



PLP ANNOUNCES FOURTH QUARTER AND FULL YEAR 2023 FINANCIAL RESULTS

CLEVELAND, OHIO – MARCH 7, 2024 – Preformed Line Products Company (NASDAQ: PLPC) today reported financial results for its fourth quarter and full year ended December 31, 2023.

Full Year 2023 Highlights:

- Fifth consecutive year of record annual net sales; increased 5% from 2022
- Record net income of \$63.3 million
- Diluted EPS of \$12.68, an increase of 17% from 2022, a new annual record
- Net cash provided by operating activities of \$107.7 million

Net sales in the fourth quarter of 2023 were \$145.6 million compared to \$169.9 million in the fourth quarter of 2022, a 14% decrease due primarily to a reduction in communication product sales as the market remains soft and customers destock inventory positions. Foreign currency translation increased fourth quarter 2023 net sales by \$2.9 million.

Net income for the quarter ended December 31, 2023 was \$6.3 million, or \$1.29 per diluted share, compared to \$16.5 million, or \$3.28 per diluted share, for the comparable period in 2022. The fourth quarter of 2023 net income was impacted by decreased gross profit from lower net sales, partially offset by selling price increases and a lower effective tax rate for the period. Other discrete factors contributing to the decline in quarterly net income included \$2.3 million of outsized foreign currency transaction losses, primarily due to the significant devaluation of the Argentine Peso and customer-specific charges of \$3.5 million to increase the allowance for doubtful accounts and the excess and obsolete inventory reserve mainly caused by the downturn in communications end market sales. Gross profit as a percentage of net sales was 33.0% for the fourth quarter of 2023.

Net sales for the full year 2023 were \$669.7 million, compared to \$637.0 million in 2022. This is the fifth consecutive year of record net sales and represents a 5% increase versus prior year. Foreign currency translation increased full year 2023 net sales by \$0.4 million.

Net income for the year ended December 31, 2023 was \$63.3 million, or \$12.68 per diluted share, compared to \$54.4 million, or \$10.88 per diluted share in 2022. Net income for the full year 2023 was favorably impacted by the increase in margin on incremental sales as well as the full year benefit of price increases which helped offset inflationary increases of raw material and freight costs. Gross profit as a percentage of net sales was 35.1% for 2023.

Rob Ruhlman, Executive Chairman, said, "Thanks to a strong first half of 2023, we experienced a fifth consecutive year of record annual net sales and fourth consecutive year of earnings per share growth. The second half of the year was impacted by the pullback in spending among communication network



operators as well as customer destocking efforts to reduce elevated inventory levels. We expect the significance and diversity of our international operations to help offset some of the pullback in communication product sales largely impacting our USA results. We remain excited about the future prospects for both our communications and energy product end markets and remain well positioned to achieve growth thanks to operational improvements, new product introductions, and production capacity added over the last three years as well as the significant government stimulus programs that are expected to benefit our core markets. Our continued commitment to manufacturing in the USA positions us well for the Build America, Buy America Act ("BABAA") requirements of the Broadband Equity, Access, and Deployment ("BEAD") Program, which we expect to drive increased demand for communications products in late 2024/early 2025. We continue to invest capital in our global facilities as necessary and we continue to seek the right opportunities for inorganic growth. We are fully committed to providing our customers with the high-quality products and service they have come to expect from our dedicated workforce."

FORWARD-LOOKING STATEMENTS

This news release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 regarding the Company, including those statements regarding the Company's and management's beliefs and expectations concerning the Company's future performance or anticipated financial results, among others. Except for historical information, the matters discussed in this release are forward-looking statements that involve risks and uncertainties which may cause results to differ materially from those set forth in those statements. Among other things, factors that could cause actual results to differ materially from those expressed in such forward-looking statements include the uncertainty in global business conditions and the economy due to factors such as inflation, rising interest rates, labor disruptions, military conflict, international hostilities, political instability, exchange rates and public health concerns, the strength of demand and availability of funding for the Company's products and the mix of products sold, the relative degree of competitive and customer price pressure on the Company's products, the impact of stimulus programs in driving demand, the cost, availability and quality of raw materials required for the manufacture of products, opportunities for business growth through acquisitions and the ability to successfully integrate, and implement appropriate internal controls in, any acquired businesses, changes in regulations and tax rates, security breaches, litigation and claims and the Company's ability to continue to develop proprietary technology and maintain high-quality products and customer service to meet or exceed new industry performance standards and individual customer expectations, and other factors described under the headings "Forward-Looking Statements" and "Risk Factors" in the Company's 2023 Annual Report on Form 10-K filed with the SEC on March 8, 2024 and subsequent filings with the SEC. The Annual Report on Form 10-K and the Company's other filings with the SEC can be found on the SEC's website at <http://www.sec.gov>. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

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ABOUT PLP

PLP protects the world's most critical connections by creating stronger and more reliable networks. The company's precision-engineered solutions are trusted by energy and communications providers worldwide to perform better and last longer. With locations in over 20 countries, PLP works as a united global corporation, delivering high-quality products and unparalleled service to customers around the world.

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**PREFORMED LINE PRODUCTS COMPANY
CONSOLIDATED BALANCE SHEETS**

| | December 31, | |
|---|-------------------|-------------------|
| | 2023 | 2022 |
| <i>(Thousands of dollars, except share and per share data)</i> | | |
| ASSETS | | |
| Cash, cash equivalents and restricted cash | \$ 53,607 | \$ 37,239 |
| Accounts receivable, net | 106,892 | 125,261 |
| Inventories, net | 148,814 | 147,458 |
| Prepaid expenses | 8,246 | 13,283 |
| Other current assets | 7,256 | 4,929 |
| TOTAL CURRENT ASSETS | 324,815 | 328,170 |
| Property, plant and equipment, net | 207,892 | 175,011 |
| Goodwill | 29,497 | 28,004 |
| Other intangible assets, net | 12,981 | 14,082 |
| Deferred income taxes | 7,109 | 5,320 |
| Other assets | 20,857 | 17,892 |
| TOTAL ASSETS | \$ 603,151 | \$ 568,479 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Trade accounts payable | \$ 37,788 | \$ 46,839 |
| Notes payable to banks | 6,968 | 18,098 |
| Current portion of long-term debt | 6,486 | 3,018 |
| Accrued compensation and other benefits | 28,018 | 24,356 |
| Accrued expenses and other liabilities | 32,057 | 23,024 |
| TOTAL CURRENT LIABILITIES | 111,317 | 115,335 |
| Long-term debt, less current portion | 48,796 | 68,420 |
| Other noncurrent liabilities and deferred income taxes | 26,882 | 26,100 |
| SHAREHOLDERS' EQUITY | | |
| Common shares – \$2 par value per share, 15,000,000 shares authorized, 4,908,413 and 4,917,020 issued and outstanding, at December 31, 2023 and December 31, 2022, respectively | 13,607 | 13,351 |
| Common shares issued to rabbi trust, 243,118 and 245,386 shares at December 31, 2023 and December 31, 2022, respectively | (10,183) | (10,261) |
| Deferred compensation liability | 10,183 | 10,261 |
| Paid-in capital | 60,958 | 53,646 |
| Retained earnings | 520,154 | 460,930 |
| Treasury shares, at cost, 1,894,419 and 1,758,901 shares at December 31, 2023 and December 31, 2022, respectively | (118,249) | (99,303) |
| Accumulated other comprehensive loss | (60,306) | (69,987) |
| TOTAL PREFORMED LINE PRODUCTS COMPANY SHAREHOLDERS' EQUITY | 416,164 | 358,637 |
| Noncontrolling interest | (8) | (13) |
| TOTAL SHAREHOLDERS' EQUITY | 416,156 | 358,624 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 603,151 | \$ 568,479 |

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**PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED INCOME**

| | Three Months Ended December | | Twelve Months Ended December | |
|---|--|------------------|------------------------------|------------------|
| | 31 | 31 | 31 | 31 |
| | 2023 | 2022 | 2023 | 2022 |
| | <i>(In thousands, except per share data)</i> | | | |
| Net sales | \$ 145,603 | \$ 169,924 | \$ 669,679 | \$ 637,021 |
| Cost of products sold | 97,503 | 107,694 | 434,831 | 421,841 |
| GROSS PROFIT | 48,100 | 62,230 | 234,848 | 215,180 |
| Costs and expenses | | | | |
| Selling | 12,945 | 12,139 | 51,078 | 45,712 |
| General and administrative | 20,019 | 19,593 | 74,643 | 70,317 |
| Research and engineering | 5,688 | 4,783 | 22,481 | 19,661 |
| Goodwill impairment | — | — | — | 6,529 |
| Other operating expense, net | 2,502 | 1,128 | 2,492 | 3,600 |
| | 41,154 | 37,643 | 150,694 | 145,819 |
| OPERATING INCOME | 6,946 | 24,587 | 84,154 | 69,361 |
| Other income (expense) | | | | |
| Interest income | 610 | 272 | 1,811 | 631 |
| Interest expense | (707) | (1,085) | (3,905) | (3,214) |
| Other income, net | 119 | 429 | 284 | 6,926 |
| | 22 | (384) | (1,810) | 4,343 |
| INCOME BEFORE INCOME TAXES | 6,968 | 24,204 | 82,344 | 73,704 |
| Income tax expense | 659 | 7,715 | 19,007 | 19,305 |
| NET INCOME | \$ 6,309 | \$ 16,488 | \$ 63,337 | \$ 54,399 |
| Net loss (income) attributable to noncontrolling interests | 23 | 23 | (5) | (4) |
| NET INCOME ATTRIBUTABLE TO PREFORMED LINE PRODUCTS COMPANY SHAREHOLDERS | \$ 6,332 | \$ 16,511 | \$ 63,332 | \$ 54,395 |
| AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING: | | | | |
| Basic | 4,864 | 4,927 | 4,920 | 4,931 |
| Diluted | 4,902 | 5,032 | 4,997 | 4,999 |
| EARNINGS PER SHARE OF COMMON STOCK ATTRIBUTABLE TO PREFORMED LINE PRODUCTS COMPANY SHAREHOLDERS: | | | | |
| Basic | \$ 1.30 | \$ 3.35 | \$ 12.87 | \$ 11.03 |
| Diluted | \$ 1.29 | \$ 3.28 | \$ 12.68 | \$ 10.88 |
| Cash dividends declared per share | \$ 0.20 | \$ 0.20 | \$ 0.80 | \$ 0.80 |

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