



Additional Disclosures:

The term “EBITDA” is used by the Company in presentations, quarterly conference calls and other instances as appropriate. 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.

The Company has reconciled EBITDA with net income for fiscal years 1996 to 2022 on previous reports on Form 8-K filed with the Securities and Exchange Commission. EBITDA for each period pertinent to this press release is calculated and reconciled to net income as follows:

In Thousands	Quarter Ended March 31,	
	2023	2022
Net Income	\$ 119,483	\$ 161,531
Income Tax Expense	36,072	46,119
Interest Expense	100	101
Depreciation and Amortization	7,692	6,210
EBITDA	<u>\$ 163,347</u>	<u>\$ 213,961</u>

Encore Wire Corporation
Condensed Balance Sheets
(In Thousands)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	(Unaudited)	(Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 697,424	\$ 730,557
Accounts receivable, net of allowance of \$3,800 and \$3,800	479,831	498,762
Inventories, net	173,878	153,187
Income tax receivable	—	15,143
Prepaid expenses and other	2,485	3,992
Total current assets	<u>1,353,618</u>	<u>1,401,641</u>
Property, plant and equipment, net	642,446	616,601
Other assets	541	490
Total assets	<u>\$ 1,996,605</u>	<u>\$ 2,018,732</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	\$ 41,594	\$ 62,780
Accrued liabilities	63,969	81,381
Income taxes payable	23,610	—
Total current liabilities	<u>129,173</u>	<u>144,161</u>
Long-term liabilities:		
Deferred income taxes and other	53,528	55,905
Total long-term liabilities	<u>53,528</u>	<u>55,905</u>
Total liabilities	182,701	200,066
Commitments and contingencies		
Stockholders' equity:		
Common stock	272	271
Additional paid-in capital	87,978	83,622
Treasury stock	(530,891)	(402,639)
Retained earnings	2,256,545	2,137,412
Total stockholders' equity	<u>1,813,904</u>	<u>1,818,666</u>
Total liabilities and stockholders' equity	<u>\$ 1,996,605</u>	<u>\$ 2,018,732</u>

Encore Wire Corporation
Statements of Income
(In thousands, except per share data)

	Quarter Ended March 31,			
	2023		2022	
(Unaudited)				
Net sales	\$660,492	100.0 %	\$723,072	100.0 %
Cost of goods sold	455,407	68.9 %	479,325	66.3 %
Gross profit	205,085	31.1 %	243,747	33.7 %
Selling, general, and administrative expenses	58,704	8.9 %	36,212	5.0 %
Operating income	146,381	22.2 %	207,535	28.7 %
Net interest and other income	9,174	1.4 %	115	— %
Income before income taxes	155,555	23.6 %	207,650	28.7 %
Provision for income taxes	36,072	5.5 %	46,119	6.4 %
Net income	\$119,483	18.1 %	\$161,531	22.3 %
Earnings per common and common equivalent share – basic	\$ 6.60		\$ 8.08	
Earnings per common and common equivalent share – diluted	\$ 6.50		\$ 7.96	
Weighted average common and common equivalent shares outstanding – basic	18,099		20,003	
Weighted average common and common equivalent shares outstanding – diluted	18,369		20,302	
Cash Dividends Declared per Share	\$ 0.02		\$ 0.02	