

WEALTHY TECHNOLOGY INVESTOR

Big Profits From Tomorrow's Emerging Technology



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IN THIS ISSUE

Miles and Miles of Cable Still Need to Be Installed

Although you might not see the installations in your area, fiber optic networks are still a long way from saturating the entire market. This multi-billion-dollar industry is still rapidly expanding. Add in the impact of the Coronavirus establishing broadband as an essential utility and we can expect this expansion to take place even quicker. It's inevitable...so you might as well profit from this trend.

COVID Ready Kept the Profits Flowing

Even though no one could predict the shutdowns that we saw this year, this company was ready. It was already launching a new product to save its customer time and money on fiber optic installations. Who isn't going to want to save time and money? But this new product served another purpose. It allowed for social distancing between technician and customer...and proved even more valuable when it launched in April.

A Record Year Is Just the Beginning

Last month, this company announced it had just seen a record quarter and fiscal year. Luckily for us, this doesn't mean that its too late. It means that the disruptive growth predicted by the management in starting to happen. And if you want to be along for the ride, you should get in soon.

PROFIT FROM THIS COMPANY CHANGING THE GAME IN THE FIBER OPTIC INDUSTRY

High speed internet is a necessity.

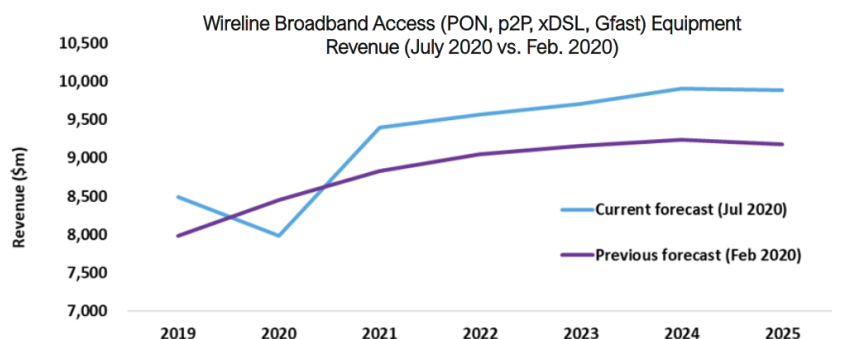
Sure, it's nice to go on vacation and completely unplug once in a while. But, in reality, a high-speed connection is no longer a luxury, especially in this current uncertain environment.

The FCC defines high-speed or broadband internet as having a minimum download speed of 25 megabits per second and minimum upload speed of 3 Mbps. And according to their 2018 study, more than 14 million people were without any internet access and 25 million were without fast, reliable broadband. Research from Microsoft says that the number of Americans without broadband access is closer to 163 million.

The real truth is that for over 10 years, the telecommunications industry has been waiting for a driving force to make fiber connections to the home mandatory. There were theories that this would be 4K television or maybe even virtual and augmented reality. And there's no doubt that these technological development would have eventually become that catalyst.

The reality is that the COVID pandemic has sped up many trends that would have taken years to unfurl. And this is just another example of that trend acceleration.

COVID-19 Accelerating Broadband Demand



Source: Omdia

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All around the country states are still responding to changes in case numbers. That's going to mean more shutdowns in some areas. People want to be able to stream the latest movies and television and they want to be able to download digital game contents within seconds. But the reality is that without high speed internet, people are left separated from the rest of the world.

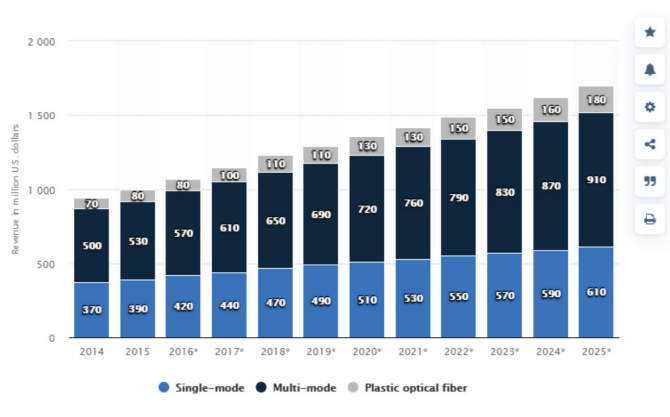
Today having internet means the ability to make a living and the ability to access education. It also means the ability to connect with loved ones, and even access to telemedicine as excessive contact with others is still avoided.

As this demand goes up, providers are working quickly to install service to areas that were always farther down the to-do list. The company that I have for you today, supplies these providers with necessary and custom equipment to complete installations quickly with reduced labor costs.

MILES AND MILES OF CABLE STILL NEEDS TO BE INSTALLED

The fiber optics market is a rapidly growing multi-billion-dollar industry.

Fiber optics market revenue in the United States from 2014 to 2025



The fiber optics components market is projected to reach \$39,150 million worldwide by 2027. Telecommunication companies are rushing to connect as many people as possible. And programs such as the federally funded RDOF (rural digital opportunity fund) will help with connectivity in rural areas.

And it's not just broadband internet that relies on fiber optic cables. These cables connect micro base stations and edge nodes in the 5G network infrastructure.

The importance of fiber networks can really be seen if you look at Verizon's One Fiber project which has been going on for several years. There isn't a wireless network and a wireline network. Instead the company combine all of its fiber needs and planning into one project.

This has been integral to build the foundation for 5G, but it's also been the key to increasing business revenue services. If the line is already installed nearby, it's not hard to connect more users into the system. But it could be even more simple.

Fiber optic cable is joined by the act of splicing. This needs to be done in such a way that light passing through the fibers is not scattered or reflected by the splice. Mechanical splicing requires the ends being held together butt-to-butt by a connection device. Fusion splicing requires aligning the cables and melting the two together.

That means a skill technician is needed for this installation and that any mistakes can end up being quite costly now or in the future.

This isn't much different than when the very first computer came out. Way back when microcomputers came out in the 80s, users were required to physically make any changes by cutting some wires and soldering new components.

The created two problems. First the changes were semi-permanent. And second, the user needed to have some soldering skills. Since the goal was for computers to become more accessible to the general public, the design changed to a series of slots and subslots. Now it's easy to change out components on the motherboard, or even use external devices.

Modular ability to make changes and plug and play convenience is something now taken for granted in the computing world. That's the key driver behind how you can profit from today's recommendation. Its goal is to provide companies with the tools they need to be able to modify and adapt their fiber networks quickly and easily.

MAKE LIFE EASIER ON THE TECHS AND EVERYONE SAVES MONEY

Clearfield Inc (NASDAQ: CLFD) has built a business built around the concept of modularity. It can deal with fractured and fragmented networks and even develop custom products for the needs of any network.

At some point you've seen those big spools of orange fiber cables on the side of the road being installed. Clearfield has the tools to turn that raw cable into whatever type of connection is needed for easy installation and expansion.

Headquartered in Minneapolis, the company was founded in 2008 and has since served cable, television and telecommunications companies, as well as municipalities, data centers and military markets. Its products have the goal to bring fiber to anywhere and can meet any range of needs for fiber, coax and copper networks.

The traditional splicing methods that I mentioned above are very labor intensive. That labor accounts for roughly 70% of the cost of fiber deployment. The solution is connectorization, or quickly turning that raw network into something with a usable connector. This reduces the needs for skilled labor and the overall installation costs go down.

Plus, once the technicians get used to the products, it becomes more like Legos. This makes it easy to customize installations on the spot and adapt to any issues that arises. It's incredibly easy to adapt to the needs of each project.

Clearfield is a prime choice for many companies due to its innovative designs and expansive product offering. Plus, it's world-class lead times for products enable customers to shorten their planning and engineering

One example is its patented Clearview Cassette. This unique single-architected, modular fiber management platform that is designed to lower the cost of broadband deployment and maintenance. At the same time, it enables their customers to scale their operation as their subscriber revenues increase. This Clearview Cassette is designed to fulfill all the "musts" of fiber management.

But revenue isn't dependent on just this one product. The company offers terminals, drop assemblies, test access points, wall boxes and any other accessories that could be needed for a fiber optic network. And if the company doesn't have the right fit for the job, they won't hesitate to make a custom product that will work.

COVID READY KEPT THE PROFITS FLOWING

I could go one by one explaining the different categories of components that Clearfield supplies to its clients. But, unless you work with fiber optic cable, you probably wouldn't get much out of that. Instead let's take a look at one of their most recent products that makes installations in 2020 much easier.

Earlier this year the company announced their easy-to-use home deployment kits. When a technician goes out to install fiber to a customer, there are tasks to be completed both inside and outside the building. With the home deployment kit, the technician no longer needs to go inside the building which enables socially distanced installs.

The home deployment kit was announced in April, and yes it seems to be a perfect fit for the current pandemic situation. But the kit was originally designed to save time and money. Having the customer complete the inside installation process can reduce the technician install time by 30 minutes.

That means for carriers that deploy fiber network to 1,000 homes a year, this equates to a time savings of 500 hours.

These kits come in different configurations meaning this time savings can be applied to any current fiber setup.

On top of this integral product, Clearfield took additional steps to make sure it could continue to perform optimally through this uncertain year.

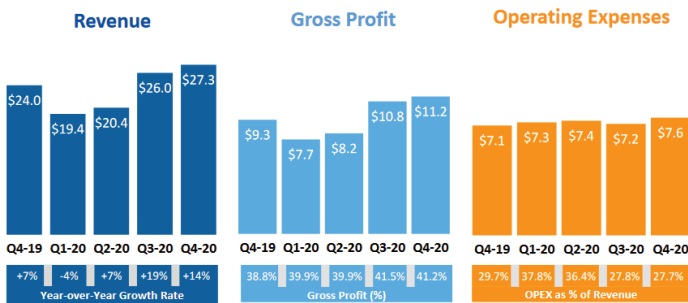
The company made sure that all three factories could handle any type of equipment order just in case one of the others need to be shutdown. This simple pivot will continue to help them navigate the next six months that could still potentially be rocky, especially since the company backlog increased 153% to \$10.7 million compared to the end of fiscal year 2019.

A RECORD YEAR IS JUST THE BEGINNING

Clearfield announced its fiscal year 2020 results at the beginning of November.

The company announced that the fourth quarter was the highest quarterly revenue level in the company history. This was up 14% when compared to the fourth quarter of fiscal year 2019.

Quarterly Financial Performance



Note: Dollar figures in millions

Gross profit and operating expense both saw marked improvement as well.

In turn, the company achieved record annual revenue of \$93.1 million. It's proof that the company's current "Coming of Age" plan is showing results. This plan is designed to strengthen the core business and position the company for disruptive growth opportunities. And clearly, it's working.

And investors have been taking notice of Clearfield's progression.



Shares are up 70% since the beginning of the year, and there's still plenty of momentum left. Just look at that backlog that keeps on growing.

Plus, 70% of Clearfield's business is in the rapidly expanding community broadband space. This is small communities looking to make sure they are not left out. Providers are rushing to get these smaller communities in network as the work from home trend allows people to move out of big cities into these more rural areas.

It's not just rural areas that are seeing network expansion. According to research from BroadbandNow, many apartment hunters said they'd be willing to pay over \$50 additional per month for a fiber connection. New builds are taking this into consideration and older complexes are going to need to compete with these new builds.

There's clear evidence that the market is continuing to see an uptick in the needs for rapid fiber deployment and Clearfield is going to be there to supply the products for easy installation and expansion.

Action to Take: Buy shares of Clearfield Inc (NASDAQ: CLFD)

WEALTHY TECH PORTFOLIO

Company	Ticker	Open Date	Recent Price	Recent %	Dividend
RF Industries	RFIL	04/15/2019	4.91	-23.88%	N/A
InVita Corp	NVTA	01/02/2019	52.61	365.16%	N/A
Twilio Inc	TWLO	01/02/2019	313.62	260.61%	N/A
Pinterest Inc	PINS	11/05/2019	68.75	235.86%	N/A
Alteryx Inc	AYX	01/02/2019	116.27	98.68%	N/A
Fastly Inc	FSLY	11/11/2019	80.39	335.01%	N/A
Veeva Systems Inc	VEEV	01/02/2019	279.31	219.25%	N/A
Mongodb Inc	MDB	01/02/2019	276.14	245.39%	N/A
Okta Inc	OKTA	01/02/2019	238.52	277.05%	N/A
GOGO Inc.	GOGO	02/12/2020	11.51	120.50%	
Loral Space & Comm	LORL	03/11/2020	23.13	15.19%	
Advanced Micro Devices	AMD	04/08/2020	92.92	90.45%	
Livongo Health Inc.	LVGO	04/08/2020	\$ 139.77	336.24%	
Telefonaktiebolaget LM Ericsson	ERIC	05/06/2020	12.37	50.12%	
Cloudflare Inc	NET	06/10/2020	72.96	148.16%	
Mimecast Ltd	MIME	06/10/2020	44.64	1.20%	
Newmont Corporation	NEM	05/06/2020	59.06	-12.41%	
Pager Duty	PD	07/08/2020	34.16	13.56%	
Elastic NV	ESTC	08/05/2020	120.98	27.71%	
SmartSheet Inc.	SMAR	09/14/2020	57.15	21.78%	
DraftKings Inc.	DKNG	10/07/2020	51.41	-3.60%	
BigCommerce	BIGC	11/04/2020	77.45	-6.23%	

Note: Returns are based on recommended entry and exit prices as mentioned in the Wealthy Technology Investor e-mail alerts. Brokers' fees are not taken into consideration when calculating returns. If you are not receiving the Wealthy Technology Investor e-mail alerts, please send us an e-mail to support@countervest.com. All numbers are believed to be correct. **Prices as of 12/01/2020.**

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