

Electrifying the Future

December 31, 2023



ENCORE WIRE®

NASDAQ : WIRE



Encore Wire at a Glance



Encore Wire is an industry-leading manufacturer with innovation in product development and unparalleled service as a single source provider for residential, commercial and industrial wire and cable

FOUNDED
1989

CAMPUS
McKinney, TX

EMPLOYEES
1,629

\$2,567.7M
FY 2023 REVENUE

\$517.1M
FY 2023 EBITDA

\$290.7M
FY 2023 FREE CASH FLOW

\$21.62
FY 2023 EPS

\$778.0M
RETURNED TO
SHAREHOLDERS SINCE 2020



Well-Positioned for Value Creation



STRONG FINANCIAL PROFILE

Robust balance sheet and cash flow generation coupled with value enhancing capital allocation priorities to drive organic growth and shareholder returns

STRONG SECULAR TAILWINDS

Increasing copper demand, supported by Bipartisan Infrastructure Law and Inflation Reduction Act expected to drive future demand for our products

VERTICALLY INTEGRATED BUSINESS MODEL

Encore Wire's single-site, vertically integrated business model affords flexibility and agility to adapt quickly to changing market conditions while continuing to serve customers at a high level

TRACK RECORD OF SUCCESS

Track record of delivering strong financial results with over 25 years of profitability and a 22.9% CAGR in Book Value since inception

DEEP SUPPLIER RELATIONSHIPS

Long-term relationships with key raw materials suppliers enables reliable inputs, driving competitive advantage

Rich History of Organic Growth



- 1989** ● **PLANT 1**
Founded as 68,000 square foot industrial warehouse manufacturing residential wire
- 1992** ● **INITIAL PUBLIC OFFERING**
NASDAQ ticker symbol: WIRE
- 1994** ● **BUILT PLANT 2**
Expansion of product line into large gauge commercial wire. Secondary public offering.
- 1997** ● **BUILT DISTRIBUTION CENTER**
- 1998** ● **BUILT COPPER ROD MILL**
- 1999** ● **BUILT PLASTIC MILL**
- 2001** ● **BUILT PLANT 3**
Expansion of Circuit Wire product offerings
- 2004** ● **EXPANDED DISTRIBUTION CENTER**
480,000 square feet and 60 dock doors; Railroad track
- 2006** ● **BUILT PLANT 4**
Expansion of product line to include armored cable
- 2007** ● **BUILT CORPORATE HEADQUARTERS**



- 2008** ● **OPENED PLANT 5**
Expansion of product line to include industrial cable
- 2010** ● **BUILT ENCORE TECHLAB**
LEED® Platinum certified R&D Center
First of its kind in North Texas
- 2012** ● **BUILT PLANT 6**
Expansion of product line to include aluminum building wire
- 2014** ● **EXPANDED PLANT 6**
- 2016** ● **EXPANDED PLANT 4**
- 2021** ● **BUILT MODERN SERVICE CENTER**
- 2022** ● **OPENED PLANT 7**
Over 400,000 square feet of incremental manufacturing capacity
- 2022** ● **OPENED EMPLOYEE CENTER**
Plant 5 becomes state-of-the-art facility for recruiting, training, fitness, medical care
- 2023** ● **XLPE COMPOUNDING FACILITY**
Fabrication of polyethylene insulation
- 2024-2026** ● **INCREMENTAL INVESTMENTS**
Increasing capacity and efficiencies

Electrifying the Future



Our products distribute power from the transmission grid to the wall outlet or switch, and everything in between
CAPEX and vertical initiatives competitively position Encore as a key supplier in the transition to sustainable future power solutions

DATA CENTERS

Manufacturing scale and flexibility, coupled with value-added services, drive jobsite efficiencies

RENEWABLES

GreenConnect™ products provide power generation and distribution solutions for Solar, Electric Vehicle Charging (EV), Battery Storage, and Utility applications

HEALTHCARE

Diversified product portfolio well positioned to supply mission critical healthcare expansion and facility upgrades

COMMERCIAL

Smaller-scale power generation/distribution investments and onsite renewable energy will require capacity expansion and upgrades to distribution infrastructure

INDUSTRIAL

Products designed for a wide range of applications including oil & gas, petrochemical, battery plants, waste-water, automotive manufacturing, etc. On-shoring manufacturing should spur continued demand.

RESIDENTIAL

Residential applications, onsite renewable energy, battery storage, and EV charging solutions require capacity expansion and upgrades to distribution infrastructure

The Bipartisan Infrastructure Law and Inflation Reduction Act should drive incremental, long-term demand for products
Single-campus, build-to-ship business model allows for rapid adaptation to changing market demands and needs

The Increasing Call on Copper



The transition to sustainable energy and electric vehicles is forecasted to deepen the current global copper supply deficit

- Recycled copper will become increasingly important as overall supply available for traditional applications further tightens

Copper use intensity is multiples higher for renewable applications when compared to non-renewables

Use of copper for transportation applications is forecast to surpass construction around 2030

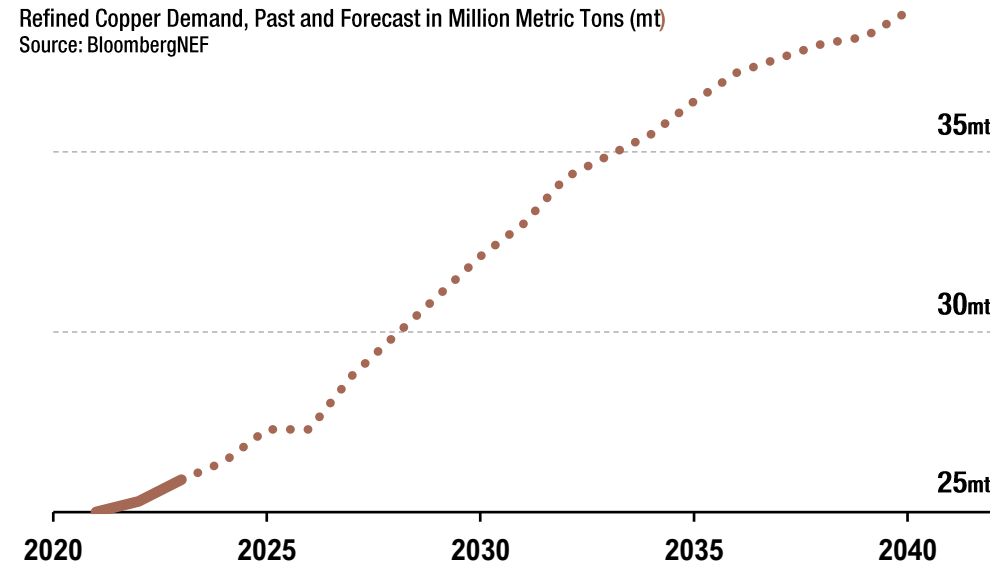
- Electric vehicles can use up to 10x the amount of copper when compared to traditional internal combustion engine vehicles

Projected ongoing structural copper deficits would further strain copper rod and cathode availability

Encore's copper rod mill and deep domestic supplier relationships position the Company favorably

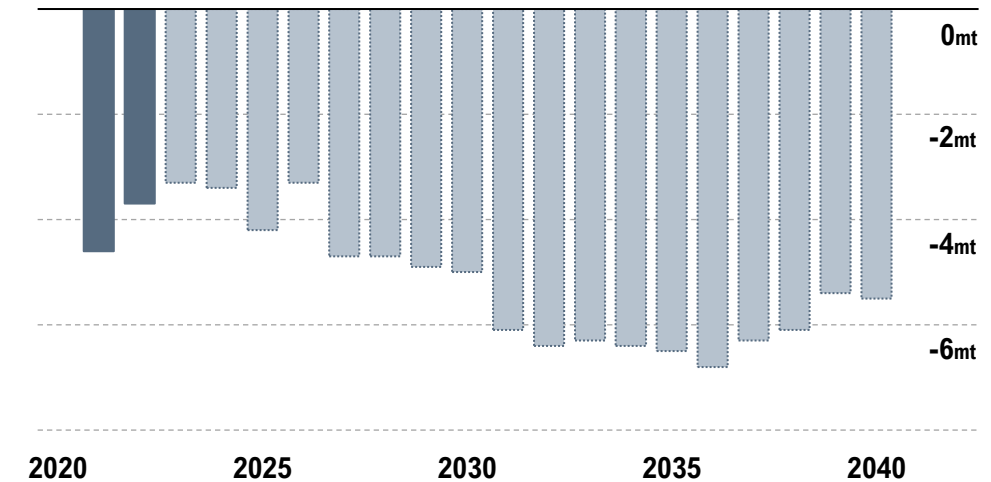
GLOBAL COPPER DEMAND

Refined Copper Demand, Past and Forecast in Million Metric Tons (mt)
Source: BloombergNEF



STRUCTURAL COPPER DEFICIT

Refined Copper Supply, Past and Forecast in Million Metric Tons (mt)
Source: BloombergNEF



RENEWABLE COPPER USE INTENSITY

Sources: S&P Global, Copper Development Association

Copper Tons Per 1MW Electricity Generation

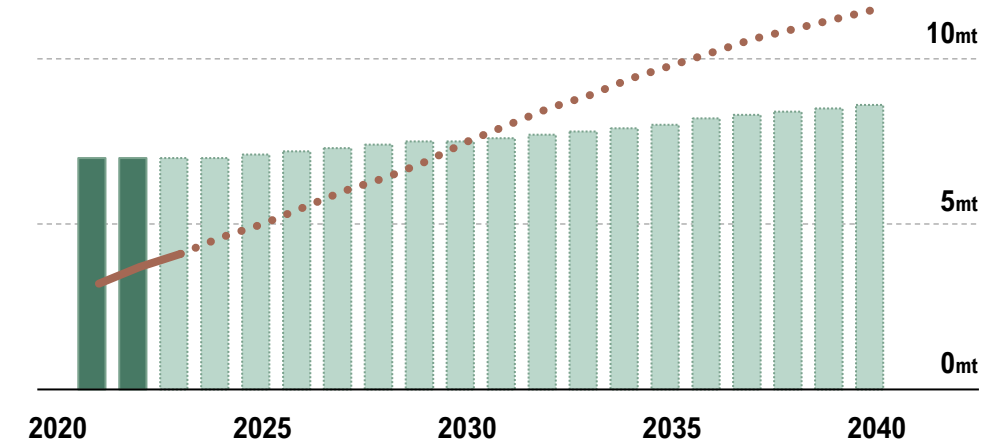
Nonrenewable	Wind Power	Solar Power
1	3 - 5	3 - 5

Copper Pounds per Vehicle

Gasoline	Electric
18 - 49	183

TRANSPORTATION SURPASSES CONSTRUCTION

Refined Copper Demand by Sector, Past and Forecast in Million Metric Tons (mt)
Source: BloombergNEF



The Shape of the Industry



Wire manufacturers depend on precise shapes and sizes of material inputs to make their products

- Including imports of Copper Rod, Alumina and Aluminum Rod, Fabricated Plastic Compounds, Nylon, and Armored Jacketing

Challenges related to the availability of skilled labor, logistics, and industrial storage have tightened the availability of certain raw and finished material inputs

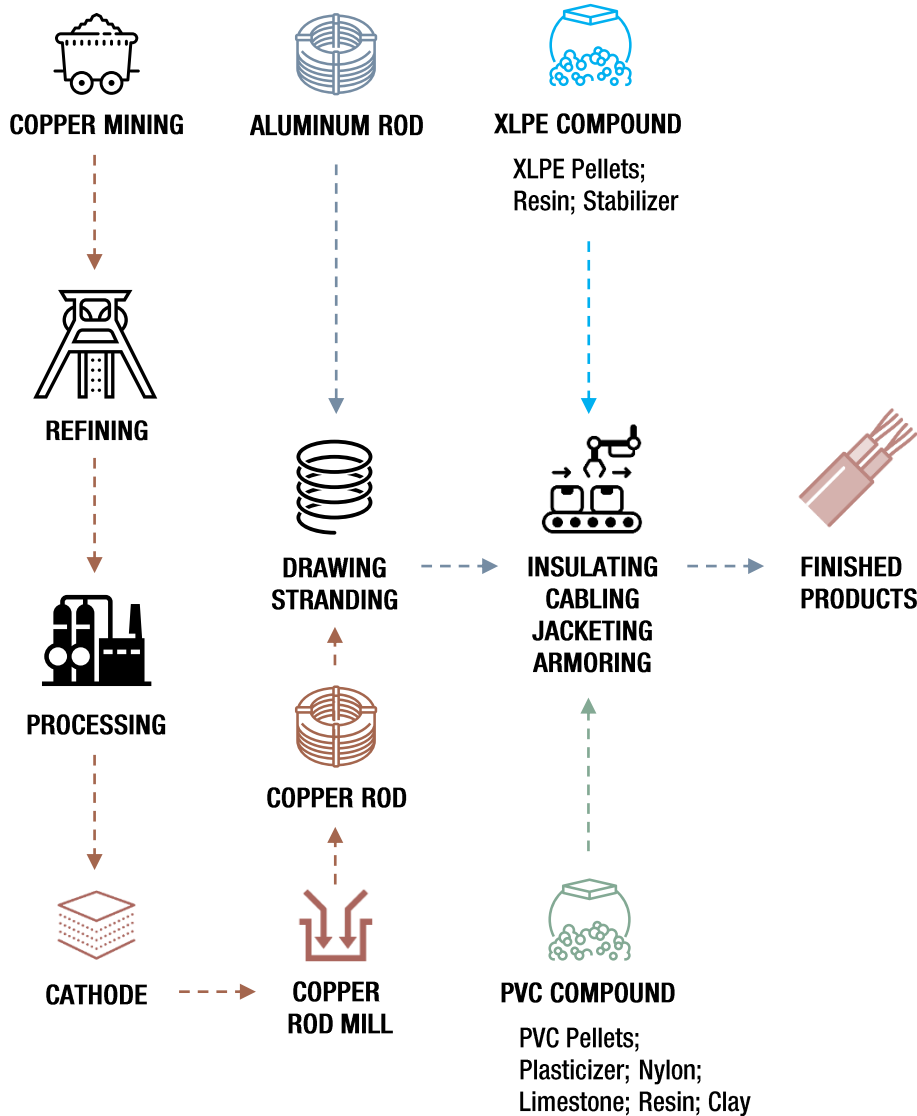
- Lead times for the machinery required to onshore capacity of domestic finished material inputs can surpass two years

Similar challenges have affected domestic wire manufacturers and distributors, which can put a further strain on the availability of wire and cable for customers

- Horizontally integrated competitors manage multiple facilities, with amplified supply chain, labor, and logistics challenges to overcome, increasing costs and potentially decreasing profitability

MATERIAL INPUTS FOR ELECTRICAL WIRE

in current product categories



INDUSTRY CHALLENGES

in the current environment

Copper Rod and Cathode availability remains tight

- Approximately 6% of global copper cathode production is mined in the United States, with approximately 11 domestic copper rod mills
- Both domestic and international mining suppliers also struggle with access to skilled labor and logistics
- Miners may not be incentivized to increase copper production in the current pricing environment

Challenges exist for other certain raw material inputs

- Procurement difficulties in any part of the supply chain for raw material inputs can halt or slow manufacturing production lines

The ability to accept material inputs in various shapes and forms is a differentiator

- Companies that can fabricate their own rod and plastic compounds have a competitive advantage

Hiring and retaining talent is a persistent challenge

The shifting demand for product has rewarded companies who are nimble and can quickly meet changing market needs

Operational Advantages



100% organic growth has allowed for planning business expansions to increase profitability and serve future demand

Encore fabricates copper rod, plastic compounds, and plastic and metallic sheathing

- Eliminating middlemen and reducing risks and costs of supply chain for raw material inputs
- Ensuring high standards of quality control

In February 2023, Encore announced the construction of a state-of-the-art XLPE compounding facility, which was substantially completed in Q4 2023

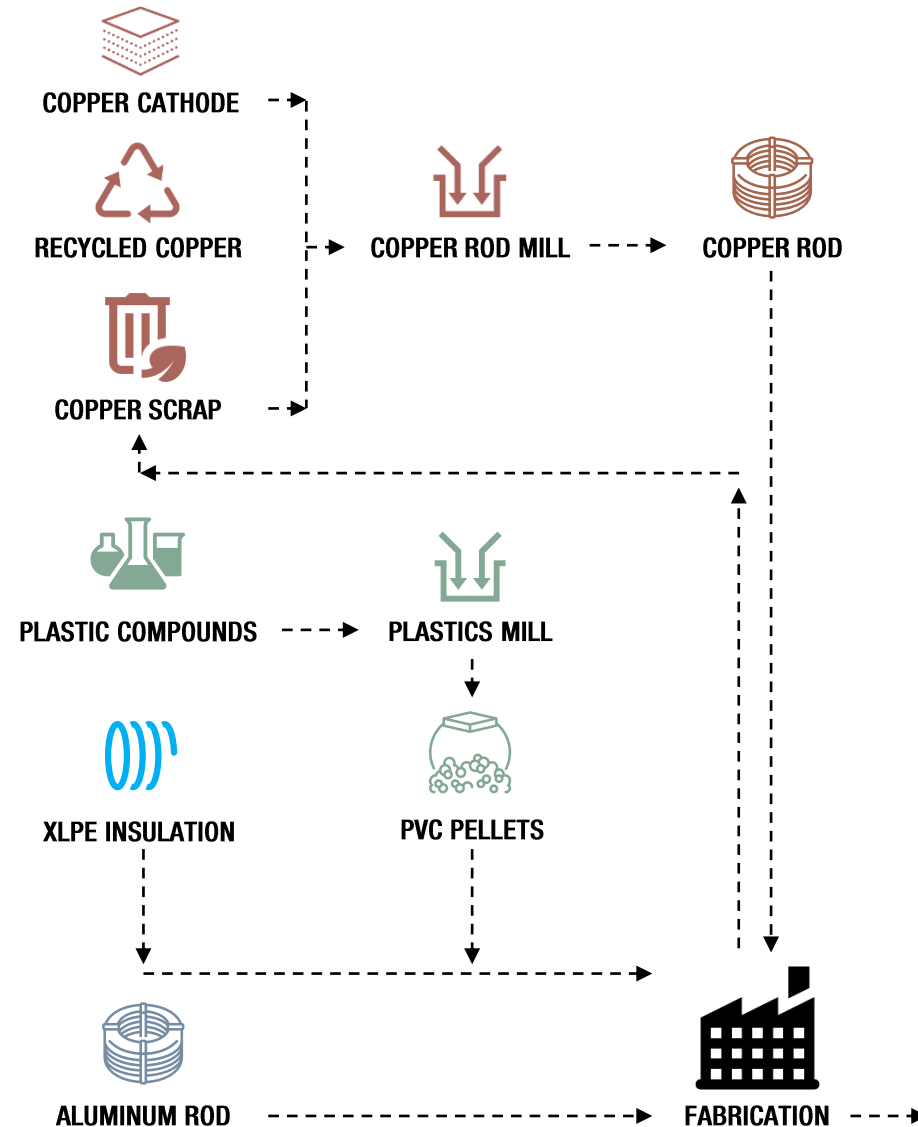
- XLPE insulation is used in a wide variety of products with increasing demand from data center, utility, and renewable energy applications

Encore enjoys unparalleled operational flexibility and is structured to dynamically adapt to changing market conditions

- Adaptive order-to-ship model increases fill rates

VERTICAL INTEGRATION

Current as of December 2023



SINGLE SITE CAMPUS

Over 3.0 Million Square Feet on approximately 460 Acres

Encore prides itself on quick shipment of complete orders and strives to ship 100% complete orders in 24-48 hours from order receipt

- Shipping virtually all products from a single site campus allows for streamlined logistics and regular flow of goods along established shipping routes to distributor networks

World-Class modern service center allows for improving just in time inventory and increasing throughput

- Ability to customize orders to exact customer specifications positions us to capture incremental sales volume and margin

One campus model enables ability to quickly switch manufacturing schedules to meet changing customer demand

- Employees are moved between plants as needed to keep production lines running smoothly and meet incremental demand



DELIVERY



INVENTORY



PRODUCT

Driving Profitability



Margins remain elevated due to the general inability of the sector to meet demand for the timely delivery of finished goods

Ability to quickly ship complete orders within 24-48 hours remains a differentiator in the current competitive landscape

SERVICE

Build-to-ship model allows for efficient customization of orders and ability to rapidly ship complete orders encourages brand awareness and solidifies long-term relationships.

VERTICALS

Copper rod and plastics mills allow for precise fabrication of material inputs. Acceptance of raw materials in multiple shapes and forms reduces COGS.

LOGISTICS

New modern service center allows for rigorous inventory control and world-class logistics, facilitating shipment of 100% complete orders in 24 - 48 hours

OPERATIONS

CAPEX initiatives increase overall capacity and automation, reduce costs and work-in-progress touches. One campus model allows for plug-and-play of talent in different facilities as customer needs change.

SUPPLY CHAIN

Deep, long-term supplier relationships allow for timely procurement of necessary raw materials. Raw material tightness and finished goods scarcity have supported higher prices and margins

SINGLE SITE ADVANTAGE

Ability to quickly change manufacturing schedules and deploy employees between plants allows for nimble and efficient operations, meaningfully reducing labor and inventory costs

Vertical integration and expansion initiatives are increasing capacity and efficiencies, positioning us to profitably serve future demand

Commitment to widening position as a low-cost provider in the industry leaves Company well positioned for future business cycles

Prioritizing Sustainability



Encore Wire has a rich history of “doing the right thing” – whether it comes to the environment, our employees, the community, or the way it conducts business.

- The company believes that responsible ESG management has a positive influence on long-term business resilience and performance.

In 2021, the company began to scrutinize efforts to expand disclosure of their position as a sustainable company in our industry.

The ESG report published in 2023 describes in detail efforts to date, including ESG strategy, materiality assessment, and priorities and goals.

- To learn more about ESG efforts, please visit the sustainability section of encorewire.com

SUSTAINABILITY TIMELINE

Past and Present, as of December 2023

- MARCH 2021**
Released first Global Human and Labor Rights Policy to increase transparency into long-standing policies that protect and respect the rights of employees, stakeholders, and community.
- August 2021**
The Board of Directors established the Sustainability Committee to assist the Board in its oversight of environmental and social strategy, risks, and risk mitigation.
- October 2021**
Released first Global Environmental Policy to highlight ongoing commitment to environmental compliance, preservation, and minimizing environmental impact.
- November 2021**
Released Occupational Health and Safety Policy to increase transparency into long-standing commitment to provide a working environment that promotes optimal health and safety for employees.
- November 2022**
Sustainability Governance Committee met to review and ultimately endorse new ESG Strategy.
- March 2023**
Released inaugural ESG report, which summarizes sustainability efforts to date and formalizes commitments for the future.

ESG STRATEGY

As detailed in our 2022 ESG Report



ENVIRONMENTAL

- Leverage existing zero-waste initiative to minimize waste generation and enhance materials recovery
- Reduce energy use and greenhouse gas emissions intensity
- Increase water efficiency and storage capacity on campus



SOCIAL

- Increase communication with all employees on company culture and initiatives
- Enhance employee satisfaction and retention



GOVERNANCE

- Create policies for sustainable construction and sustainable procurement, and
- Explore sustainable product certifications

Reinvesting for Future Opportunity



The company reinvests capital when it foresees an attractive opportunity to:

- Improve its service model
- Remove costs from the system
- Reduce exposure to supply chain for material inputs
- Expand vertical integration
- Increase capacity and extend reach into new and existing markets
- Improve order fill rate and decrease order-to-ship time

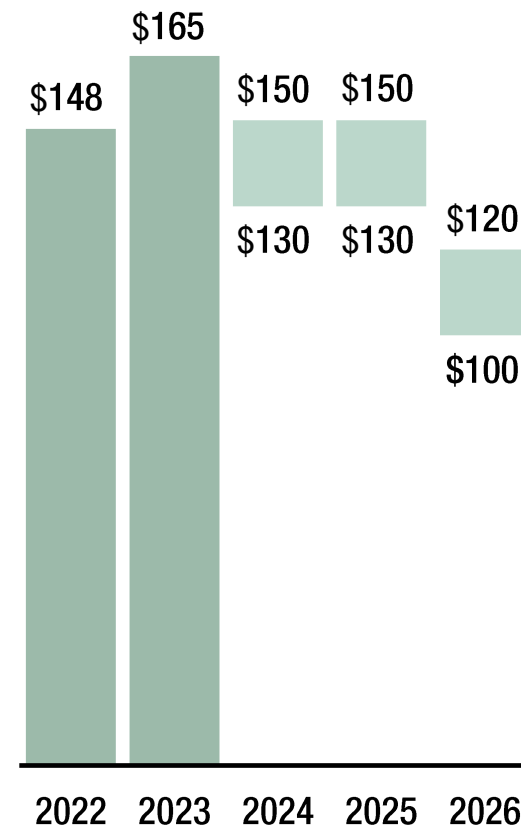
The company expects capital expenditures to contribute to increasing profitability and sales volume while widening its competitive advantages:

- World-class customer service
- Unmatched order-to-shipment time
- Low-cost manufacturing

AMBITIOUS PLANS

\$ million, year end and projected

CAPEX



NEW SERVICE CENTER

Opened: Q2 2021

- 720,000 square foot service center increases throughput and provides the bandwidth necessary to capture incremental sales volume.

PLANT 7

Opened: Q3 2022

- Repurposed legacy distribution center into Plant 7, expanding manufacturing capacity and extending market reach.

XLPE COMPOUNDING FACILITY

Substantially Completed: Q4 2023

- State of the art, cross-link polyethylene (XLPE) compounding facility will deepen vertical integration related to wire and cable insulation.
- XLPE insulation is used in many applications including Data Centers, Oil and Gas, Transit, Waste-Water Treatment facilities, Utilities, Wind and Solar applications.

INCREMENTAL INVESTMENTS

FY 2024 - 2026

- Expand vertical integration to reduce costs.
- Modernize select wire manufacturing facilities to increase capacity and efficiency.

Our Strong Balance Sheet and Operating Cash Flow should provide ample funding.

Navigating Margin Abatement



Gross margins increased significantly over historical levels following the onset of COVID

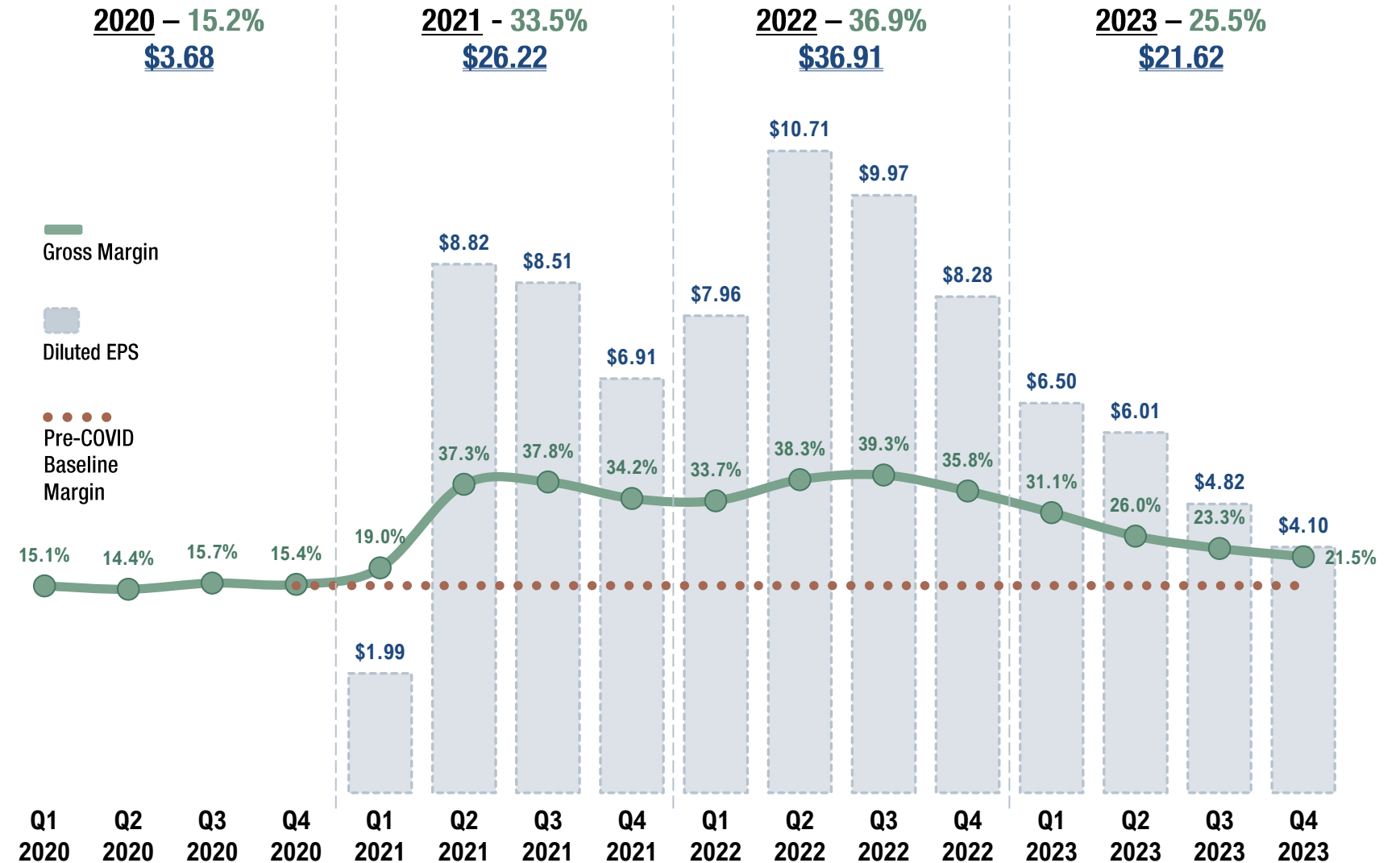
- Industry difficulties related to supply chain and labor reduced the amount of finished goods available for sale and increased prices
- Modern Service Center increased throughput and increased efficiency
- Build to ship model allowed for timely shipment of finished goods

The Company continues to believe that it is in the midst of gradual, albeit slowing, gross margin abatement

- The Company believes that recent CAPEX initiatives and demand outlook should contribute to higher gross margin levels when compared to pre-COVID baselines
- Share repurchases have bolstered earnings per share

QUARTERLY GROSS MARGIN AND EARNINGS PER SHARE

January 2020 – December 2023



Strong Balance Sheet



A conservative balance sheet and focus on long-term financial strength has served the Company well throughout its history and has increased its competitive position in recent market conditions.

- The ability to fund organic growth with cash and operating cash flow is a competitive advantage in the current interest rate environment.
- Substantial cash balance allows for growing interest income as rates increase, which flows directly to the bottom-line.
- Share repurchase program allows for return of capital to shareholders and retirement of common stock, positively impacting earnings per share.

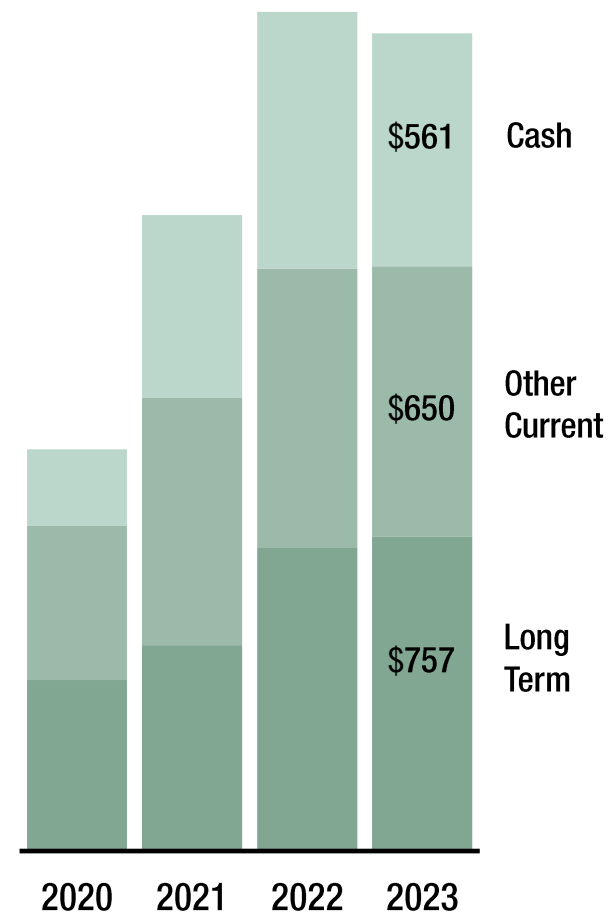
The Company competes in a cyclical business and has seen competitors come and go as economic conditions change.

The focus remains on building a sustainable, profitable business for the long-term financial success for shareholders. The balance sheet is a reflection of this philosophy.

STRONG ASSET GROWTH

\$ million, fiscal year end

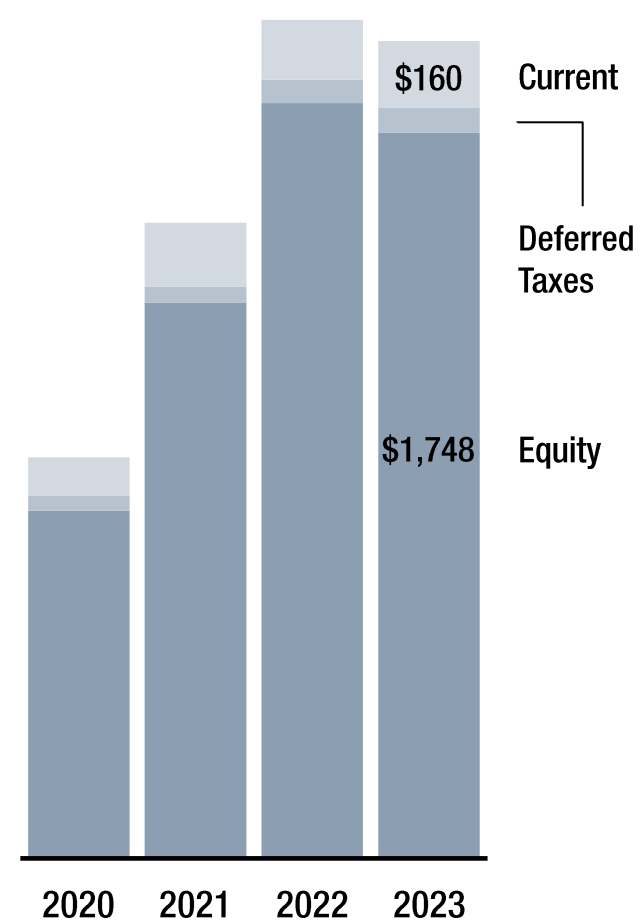
ASSETS



STRONG EQUITY GROWTH

\$ million, fiscal year end

LIABILITIES



FINANCIAL HIGHLIGHTS

as of December 31, 2023

CASH	\$560.6 Million
Current Ratio	7.6x
Unused Revolver	\$200 Million
TOTAL DEBT	\$0
Goodwill	\$0
Inventory Turn (Finished Goods)	12.4x
TBV/Share	\$111.81

SHARE REPURCHASES

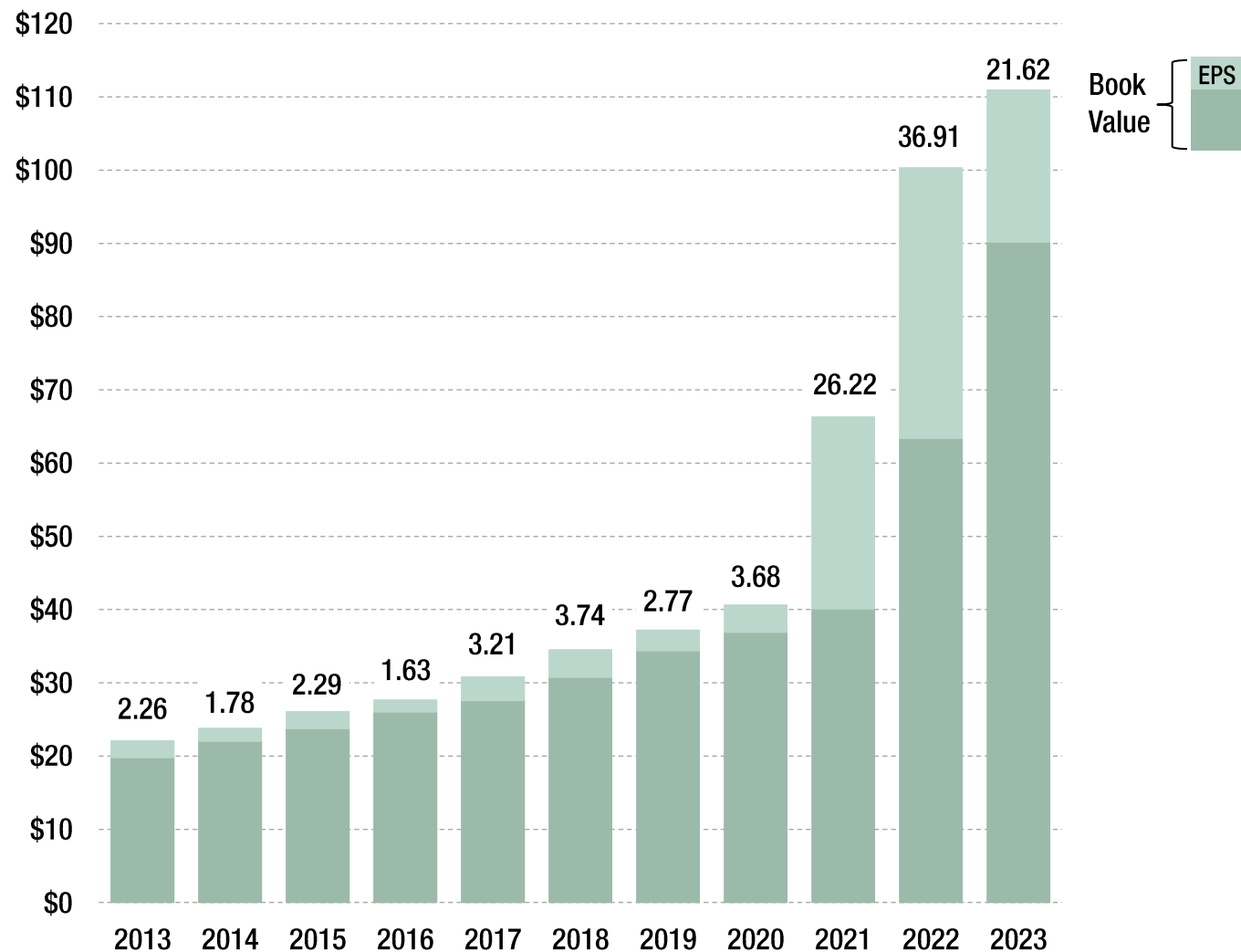
2020	\$20.7 Million
2021	\$43.3 Million
2022	\$247.6 Million
2023	\$460.2 Million
TOTAL	\$771.7 Million

Strong Financial Results



DILUTED EPS AND TANGIBLE BOOK VALUE PER SHARE

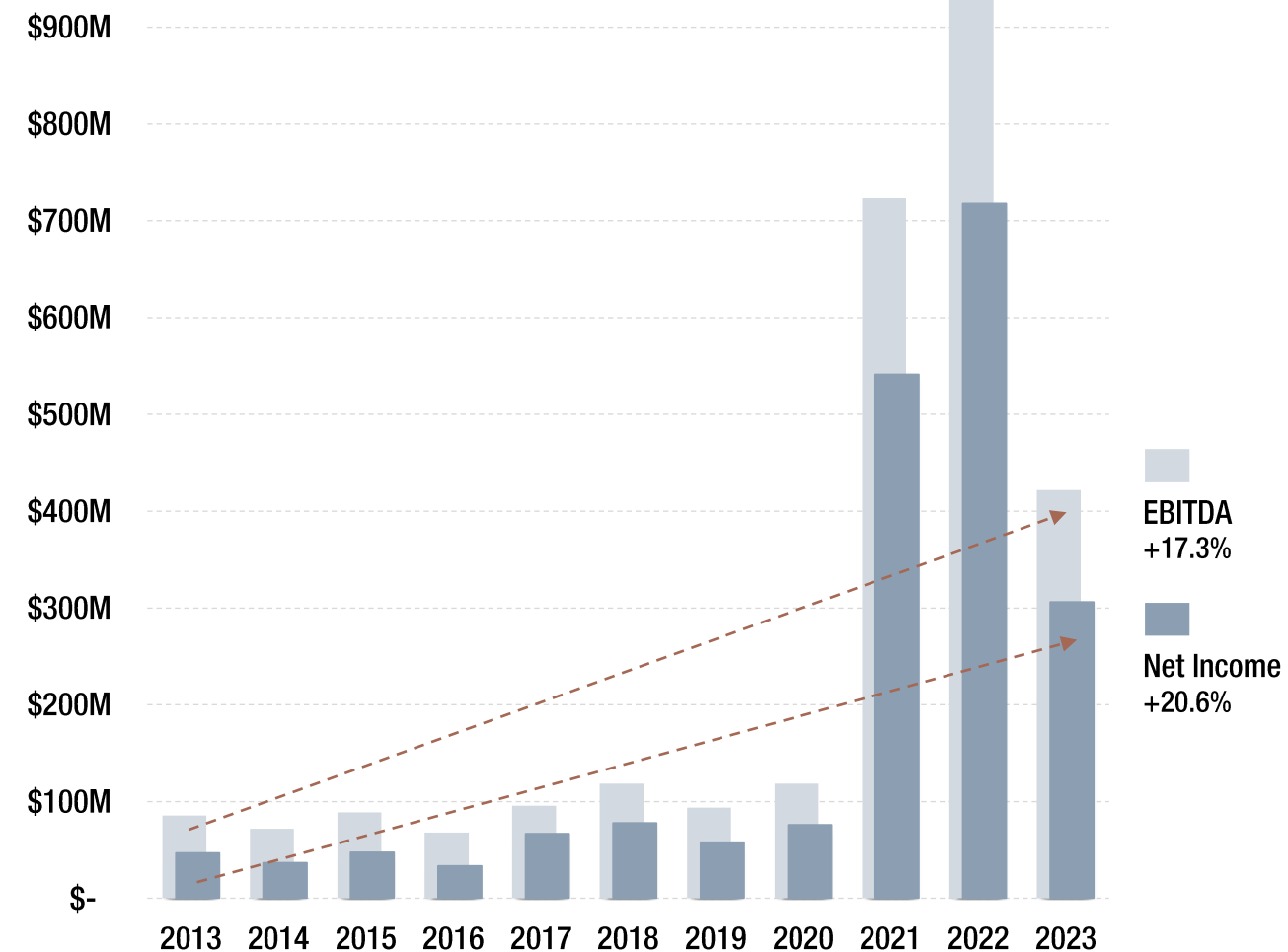
as of December 31, 2023



We have a rich history of equity growth, enjoying over 25 years of profitability.

COMPOUND ANNUAL GROWTH RATE

as of December 31, 2023



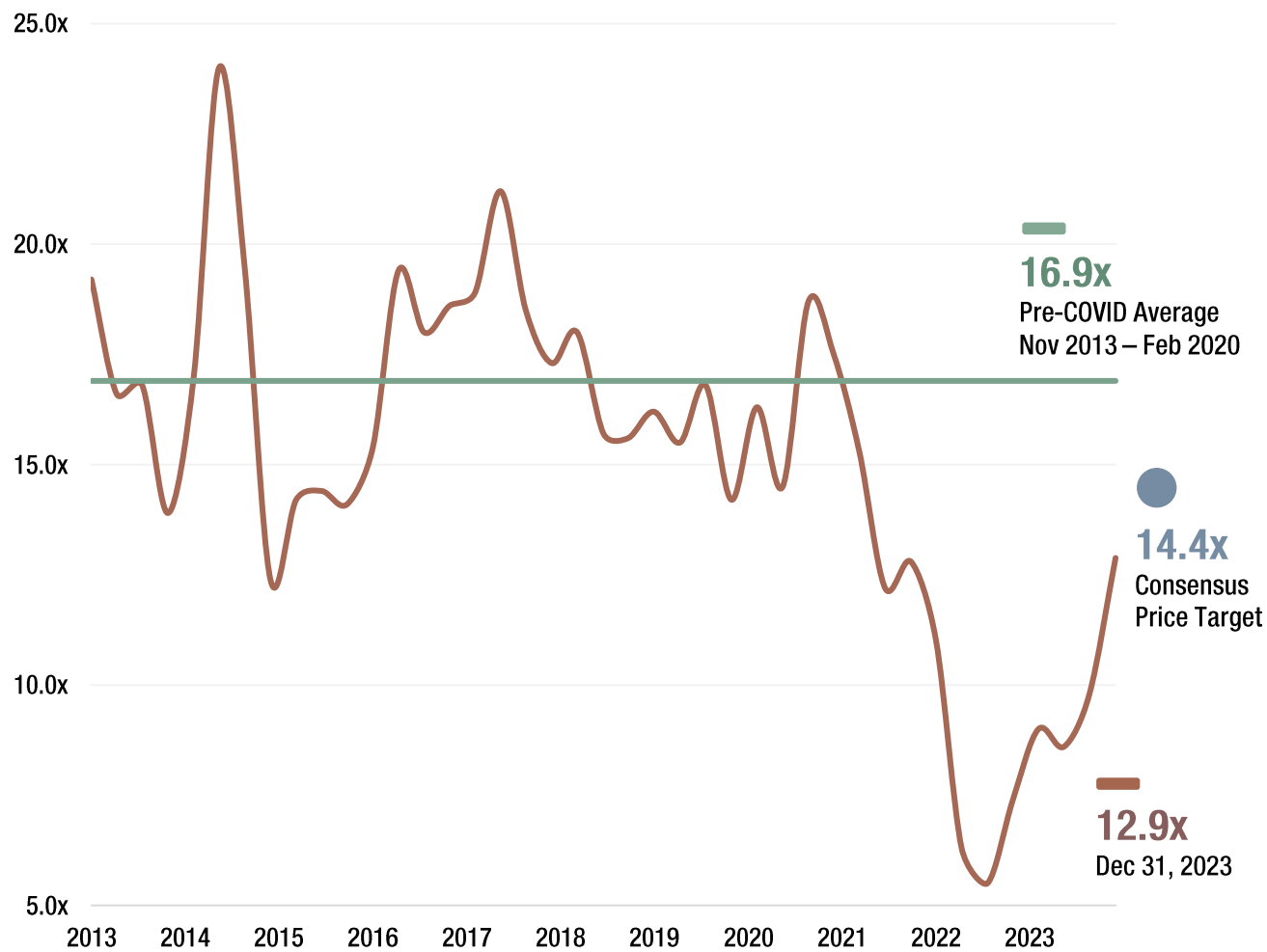
We have delivered a 22.9% CAGR in Book Value since inception.

Strong Value Creation



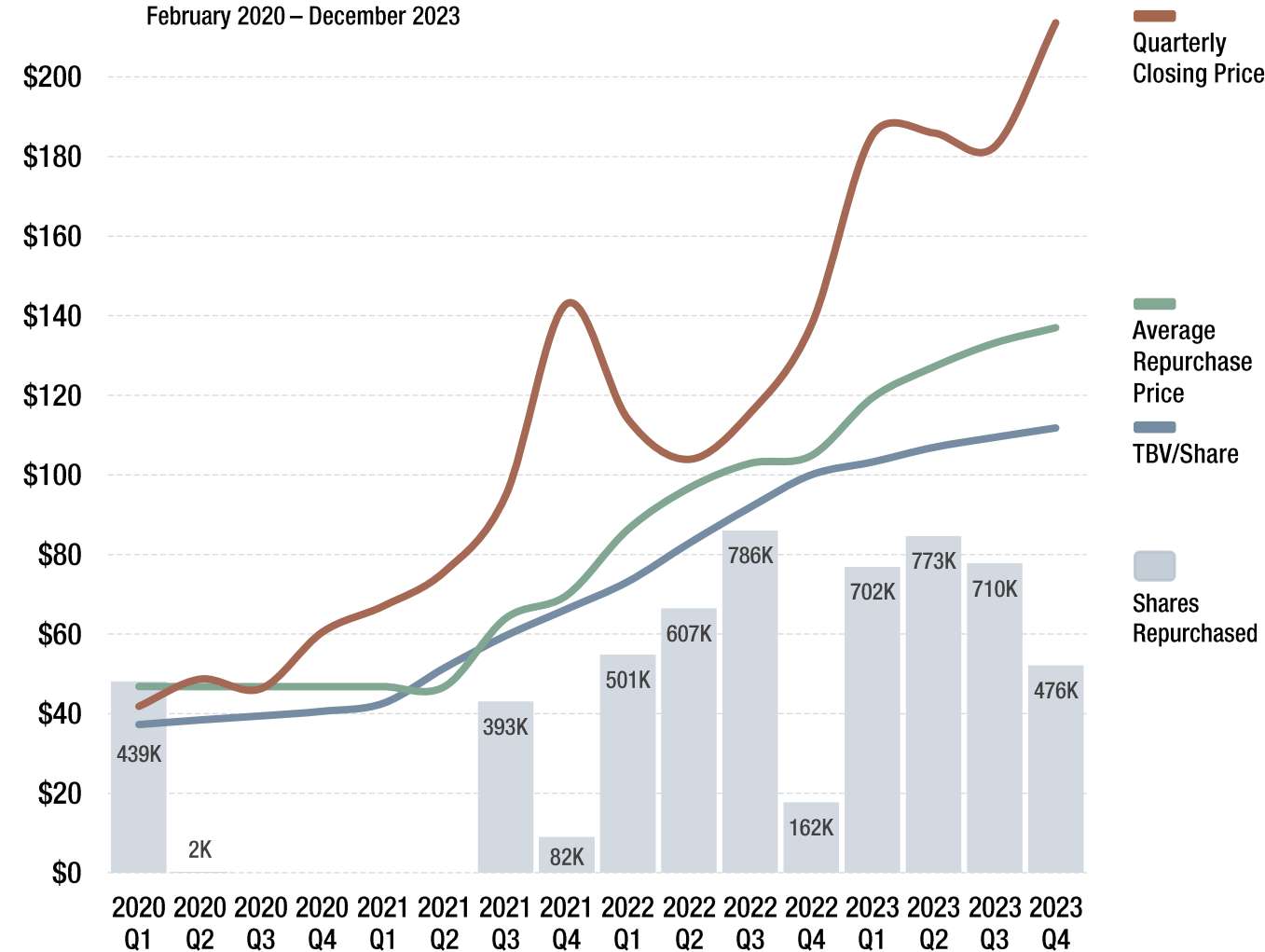
CONSENSUS FORWARD P/E RATIO

January 2019 – December 2023



SHARE REPURCHASES

February 2020 – December 2023



441,250 Shares 475,557 Shares 2,055,470 Shares 2,661,792 Shares

2,000,000 shares remaining under current repurchase authorization

We continue to find our shares attractive at historically low valuation multiples.

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Forward Looking Statements



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 under "INVESTORS".