



**ENCORE WIRE®**

**NASDAQ : WIRE**

# **We Deliver Shareholder Value**

March 31, 2021



# Investment Appeal



## WORLD CLASS OPERATIONS



## SPEED & RELIABILITY



## PROFITABLE GROWTH

### 100% Organic Growth

- No Goodwill
- No Extraordinary Charges
- Replacement Costs > Book Value

### Industry Gold Standard

### Low Cost Producer

### Vertical Integration

### Single-Site Campus Model

### Sustainable Manufacturing

- Copper Scrap/PVC Recycling
- Rigorous Emissions Control
- LEED Platinum R&D Center

### Exceptional Customer Service

### Industry Leading Delivery

- Ship Orders in 24 Hours
- 99.7% Order Fill Rate

### Build & Ship Model

- Disciplined Inventory Control

### Rigorous Cost Management

### Operational Flexibility

### Safety, Quality & Innovation

### Superior Returns

FY 2020 10 Year CAGR

- Net Income: 17.4%
- EBITDA: 12.4%
- Book Value: 7.5%

### Strong Balance Sheet

- Cash: \$155 Million
- Debt: \$0

### Strong Reinvestment

Capital Expenditures

- 2021: \$100-\$120 Million
- 2022: \$50-\$70 Million
- 2023: \$40-\$60 Million

# Rich History of Organic Growth



# Gold Standard in the Industry



## World Class Operations

## Low Cost Producer

## Vertical Integration

## Environmental Governance

## Reinvestment

## Financial Strength

## Proven Results



### SAFETY

Comprehensive safety program creating a world class culture by engaging employees, identifying and eliminating risk, and training employees to be successful.



### QUALITY

Produce UL certified building wire utilizing some of the most sophisticated wire and cable manufacturing and in-line testing equipment available in the industry. Our team of production and quality personnel are highly trained, continuously improve our processes, and consistently build the best quality product in the marketplace.



### SERVICE

Sales-driven production allows us to focus on customer needs, specifically regarding delivery dates and details. We strive for the best order fill rates in the business (99.7% within 24 hours), which has allowed us to consistently grow market share (#2 in industry).



### INNOVATION





# Rigorous Cost Control



**World Class Operations**

**Low Cost Producer**

**Vertical Integration**

**Environmental Governance**

**Reinvestment**

**Financial Strength**

**Proven Results**

All manufacturing and distribution operations are on a single site:  
**445 acres** with over **2.8 million** square feet under roof.

**Single-site campus** saves us significant costs in:

- Freight
- Internal Handling
- In-process Inventory

**Copper recycling**  
helps us reduce  
input material costs





# Single-Site Campus Advantage



World Class Operations

Low Cost Producer

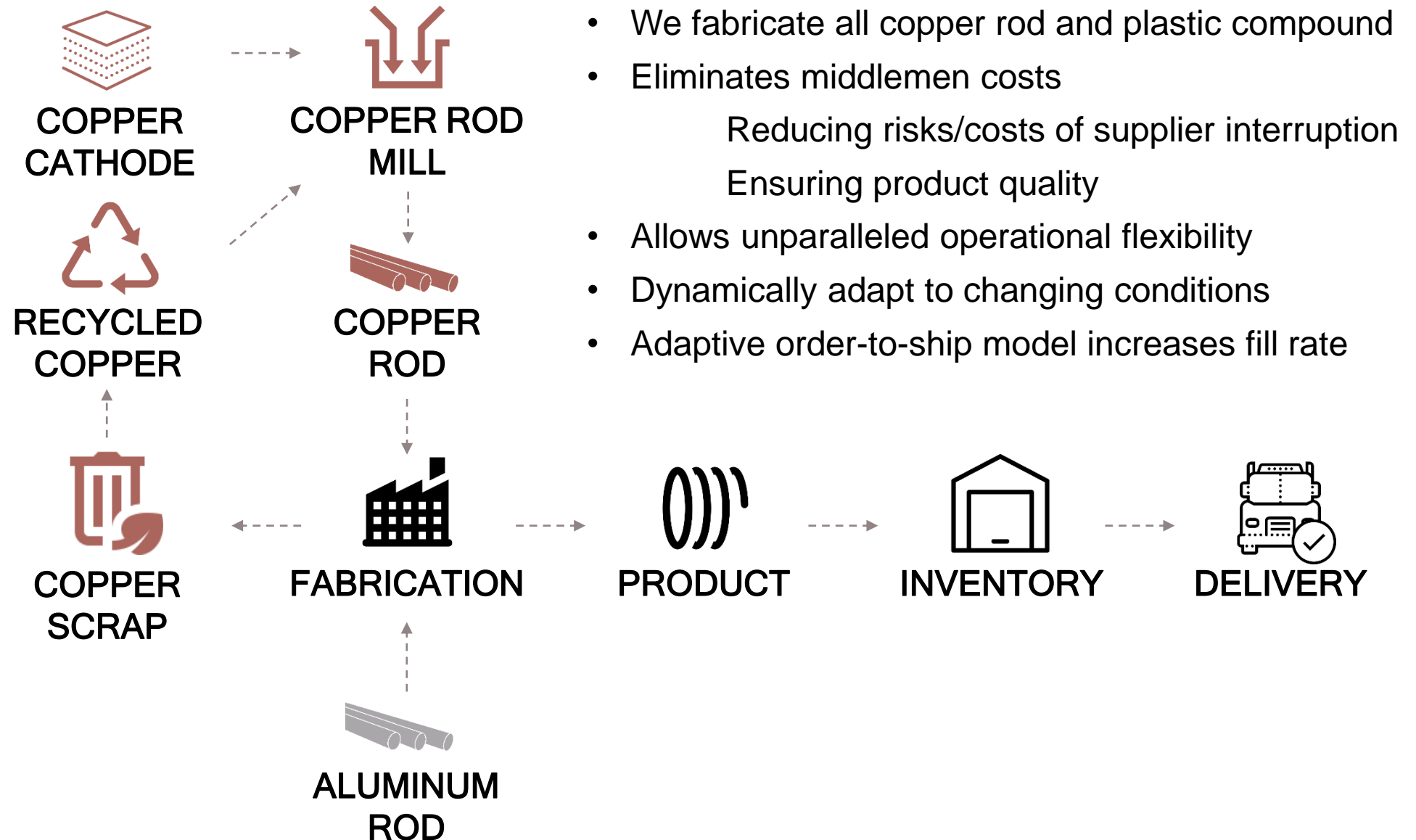
Vertical Integration

Environmental Governance

Reinvestment

Financial Strength

Proven Results



# Greener Manufacturing



**World Class Operations**

**Low Cost Producer**

**Vertical Integration**

**Environmental Governance**

**Reinvestment**

**Financial Strength**

**Proven Results**

Our environmental initiatives reduce cost while minimizing our impact on the planet.



**COPPER  
RECYCLING**

We recycle 100% of on-site copper scrap.



**LEED PLATINUM  
TECHLAB**



**RoHS COMPLIANT  
PLASTIC MILL**



**LED ENERGY  
CONSERVATION**



**WASTE REDUCTION  
EVAPORATORS**



**RODMILL WATER  
FILTRATION**



**BAGHOUSE AIR  
EMISSIONS CONTROL**



**PRIVATE WATER  
TOWER**

Campus well system provides over 80% of total annual water use.

# Reinvesting for Future Growth



World Class Operations

Low Cost Producer

Vertical Integration

Environmental Governance

Reinvestment

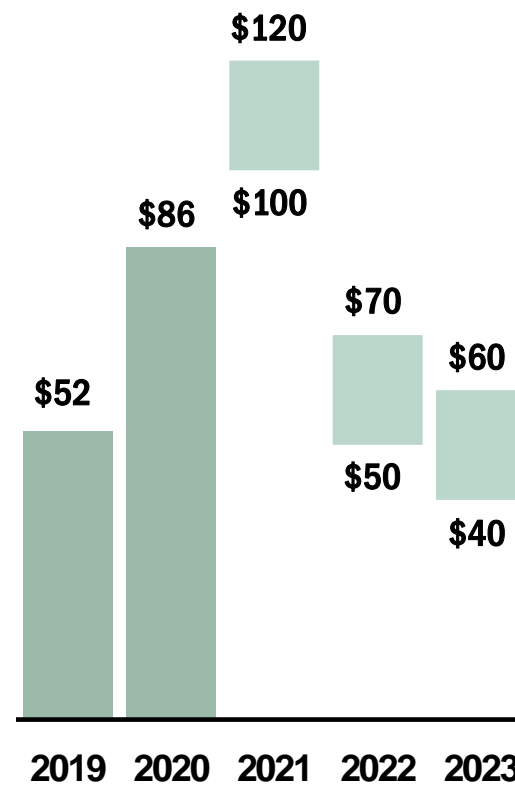
Financial Strength

Proven Results

## AMBITIOUS PLANS

\$ million, year end and projected

### CAPEX



## PHASE ONE

Estimated completion: Q2 2021

- 720,000 square foot service center at North end of campus
- Modernization of logistics to allow for increased throughput and provide the bandwidth necessary to capture incremental sales volume.

## PHASE TWO

Estimated completion: FY 2022

- Repurpose existing distribution center to significantly expand manufacturing capacity and extend market reach.
- Strong balance sheet and ability to consistently generate high levels of operating cash flow should provide ample allowance for funding.



# Strong Balance Sheet



World Class Operations

Low Cost Producer

Vertical Integration

Environmental Governance

Reinvestment

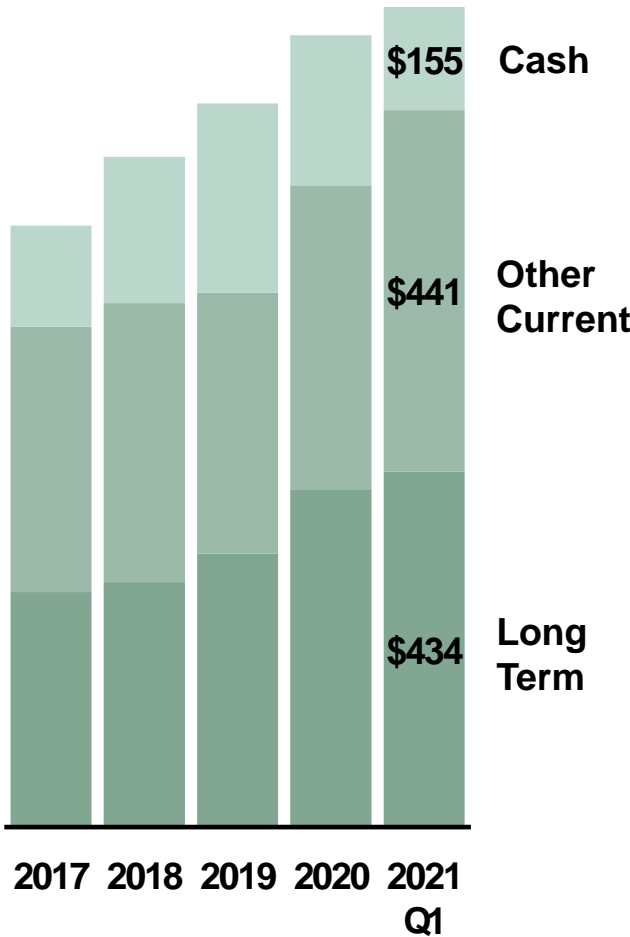
Financial Strength

Proven Results

## STRONG ASSET GROWTH

\$ million, quarter and year end

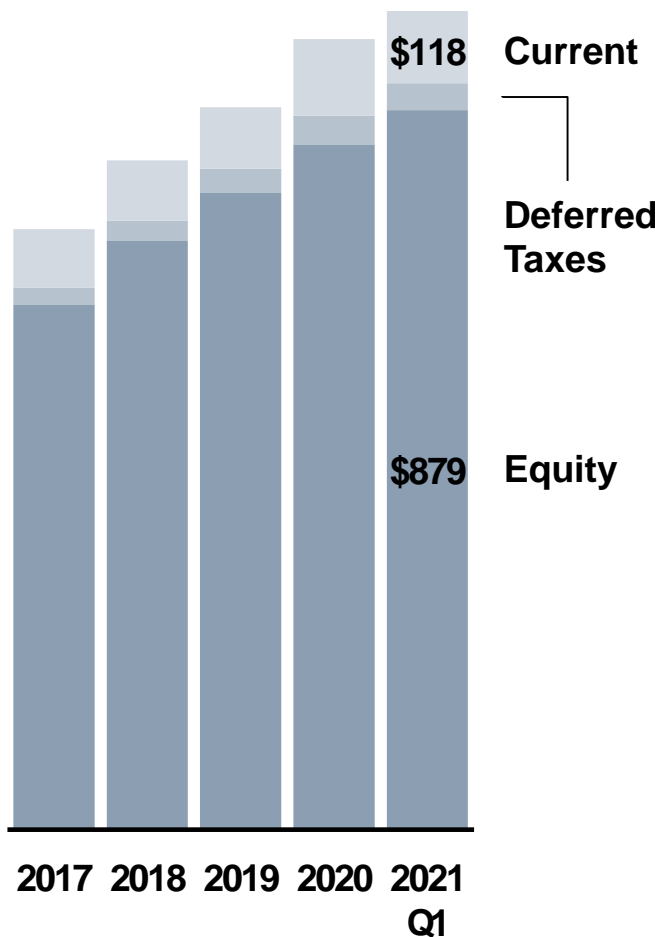
### ASSETS



## STRONG EQUITY GROWTH

\$ million, quarter and year end

### LIABILITIES



## FINANCIAL HIGHLIGHTS

as March 31, 2021

CASH	\$155 Million
Current Ratio	5.06x
Unused Revolver	\$200 Million
TOTAL DEBT	\$0
Goodwill	\$0
Inventory Turn (Finished Goods)	13.1x
TBV/Share	\$42.44

# Earnings Per Share & Book Value



World Class Operations

Low Cost Producer

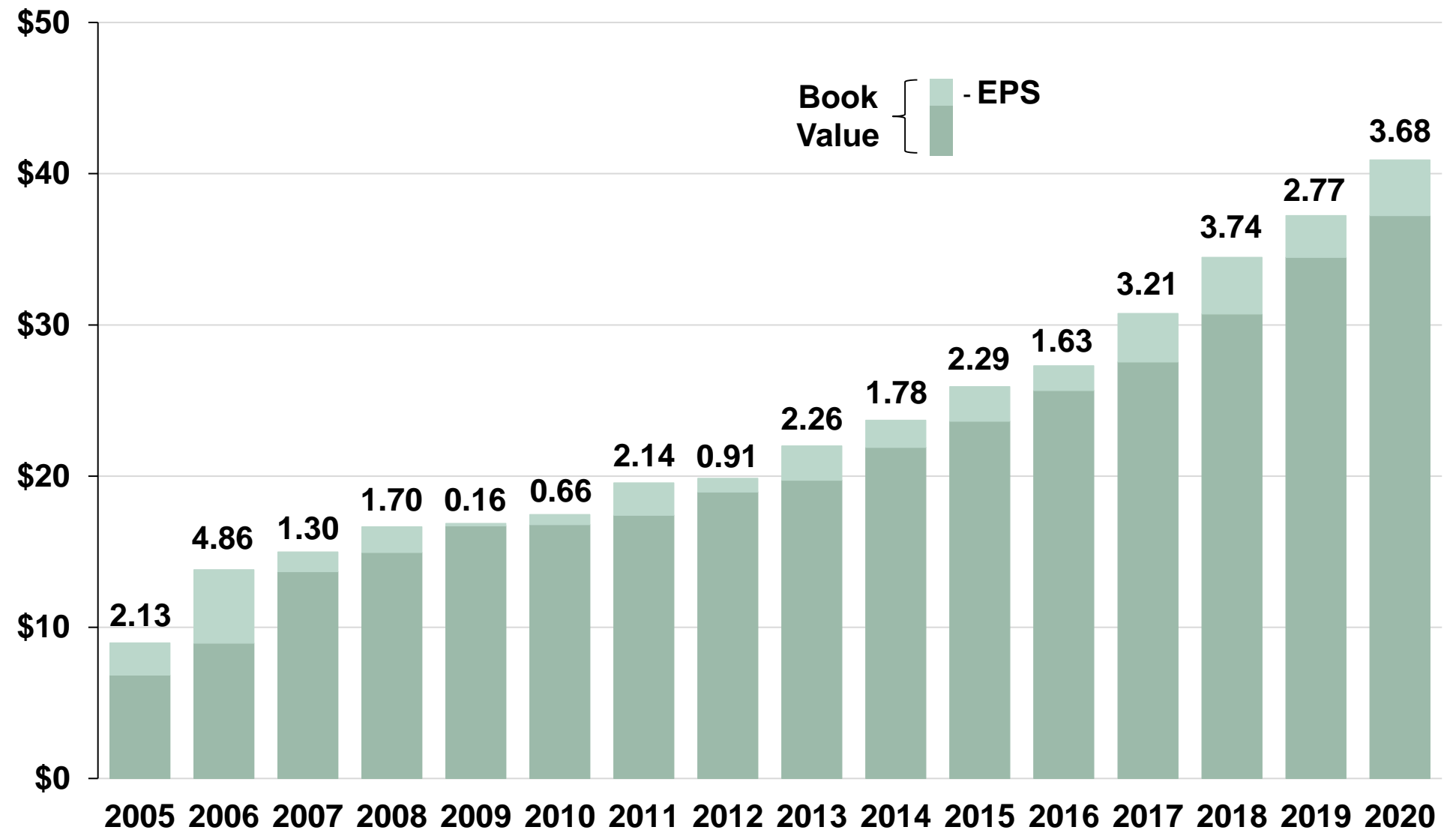
Vertical Integration

Environmental Governance

Reinvestment

Financial Strength

Proven Results



We have consistently produced positive equity growth, enjoying 25 years of profitability.



# Net Income & EBITDA



World Class Operations

Low Cost Producer

Vertical Integration

Environmental Governance

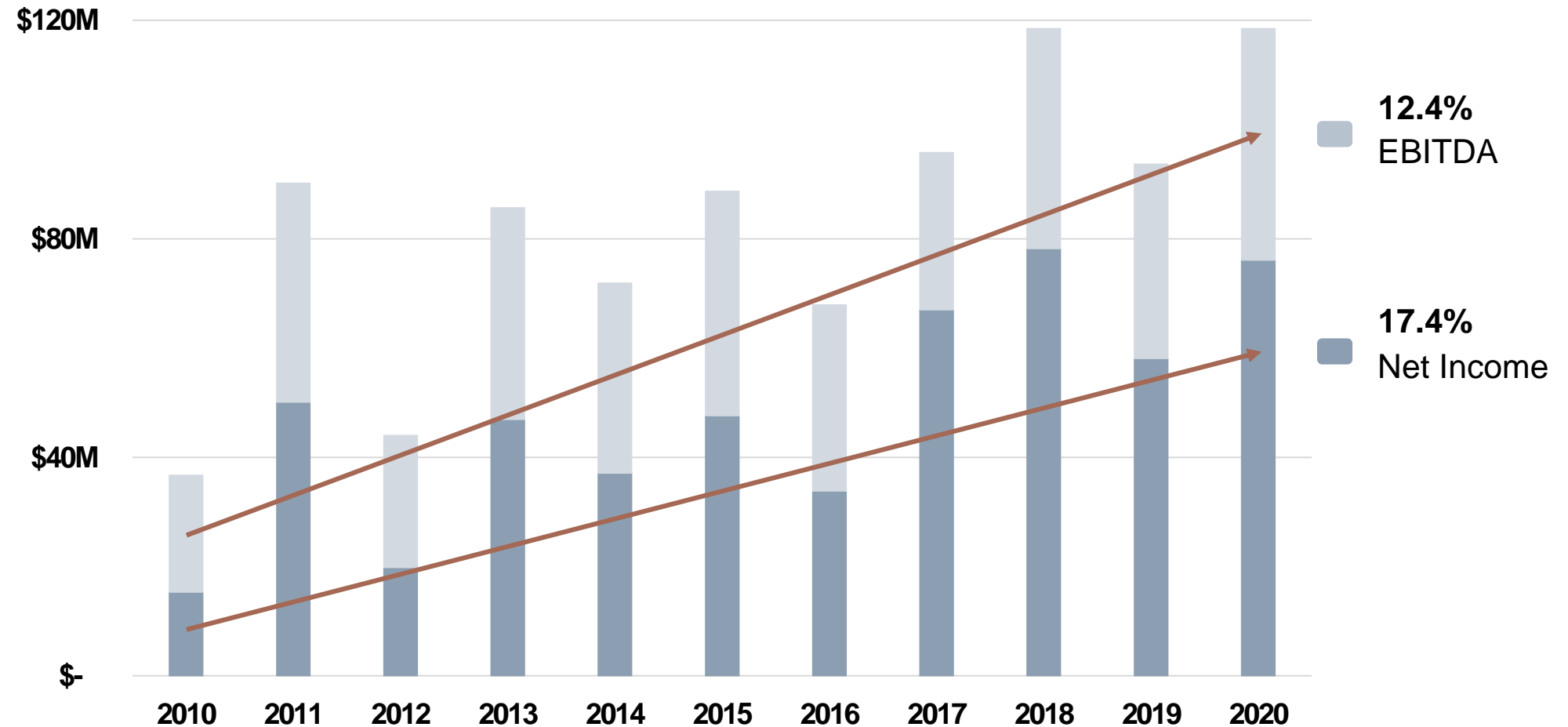
Reinvestment

Financial Strength

Proven Results

## 10 Year CAGR

as of December 31, 2020



We have delivered a 21.6% CAGR in Book Value since inception.

# Outperform Broad Market



World Class Operations

Low Cost Producer

Vertical Integration

Environmental Governance

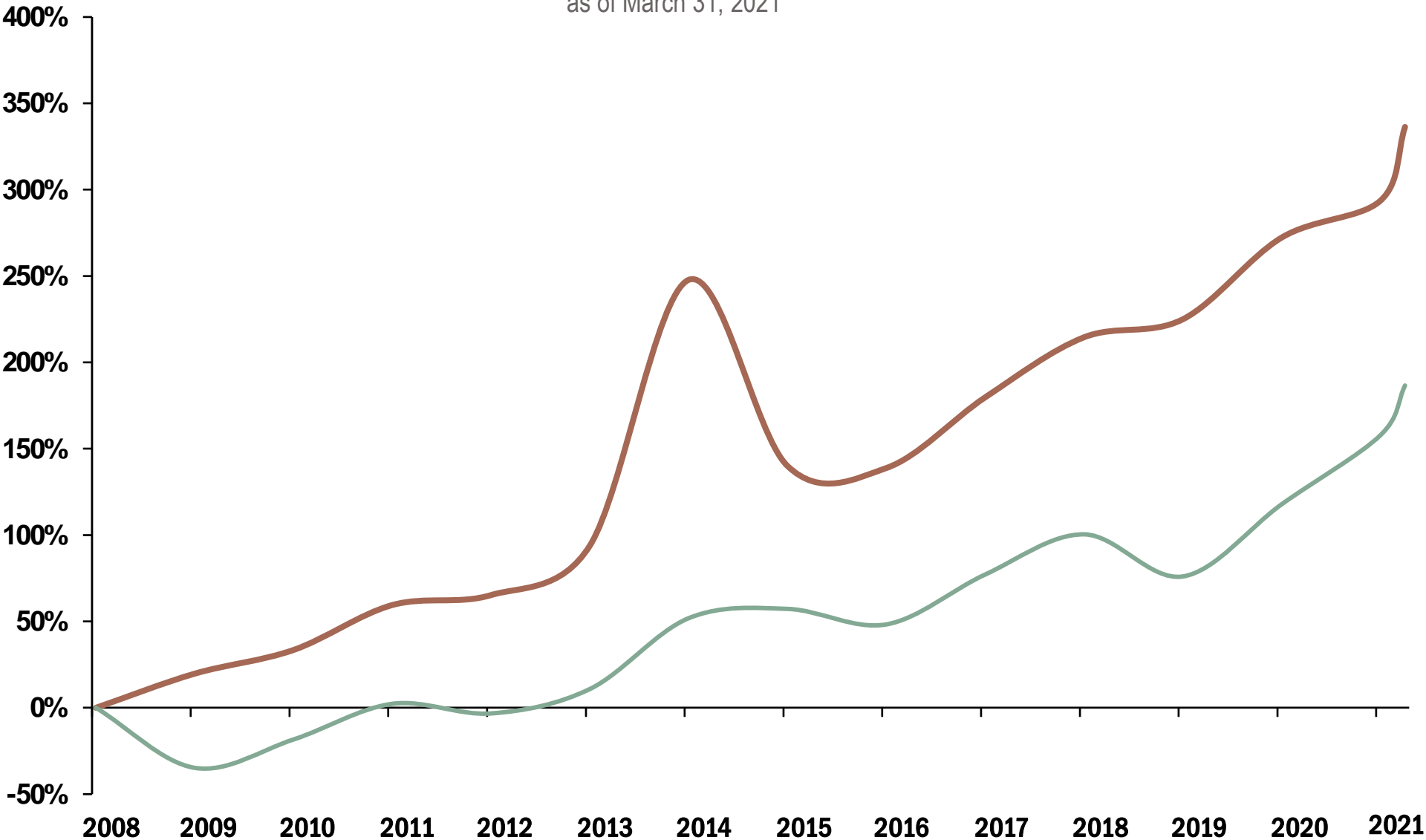
Reinvestment

Financial Strength

Proven Results

WIRE vs. Russell 2000

as of March 31, 2021





# Summary



## INVESTMENT APPEAL

- Low Cost Producer
- Product Innovation
- Customer Service & Distribution
- Growing Market Share
- Superior Returns
- Strong Financial Balance Sheet
- Replacement Costs > Book Value
- 100% Made and Sold in the USA

## FINANCIAL METRICS as of March 31, 2021

Stock Price	\$67.13
Market Capitalization	\$1,390M
TBV/Share	\$42.44
Q1 2021 TTM Revenue	\$1,418.3M
Q1 2021 TTM EPS (Diluted)	\$4.78
Q1 2021 TTM EBITDA	\$148.3M
Q1 2021 TTM Operating Income	\$127.4M

## Forward Looking Statements

Any forward-looking statements made in conjunction with this presentation are based on management's beliefs as well as assumptions made by and information currently available to management. Although the Company believes that the expectations in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those expected. Please refer to the Company's annual 10-K report for further discussion of forward-looking statements.

GAAP Reconciliation - EBITDA is defined as net income before interest, income taxes, depreciation and amortization. The Company presents EBITDA because it is a required component of financial ratios reported by the Company to the Company's banks, and is also frequently used by securities analysts, investors and other interested parties, in addition to and not in lieu of measures of financial performance calculated and presented in accordance with Generally Accepted Accounting Principles (GAAP), to compare to the performance of other companies who also publicize this information. EBITDA is not a measurement of financial performance calculated and presented in accordance with GAAP and should not be considered an alternative to net income as an indicator of the Company's operating performance or any other measure of financial performance calculated and presented in accordance with GAAP. A reconciliation of EBITDA to net income is posted on [www.encorewire.com](http://www.encorewire.com) under "INVESTORS".