



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 June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net Income	\$ 104,741	\$ 210,538	\$ 224,224	\$ 372,070
Income Tax Expense	30,803	60,476	66,875	106,595
Interest Expense	102	102	202	203
Depreciation and Amortization	8,089	6,312	15,780	12,521
<b>EBITDA</b>	<b>\$ 143,735</b>	<b>\$ 277,428</b>	<b>\$ 307,081</b>	<b>\$ 491,389</b>

**Encore Wire Corporation**  
**Condensed Balance Sheets**  
(In Thousands)

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	(Unaudited)	(Audited)
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 667,790	\$ 730,557
Accounts receivable, net	463,318	498,762
Inventories, net	163,215	153,187
Income tax receivable	25,566	15,143
Prepaid expenses and other	8,625	3,992
Total current assets	<u>1,328,514</u>	<u>1,401,641</u>
Property, plant and equipment, net	683,747	616,601
Other assets	518	490
Total assets	<u>\$ 2,012,779</u>	<u>\$ 2,018,732</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Trade accounts payable	\$ 90,725	\$ 62,780
Accrued liabilities	70,725	81,381
Total current liabilities	<u>161,450</u>	<u>144,161</u>
Long-term liabilities:		
Deferred income taxes and other	54,437	55,905
Total long-term liabilities	<u>54,437</u>	<u>55,905</u>
Total liabilities	<u>215,887</u>	<u>200,066</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock	272	271
Additional paid-in capital	94,468	83,622
Treasury stock	(658,798)	(402,639)
Retained earnings	2,360,950	2,137,412
Total stockholders' equity	<u>1,796,892</u>	<u>1,818,666</u>
Total liabilities and stockholders' equity	<u>\$ 2,012,779</u>	<u>\$ 2,018,732</u>

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

	Quarter Ended June 30,				Six Months Ended June 30,			
	2023		2022		2023		2022	
	(Unaudited)				(Unaudited)			
Net sales	\$636,460	100.0 %	\$838,235	100.0 %	\$1,296,952	100.0 %	\$1,561,307	100.0 %
Cost of goods sold	470,312	73.9 %	517,463	61.7 %	925,719	71.4 %	996,788	63.8 %
Gross profit	166,148	26.1 %	320,772	38.3 %	371,233	28.6 %	564,519	36.2 %
Selling, general, and administrative expenses	38,671	6.1 %	50,405	6.0 %	97,375	7.5 %	86,616	5.5 %
Operating income	127,477	20.0 %	270,367	32.3 %	273,858	21.1 %	477,903	30.6 %
Net interest and other income	8,067	1.3 %	647	0.1 %	17,241	1.3 %	762	— %
Income before income taxes	135,544	21.3 %	271,014	32.3 %	291,099	22.4 %	478,665	30.7 %
Provision for income taxes	30,803	4.8 %	60,476	7.2 %	66,875	5.2 %	106,595	6.8 %
Net income	\$104,741	16.5 %	\$210,538	25.1 %	\$ 224,224	17.2 %	\$ 372,070	23.8 %
Earnings per common and common equivalent share – basic	\$ 6.13		\$ 10.84		\$ 12.75		\$ 18.88	
Earnings per common and common equivalent share – diluted	\$ 6.01		\$ 10.71		\$ 12.53		\$ 18.62	
Weighted average common and common equivalent shares outstanding – basic	17,093		19,419		17,593		19,709	
Weighted average common and common equivalent shares outstanding – diluted	17,431		19,666		17,897		19,982	
Cash Dividends Declared per Share	\$ 0.02		\$ 0.02		\$ 0.04		\$ 0.04	