



PLP ANNOUNCES THIRD QUARTER 2023 FINANCIAL RESULTS

CLEVELAND, OHIO – NOVEMBER 1, 2023 – Preformed Line Products Company (NASDAQ: PLPC) today reported financial results for its third quarter of 2023.

Q3 2023 Highlights:

- Net sales decline of 3%
- Diluted EPS of \$3.03, an improvement of 28%
- Net cash provided by operating activities improved by \$79.2 million

Net sales in the third quarter of 2023 were \$160.4 million compared to \$165.4 million in the third quarter of 2022, a 3% decrease caused primarily by weakness in the communications market. Foreign currency translation increased third quarter 2023 net sales by \$1.4 million.

Net income for the quarter ended September 30, 2023 was \$15.1 million, or \$3.03 per diluted share, compared to \$11.9 million, or \$2.36 per diluted share, for the comparable period in 2022. The third quarter of 2023 net income was negatively impacted by lower gross profit due to a decrease in net sales. Gross profit as a percentage of net sales was 33.7% for the third quarter of 2023, a decrease of 150 basis points versus the same quarter in 2022. The comparability of quarterly results was impacted by the goodwill impairment charge of \$6.5 million recorded in Q3 2022. Currency translation rates had an unfavorable effect on net income of \$0.1 million.

Net sales increased 12% to \$524.1 million for the first nine months of 2023 compared to \$467.1 million for the first nine months of 2022. Currency translation rates reduced net sales by \$5.6 million for the nine months ended September 30, 2023.

Net income for the nine months ended September 30, 2023 was \$57.0 million, or \$11.39 per diluted share, compared to \$37.9 million, or \$7.60 per diluted share, for the comparable period in 2022. YTD September 30, 2023 net income benefited from the 12% YTD increase in net sales with related fixed cost leverage as well as the realization of price increases offsetting the impact of inflation on commodities and freight. Currency translation rates had an unfavorable effect on net income of \$0.7 million.

Rob Ruhlman, Chairman and Chief Executive Officer, said, "While we continue to report strong sales and earnings for the quarter ended September 30, 2023, our financial results were adversely impacted by the pullback in spending among communication network operators worldwide. This impact was exacerbated by the elevated inventory levels at many of our customers caused by overbuying during the recent supply chain crisis. The soft demand in the communications market and inventory destocking across all markets resulted in lower order rates causing a 21% reduction of backlog during the quarter. We remain optimistic and excited about the future prospects for both our communications and energy product end markets and are well positioned to achieve growth thanks to operational improvements, new product introductions, and additional capacity that we put in place over the last three years as well as the significant government stimulus programs that are expected to benefit our core markets. We



continue to focus on the delivery of high-quality products and timely service that our customers have come to expect from our dedicated global 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, political instability, exchange rates and lingering effects of COVID-19, 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 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 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 2022 Annual Report on Form 10-K filed with the SEC on March 3, 2023 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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