASIA-PACIFIC

	2024	2023	YoY
Net Sales	\$108.5	\$102.9	5%
Pre-Tax Income	\$8.7	\$8.4	4%
Pre-Tax Income %	8.0%	8.1%	(14) bps

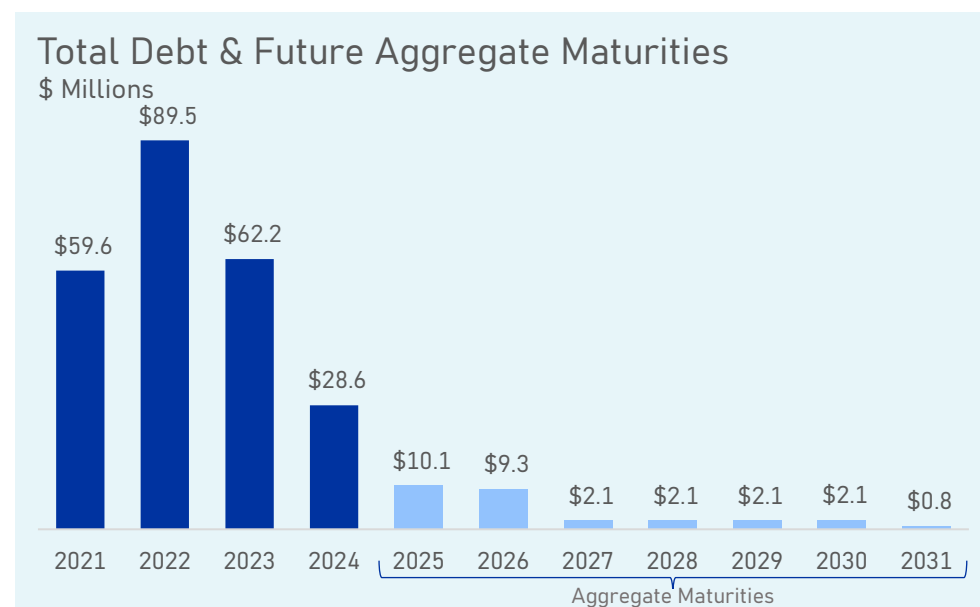
- Higher volumes primarily in energy product sales
- Margin uplift primarily due to sales mix
- Increase in costs and expenses primarily due to the net impact of the sale of capital assets year over year and foreign currency remeasurement

# BALANCE SHEET & LIQUIDITY

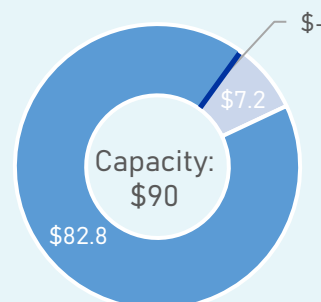
- Continued strong liquidity and disciplined cash management approach
- Backed by our healthy balance sheet, we are well-positioned to pursue larger customer opportunities and strategic initiatives to strengthen our market position and expand our product portfolio
- Our strong cash balance also equips us to manage and prepare our business ahead of anticipated demand growth

\$ Millions

	2024	2023
<b>Cash and Cash Equivalents</b>	<b>\$57.2</b>	<b>\$53.6</b>



**Credit Facility**  
\$ Millions

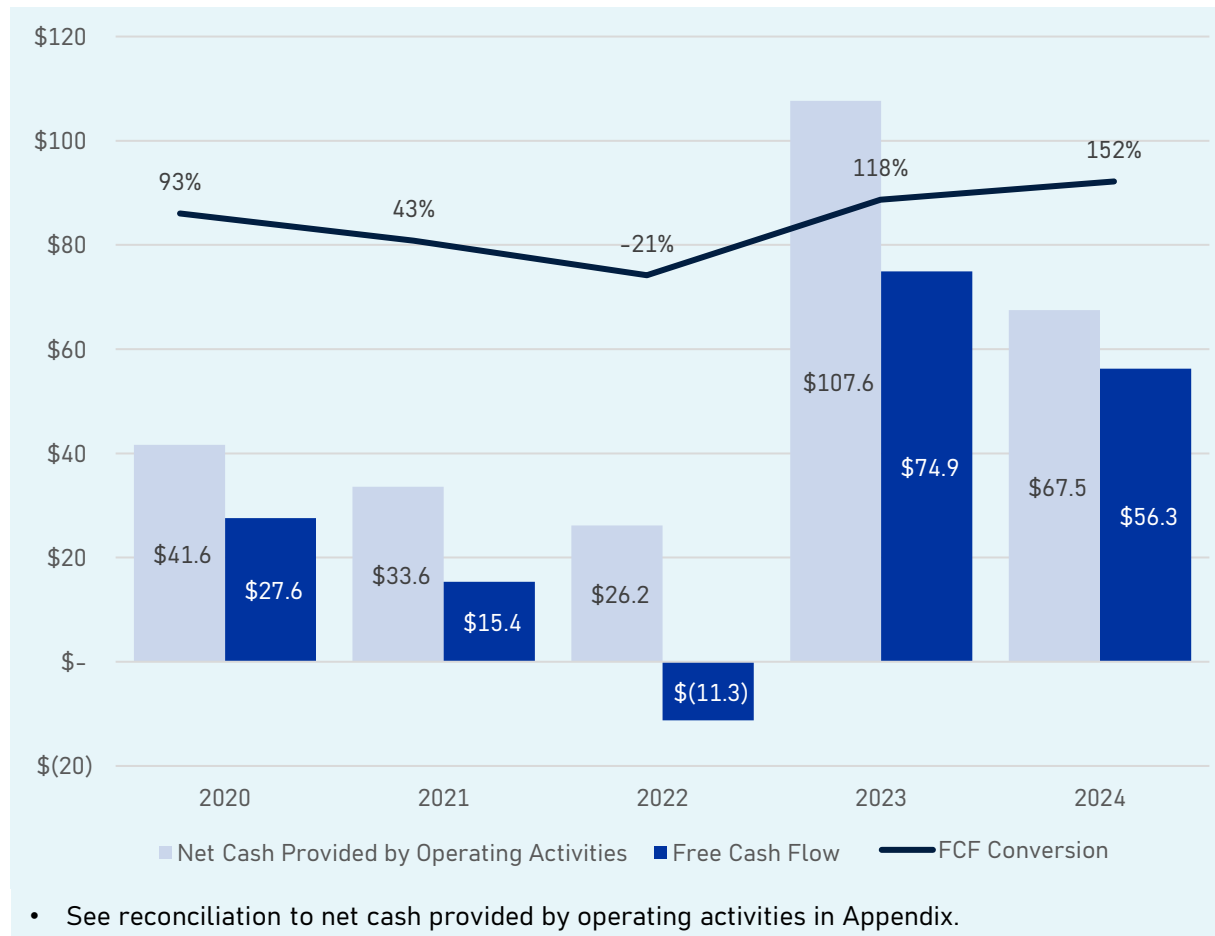


- PLP-USA Borrowings
- International Borrowings
- Credit Facility Availability

- 92% availability on global Credit Facility (\$7.2 million borrowed)
- Cash flow from operations was \$67.5 million
- Bank debt to equity ratio of 6.8%
- Additional US borrowings of \$12.6 million outside of Credit Facility
- Additional international borrowings of \$8.8 million outside of Credit Facility
- No significant debt maturities over the next few years
- Facility expires on March 2, 2026, and is expected to be extended in the coming year

# FREE CASH FLOW

\$ Millions

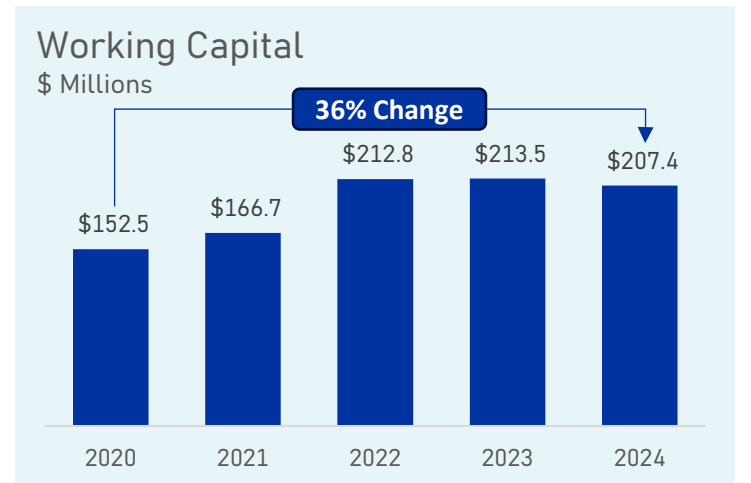
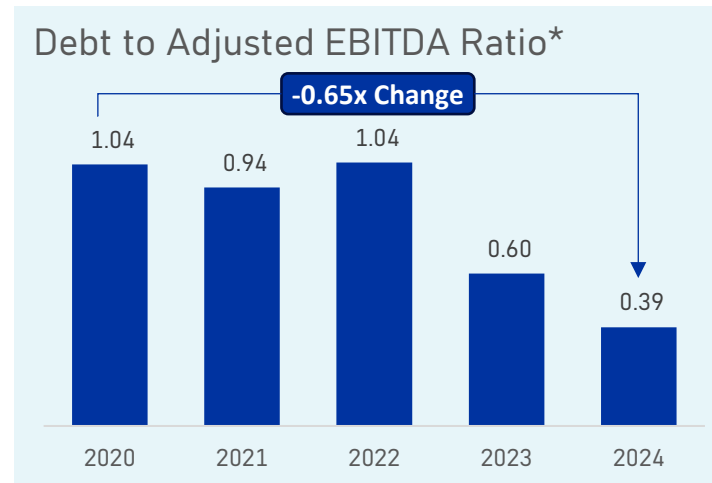
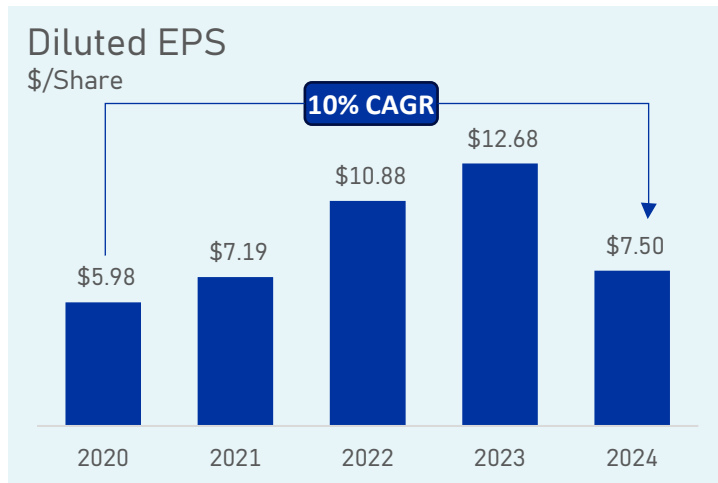
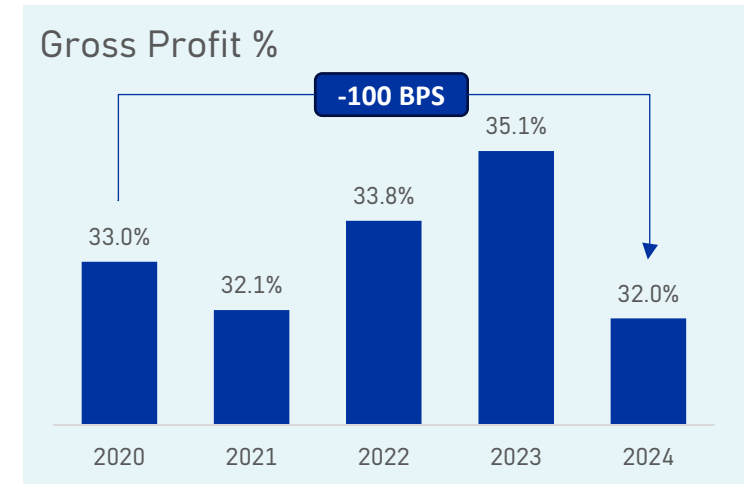
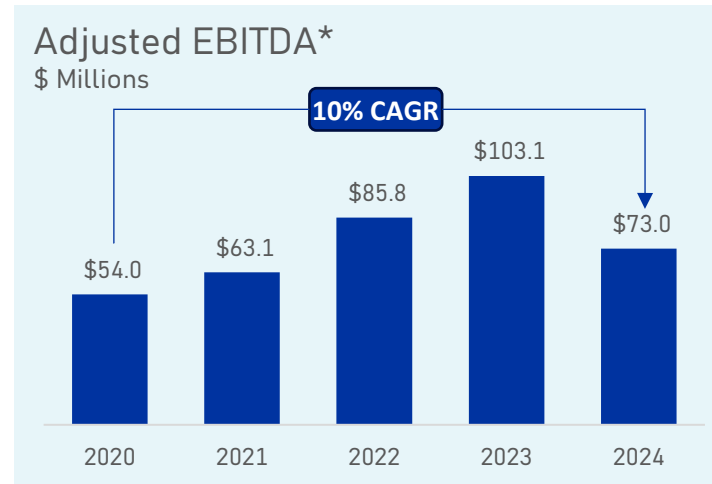


- Decline in Free Cash Flow (FCF) primarily a result of the following:
  - YoY decrease in net income of \$26.2 million
  - FCF decrease offset by YoY decline in capital expenditures of \$20.7 million
  - FCF conversion continues to be elevated compared to five-year average (74%)



# **HISTORICAL FINANCIAL DATA**

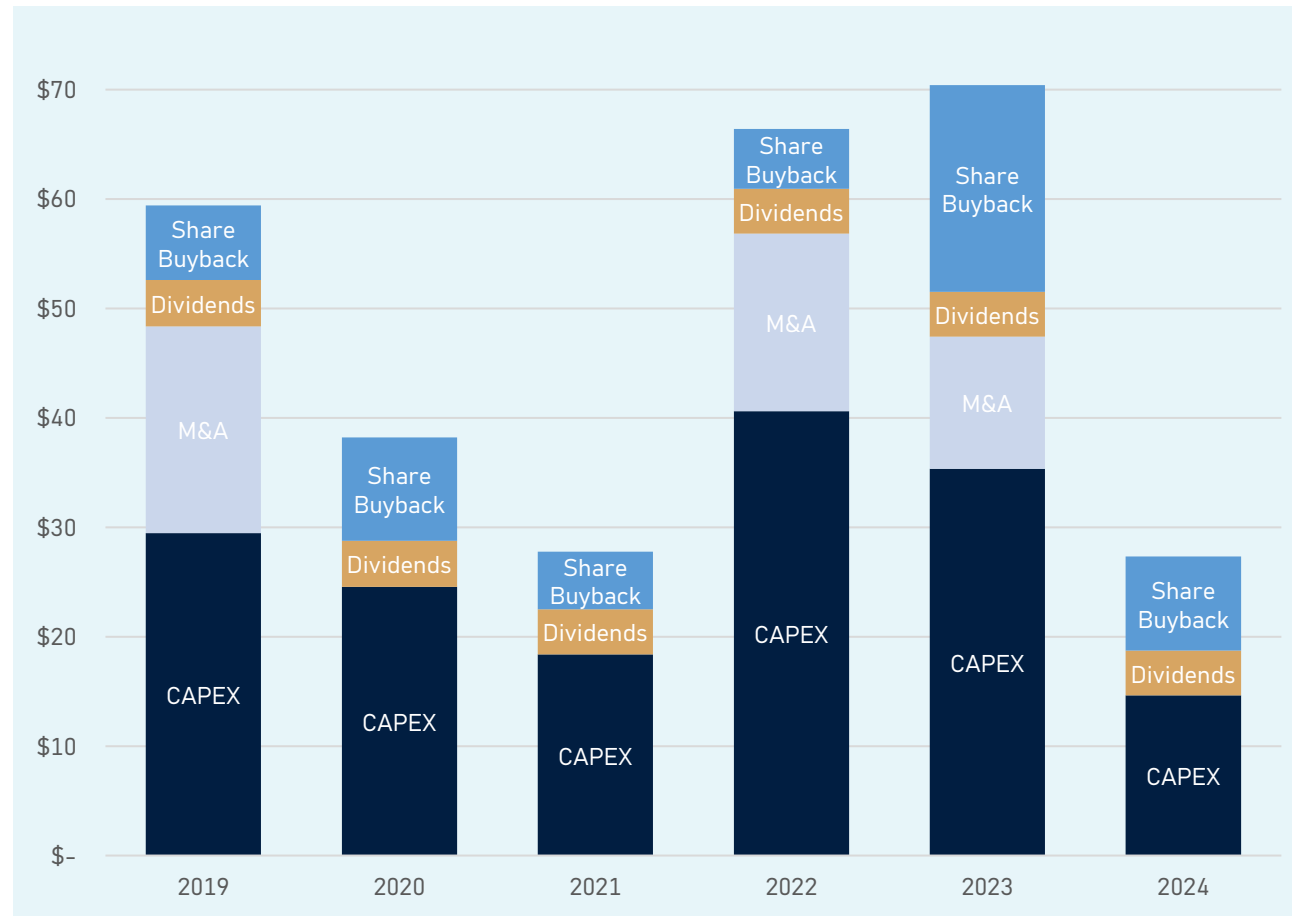
# HISTORICAL FINANCIAL PERFORMANCE



\* See appendix for reconciliation of non-GAAP measures.

# HISTORICAL CAPITAL ALLOCATION

\$ Millions









- Strong operating cash flow has led to increased return of capital through CAPEX and M&A
- Share buybacks largely consist of repurchases of insider share sales
- Further information on acquisition history detailed on the next slide

# RECENT ACQUISITIONS

## Acquisitions Strategy Focuses on:

- Addressing product portfolio needs  
(e.g., Delta and Maxxweld)
- Capacity or expansion needs  
(e.g., Pilot Plastics and Holplast)
- Addressing new markets or countries where PLP does not currently have market share  
(e.g., Micos)
- Targets with succession planning needs

	Year	Price (\$ Millions)	Impact
	2023	\$13.8	<ul style="list-style-type: none"> <li>• USA</li> <li>• Injection molding capacity</li> </ul>
	2022	\$3.3	<ul style="list-style-type: none"> <li>• Americas</li> <li>• Substation market</li> </ul>
	2022	\$5.3	<ul style="list-style-type: none"> <li>• EMEA</li> <li>• Injection molding capacity</li> <li>• Communications market</li> </ul>
	2022	\$11.2	<ul style="list-style-type: none"> <li>• Americas</li> <li>• Substation market</li> </ul>
	2019	\$10.1	<ul style="list-style-type: none"> <li>• EMEA</li> <li>• Substation market</li> </ul>
	2019	\$8.8	<ul style="list-style-type: none"> <li>• EMEA</li> <li>• Telecom market</li> </ul>

>\$52 million of investments in past 5 years





# APPENDIX

# RECONCILIATION OF NON-GAAP FINANCIAL MEASURES

Below is a reconciliation of non-GAAP financial measures to their most directly comparable financial measures calculated and presented in accordance with GAAP.

(Dollars in Thousands)

## Reconciliation of operating cash flow to free cash flow:

	Year Ended December 31,					Three Months Ended December 31,
	2020	2021	2022	2023	2024	2024
Net cash provided by operating activities	\$ 41,642	\$ 33,598	\$ 26,153	\$ 107,642	\$ 67,480	\$ 24,067
Capital expenditures	(24,569)	(18,384)	(40,598)	(35,332)	(14,651)	(3,431)
Proceeds from the sale of property and equipment	10,525	141	3,169	2,631	3,454	(39)
Free cash flow	\$ 27,598	\$ 15,355	(11,276)	\$ 74,941	\$ 56,283	\$ 20,597
Net Income	\$ 29,761	\$ 35,721	\$ 54,399	\$ 63,337	\$ 37,111	\$ 10,445
Free cash flow conversion	93%	43%	-21%	118%	152%	197%
Free cash flow - 5 year average					\$ 32,580	
Net income - 5 year average					\$ 44,066	
Free cash flow conversion - 5 year average					74%	

## Reconciliation of Adjusted EBITDA to Net Income:

	Year Ended December 31,				
	2020	2021	2022	2023	2024
Net Income	\$ 29,761	\$ 35,721	\$ 54,399	\$ 63,337	\$ 37,111
Income tax expense	10,810	13,174	19,305	19,007	13,659
Interest expense	2,396	2,023	3,214	3,905	2,221
Interest income	(259)	(169)	(631)	(1,811)	(2,573)
Depreciation and amortization	13,838	15,564	16,430	18,914	22,265
Other (income) expense, net <sup>1</sup>	(2,501)	(3,201)	(6,926)	(284)	339
Total adjustments	24,285	27,391	31,392	39,730	35,911
Adjusted EBITDA	\$ 54,046	\$ 63,113	\$ 85,791	\$ 103,067	\$ 73,022
Total debt	\$ 55,976	\$ 59,587	\$ 89,536	\$ 62,250	\$ 28,569
Adjusted EBITDA	54,046	63,113	85,791	103,067	73,022
Debt to Adjusted EBITDA Ratio	1.04	0.94	1.04	0.60	0.39

<sup>1</sup> Represents Other (income) expense, net as reported on the statements of consolidated income which has been consistently excluded from the Adjusted EBITDA calculation given it primarily relates to non-operating activities.

