ESSENTIAL
CONNECTIONS

2020 ANNUAL REPORT

Preformed Line Products (PLP) protects the world's most critical connections by creating stronger and more reliable networks. Our precision-engineered solutions are trusted by energy and communications providers worldwide to perform better and last longer. With offices and manufacturing facilities in over 20 countries, PLP works as a united global corporation, delivering high-quality products and unparalleled service to customers around the world.

PLP INSPECTION SERVICES CAPTURED THIS IMAGE DURING AN INSPECTION OF A 110-KV OVERHEAD TRANSMISSION LINE IN NEW ZEALAND.

TO OUR SHAREHOLDERS

Initially, I was a bit put off by the headline on our cover because as with so many words, over-heard over and over again in relation to the Pandemic of 2020, the meaning of *essential* has worn as thin as many of the over-played record albums of my youth. Yet, the more I thought about it, particularly with respect to who we are and what we do, the more appropriate it became.

There's no need to rehash the COVID-related particulars of 2020: we all had our share of challenges. I am extremely proud of what our team rallied together to accomplish in 2020 on behalf of our customers as well as each other. We looked 2020 straight in the eye and with a wink and a nod, moved confidently ahead to achieve a record year.

Coming off a record 2019 net sales performance, we were off to a very solid start in 2020 with new facilities being dedicated in Indonesia and Vietnam last February during what would later become the last international trip to date, for any of our team. As of this printing, I think we're stuck with virtual international meetings until at least the Fall. Then again, I've always been an optimist.

Once the COVID-19 pandemic was gaining momentum in early March, we reacted very quickly ensuring, first and foremost, the safety and health of our employees, customers and vendors. We've always known that the connections we provide are *essential* to maintaining the integrity of the energy and communications infrastructure and at no time could this be more important than during a health crisis. But, we also have myriad manufacturing capabilities which would be put to good use outside of our standard product line, an example of which you will see in a nearby story about PLP-Thailand.

Our 23 operations in 21 countries supported by over 3000 members of the PLP family offer the talent and supply chains to provide the support necessary to cope with routine supply chains being delayed and disrupted by the pandemic at various and unpredictable times. Perhaps the best example of this is the way our U.S.-based manufacturing operations are able to meet customer demand when some of our competitors fall short due to the impact the pandemic had on their global supply chains. Maintaining extensive manufacturing operations in Rogers, “We’ve always known that the connections we provide are essential to maintaining the integrity of the energy and communications infrastructure and at no time could this be more important than during a health crisis.”

Arkansas and Albemarle, North Carolina is far more than just a matter of pride: it’s a matter of strategic importance to being *essential*.

The record success of the past year is not simply pandemic-related. As detailed within, 25 years of dedicated effort to supporting fiber optic communication continues to serve us quite well with the burgeoning rollout of 5G. We will be breaking ground shortly on a significant expansion of our Rogers, Arkansas facility, largely in support of the demand for 5G-related products but also growing demand in the energy markets. There are some significant development projects “on the boards” for several international markets as well.

After three record years in a row, my crystal ball is as hazy as ever with respect to next year and beyond. We still have a way to go to get over this COVID disruption and with an incoming Washington administration seemingly informed by ideology and political expediency as opposed to economics, science and logic, my powers of prognostication have never been more questionable. However, what I *can* say with certainty is that we have as talented and dedicated a team as we have ever had in our 74 year history and we’ll meet whatever comes our way with the same creativity and enthusiasm we always have.

Our thanks to our customers, shareholders and vendors for their support through the years, but particularly through this past year. Our ability to maintain that support and trust is due to the talent, energy and dedication that our employees and their families have for each other and for making PLP the *essential* Connection You Can Count On. I am extremely privileged and proud to be part of the PLP family.

Bring it On, 2021!

ROBERT G. RUHLMAN
CHAIRMAN, PRESIDENT AND CEO

FINANCIAL HIGHLIGHTS

IN THOUSANDS OF DOLLARS, EXCEPT PER SHARE DATA. YEAR ENDED DECEMBER 31

	2020	2019	2018
NET SALES	$466,449	$444,861	$420,878
PRE-TAX INCOME	40,571	31,458	32,588
NET INCOME	29,761	23,336	26,581
NET INCOME PER SHARE (basic)	6.05	4.63	5.28
NET INCOME PER SHARE (diluted)	5.98	4.58	5.21
SHAREHOLDERS' EQUITY	292,069	268,568	249,370
SHAREHOLDERS' EQUITY (per share)	58.60	52.79	48.83

ANDREW S. KLAUS
CHIEF FINANCIAL OFFICER

PLP accomplished sequential record annual net sales and record earnings per share for 2020. In addition to record sales growth in PLP's U.S. operations, we also realized impressive sales gains in the Americas and EMEA regions. The Asia-Pacific region was impacted more dramatically by COVID-19 and experienced a decline in sales versus 2019.

Our balance sheet continues to strengthen with only a minimal increase in working capital required to support our record net sales for 2020. Cash flow from operating activities increased nearly 53% from 2019, enabling an increase in liquidity. The record net sales, stable working capital, and increased liquidity provide PLP with the confidence and resources needed to continue investing in the business to meet the increasing demand from our global customer base. These investments will encompass facility expansions and capacity increases to meet current and future sales volumes; upgrades to equipment and technology, including robotics and automation to optimize cost structure; and continued advancement of our products and services through research, design, and experimentation. Also core to our long-term growth will be the evaluation of strategic product and business acquisitions that further our importance to our energy and communications customer base.

CONNECTIONS THAT **UNITE**

In a year of uncertainty, PLP showed more than ever why we are the connection our customers can count on. As essential businesses, our customers were under additional pressure to keep the power on and the communications lines open, making our job serving their needs more important than ever. Our offices worldwide quickly adapted to find new ways to care for our customers, swapping in-person visits and meetings with phone calls, virtual visits, and webinars. PLP's global engineering teams continued to make progress on product line advancements and projects, developing new, creative solutions for emerging technologies and markets. Our regional teams remained focused on continuous improvement efforts by enhancing processes and expanding facilities. And our manufacturing operations worked diligently and safely to remain operational, producing the essential products our customers need—products that protect the world's most critical connections.

UNPARALLELED SERVICE, UNMATCHED REACH

While PLP may be best known as a manufacturer and supplier of high-quality products, providing unparalleled service has always been at the core of who we are. Delivering superior service to every customer in every region is one of our primary goals. In 2020, this commitment was further illustrated by PLP's investment in several facilities in emerging Asia-Pacific regions, including opening a new state-of-the-art facility in Tianjin, China.

After several years of planning, the new Tianjin mixed-use space, which includes manufacturing, laboratory, and office areas, will provide efficiency gains and expanded capabilities while also unifying two existing operations into one spacious and modern facility. Contemporary customer-centered spaces and proximity to the largest seaport in Northern China (the Port of Tianjin) will further establish PLP as the leading provider of quality products and unparalleled service to both regional and global customers.

PLP THAILAND RESPONDS TO COMMUNITY NEEDS

As COVID-19 cases and hospitalizations began to rise in Thailand during the first quarter of 2020, there were increasing concerns about potential shortages of personal protective equipment (PPE) in hospitals. The influx of patients, as well as the additional doctors and nurses working, began to put an unmanageable strain on the current PPE inventory and supply network, especially for hospitals in remote locations. Seeing an opportunity to use their engineering and production capabilities to help the local community, PLP Thailand quickly responded, utilizing their resources, time, and skilled labor to design and manufacture aerosol boxes. These non-permeable, clear acrylic "boxes" can be used to help shield medical personnel from exposure to pathogens while intubating a patient. The protective devices proved to be a vital additional resource to hospitals and medical personnel as shortages in PPE continued during the onset of the pandemic.

We are proud to extend a special thank you to all the dedicated and generous team members at PLP Thailand who contributed to the production and donation of over 400 aerosol boxes to 148 hospitals.

CONNECTIONS THAT **PROTECT**

Utilities look to PLP for protection—originally for conductor armoring—but now for a multitude of needs, including using our products and services to help protect lineworkers, communities, and wildlife. The devastating impact of the wildfires in recent years has utilities not only repairing lines, but enhancing them with new fire-rated products designed to protect critical connections and reduce the risk of wildfires. Utilities also use PLP products to protect wildlife and prevent outages, and our new drone-based installation services can eliminate the safety risks associated with helicopter installations of these products. While risk is ever-present in the electric power industry, PLP takes pride in helping to mitigate risks for our customers by continuing a tradition of providing protective hardware components, wildlife protection devices, and now installation services to the industries we serve.

DRONE INSTALLATION OF BIRD DIVERTERS

To protect wildlife, utilities install mitigation devices on their overhead lines; but to do this, they must first weigh safety, line reliability, and efficiency concerns associated with the process. In 2020, PLP's Innovation Team introduced an unmanned aerial vehicle (UAV) system for installations that addresses these concerns and can dramatically increase future use of drone-based installation systems.

Historically, wildlife protection devices have been installed on transmission lines by helicopter, but this is inherently dangerous work for all involved and can pose a threat to system reliability. If UAVs could be used instead, the risk of line damage could be greatly reduced, and the dangers to utility personnel and helicopter pilots eliminated altogether.

Seeing an opportunity to reduce the risks associated with helicopter installations, PLP's Innovation Team began experimenting with the feasibility of creating a UAV system capable of doing the same job. Early on in their research, the team identified the RAPTOR CLAMP™ Diverter as a product that had drone-installation potential. This wildlife protection device is comprised of a clamp that securely grips the conductor and a hanging reflective yellow placard that provides greater visibility of the line to birds in flight, allowing them to divert their path.

To make UAV installation of the bird diverter possible, the Innovation Team first needed to design a new mechanism for the RAPTOR CLAMP that would be triggered to close when it comes in contact with the overhead line. After successfully modifying the clamping mechanism, the innovation engineers went through several design iterations, starting with a small drone to install one clamp at a time and eventually developing a UAV system capable of installing four RAPTOR CLAMP Diverters in one flight.

To do this, the Innovation Team created a drone payload unit that holds the clamps in place and rotates them in-line to ready the next diverter for installation.

Soon after the product development and testing phases were complete, the UAV installation system received its first field deployment opportunity. A large Australian utility's newly-constructed line needed 1,200 RAPTOR CLAMP Diverters installed, all within a couple of weeks. PLP provided the drone modification kit and wildlife protection products for the project, then partnered with a local drone technology service to complete the actual installation. PLP was able to respond to the request quickly, creating and shipping the UAV system and providing installation training for the project.

Using PLP's UAV solution to install the wildlife protection devices was not only safer, but it also increased the utility's efficiency exponentially. The system's quick-change payload capabilities, which simplified the reloading process between flights, exceeded the utility's expectations and facilitated a seamless bird diverter installation process.

By reducing safety and reliability risks, UAV installation systems like the one designed by the innovation engineers are proving to be invaluable to utilities. PLP is well-positioned to provide additional drone-based products going forward, propelling future growth in the drone services market and helping it reach new heights.

PLP INNOVATION TEAM:
Ben Ciesielczyk, Jacob Palmer, and Cameron Clines

UPDATE ON WILDFIRE RISK MITIGATION PRODUCTS

Over the last year, PLP has continued working with customers to develop products that help reduce the risk of wildfires. As utilities implement their wildfire risk mitigation plans, they are turning to PLP for line hardware and wildlife protection devices that carry certain UL 94 flammability classifications. These new products, including insulators, coated ties, dampers, equipment covers, and pole plugs, will be made using special plastics that are flame-resistant to varying degrees. This line hardware will also be able to accommodate the new, larger-diameter covered conductor systems being used in wildfire regions. Not only will these products install without damaging the covered conductor's protective layer, they will also carry a UL 94 V-0 flammability classification, which is the most stringent rating. PLP looks forward to continuing to work with utilities, providing the new products they need to protect their lines and, in turn, their communities in areas affected by wildfires.

CONNECTIONS THAT LAST

PLP has an industry reputation for making products that last. Customers know they can rely on our products because they are meticulously engineered and thoroughly tested. They depend on us to make their essential connections resilient, and we do this with an unwavering commitment to product quality. This past year marks the 25th anniversary of the launch of our successful COYOTE® product line. Over the years, the COYOTE brand has become synonymous with lasting strength, and its products are now trusted to protect critical connections for major telecommunications providers worldwide. Our solar products have a similar industry reputation: they are known for being well-built, reliable, and long-lasting. PLP's solar racking systems were put to the test in 2020, successfully weathering what's now being referred to as the most costly thunderstorm event in modern U.S. history. The lasting strength and durability of our solar racking systems and COYOTE product line continue to further PLP's reputation for providing the high-quality products essential connections need.

CELEBRATING 25 YEARS OF COYOTE® PRODUCTS

In the early '90s, PLP was on a mission to create the first high-quality, cost-effective fiber optic closure that would be both durable and easy to install. After embarking on a tour to collect valuable input from over 30 telecommunications end users, the research was complete; the development phase began; and, in 1995, PLP launched the very first COYOTE closure.

Today, 25 years later, PLP is still an innovative force in the telecommunications industry. We provide a range of essential fiber connections, from the small-count COYOTE STP and DTC closures to the COYOTE HD, a new, high-density closure, and everything in-between. With short lead times on a full range of products, PLP stands out and rises above competitors, offering the essential connectivity solutions customers need for 5G networks and other deployments designed to modernize telecommunications systems.

By offering this wide range of products, PLP can also meet the needs of major network upgrades, including those associated with the Rural Digital Opportunity Fund (RDOF). This recent United States mandate has allocated $20.4 billion over the next decade to support high-speed broadband network development in rural regions of the United States. RDOF targets areas that lack access to high-speed broadband, seeking to improve speeds to a minimum of 25/3 megabits per second (Mbps). Delivering this level of high-speed broadband across the United States will require the advanced telecommunications products that PLP provides.

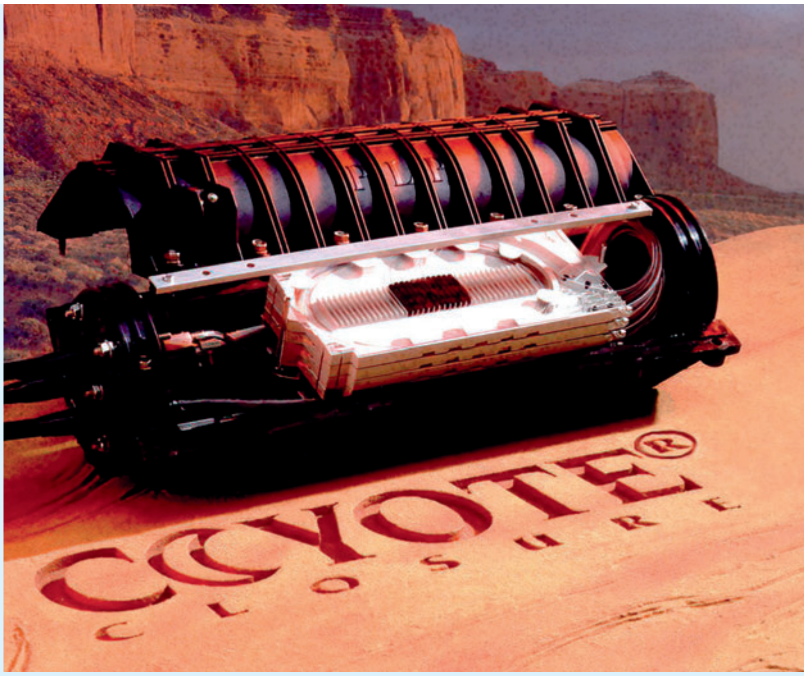
SOLAR RACKING SYSTEMS WEATHER THE STORM

Late last summer, a storm with wind speeds up to 140 mph ripped through Cedar Rapids, creating a path of destruction across eastern Iowa's Linn County. These record-level winds, comparable to that of a Category 4 hurricane, were sustained for approximately 45 minutes, destroying houses and barns, uprooting trees, and leveling several transmission towers. After the storm, the damage assessments and cleanup began. During this process, power inspections discovered something remarkable: this storm destroyed nearly all power equipment in its path, with one notable exception—PLP's POWER PEAK™ AL (aluminum) solar racking system.

This storm, classified as a "derecho," or a widespread, long-lasting, straight band of thunderstorms with damaging winds, caused approximately $11 billion in damage across the Midwest, according to the National Oceanic and Atmospheric Administration. Assessing this level of damage took months and continued throughout late summer and early fall of 2020. During this time, solar racking customers and distributors began contacting PLP's national sales manager for solar products, Steve Schumacher, to share with him just how well the POWER PEAK had performed during the storm. They reported that while tree limbs and other flying debris damaged many solar panels, the solar racking itself was intact and completely unaffected by the high winds. Unlike competitor products, the POWER PEAK systems' strongback assemblies and module rails remained intact and did not require replacement due to the pressures of the record-level winds.

The POWER PEAK racking systems' performance during this catastrophic storm is a testament to the quality of the materials used and the high standards to which PLP engineers its products. The POWER PEAK AL and all other PLP products are precision engineered and thoroughly tested to ensure proper performance during extreme environmental conditions, but, as one customer put it, PLP's solar racking has now been "derecho-tested"—and it passed with flying colors.

After 25 years of designing and manufacturing the COYOTE line of fiber optic closures and accessories, PLP remains a trusted hardware provider in the telecommunications industry. The original mission—to create high-quality, cost-effective products that are durable and easy to install—continues today and has been instrumental in the success of the COYOTE brand and its legacy as a line of reliable, long-lasting communications products.



GLOBAL HIGHLIGHTS

CANADA
Launched three new fiber optic closures for the Canadian communications market

UNITED STATES
Launched drone-based bird diverter installation services for the electric power market

GREAT BRITAIN
Record sales of damping and spacing solutions for the electric power market

SPAIN
Additional robotic systems implemented to improve efficiency

MEXICO
Began construction of 500-kW solar power system at Querétaro, Mexico facility

COLOMBIA
Significant growth in protective guards and markers product line

BRAZIL
Facility expansion to increase manufacturing capabilities

ARGENTINA
Implementation of laboratory monitoring system to provide live testing data for customers


FRANCE
Supplied hardware for the most advanced 400-kV electric power line ever built in France
POLAND
Record sales of hardware for high-temperature, low-sag (HTLS) electric power conductors
RUSSIA
Received largest electric power transmission project to date
CHINA
Launched intelligent string hardware for the electric power market
VIETNAM
Record sales of hardware for high-temperature, low-sag (HTLS) electric power conductors
THAILAND
1.6 GW of solar mounting systems shipped
MALAYSIA
Leading supplier of cable spacer systems for the regional market
INDONESIA
Additional robotic systems implemented to improve efficiency
CZECH REPUBLIC
Record sales of telecommunications cabinets and connectivity solutions across EMEA region
AUSTRALIA
Launched drone-based bird diverter installation services for the electric power market
AUSTRIA
Expanded SubCon UHV substation product line worldwide
NEW ZEALAND
Exceeded efficiency goals for in-field Inspection Services operations
SOUTH AFRICA
Launched new line of locally designed and manufactured telecommunications closures

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C.20549

FORM 10-K

(Mark One)

☒ **Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2020
or

☐ **Transition Report Pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934 for the Transition Period From ________To _______**

Commission file number 0-31164

Preformed Line Products Company

(Exact name of registrant as specified in its charter)

Ohio	**34-0676895**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
660 Beta Drive Mayfield Village, Ohio	**44143**
(Address of Principal Executive Office)	(Zip Code)

(440) 461-5200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $2 par value per share	PLPC	NASDAQ

Securities registered pursuant to Section 12(g) of the Act: (None)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "accelerated filer," "large accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller Reporting Company	☐
Emerging Growth Company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

The aggregate market value of voting and non-voting common shares held by non-affiliates of the registrant as of June 30, 2020 was $115,197,295 based on the closing price of such common shares, as reported on the NASDAQ National Market System. As of March 1, 2021, there were 4,932,008 common shares of the Company ($2 par value) outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Definitive Proxy Statement for the Annual Meeting of Shareholders to be held May 5, 2020 are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14.

Table of Contents

Forward-Looking Statements

This Form 10-K and other documents filed with the Securities and Exchange Commission ("SEC") contain forward-looking statements regarding Preformed Line Products Company's (the "Company") and the Company's management's beliefs and expectations. As a general matter, forward-looking statements are those focused upon future plans, objectives or performance (as opposed to historical items) and include statements of anticipated events or trends and expectations and beliefs relating to matters not historical in nature. Such forward-looking statements are subject to uncertainties and factors relating to the Company's operations and business environment, all of which are difficult to predict and many of which are beyond the Company's control. Such uncertainties and factors could cause the Company's actual results to differ materially from those matters expressed in or implied by such forward-looking statements.

The following factors, among others, could affect the Company's future performance and cause the Company's actual results to differ materially from those expressed or implied by forward-looking statements made in this report:

- The overall demand for cable anchoring and control hardware for electrical transmission and distribution lines on a worldwide basis, which has a slow growth rate in mature markets such as the United States ("U.S"), Canada, Australia and Western Europe and may grow slowly or experience prolonged delay in developing regions despite expanding power needs;
- The potential impact of global economic conditions on the Company's ongoing profitability and future growth opportunities in the Company's core markets in the U.S. and other foreign countries, which may experience continued or further instability due to political and economic conditions, social unrest, terrorism, changes in diplomatic and trade relationships and public health concerns (including viral outbreaks such as COVID-19). The COVID-19 pandemic has significantly impacted worldwide economic conditions and has and could continue to have an adverse effect on the Company's operations and businesses as government authorities could continue to impose mandatory closures, work-from-home orders and social distancing protocols along with other unknown potential restrictions. The duration and scope of the COVID-19 pandemic cannot be predicted, and therefore, any anticipated negative financial impact to the Company's operating results cannot be reasonably estimated;
- The ability of the Company's customers to raise funds needed to build the infrastructure projects their customers require;
- Technological developments that affect longer-term trends for communication lines, such as wireless communication;
- The decreasing demand for product supporting copper-based infrastructure due to the introduction of products using new technologies or adoption of new industry standards;
- The Company's success at continuing to develop proprietary technology and maintaining high quality products and customer service to meet or exceed new industry performance standards and individual customer expectations;
- The Company's success in strengthening and retaining relationships with the Company's customers, growing sales at targeted accounts and expanding geographically;
- The extent to which the Company is successful at expanding the Company's product line or production facilities into new areas or implementing efficiency measures at existing facilities;
- The effects of fluctuation in currency exchange rates upon the Company's foreign subsidiaries' operations and reported results from international operations, together with non-currency risks of investing in and conducting significant operations in foreign countries, including those relating to political, social, economic and regulatory factors;
- The Company's ability to identify, complete, obtain funding for and integrate acquisitions for profitable growth;
- The potential impact of consolidation, deregulation and bankruptcy among the Company's suppliers, competitors and customers and of any legal or regulatory claims;
- The relative degree of competitive and customer price pressure on the Company's products;
- The cost, availability and quality of raw materials required for the manufacture of products and any tariffs that may be associated with the purchase of these products. The Company's supply chain has and could continue to be disrupted by the COVID-19 pandemic which could have a material, adverse effect on the ability to secure raw materials and supplies;
- Strikes, labor disruptions and other fluctuations in labor costs;
- Changes in significant government regulations affecting environmental compliances or other litigation matters;
- Security breaches or other disruptions to the Company's information technology structure;
- The telecommunication market's continued deployment of Fiber-to-the-Premises;

- The impact of COVID-19 could potentially exacerbate all the risks discussed, any of which could have a material impact on the Company. The situation continues to change and additional impacts may arise that the Company is not aware of currently; and
- Those factors described under the heading “Risk Factors” on page 12.

In light of these risks and uncertainties, the Company cautions you not to place undue reliance on these forward-looking statements. Any forward-looking statements that the Company makes in this report speaks only as of the date of such statement, and the Company undertakes no obligation to update any forward-looking statement or to publicly announce the results of any revision to any of those statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

Part I

Item 1. Business

Background

Preformed Line Products Company together with its subsidiaries (the "Company") is an international designer and manufacturer of products and systems employed in the construction and maintenance of overhead, ground-mounted and underground networks for the energy, telecommunication, cable operators, information (data communication) and other similar industries. The Company's primary products support, protect, connect, terminate and secure cables and wires. The Company also provides solar hardware systems and mounting hardware for a variety of solar power applications. The Company's goal is to continue to achieve profitable growth as a leader in the research, innovation, development, manufacture and marketing of technically advanced products and services related to energy, communications and cable systems and to take advantage of this leadership position to sell additional quality products in familiar markets.

The Company serves a worldwide market through strategically located domestic and international manufacturing facilities. With the exception of one sales office, each of the Company's domestic and international manufacturing facilities have obtained an International Organization of Standardization ("ISO") 9001:2015 Certified Management System Certificate. The ISO 9001:2015 certified management system is a globally recognized certified quality standard for manufacturing and assists the Company in marketing its products throughout the world. The Company's customers include public and private energy utilities and communication companies, cable operators, financial institutions, governmental agencies, contractors and subcontractors, distributors and value-added resellers. The Company is not dependent on a single customer or small group of customers. No single customer accounts for more than 10% of the Company's consolidated revenues.

The Company's products include:

- Energy Products
- Communications Products
- Special Industries Products

Energy Products are used to support, protect, terminate and secure both power conductor and fiber communication cables and to control cable dynamics (e.g., vibration). Formed wire products are based on the principle of forming a variety of stiff wire materials into a helical (spiral) shape. Advantages of using the Company's helical formed wire products are that they are economical, dependable and easy to use. The Company introduced formed wire products to the power industry over 70 years ago and such products enjoy an almost universal acceptance in the Company's markets. Related hardware products include hardware for supporting and protecting transmission conductors, spacers, spacer-dampers, stockbridge dampers, corona suppression devices and various compression fittings for dead-end applications. Energy products were approximately 66%, 67% and 66% of the Company's revenues in 2020, 2019 and 2018, respectively.

Communications Products, including splice cases, are used to protect fixed line communication networks, such as copper cable or fiber optic cable, from moisture, environmental hazards and other potential contaminants. Communications products were approximately 24%, 22% and 21% of the Company's revenues in 2020, 2019 and 2018, respectively.

Special Industries Products include data communication cabinets, hardware assemblies, pole line hardware, resale products, underground connectors, solar hardware systems, guy markers, tree guards, fiber optic cable markers, pedestal markers and urethane products. They are used by energy, renewable energy, communications, cable and special industries (i.e., metal building, tower and antenna industries, the agriculture and arborist industries, and marine systems industry) for various applications and are defined as products that complement the Company's core line offerings. Special industries products were approximately 10%, 11% and 13% of the Company's revenues in 2020, 2019 and 2018, respectively.

Corporate History

The Company was incorporated in Ohio in 1947 to manufacture and sell helically shaped "armor rods" which are sets of stiff helically shaped wires applied on an electrical conductor at the point where they are suspended or held. Thomas F. Peterson, the Company's founder, developed and patented a unique method to manufacture and apply these armor rods to protect electrical conductors on overhead power lines. Over the years, Mr. Peterson and the Company developed, tested, patented, manufactured and marketed a variety of helically shaped products for use by the electrical and telephone industries. Although all of Mr. Peterson's patents have now expired, those patents served as the nucleus for licensing the Company's formed wire products abroad.

The success of the Company's formed wire products in the U.S. led to expansion abroad. The first international license agreement was established in the mid-1950s in Canada. In the late 1950s, the Company's products were being sold through joint ventures and licensees in Canada, England, Germany, Spain and Australia. Additionally, the Company began export operations and promoted products into other selected offshore markets. The Company continued its expansion program, bought out most of the original licensees, and, by the mid-1990s, had complete ownership of operations in Australia, Brazil, Canada, Great Britain, South Africa and Spain. By 2002, it also had complete ownership of operations in Mexico and China. The Company's international subsidiaries have the necessary infrastructure (i.e., manufacturing, engineering, marketing and general management) to support local business activities. Each is staffed with local personnel to ensure that the Company is well versed in local business and cultural practices, technical requirements and the intricacies of local client relationships.

In 1968, the Company expanded into the underground telecommunications field by its acquisition of the Smith Company located in California. The Smith Company had a patented line of buried closures and pressurized splice cases. These closures and splice cases protect copper cable openings from environmental damage and degradation. The Company continued to build on expertise acquired through the acquisition of the Smith Company and in 1995 introduced the highly successful COYOTE® Closure line of products. Since 1995, 14 domestic and three international patents have been granted to the Company on the COYOTE Closure. The earliest COYOTE Closure patent was filed April 1995 and expired in April 2015.

In 2007, the Company acquired 83.74% of Belos SA (Belos), located in Bielsko-Biala, Poland. Belos is a manufacturer and supplier of fittings for various voltage power networks. This acquisition complemented the Company's existing line of energy products. From 2008 to 2010, the Company acquired the remaining outstanding shares of Belos.

In 2009, the Company acquired the Dulmison business from Tyco Electronics Group S.A. (Tyco Electronics), which included both the acquisition of equity of certain Tyco Electronics entities and the acquisition of assets from other Tyco Electronics entities. Dulmison was a leader in the supply and manufacturer of electrical transmission and distribution products. Dulmison designed, manufactured and marketed pole line hardware and vibration control products for the global electrical utility industry. Dulmison had operations in Australia, Thailand, Indonesia, Malaysia, Mexico and the United States. The Dulmison business has been fully integrated into the Company's core businesses.

In 2010, the Company acquired Electropar Limited (Electropar), a New Zealand corporation. Electropar designs, manufactures and markets pole line and substation hardware for the global electrical utility industry. Electropar is based in New Zealand with a subsidiary operation in Australia. The acquisition has strengthened the Company's position in the power distribution, transmission and substation hardware markets and expanded the Company's presence in the Asia-Pacific region.

In 2014, the Company acquired Helix Uniformed Limited (Helix), located in Montreal, Quebec, Canada. Helix designs, manufacturers and markets helical products and spacer dampers for the electrical utility industry. The acquisition has diversified the Company's business in Canada, extended its customers access in Canadian markets, expanded its manufacturing footprint and enhanced its engineering capabilities.

In 2019, the Company acquired SubCon Electrical Fittings GmbH ("SubCon"), headquartered in Dornbirn, Austria with manufacturing operations in Brno, Czech Republic. The acquisition of SubCon will strengthen the Company's position in the global substation market and will expand the Company's operational presence in Europe.

In 2019, the Company acquired 90% of MICOS Telcom s.r.o ("MICOS Telcom") headquartered in Prostějov, Czech Republic with the remaining 10% to be acquired over the next two years. The acquisition of MICOS Telcom will strengthen the Company's position in the global telecom market and also will expand its operational presence in Europe.

The Company's World headquarters is located at 660 Beta Drive, Mayfield Village, Ohio, U.S.A. 44143.

Business

The demand for the Company's products comes primarily from new, maintenance and repair construction for the energy (including solar), telecommunication, data communication and special industries. The Company's customers use many of the Company's products, including formed wire products, to revitalize the aging outside plant infrastructure. Many of the Company's products are used on a proactive basis by the Company's customers to reduce and prevent lost revenue. A single malfunctioning line could cause the loss of thousands of dollars per hour for a power or communication customer. A malfunctioning fiber cable could also result in substantial revenue loss to the Company's customers. Repair construction by the Company's customers generally occurs in the case of emergencies or natural disasters, such as hurricanes, tornados, earthquakes, floods or ice storms. Under these circumstances, the Company quickly provides the repair products to customers.

The Company has adapted the formed wire products' helical technology for use in a wide variety of fiber optic cable applications that have special requirements. The Company's formed wire products are uniquely qualified for these applications due to the gentle gripping over a greater length of the fiber cable. This is an advantage over traditional pole line hardware clamps that compress the cable to the point of possible fatigue and optical signal deterioration.

The Company's protective closures and splice cases are used to protect cable from moisture, environmental hazards and other potential contaminants. The Company's splice cases are easily re-enterable closures that allow utility maintenance workers access to the cables located inside the closure to repair or add communications services. Over the years, the Company has made many significant improvements in splice cases that have greatly increased its versatility and application in the marketplace. The Company also designs and markets custom splice cases to satisfy specific customer requirements. This has allowed the Company to remain a strong partner with several primary customers and has earned the Company the reputation as a responsive and reliable supplier.

Fiber optic cable was first deployed in the outside plant environment in the early 1980s. Through fiber optic technologies, a much greater amount of both voice and data communication can be transmitted reliably. In addition, this technology solved the cable congestion problem that the large count copper cable was causing in underground, buried and aerial applications. The Company developed and adapted copper closures for use in the emerging fiber optic world. In the late 1980s, the Company developed a series of splice cases designed specifically for fiber optic application. In the mid-1990s, the Company developed its plastic COYOTE® Closure and has since expanded the product line to address Fiber-to-the-Premises (FTTP) applications. The COYOTE Closure is an example of the Company developing a new line of proprietary products to meet the changing needs of its customers.

The Company also designs and manufactures data communication cabinets and enclosures for data communication networks, offering a comprehensive line of fiber optic cross-connect systems. The product line enables reliable, high-speed transmission of data over customers' local area networks.

In 2007, the Company expanded into the renewable energy sector. It provides a comprehensive line of mounting hardware for a variety of solar power applications including residential roof mounting, commercial roofing systems, utility scale ground-mount, top of pole mounting and customized solutions.

Markets

The Company markets its products to the energy, telecommunication, cable, data communication and special industries. While rapid changes in technology have blurred the distinctions between telephone, cable, and data communication, the energy industry is clearly distinct. The Company's role in the energy industry is to supply formed wire products and related hardware used with the electrical conductors, cables and wires that transfer power from the generating facility to the ultimate user of that power. Formed wire products are used to support, protect, terminate and secure both power conductor and communication cables and to control cable dynamics.

Electric Utilities - Transmission. The electric transmission grid is the interconnected network of high voltage aluminum conductors used to transport large blocks of electric power from generating facilities to distribution networks. Currently, there are three major power grids in the U.S.: the Eastern Interconnect, the Western Interconnect and the Texas Interconnect. Virtually all electrical energy utilities are connected with at least one other utility by one of these major grids. The Company believes that transmission grids need upgrades throughout much of the U.S. With demand for power now exceeding supply in some areas, the need for the movement of bulk power from the energy-rich areas to the energy-deficient areas means that new transmission lines will likely be built and many existing lines will likely be refurbished. Connecting renewable energy sources to the grid should also continue to attract new investment to fund transmission infrastructure projects in the future. The Company believes that this may generate opportunities for the Company's products in this market over at least the next several years. In addition, increased construction of international transmission grids is occurring in many regions of the world. However, consolidations in the markets that the Company services with increased global competition, as well as stagnant or declining economic conditions, limited government funding and lower energy prices, may also have an adverse impact on the Company's sales.

Electric Utilities - Distribution. The distribution market includes those utilities that distribute power from a substation where voltage is reduced to levels appropriate for the consumer. Unlike the transmission market, distribution is still handled primarily by local electric utilities. These utilities are motivated to reduce cost in order to maintain and enhance their profitability. The Company believes that its growth in the distribution market will be achieved primarily as a result of incremental gains in market share driven by emphasizing the Company's quality products and service over price. Internationally, particularly in the developing regions, there is increasing political pressure to extend the availability of electricity to additional populations. Through its global network of factories and sales offices, the Company is prepared to take advantage of this new growth in construction.

Renewable Energy. The renewable energy market includes residential consumers, commercial businesses, off-grid operators, and utility companies that have an interest in alternative energy sources. Environmental concerns along with federal, state and local utility incentives have fueled demand for renewable energy systems including solar, wind and biofuel. While low prices of traditional energy sources have slowed or stalled demand in some areas, the industry continues to grow as advancements in technology lead to greater efficiencies which drive down overall system costs. The Company currently provides hardware solutions and system design for solar power applications. The Company markets and sells these products and services to end-users, distributors, installers and integrators.

Communication and Cable. Major developments, including growing competition between the cable and communications industries and increasing overall demand for high-speed communication services, have led to a changing regulatory and competitive environment in many markets throughout the world. The deployment of new access networks and improvements to existing networks for advanced applications continues to gain momentum.

Cable operators, local communication operators and power utilities are building, rebuilding or upgrading signal delivery networks in developed countries. These networks are designed to deliver video and voice transmissions and provide Internet connectivity to individual residences and businesses. Operators deploy a variety of network technologies and architectures to carry broadband and narrowband signals. These architectures are constructed of electronic hardware connected via coaxial cables, copper wires or optical fibers. The Company manufactures closures that these industries use to securely connect and protect these vital networks.

As critical components of the outdoor infrastructure, closures provide protection against weather and vandalism, and permit technicians who maintain and manage the system ready access to the devices. Cable operators and local telephone network operators place great reliance on manufacturers of protective closures because any material damage to the signal delivery networks is likely to disrupt communication services. In addition to closures, the Company supplies the communication and cable industry with its formed wire products to hold, support, protect and terminate the copper wires and cables and the fiber optic cables used by that industry to transfer voice, video or data signals.

The industry has developed technological methods to increase the usage of copper-based products through high-speed digital subscriber lines (DSLs). The popularity of these services, the regulatory environment and the increasingly fierce competition between communications and cable operators has driven the move toward building out the “last mile” in fiber optic networks. FTTP technology supports the next wave in broadband innovation by carrying fiber optic technology into homes and businesses. The Company has been actively developing products that address this market.

Data Communication. The data communication market is driven by the continual demand for increased bandwidth. Growing Internet Service Providers (ISPs), construction in Wide Area Networks (WANs) and demand for products in the workplace are all key elements to the increased demand for the racking and cabinet products offered by the Company. The Company’s products are sold to a number of categories of customers including, (i) ISPs, (ii) large companies and organizations which have their own local area network for data communication, and (iii) distributors of structured cabling systems and components for use in the above markets.

Special Industries. The Company’s formed wire products are also used in other industries which require a method of securing or terminating cables, including the metal building, tower and antenna industries, the agriculture and arborist industries, and various applications within the marine systems industry. Products other than formed wire products are also marketed to other industries. The Company continues to explore new and innovative uses of its manufacturing capabilities; however, these markets remain a small portion of overall consolidated sales.

International Operations

The international operations of the Company are essentially the same as its domestic (PLP-USA) business. The Company manufactures similar types of products in its international plants as are sold domestically, sells to similar types of customers and faces similar types of competition (and in some cases, the same competitors). Sources of supply of raw materials are not significantly different internationally. See Note M in the Notes to Consolidated Financial Statements for information and financial data relating to the Company’s international operations that represent reportable segments.

While a number of the Company’s international plants are in developed countries, the Company believes it has strong market opportunities in developing countries where the need for the transmission and distribution of electrical power is significant, although the pace of this development may remain slow. In addition, as the need arises, the Company is prepared to acquire or establish new manufacturing facilities abroad.

Sales and Marketing

Domestically and internationally, the Company markets its products through a direct sales force and manufacturing representatives. The direct sales force is employed by the Company and works with manufacturers' representatives, as well as key direct accounts and distributors who also buy and resell the Company's products. The manufacturer's representatives are independent organizations that represent the Company as well as other complimentary product lines. These organizations are paid a commission based on the sales amount they generate.

Research and Development

The Company is committed to providing technical leadership through scientific research and product development in order to continue to expand the Company's position as a supplier to the communications and power industries. Research is conducted on a continuous basis using internal experience in conjunction with outside professional expertise to develop state-of-the-art materials for several of the Company's products. These products capitalize on cost-efficiency while offering exacting mechanical performance that meets or exceeds industry standards. The Company's research and development activities have resulted in numerous patents being issued to the Company (see "Patents and Trademarks" below).

Early in its history, the Company recognized the need to understand the performance of its products and the needs of its customers. To that end, the Company developed a 29,000 square foot Research and Engineering Center located at its corporate headquarters in Mayfield Village, Ohio. In 2013, the Company expanded its Research and Engineering Center by an additional 8,000 square feet. Using the Research and Engineering Center, engineers and technicians simulate a wide range of external conditions encountered by the Company's products to ensure quality, durability and performance. The work performed in the Research and Engineering Center includes advanced studies and experimentation with various forms of vibration and environmental changes. This work has contributed significantly to the collective knowledge base of the industries the Company serves and is the subject matter of many papers and seminars presented to these industries and has led to the expansion and support of 12 research labs located in its facilities around the world.

The Company believes that its Research and Engineering Center is one of the most sophisticated in the world in its specialized field. The Research and Engineering Center also has an advanced prototyping technology machine on-site to develop models of new designs where intricate part details are studied prior to the construction of expensive production tooling. Today, the Company's reputation for vibration testing, tensile testing, fiber optic cable testing, environmental testing, field vibration monitoring and third-party contract testing is a competitive advantage. In addition to testing, the work performed at the Company's Research and Development Center continues to fuel product development efforts. For example, the Company estimates that approximately 16.7% of 2020 revenues were attributed to products developed by the Company in the past five years. In addition, the Company's position in the industry is further reinforced by its long-standing leadership role in many key international technical organizations which are charged with the responsibility of establishing industry-wide specifications and performance criteria, including IEEE (Institute of Electrical and Electronics Engineers), CIGRE (Counsiel Internationale des Grands Reseaux Electriques a Haute Tension), and IEC (International Electromechanical Commission). Research and development costs are expensed as incurred. Research and development costs for new products were \$2.8 million in 2020, \$3.0 million in 2019 and \$2.4 million in 2018.

Patents and Trademarks

The Company applies for patents in the U.S. and other countries, as appropriate, to protect its significant patentable developments. As of December 31, 2020, the Company had in force 44 U.S. patents and 119 international patents in 21 countries and had 23 pending U.S. patent applications and 48 pending international applications. While such domestic and international patents expire from time to time, the Company continues to apply for and obtain patent protection on a regular basis. Patents held by the Company in the aggregate are of material importance in the operation of the Company's business. The Company, however, does not believe that any single patent, or group of related patents, is essential to the Company's business as a whole or to any of its businesses. Additionally, the Company owns and uses a substantial body of proprietary information and numerous trademarks. The Company relies on nondisclosure agreements to protect trade secrets and other proprietary data and technology. As of December 31, 2020, the Company had obtained U.S. registration on 34 trademarks and 5 trademark application remained pending. International registrations amounted to 241 registrations in 35 countries, with 6 pending international registrations.

U.S. patents are issued for terms of 20 years beginning with the date of filing of the patent application. Patents issued by international countries generally expire 20 years after filing. U.S. and international patents are not renewable after expiration of their initial term. U.S. and international trademarks are generally perpetual, renewable in 10-year increments upon a showing of continued use. To the knowledge of management, the Company is not subject to any significant allegation or charges of infringement of intellectual property rights by any organization.

In the normal course of business, the Company occasionally makes and receives inquiries with regard to possible patent and trademark infringement. The extent of such inquiries from third parties has been limited generally to verbal remarks to Company representatives. The Company believes that it is unlikely that the outcome of these inquiries will have a material adverse effect on the Company's financial position.

Competition

All of the markets that the Company serves are highly competitive. In each market, the principal methods of competition are price, performance, and service. The Company believes, however, that several factors (described below) provide the Company with a competitive advantage.

- The Company has a strong and stable workforce. This consistent and continuous knowledge base has afforded the Company the ability to provide superior service to the Company's customers and representatives.
- The Company's Research and Engineering Center in Mayfield Village, Ohio and the engineering departments at the Company's subsidiary operations around the world maintain a strong technical support function to develop unique solutions to customer problems.
- The Company is vertically integrated both in manufacturing and distribution and is continually upgrading equipment and processes.
- The Company is sensitive to the marketplace and provides an extra measure of service in cases of emergency, storm damage and other supply delivery situations. This high level of customer service and customer responsiveness is a hallmark of the Company.
- The Company's 30 sales and manufacturing locations ensure close support and proximity to customers worldwide.

Domestically, there are several competitors for formed wire products. Although it has other competitors in many of the countries where it has plants, the Company has leveraged its expertise and is very strong in the global market. The Company believes that it is the world's largest manufacturer of formed wire products for energy and communications markets. However, the Company's formed wire products compete against other pole line hardware products manufactured by other companies.

The fiber optic closure market is one of the most competitive product areas for the Company, with the Company competing against, among others, CommScope and Corning. There are a number of primary competitors and several smaller niche competitors that compete at all levels in the marketplace. The Company believes that it is one of four leading suppliers of fiber optic closures.

Sources and Availability of Raw Materials

The principal raw materials used by the Company are galvanized wire, stainless steel, aluminum covered steel wire, aluminum rod, plastic resins, glass-filled plastic compounds, neoprene rubbers and aluminum castings. The Company also uses certain other materials such as fasteners, packaging materials and fiber communications devices. The Company believes that it has adequate sources of supply for the raw materials used in its manufacturing processes and it regularly attempts to develop and maintain sources of supply in order to extend availability and encourage competitive pricing of these products.

Most plastic resins are purchased under contracts to stabilize costs and improve delivery performance and are available from a number of reliable suppliers. Wire and aluminum rods are purchased in standard stock diameters and coils under contracts from a number of reliable suppliers. Contracts have firm prices except for fluctuations of base metals and petroleum prices, which result in surcharges when global demand is greater than the available supply.

The Company also relies on certain other manufacturers to supply products that complement the Company's product lines, such as ferrous castings, fiber optic cable and connectors and various metal racks. The Company believes there are multiple sources of supply for these products.

The Company relies on sole source manufacturers for certain raw materials used in production. The current state of economic uncertainty presents a risk that existing suppliers could go out of business. However, there are other potential sources available for these materials, and the Company could relocate the tooling and processes to other manufacturers if necessary.

Raw material costs were stable throughout most of 2020 and then began to gradually increase in the fourth quarter. The Company expects prices on metals and plastics to continue to increase throughout 2021.

The Company cannot currently predict the continuing impact of the COVID-19 pandemic on its supply chain or global business operations. The Company's supply chain has been and could continue to be disrupted by the COVID-19 pandemic which could have a material, adverse effect on its ability to secure raw materials and supplies.

Backlog Orders

The Company's backlog was approximately $115.1 million at the end of 2020 and $111.2 million at the end of 2019. All customer orders entered are firm at the time of entry. Most orders can be shipped within a two to four-week period unless the customer requests an alternative date.

Seasonality

The Company markets products that are used by utility maintenance and construction crews worldwide. The products are marketed through distributors and directly to end users, who maintain stock to ensure adequate supply for their customers or construction crews. As a result, the Company does not have a wide variation in sales from quarter to quarter.

Environmental

The Company is subject to extensive and changing federal, state, and local environmental laws, including laws and regulations that (i) relate to air and water quality, (ii) impose limitations on the discharge of pollutants into the environment, (iii) establish standards for the treatment, storage and disposal of toxic and hazardous waste, and (iv) require proper storage, handling, packaging, labeling, and transporting of products and components classified as hazardous materials. Stringent fines and penalties may be imposed for noncompliance with these environmental laws. In addition, environmental laws could impose liability for costs associated with investigating and remediating contamination at the Company's facilities or at third-party facilities at which the Company has arranged for the disposal treatment of hazardous materials.

The Company believes it is in compliance in all material respects, with all applicable environmental laws and the Company is not aware of any noncompliance or obligation to investigate or remediate contamination that could reasonably be expected to result in a material liability. The Company does not expect to make any material capital expenditures during 2020 for environmental control facilities. The environmental laws continue to be amended and revised to impose stricter obligations, and compliance with future additional environmental requirements could necessitate capital outlays. However, the Company does not believe that these expenditures will ultimately result in a material adverse effect on its financial position or results of operations. The Company cannot predict the precise effect such future requirements, if enacted, would have on the Company. The Company believes that such regulations would be enacted over time and would affect the industry as a whole.

Human Capital

At December 31, 2020, the Company had 2,969 employees, the overwhelming majority of which are full-time employees. Approximately 25% of the Company's employees are located in the U.S.

The Company views its employees and culture as keys to its success. The Company aims to attract and retain employees who will be empowered to have the freedom to make decisions and take actions in the best interest of the Company, while being recognized and accountable for those decisions and actions. The Company focuses on innovation, inclusion and diversity, safety and engagement to develop the best talent.

The COVID-19 pandemic continues to impact businesses globally. The Company has been successful with proactive measures to protect the health and safety of its employees and to maintain business continuity. The Company has established several safety protocols in its production and office areas, including, but not limited to schedule rotations, face coverings, barriers, physical distance requirements, enhanced cleaning procedures and body temperature monitoring. The Company continues to assess all challenges related to COVID-19 and regularly updates its employees.

For more information on the risks related to the Company's human capital resources, see Item 1A – Risk Factors.

Available Information

The Company maintains an Internet site at http://www.preformed.com, on which the Company makes available, free of charge, the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports, as soon as reasonably practicable after the Company electronically files such material with, or furnishes it to, the SEC. The Company's SEC reports can be accessed through the investor relations section of its Internet site. The information found on the Company's Internet site is not part of this or any other report that is filed or furnished to the SEC.

The public may read and copy any materials the Company files with or furnishes to the SEC at the SEC's Public Reference Room at 100 F. Street, NE., Washington, DC 20549. Information on the operation of the Public Reference Room is available by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information filed with the SEC by electronic filers. The SEC's Internet site is http://www.sec.gov. The Company also has a link from its Internet site to the SEC's Internet site. This link can be found on the investor relations page of the Company's Internet site.

Item 1A. Risk Factors

The Company's business, operating results, financial condition and cash flows may be affected by a number of factors including, but not limited to those discussed below. Any of these factors could cause the Company's actual results to vary material from recent results of future anticipated results.

Industry and Economic Risks

Due to the Company's dependency on the energy and telecommunication industries, the Company is susceptible to negative trends relating to those industries that could adversely affect the Company's operating results.

The Company's sales to the energy and telecommunication industries represent a substantial portion of the Company's historical sales. The concentration of revenue in such industries is expected to continue into the foreseeable future. Demand for products to these industries depends primarily on capital spending by customers for constructing, rebuilding, maintaining or upgrading their systems. The amount of capital spending and, therefore, the Company's sales and profitability are affected by a variety of factors, including general economic conditions, access by customers to financing, government regulation, demand for energy and cable services, energy prices and technological factors. As a result, some customers may significantly reduce or delay their spending or may not continue as going concerns, which could have a material adverse effect on the Company's business, operating results and financial condition. In addition, the Company may incur exit-related costs and impairments of goodwill, definite and indefinite-lived intangible assets and property, fixtures and equipment as the Company makes corresponding changes to its business to reflect these changes and uncertainties in the Company's industries and customer demand, and these costs and impairments could have a significant negative impact on the Company's operating results for the period in which they are incurred. Consolidation presents an additional risk to the Company in that merged customers will rely on relationships with a source other than the Company. Consolidation may also increase the pressure on suppliers, such as the Company, to sell product at lower prices.

The intense competition in the Company's markets, particularly telecommunication, may lead to a reduction in sales and earnings.

The markets in which the Company operates are highly competitive. The level of intensity of competition may increase in the foreseeable future due to anticipated growth in the telecommunication and data communication industries. The Company's competitors in the telecommunication and data communication markets are larger companies with significant influence over the distribution network. The Company may not be able to compete successfully against its competitors, many of which may have access to greater financial resources than the Company. In addition, the pace of technological development in the telecommunication market is rapid and these advances (i.e., wireless, fiber optic network infrastructure, etc.) may adversely affect the Company's ability to compete in this market.

Competitors' introduction of products embodying new technologies or the emergence of new industry standards can render existing products or products under development obsolete or unmarketable and result in lost sales.

The energy and telecommunication industries are characterized by rapid technological change. Satellite, wireless and other communication technologies currently being deployed may represent a threat to copper, coaxial and fiber optic-based systems by reducing the need for wire-line networks. Future advances or further development of these or other new technologies may have a material adverse effect on the Company's business, operating results and financial condition as a result of lost sales.

Price increases or decreased or delayed availability of raw materials could result in lower earnings.

The Company's cost of sales may be materially adversely affected by increases in the market prices of the raw materials used in the Company's manufacturing processes. The Company may not be able to pass on price increases in raw materials to the Company's customers through increases in product prices. As a result, the Company's operating results could be adversely affected. In addition, any decrease or delay in the availability of these materials or interruptions generally in the global supply chain could slow production and delivery to the Company's customers. The Company's supply chain has been and could continue to be disrupted by the COVID-19 pandemic which could have a material, adverse effect on the ability to secure raw materials and supplies.

The Company's international operations subject the Company to additional business risks that may have a material adverse effect on the Company's business, operating results and financial condition.

International sales account for a substantial portion of the Company's net sales (57%, 60% and 61% in 2020, 2019 and 2018, respectively) and the Company expects these sales could increase as a percentage of net sales in the future. Due to its international sales, the Company is subject to the risks of conducting business internationally, including unexpected changes in, or impositions of, legislative or regulatory requirements, which could materially adversely affect U.S. dollar sales or operating expenses, tariffs and other barriers and restrictions, potentially longer payment cycles, greater difficulty in accounts receivable collection, reduced or limited protection of intellectual property rights, potentially adverse taxes and the burdens of complying with a variety of international laws and communications standards. The Company is subject to foreign currency volatility which could materially impact the Company's operating results, including the impact of hyper-inflationary conditions in certain economies, particularly where exchange controls limit or eliminate the Company's ability to convert from local currency. The Company is also subject to general geopolitical risks, such as political and economic instability, social unrest, terrorism and changes in diplomatic and trade relationships in connection with its international operations. Any such disruption could cause delays in the production and distribution of the Company's products and the loss of sales and customers. Moreover, these types of events could negatively impact consumer spending or the economy in the impacted regions or depending upon the severity, globally. These risks of conducting business internationally may have a material adverse effect on the Company's business, operating results and financial condition.

Additionally, in 2016, the United Kingdom held a referendum in which voters approved an exit from the European Union ("Brexit"). Continued uncertainty relating to Brexit could adversely impact the Company. The United Kingdom formally exited the European Union on January 31, 2020 and had a transition period that ended on December 31, 2020. Since January 1, 2021, the European Union – United Kingdom Trade and Cooperative Agreement has provisionally been in effect. Due to the lack of comparable precedent, the ongoing uncertainty regarding the current situation could continue to or have a further adverse impact on global economic conditions, the stability of global financial markets and global market liquidity, including effects on the discontinuation, reform or replacement of LIBOR as a reference interest rate included under the Company's credit facility. Any of these factors could depress economic activity or lead to long-term volatility in the currency markets which could adversely impact the Company's business, financial condition and results of operations.

The COVID-19 pandemic may have a material adverse effect on the Company's business, operating results and financial condition

The Company is subject to public health concerns, including viral outbreaks such as the COVID-19 pandemic. COVID-19 has significantly impacted worldwide economic conditions and could continue to have an adverse effect on the Company's operations and businesses as government authorities could continue to impose mandatory closures, work-from-home orders and social distancing protocols along with other unknown potential restrictions. COVID-19 has disrupted and could continue to disrupt the Company's supply chain, which could have a material, adverse effect on the Company's ability to secure raw materials and supplies and could result in increased costs and the loss of sales and customers. The impact of COVID-19 could potentially exacerbate all the risks discussed and lead to the creation of new risks, any of which could have a material adverse effect on the Company's business, operating results and financial condition. The duration and scope of the COVID-19 pandemic cannot be predicted, and therefore, any anticipated negative financial impact to the Company's operating results cannot be reasonably estimated.

Business and Operations Risks

The Company's business will suffer if the Company fails to develop and successfully introduce new and enhanced products that meet the changing needs of the Company's customers.

The Company's ability to anticipate changes in technology and industry standards and to successfully develop and introduce new products on a timely basis is a significant factor in the Company's ability to grow and remain competitive. New product development often requires long-term forecasting of market trends, development and implementation of new designs and processes and a substantial capital commitment. The trend toward consolidation of the energy, telecommunication and data communication industries may require the Company to quickly adapt to rapidly changing market conditions and customer requirements. Any failure by the Company to anticipate or respond in a cost-effective and timely manner to technological developments or changes in industry standards or customer requirements, or any significant delays in product development or introduction or any failure of new products to be widely accepted by the Company's customers, could have a material adverse effect on the Company's business, operating results and financial condition as a result of reduced net sales.

The Company may not be able to successfully integrate businesses that it may acquire in the future or complete acquisitions on satisfactory terms, which could have a material adverse effect on the Company's business, operating results and financial condition.

A portion of the Company's growth in sales and earnings has been generated from acquisitions. The Company expects to continue a strategy of identifying and acquiring businesses with complementary products. In connection with this growth strategy, the Company faces certain risks and uncertainties in addition to the risks faced in the Company's day-to-day operations, including the risks pertaining to integrating acquired businesses, realizing the benefits of acquired technology and utilizing new personnel. In addition, the Company may incur debt to finance future acquisitions, and the Company may issue securities in connection with future acquisitions that may dilute the holdings of current and future shareholders. Covenant restrictions relating to additional indebtedness could restrict the Company's ability to pay dividends, fund capital expenditures, consummate additional acquisitions and significantly increase the Company's interest expense. Any failure to successfully complete acquisitions or to successfully integrate such strategic acquisitions could have a material adverse effect on the Company's business, operating results and financial condition.

The Company may have interruptions in or lose business due to the uncertainty of the global economy, specifically related to the lack of available funding for the Company's customers.

The demand for the Company's products is significantly affected by the amount of discretionary business and consumer spending, each of which is impacted by the continued uncertainty of the global economy. The Company's operations could be adversely affected by global economic conditions such as recession, political or social unrest, economic instability, terrorism and changes in diplomatic and trade relationships, public health concerns or otherwise. The liquidity and financial position of the Company's customers could also impact their ability to pay in full and/or on a timely basis. This lack of funding could have a negative impact on the Company's operating results and financial condition.

The Company employs information technology systems to support its business, and any material breach, interruption or failure may adversely impact the Company's business.

The Company employs information technology systems to support its business. Security breaches and other disruptions to the Company's information technology infrastructure could interfere with the Company's operations, and compromise information belonging to the Company and its customers, suppliers and employees, exposing the Company to liability which could adversely impact the Company's business and reputation. In the ordinary course of business, the Company relies on information technology networks and systems, some of which are managed by third parties, to process, transmit and store electronic information, and to manage or support a variety of business processes and activities. Additionally, the Company collects and stores certain data, including proprietary business information, and may have access to confidential or personal information in certain of its businesses that is subject to privacy and security laws, regulations and customer-imposed controls. Despite the Company's cybersecurity measures and oversight of such matters by the Board of Directors, which are continuously reviewed and upgraded, the Company's information technology networks and infrastructure and protected data may still be vulnerable to damage, disruptions or shutdowns due to attack by hackers or breaches, employee error or malfeasance, power outages, computer viruses, telecommunication or utility failures, systems failures, service providers including cloud services, natural disasters or other catastrophic events. It is possible for such vulnerabilities to remain undetected for an extended period, up to and including several years. Any such events could result in legal claims or proceedings, liability or penalties under privacy laws, disruption in operations, and damage to the Company's reputation, which could adversely affect the Company's business.

Legal, Tax and Regulatory Risks

The Company may be adversely impacted by laws, regulation, and litigation.

The Company is subject to various laws and regulation. For example, extensive environmental regulations related to air and water quality, the discharge of pollutants, the handling of toxic waste and the handling and transport of products and components classified as hazardous impact its daily operations. The introduction of new laws or regulations, or changes in existing laws or regulations, could increase the costs of doing business. It is difficult to predict what impact, if any, changes in federal policy, including environmental and tax policies, as a result of recent U.S. federal elections will have on our industry, the economy as a whole, consumer confidence and spending. As a result, the nature, timing and impact on our business of potential changes to the current legal and regulatory frameworks are uncertain. At any given time, the Company may also be subject to litigation or claims related to its products, suppliers, customers, employees, shareholders, distributors, sales representatives, intellectual property or acquisitions, among other things, the disposition of which may have an adverse effect upon the Company's business, financial condition, or results of operation. The outcome of litigation is difficult to assess or quantify. Lawsuits can result in the payment of substantial damages by defendants. If the Company is required to pay substantial damages and expenses as a result of these or other types of lawsuits, the Company's business and results of operations would be adversely affected. Regardless of whether any claims against the Company are valid or whether it is liable, claims may be expensive to defend, may cause reputational harm (particularly where any claims relate to significant harm to persons and property) and may divert time and money away from the Company's operations. Insurance may not be available at all or in sufficient amounts to cover any liabilities with respect to these or other matters. A judgment or other liability in excess of the Company's insurance coverage for any claims could adversely affect the Company's business and operating results.

The Company may not be able to successfully manage its intellectual property and may be subject to infringement claims.

The Company relies on a combination of contractual rights and patent, trademark, copyright and trade secret laws to establish and protect its proprietary technology. Third parties may challenge, invalidate, circumvent, infringe or misappropriate the Company's intellectual property, or such intellectual property may not be sufficient to permit the Company to take advantage of current market trends or otherwise to provide competitive advantages, which could result in costly redesign efforts, discontinuance of certain product offerings or other competitive harm. Others, including its competitors may independently develop similar technology, duplicate or design around the Company's intellectual property, and in such cases, it could not assert its intellectual property rights against such parties. The Company may also be subject to costly litigation in the event its technology infringes upon or otherwise violate a third party's proprietary rights. Any claim from third parties may result in a limitation on its ability to use the intellectual property subject to these claims. The Company may be forced to litigate to enforce or determine the scope and enforceability of its intellectual property rights, trade secrets and know-how, which is expensive, could cause a diversion of resources and may not prove successful, especially in countries where such rights are more difficult to enforce. The loss of intellectual property protection or the inability to obtain third party intellectual property could harm its business and ability to compete.

Tax matters, including changes in tax rates, disagreements with taxing authorities and imposition of new taxes could impact the Company's operating results and financial condition.

The Company is subject to income taxes in the U.S. (federal and state) and numerous foreign jurisdictions. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change, with or without notice, due to economic, political, and other conditions, and significant judgment is required in evaluating and estimating the provision and accruals for these taxes. There are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. The Company's effective tax rates could be affected by numerous factors, including but not limited to, intercompany transactions, the relative amount of its foreign earnings, including earnings being lower than anticipated in jurisdictions where the Company has lower statutory rates and higher than anticipated in jurisdictions where the Company has higher statutory rates, losses incurred in jurisdictions for which the Company is not able to realize the related tax benefit, changes in foreign currency exchange rates, changes in its deferred tax assets and liabilities and any related valuation, and changes in the relevant tax, accounting, and other laws, regulations, administrative practices, principles, and interpretations. Finally, due to the Covid-19 pandemic foreign governments tried to help stimulate the economy by enacting new tax legislation throughout the 2020 year. These foreign governments will continue to look into future changes to the

Risk Factors Related to Human Capital

The Company depends on maintaining a skilled workforce and any interruption in the workforce could negatively impact the Company's operating results and financial condition.

The Company's ability to sustain and grow its business requires a commitment to hire, retain and develop a highly skilled and diverse management team and workforce. Failure to ensure that we have the depth and breadth of personnel with the necessary skill set and experience, or the loss of key employees, could impede the Company's ability to deliver its growth objectives and execute its strategy.

The Company continues to develop and invest in human capital through continuing education, work-related certifications, and talent and performance management systems. These efforts directly impact the ability to deliver its growth objectives and execute its strategy.

Item 1B. Unresolved Staff Comments

The Company does not have any unresolved staff comments.

Item 2. Properties

The Company currently owns or leases 40 facilities, which together contain approximately 2.6 million square feet of manufacturing, warehouse, research and development, sales and office space worldwide. Most of the Company's international facilities contain space for offices, research and engineering (R&E), warehousing and manufacturing with manufacturing using a majority of the space. The following table provides information regarding the Company's principal facilities:

		Number of Facilities				Total Approximate Square Feet	
Segment	**Location**	**Manufacturing**	**Warehouse**	**R&E**	**Office**	**Owned**	**Leased**
United States	United States	2	2	1	3	704,900	
Americas	Brazil	1	1	1	1	167,600	
	Argentina	1	1		1		26,400
	Colombia		1		2		18,600
	Canada	2	2	1	2	124,400	
	Mexico	1	1		2	113,000	1,100
Asia-Pac	Australia	1	2	1	3	122,900	79,000
	China	3	2	2	2	295,000	
	Indonesia	2	1		2	197,900	
	Malaysia	1	1				18,600
	Thailand	1	3		1	80,000	49,500
	New Zealand	1	2	1	2	34,200	6,200
	Vietnam				1		8,700
EMEA	Great Britain	1	1	1	1	90,400	
	Austria	1			1		14,100
	Czech Republic	2	1	1	1		66,700
	France			2	2		53,700
	Russia	1					9,100
	South Africa	1	1	1	1	68,800	
	Spain	1	1	1	1	63,300	10,800
	Poland	1	1	1	1	175,000	

Item 3. Legal Proceedings

The Company can be party to a variety of pending legal proceedings and claims arising in the normal course of business, including, but not limited to, litigation relating to employment, workers' compensation, product liability, environmental and intellectual property. The Company has liability insurance to cover many of these claims.

Although the outcomes of these matters are not predictable with certainty, the Company records a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In the event the Company determines that a loss is not probable, but is reasonably possible, and the likelihood to develop what the Company believes to be a reasonable range of potential loss exists, the Company will include disclosure related to such matters. To the extent that there is a reasonable possibility the losses could exceed amounts already accrued, the Company will adjust the accrual in the period in which the determination is made, disclose an estimate of the additional loss or range of loss and if the amount of such adjustment cannot be reasonably estimated, disclose that an estimate cannot be made. During the year ended December 31, 2020, the Company accrued approximately $2.2 million representing its best estimate for losses to be incurred on a variety of global legal matters.

The Company and its subsidiaries Helix Uniformed Ltd. ("Helix") and Preformed Line Products (Canada) Limited ("PLPC Canada"), were each named, jointly and severally, with each of SNC-Lavalin ATP, Inc. ("SNC ATP"), HD Supply Canada Inc., by its trade names HD Supply Power Solutions and HD Supply Utilities ("HD Supply"), and Anixter Power Solutions Canada Inc. (the corporate successor to HD Supply, "Anixter" and, together with the Company, PLPC Canada, Helix, SNC ATP and HD Supply, the ("Defendants") in a complaint filed by Altalink, L.P. (the "Plaintiff") in the Court of Queen's Bench of Alberta in Alberta, Canada in November 2016 (the "Complaint").

The Complaint states that Plaintiff engaged SNC ATP to design, engineer, procure and construct numerous power distribution and transmission facilities in Alberta (the "Projects") and that through SNC ATP and HD Supply (now Anixter), spacer dampers manufactured by Helix were procured and installed in the Projects. The Complaint alleges that the spacer dampers have and may continue to become loose, open and detach from the conductors, resulting in damage and potential injury and a failure to perform the intended function of providing spacing and damping to the Project. The Plaintiffs are seeking an estimated $56.0 million Canadian dollars in damages jointly and severally from the Defendants, representing the costs of monitoring and replacing the spacer dampers and remediating property damage, due to alleged defects in the design and construction of, and supply of materials for, the Projects by SNC ATP and HD Supply/Anixter and in the design of the spacer dampers by Helix.

The Company believes the claims against it are without merit and intends to vigorously defend against such claims. The Company is unable to predict the outcome of this case, however, it has recorded a reserve for the low end of the range for potential loss associated with this matter. If this matter is concluded in a manner adverse to the Company, it could have a material effect on the Company's financial results.

Item 4. Mine Safety Disclosures

Not applicable

Item 4A. Information about our Executive Officers

Each executive officer is elected by the Board of Directors, serves at its pleasure and holds office until a successor is appointed, or until the earliest of death, resignation or removal.

Name	Age	Position
Robert G. Ruhlman	64	Chairman, President and Chief Executive Officer
William H. Haag	57	Vice President - Asia Pacific Region
John M. Hofstetter	56	Executive Vice President - U.S. Operations
Andrew S. Klaus	55	Chief Financial Officer
Dennis F. McKenna	54	Chief Operating Officer
John J. Olenik	50	Vice President - Research and Engineering
Tim O'Shaughnessy	50	Vice President - Human Resources
J. Ryan Ruhlman	37	Vice President - Marketing and Business Development
Caroline S. Vaccariello	54	General Counsel and Corporate Secretary

The following sets forth the name and recent business experience for each person who is an executive officer of the Company at March 1, 2021:

Robert G. Ruhlman was elected Chairman in July 2004. Mr. Ruhlman has served as Chief Executive Officer since July 2000 and as President since 1995 (positions he continues to hold). Mr. Ruhlman is the father of J. Ryan Ruhlman, Vice-President – Marketing and Business Development and a Director of the Company, and of Maegan A. R. Cross, also a Director of the Company.

William H. Haag was elected Vice President - Asia Pacific Region in January 2018. Prior to that, Mr. Haag served as the Company’s Vice President - International Operations since April 1999.

John M. Hofstetter was elected Executive Vice President - U.S. Operations in October 2020. Prior to that, Mr. Hofstetter served as Vice President – Sales and Global Communications Markets and Business Development in April 2012.

Andrew S. Klaus was elected Chief Financial Officer in April 2020. Previous to his employment with the Company, Mr. Klaus served as the Chief Accounting Officer and VP Corporate Controller at Vertiv Holdings Co. since 2017. Mr. Klaus served as the Chief Financial Officer of Consolidated Precisions Products Corporation from 2013 to 2017 and Vice President, Corporate Controller for JMC Steel Group (now known as Zekelman Industries, Inc.) from 2007 to 2013.

Dennis F. McKenna was elected Chief Operating Officer in January 2019. Prior to that, Mr. McKenna served as Executive Vice President Global Business Development since January 2015 where he expanded his role to include worldwide marketing and business development strategies. Prior to that, he was elected Vice President - Marketing and Global Business Development in April 2004.

John J. Olenik was elected Vice President - Research and Engineering in January 2020. Prior to that, Mr. Olenik was the Company’s Director of Engineering since 2013 where he was promoted from his prior role as Engineering Manager of Power Product Development. Mr. Olenik has been with the Company since 1997.

Tim O’Shaughnessy was elected Vice President - Human Resources in January 2019. Prior to that, Mr. O’Shaughnessy served as the Company’s Director of Human Resources since 2017 where he was promoted from his previous role of International Human Resource Manager which he began in 2013. Mr. O’Shaughnessy previously held various roles within the Finance organization since joining the Company in 2005.

J. Ryan Ruhlman was elected to the Company’s Board of Directors in July 2015 and as Vice President - Marketing and Business Development in December 2015, which expanded his role to include new acquisition and market opportunities. Prior to that, he was promoted to Director Marketing and Business Development in January 2015 including responsibilities for Special Industries, Distribution and Transmission Markets, as well as Marketing Communications. Mr. Ruhlman is the son of Robert G. Ruhlman, the Chief Executive Officer and Chairman of the Company, and the brother of Maegan A. R. Cross, a Director of the Company.

Caroline S. Vaccariello was elected General Counsel and Corporate Secretary in January 2007.

Part II

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

The Company's common shares are traded on NASDAQ under the trading symbol "PLPC". As of March 1, 2021, the Company had approximately 2,000 shareholders of record. The following table sets forth for the periods indicated (i) the high and low closing sale prices per share of the Company's common shares as reported by the NASDAQ and (ii) the amount per share of cash dividends paid by the Company.

	Year ended December 31					
	2020			2019		
Quarter	High	Low	Dividend	High	Low	Dividend
First	$ 60.76	$ 36.41	$ 0.20	$ 62.98	$ 51.52	$ 0.20
Second	55.00	38.43	0.20	57.57	46.40	0.20
Third	60.45	47.25	0.20	58.60	47.01	0.20
Fourth	67.59	48.77	0.20	75.01	49.99	0.20

While the Company expects to continue to pay dividends of a comparable amount in the near term, the declaration and payment of future dividends will be made at the discretion of the Company's Board of Directors in light of the current needs of the Company. Therefore, there can be no assurance that the Company will continue to make such dividend payments in the future.

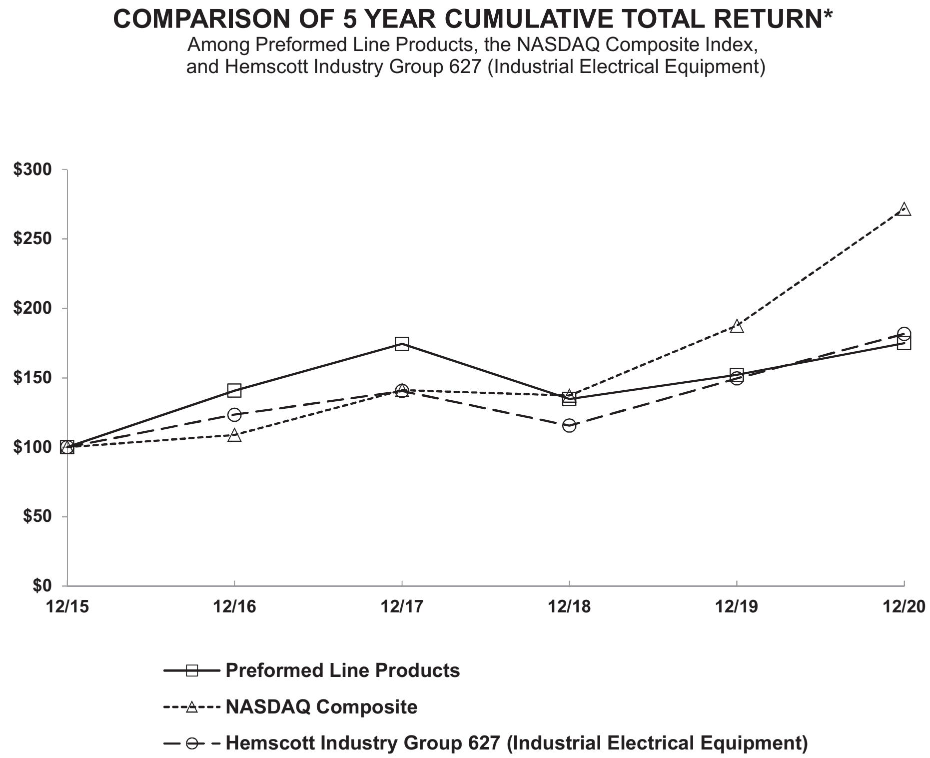
Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights (1)	(b) Weighted-average exercise price of outstanding options, warrants and rights (1)	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column a) (2)
Equity compensation plans approved by security holders	250,513	$ 54.81	672,879
Equity compensation plans not approved by security holders	0	$ 0.00	0
Total	250,513		672,879

(1) Of these shares, 199,563 were issued in the form of restricted stock units, which have no exercise price. Accordingly, such shares were not included in the weighted average exercise price.

(2) The Company's Long-Term Incentive Plan of 2008 was replaced in May 2016 by the 2016 Incentive Plan. Up to 900,000 of the 1,000,000 shares initially authorized may be issued in the form of restricted shares or units under the new plan. See Note H in the Notes to Consolidated Financial Statements for information relating to the Company's 2016 Incentive Plan.

Performance Graph

Set forth below is a line graph comparing the cumulative total return of a hypothetical investment in the Company's common shares with the cumulative total return of hypothetical investments in the NASDAQ Composite Index and the Peer Group Index based on the respective market price of each investment at December 31, 2015, December 31, 2016, December 31, 2017, December 31, 2018, December 31, 2019, and December 31, 2020, assuming in each case an initial investment of $100 on December 31, 2015, and reinvestment of dividends.



*$100 invested on 12/31/15 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

	2015	2016	2017	2018	2019	2020
PREFORMED LINE PRODUCTS CO	100.00	140.61	174.34	134.69	151.98	174.96
NASDAQ MARKET INDEX	100.00	108.87	141.13	137.12	187.44	271.64
PEER GROUP INDEX	100.00	123.36	140.50	115.45	149.46	181.59

Purchases of Equity Securities

On March 16, 2020, the Board of Directors authorized a plan to repurchase up to an additional 235,625 of Preformed Line Products Company common shares, resulting in a total of 250,000 shares available for repurchase with no expiration date. The following table includes repurchases for the three months ended December 31, 2020:

Period (2020)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that may yet be Purchased under the Plans or Programs
October	0	$ 0.00	85,546	164,454
November	0	$ 0.00	85,546	164,454
December	19,900	$ 62.71	105,446	144,554
Total	19,900			

Item 6. Selected Financial Data

Omitted

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) is intended to help the readers of our financial statements better understand our results of operations, financial condition and present business environment. The MD&A is provided as a supplement to, and should be read in conjunction with, our audited consolidated financial statements and related notes included elsewhere in this report.

The MD&A is organized as follows:

- Overview
- Market Overview
- Preface
- Results of Operations
- Working Capital, Liquidity and Capital Resources
- Critical Accounting Policies and Estimates
- Recently Adopted Accounting Pronouncements
- New Accounting Standards to be Adopted

OVERVIEW

Preformed Line Products Company (the "Company", "PLPC", "we", "us", or "our") was incorporated in Ohio in 1947. We are an international designer and manufacturer of products and systems employed in the construction and maintenance of overhead and underground networks for the energy, telecommunication, cable operators, information (data communication), and other similar industries. Our primary products support, protect, connect, terminate, and secure cables and wires. We also provide solar hardware systems, mounting hardware for a variety of solar power applications, and fiber optic and copper splice closures. PLPC is respected around the world for quality, dependability and market-leading customer service. Our goal is to continue to achieve profitable growth as a leader in the research, innovation, development, manufacture, and marketing of technically advanced products and services related to energy, communications and cable systems and to take advantage of this leadership position to sell additional quality products in familiar markets. We have 30 sales and manufacturing operations in 21 different countries.

We report our segments in four geographic regions: PLP-USA (including corporate), The Americas (includes operations in North and South America without PLP-USA), EMEA (Europe, Middle East & Africa) and Asia-Pacific, in accordance with accounting standards codified in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 280, "Segment Reporting". Each segment distributes a full range of our primary products. Our PLP-USA segment is comprised of our U.S. operations manufacturing our traditional products primarily supporting our domestic energy, telecommunications and solar products. Our other three segments, The Americas, EMEA and Asia-Pacific, support our energy, telecommunications, data communication and solar products in each respective geographical region.

The segment managers responsible for each region report directly to the Company's Chief Executive Officer, who is the chief operating decision maker, and are accountable for the financial results and performance of their entire segment for which they are responsible. The business components within each segment are managed to maximize the results of the entire operating segment and the Company rather than the results of any individual business component of the segment.

We evaluate segment performance and allocate resources based on several factors primarily based on sales and net income.

MARKET OVERVIEW

Our business continues to be highly concentrated in the energy and communications markets. During the past several years, industry consolidation continued as distributor and service provider integrations occurred in our major markets. The fluctuation of foreign currencies coupled with the varying degrees of recovery throughout the global economy has led to a challenging environment. In addition, low oil prices, increasing commodity prices and changes in governmental leadership in certain markets have affected construction projects worldwide and there has been a historical lack of commitment by developed countries to upgrade and strengthen their electrical grids and communication networks, despite the growing need. While these factors are likely to continue to provide inherent uncertainty going forward, the Company has increased its sales over the past few years despite the global economic instability.

In 2020, sales in the energy market continued to increase due to the number and scale of energy and communication projects in North America. We believe that our leadership position in the market and ability to deliver reliable products quickly will enable us to take advantage of prospects for continued growth as transmission grids are enhanced and extended. As communication networks continue to be upgraded and expanded, our product offering positions us well to participate in the expansion.

Our international business is more concentrated in the energy and communications markets, which is where we experienced our most significant top line growth in 2020. Historically, our international sales were primarily related to the medium voltage distribution segment of the energy market but have grown through acquisition and new product development to include a significant contribution from the transmission and telecommunications markets. We believe that we are well positioned to supply the needs of the world’s diverse energy market requirements as a result of our strategically located operations and array of product designs and technologies.

As economic conditions evolve, we believe our efforts internationally will lead to growth in our communications business from opportunities where deployment of fixed line and wireless telecommunications services and broadband penetration rates remain low as a percentage of the total population.

PREFACE

Our consolidated financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP). Our discussions of the financial results include non-GAAP measures (e.g., foreign currency impact) to provide additional information concerning our financial results and provide information that we believe is useful to the readers of our financial statements in the assessment of our performance and operating trends.

The following discussion describes our results of operations for the years ended December 31, 2020 and 2019. The first quarter of 2020 saw the global outbreak of a novel strain of coronavirus (“COVID-19”), which in the latter part of the quarter created significant global economic disruption. While the recent outbreak did not have a material impact on our results for the reported periods, it created challenges for us in countries that were the earliest to be impacted by the pandemic, namely countries in our Asia-Pacific business segment. Due to restrictions on our operations, the operations of our customers and the global supply chain, we are continuing to actively monitor the impact of COVID-19 on future periods.

As the virus spread, we took action to protect the health and safety of our employees while we maintained critical operations to protect our customers and suppliers. Many of our customers are considered “essential” and remained open for business, although in a limited capacity in some cases, which slowed demand into the second and third quarter, most notably for specific customers in our Asia Pacific business segment. Our North American plants have remained fully operational and only some of our international plants were closed temporarily. There are some restrictions on the supply of products and potential price increases globally. The possibility of these restrictions may continue or expand to other regions, but our global supply chain currently remains strong.

Due to the uncertainty created by COVID-19, we are actively managing costs and our liquidity position to provide additional flexibility while still supporting our customers and their specific needs. We have reduced and may continue to reduce operating expenses and could experience lower variable SG&A, primarily through a decrease in travel-related expenses incurred by our associates, due to travel restrictions.

While we expect the COVID-19 outbreak could continue to have an adverse impact on our business, the businesses of our customers and the global economy, we cannot predict the duration or scope of the COVID-19 pandemic or the magnitude of its impact on our business and results of operations. In addition, the impact of COVID-19 could potentially exacerbate other risks discussed, any of which could have a material adverse effect on the Company. We continue to assess all challenges related to COVID-19 and plan accordingly.

Our financial statements are subject to fluctuations in the exchange rates of foreign currencies in relation to the U.S. dollar. As foreign currencies weaken against the U.S. dollar, our sales and costs decrease as the foreign currency-denominated financial statements translate into fewer U.S. dollars. In total, foreign currencies weakened against the U.S. dollar in both 2020 and 2019. The fluctuations of foreign currencies during the years ended December 31, 2020 and 2019 had an unfavorable impact on net sales of $16.9 million and $14.2 million, respectively. On a reportable segment basis, the unfavorable impact of foreign currency translation on net sales and net income for the years ended December 31, 2020 and 2019, respectively, was as follows:

	Foreign Currency Translation Impact			
	Net Sales		Net Income (Loss)	
(Thousands of dollars)	2020	2019	2020	2019
The Americas	$ (15,523)	$ (6,752)	$ (1,391)	$ (121)
EMEA	(777)	(4,323)	(26)	(233)
Asia-Pacific	(563)	(3,092)	73	11
Total	$ (16,863)	$ (14,167)	$ (1,344)	$ (343)

The effect of currency translation had an unfavorable impact on net income in the years ended December 31, 2020 and 2019 of $1.3 million and $.3 million, respectively. There were $2.1 million in losses on foreign currency translation on operating income for the year ended December 31, 2020. There were transaction losses of $1.5 million that were partially mitigated by forward currency contract gains of $.4 million in the year ended December 31, 2020 and $.2 million of transaction losses in the year ended December 31, 2019 as summarized in the following table:

	Foreign Currency Impact	
	Year Ended December 31	
(Thousands of dollars)	2020	2019
Operating income	$ 40,207	$ 32,627
Translation loss	2,143	0
Transaction loss	1,455	211
Net gain on forward currency contracts	(415)	0
Operating income excluding currency impact	$ 43,390	$ 32,838

Despite the continued changes in the current global economy, we believe our business fundamentals and our financial position are sound and strategically well-positioned. We remain focused on assessing our global market opportunities and overall manufacturing capacity in conjunction with the requirements of local manufacturing in the markets that we serve. If necessary, we will utilize our global manufacturing network to manage costs, while driving sales and delivering value to our customers. We have continued to invest in the business to expand into new markets for us to improve efficiency, develop new products, increase our capacity and become an even stronger supplier to our current and new customers. We currently have a bank debt to equity ratio of 19.2% and can borrow needed funds at a competitive interest rate under our credit facility. A consolidated decrease in debt of $9.8 million as of December 31, 2020 was partially a result of prior year funding needs for two acquisitions and the 2020 sale of a corporate aircraft, which contributed to the decrease in our bank debt to equity ratio from 24.5% at December 31, 2019. See Note E in the Notes to Consolidated Financial Statements for more information related to our debt position.

The following table sets forth a summary of the Company's Statements of Consolidated Income and the percentage of net sales for the years ended December 31, 2020 and 2019. The Company's past operating results are not necessarily indicative of future operating results.

(Thousands of dollars)	**Year Ended December 31** 2020		2019		Change
Net sales	$ 466,449	*100.0* %	$ 444,861	*100.0* %	$ 21,588
Cost of products sold	312,436	*67.0*	304,266	*68.4*	8,170
GROSS PROFIT	154,013	*33.0*	140,595	*31.6*	13,418
Costs and expenses	113,806	*24.4*	107,968	*24.3*	5,838
OPERATING INCOME	40,207	*8.6*	32,627	*7.3*	7,580
Other income (expense), net	364	*0.1*	(1,169)	*(0.3)*	1,533
INCOME BEFORE INCOME TAXES	40,571	*8.7*	31,458	*7.1*	9,113
Income taxes	10,810	*2.3*	8,122	*1.8*	2,688
NET INCOME	29,761	*6.4*	23,336	*5.2*	6,425
Net income (loss) attributable to noncontrolling interests	42	*0.0*	(33)	*(0.0)*	75
NET INCOME ATTRIBUTABLE TO PREFORMED LINE PRODUCTS COMPANY SHAREHOLDERS	$ 29,803	*6.4* %	$ 23,303	*5.2* %	$ 6,500

2020 RESULTS OF OPERATIONS COMPARED TO 2019

Net sales. In 2020, net sales were $466.4 million, an increase of $21.6 million, or 5%, compared to 2019. Excluding the unfavorable effect of currency translation, net sales increased 9% as summarized in the following table:

(Thousands of dollars)	**Year Ended December 31** 2020	2019	Change	Change Due to Currency Translation	Change Excluding Currency Translation	% Change
Net sales						
PLP-USA	$ 201,277	$ 178,301	$ 22,976	$ 0	$ 22,976	13 %
The Americas	74,192	68,293	5,899	(15,523)	21,422	31
EMEA	91,108	79,158	11,950	(777)	12,727	16
Asia-Pacific	99,872	119,109	(19,237)	(563)	(18,674)	(16)
Consolidated	$ 466,449	$ 444,861	$ 21,588	$ (16,863)	$ 38,451	9 %

The increase in PLP-USA net sales of $23.0 million, or 13%, was primarily due to a volume increase in energy and communication product sales. International net sales for the year ended December 31, 2020 were unfavorably affected by $16.9 million when local currencies were converted to U.S. dollars. The following discussion of changes in net sales excludes the effect of currency translation. The Americas net sales of $74.2 million increased $21.4 million, or 31%, primarily due to higher volume in energy and communication product sales. EMEA net sales of $91.1 million increased $12.7 million, or 16%, primarily due to volume increases in communication products in the region, including incremental sales from businesses acquired in 2019. The Asia-Pacific net sales of $99.9 million decreased $18.7 million, or 16%, compared to 2019 primarily due to a combined volume decrease mostly as a result of the disruption to the global economy caused by the COVID-19 pandemic.

Gross Profit. Gross profit of $154.0 million for 2020 increased $13.4 million, or 10%, compared to 2019. Excluding the unfavorable effect of currency translation, gross profit increased $18.5 million, or 13%, as summarized in the following table:

(Thousands of dollars)	Year Ended December 31					
	2020	**2019**	**Change**	**Change Due to Currency Translation**	**Change Excluding Currency Translation**	**% Change**
Gross profit						
PLP-USA	$ 75,182	$ 63,630	$ 11,552	$ 0	$ 11,552	18 %
The Americas	23,854	22,912	942	(4,830)	5,772	25
EMEA	31,019	23,435	7,584	(205)	7,789	33
Asia-Pacific	23,958	30,618	(6,660)	(84)	(6,576)	(21)
Consolidated	$ 154,013	$ 140,595	$ 13,418	$ (5,119)	$ 18,537	13 %

PLP-USA gross profit of $75.2 million increased by $11.6 million, or 18%, compared to 2019 mostly due to an increase in sales volume and a shift in mix toward higher margin products. International gross profit for the year ended December 31, 2020 was unfavorably impacted by $5.1 million when local currencies were translated to U.S. dollars. The following discussion of gross profit changes excludes the effects of currency translation. The Americas gross profit increased $5.8 million, which was primarily the result of the year-over-year increase in sales of $21.4 million combined with approximately $.3 million of COVID-19 subsidies. EMEA gross profit increased $7.8 million due to the $12.7 million increase in sales in the region, which continued to include the incremental growth from businesses acquired in 2019. Asia-Pacific's gross profit decreased $6.6 million primarily as a result of a year-over-year reduction in sales volume, largely caused by negative impact related to the COVID-19 pandemic. The gross profit decrease in Asia-Pacific was partially offset by $.4 of COVID-19 subsidies.

Costs and expenses. Costs and expenses of $113.8 million for the year ended December 31, 2020 increased $5.8 million, or 5%, compared to 2019. Excluding the favorable effect of currency translation, costs and expenses increased $8.8 million, or 8%, as summarized in the following table:

(Thousands of dollars)	Year Ended December 31					
	2020	**2019**	**Change**	**Change Due to Currency Translation**	**Change Excluding Currency Translation**	**% Change**
Costs and expenses						
PLP-USA	$ 52,794	$ 51,216	$ 1,578	$ 0	$ 1,578	3 %
The Americas	16,008	13,807	2,201	(2,701)	4,902	36
EMEA	22,636	20,058	2,578	(195)	2,773	14
Asia-Pacific	22,368	22,887	(519)	(79)	(440)	(2)
Consolidated	$ 113,806	$ 107,968	$ 5,838	$ (2,975)	$ 8,813	8 %

PLP-USA costs and expenses of $52.8 million increased $1.6 million, or 3%. PLP-USA's year-over-year increase was attributable to higher personnel related expenses, including benefits, of $1.4 million, a loss on sale of capital assets of $1.0 million, increased commissions of $1.0 million and higher insurance expense of $.4 million. Offsetting these losses were lower travel expenses of $1.5 million, decreases in both professional fees and allowance for doubtful accounts of $.3 million and a year-over-year net incremental gain on foreign currency transactional exchange. PLP's foreign currency exchange losses were primarily related to translating into U.S. dollars its foreign currency denominated loans, trade receivables and royalty receivables from its foreign subsidiaries at the December 2020 year-end exchange rates. PLP's costs and expenses for the year ended December 31, 2020 were favorably impacted by $3.0 million when local currencies were translated to U.S. dollars. The following discussions of costs and expenses exclude the effect of currency translation. The Americas costs and expenses increase of $4.9 million was primarily due to higher expenses related to a litigation reserve of $2.0 million, higher personnel related costs of $1.3 million, an incremental net loss on foreign currency transactions exchange of $.9 million, higher commissions of $.5 million and combined increases in allowance for doubtful accounts and professional fees of $.2 million. EMEA costs and expenses of $22.6 million increased $2.8 million mainly due to higher personnel related costs of $1.7 million, increased rental expense of $.5 million, higher amortization expense of $.4 million, associated with acquired businesses, higher allowance for doubtful accounts of $.4 million and an increase in professional fees of $.1 million. The increases were partially offset by a government subsidy of $.2 million. Asia-Pacific costs and expenses of $22.4 million decreased $.4 million primarily due to a decrease in travel and entertainment expenses related to business conditions resulting from the COVID-19 pandemic combined with a government subsidy of $.4 million, which was partially offset by an incremental loss on foreign currency transactional exchange of $.7 million and an increase in professional fees of $.1 million.

Other income (expense). Other income of $.4 million for the year ended December 31, 2020 was favorable by $1.6 million when compared to other (expense) for the twelve months ended December 31, 2019 of $1.2 million. During the twelve months ended December 31, 2020, Asia-Pacific received government subsidies of $1.1 million related to COVID-19.

Income taxes. Income taxes for the years ended December 31, 2020 and 2019 were $10.8 million and $8.1 million, respectively, based on pre-tax income of $40.6 million and $31.5 million, respectively. The effective tax rate for the years ended December 31, 2020 and 2019 was 26.6% and 25.7%, respectively, compared to the U.S. federal statutory rate of 21%. Our effective tax rate is affected by recurring items, such as tax rates in foreign jurisdictions, which differ from the U.S. federal statutory income tax rate, and the relative amount of income earned in those jurisdictions where such earnings are permanently reinvested. It is also affected by discrete items that may occur in any given period but are not consistent from year to year. The following items had the most significant impact on the difference between our statutory U.S. federal income tax rate of 21%:

2020

1. A $.7 million, or 1.7%, net increase resulting from higher U.S. permanent items primarily related to limitations on the deductibility of executive compensation.
2. A $.2 million, or .6%, net decrease resulting from losses in certain jurisdictions where no tax benefit was previously recognized.
3. A $1.3 million, or 3.2%, net increase resulting from earnings in jurisdictions with higher tax rates than the U.S. federal statutory rate where such earnings are permanently reinvested.
4. A $.9 million, or 2.2%, net increase resulting from state and local taxes, net of federal benefit.

2019

1. A $.9 million, or 2.9%, net increase resulting from higher U.S. permanent items primarily related to limitations on the deductibility of executive compensation
2. A $.4 million, or 1.3%, net decrease resulting from losses in certain jurisdictions where no tax benefit was previously recognized.
3. A $.9 million, or 2.9%, net increase resulting from earnings in jurisdictions with higher tax rates than the U.S. federal statutory rate where such earnings are permanently reinvested.

Net income. As a result of the preceding items, net income for the year ended December 31, 2020 was $29.8 million, compared to $23.3 million for 2019. Excluding the effect of currency translation, net income increased $7.8 million as summarized in the following table:

(Thousands of dollars)	Year Ended December 31					
	2020	**2019**	**Change**	**Change Due to Currency Translation**	**Change Excluding Currency Translation**	**% Change**
Net income						
PLP-USA	$ 16,564	$ 8,054	$ 8,510	$ 0	$ 8,510	106 %
The Americas	5,068	6,657	(1,589)	(1,391)	(198)	(3)
EMEA	6,644	2,935	3,709	(26)	3,735	127
Asia-Pacific	1,527	5,657	(4,130)	73	(4,203)	(74)
Consolidated	$ 29,803	$ 23,303	$ 6,500	$ (1,344)	$ 7,844	34 %

PLP-USA's net income of $16.6 million increased $8.5 million year over year, mainly due to a year-over-year increase in operating income of $10.0 million and a $1.4 million increase in other income, partially offset by an increase in income tax expense of $2.9 million. International net income for the year ended December 31, 2020 was unfavorably affected by approximately $1.3 million when local currencies were converted to U.S. dollars. The following discussion of net income excludes the effect of currency translation. The Americas net income of $5.1 million decreased $.2 million mainly as a result of a $.9 million increase in operating income, partially offset by an increase in other expense, net of $.6 million and an increase in income tax expense of $.5 million. EMEA net income increased $3.7 million as a result of a $5.0 million increase in operating income, partially offset by an increase in income tax expense of $1.3 million and an increase in other expense, net, of $.2 million. Asia-Pacific net income decreased $4.2 million mainly as a result of a $6.0 million decrease in operating income partially offset by a decrease in income tax expense for the region of $1.2 million and an increase in other income, net, of $.6 million.

WORKING CAPITAL, LIQUIDITY AND CAPITAL RESOURCES

Management Assessment of Liquidity

We measure liquidity on the basis of our ability to meet short-term and long-term operating needs, fund additional investments, including acquisitions, and make dividend payments to shareholders. Significant factors affecting the management of liquidity are cash flows from operating activities, capital expenditures, cash dividends, business acquisitions and access to bank lines of credit.

Our investments include expenditures required for equipment and facilities as well as expenditures in support of our strategic initiatives. In 2020, we used cash of $24.6 million for capital expenditures. We ended 2020 with $45.2 million of cash, cash equivalents and restricted cash (collectively "Cash"). Our Cash is held in various locations throughout the world. At December 31, 2020, the majority of our cash is held outside the U.S.

We expect the majority of accumulated non-U.S. cash balances will remain outside of the U.S. and that we will meet U.S. liquidity needs through future cash flows, use of U.S. cash balances, external borrowings, or some combination of these sources.

We complete comprehensive reviews of our significant customers and their creditworthiness by analyzing financial statements for customers where we have identified a measure of increased risk. We closely monitor payments and developments that may signal possible customer credit issues. We currently have not identified any potential material impact on our liquidity from customer credit issues.

Our financial position remains strong and our current ratio at December 31, 2020 and 2019 was 2.4 to 1 and 2.9 to 1, respectively. Total debt at December 31, 2020 was $56.0 million. At December 31, 2020, our unused availability under our line of credit was $39.6 million and our bank debt to equity percentage was 19.2%. On April 17, 2020, the Company extended the term on its $65.0 million credit facility from June 30, 2021 to June 30, 2024 and added its Austrian subsidiary as a borrower on the facility. All other terms remain the same, including the interest rate at LIBOR plus 1.125% unless the Company's funded debt to Earnings before Interest, Taxes and Depreciation ratio exceeds 2.25 to 1, at which point the LIBOR spread becomes 1.500%. At December 31, 2020, the Company's Polish subsidiary had borrowed $6.7 million U.S. dollars at a rate of 1.125% plus the Warsaw Interbank Offer Rate with a term expiring June 30, 2024. At December 31, 2020, the Company's Australian subsidiary had borrowed $5.3 million U.S. dollars, also with a term expiring June 30, 2024. At December 31, 2020, the interest rates on the U.S., Polish and Australian line of credit agreement were 1.27%, 1.33% and 1.15%, respectively. Under the credit facility, at December 31, 2020, the Company had utilized $25.4 million with $39.6 million available under the line of credit, net of long-term outstanding letters of credit of $.1 million. The line of credit agreement contains, among other provisions, requirements for maintaining levels of net worth and profitability. At December 31, 2020, the Company was in compliance with all covenants.

On February 28, 2019, the Company acquired its Austrian subsidiary, SubCon Electrical Fittings GmbH ("SubCon"), headquartered in Dornbirn, Austria. The Company's Austrian subsidiary had a 1.0 million euros, or $1.1 million U.S. dollars line of credit with a term expiring on May 31, 2021 with the option to renew for an additional twelve months indefinitely. On June 26, 2020, the Company's Austrian subsidiary borrowed $.6 million on the Company's line of credit at an interest rate of 1.273%. The proceeds were used to repay the previously outstanding local line of credit. At repayment, the local line of credit was cancelled.

On April 25, 2019, the Company borrowed $8.0 million U.S. dollars on behalf of its Indonesian subsidiary at a rate of 3.501% with a term expiring on April 30, 2024. At December 31, 2020, $6.7 million was outstanding on this debt facility, of which $.8 million is classified as current.

On August 14, 2019, the Company's New Zealand subsidiary borrowed $5.3 million U.S. dollars at a rate of 3.900% with a term expiring on August 26, 2021. At December 31, 2020, $4.4 million was outstanding on this facility, all of which is classified as current and is has an interest rate of 3.250%. This loan is secured by the Company's New Zealand subsidiary's land and building.

The Company's Asia Pacific segment had $.6 million and $.3 million in restricted cash at December 31, 2020 and 2019, respectively. The restricted cash was used to secure bank debt and is included in Cash and Other assets for the years ended December 31, 2020 and 2019, respectively, on the balance sheet.

The Company sold its corporate aircraft in December of 2020, thereby eliminating the balance due on the loan which was secured by the corporate aircraft. Of the of $8.1 million previously outstanding, $1.4 million was classified as short-term. The proceeds of the sale were used to pay off the debt associated with the former aircraft. On January 19, 2021, the Company received funding for a term loan in the amount of $20.5 million to fund the purchase of a corporate aircraft. See Note Q for more information.

We expect that our major source of funding for 2021 and beyond will be our operating cash flows, our existing cash and cash equivalents as well as our line of credit agreement. We earn a significant amount of our operating income outside the United States, which, except for current earnings in certain jurisdictions, is deemed to be indefinitely reinvested in foreign jurisdictions. We currently do not intend nor foresee a need to repatriate these funds. We believe our future operating cash flows will be more than sufficient to cover debt repayments, other contractual obligations, capital expenditures and dividends for the next 12 months and thereafter for the foreseeable future. In addition, we believe our borrowing capacity provides substantial financial resources, if needed, to supplement funding of capital expenditures and/or acquisitions. We also believe that we can expand our borrowing capacity, if necessary; however, we do not believe we would increase our debt to a level that would have a material adverse impact upon results of operations or financial condition.

Sources and Uses of Cash

Cash at December 31, 2020 increased $5.9 million compared to December 31, 2019. Net Cash provided by operating activities was $41.6 million. The most significant net investing and financing uses of Cash were net payments of long-term debt of $38.3 million, capital expenditures of $24.6 million, share repurchases of $9.5 million and dividends paid of $4.2 million. Currency had a positive $1.5 million impact on Cash when translating foreign denominated financial statements to U.S. dollars.

Net Cash provided by operating activities for the years ended December 31, 2020 and 2019 was $41.6 million and $27.2 million, respectively. The $14.4 million increase was primarily a result of an increase in net income of $6.4 million and decrease in cash used to fund working capital of $7.5 million, partially offset by miscellaneous net unfavorable movements in non-cash and cash items of $.1 million.

Net Cash used in investing activities of $14.0 million for the year ended December 31, 2020 represents a decrease of $34.8 million when compared to Cash used in investing activities for the year ended December 31, 2019. The decreased use of Cash was primarily related to the prior year Cash being used for the acquisitions of SubCon and MICOS Telcom of $18.9 million, current-year proceeds from the sale of property and equipment of $10.5 million, primarily from the sale of the corporate aircraft, a reduction in Cash used for capital expenditures of $4.9 million and a reduction resulting from net Cash used during 2019 of $.5 million related to the purchase of marketable securities.

Cash used in financing activities for the year ended December 31, 2020 was $23.2 million compared to Cash generated from financing activities of $17.7 million for the year ended December 31, 2019. The $40.9 million unfavorable change was primarily a result of an increase in net debt payments of $38.3 million, $8.1 million of which was related to payment of remaining debt on the corporate aircraft and a year-over-year increase in cash used in capital stock transactions of $2.6 million.

We have commitments under operating leases primarily for office and manufacturing space, transportation equipment, office and computer equipment and capital leases primarily for equipment.

As of December 31, 2020, the Company had total outstanding guarantees of $9.8 million. Additionally, certain domestic and foreign customers require the Company to issue letters of credit or performance bonds as a condition of placing an order. As of December 31, 2020, the Company had total outstanding letters of credit of $8.0 million.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based upon the consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amount of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting policies are defined as those that are reflective of significant judgment and uncertainties, and potentially may result in materially different outcomes under different assumptions and conditions.

Revenue Recognition

Net sales include products and shipping and handling charges, net of estimates for product returns. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products. All revenue is recognized when the Company satisfies the performance obligations under the contract and control of the product is transferred to the customer, primarily based on shipping terms. Revenue for shipping and handling charges are recognized at the time the products are shipped to, delivered to or picked up by the customer. The Company estimates product returns based on historical return rates.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. We record estimated allowances for uncollectible accounts receivable based upon the number of days the accounts are past due, the current business environment, and specific information such as bankruptcy or liquidity issues of customers. If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The allowance for doubtful accounts represents approximately less than 2.8% and 3.7% of our trade receivables balance at December 31, 2020 and 2019, respectively.

Excess and Obsolescence Reserves

We provide excess and obsolescence reserves to state inventories at the lower of cost or estimated net realizable value. We identify inventory items that have had no usage or are in excess of the usages over the historical 12 to 24 months. A management team with representatives from marketing, manufacturing, engineering and finance reviews these inventory items, determines the disposition of the inventory and assesses the net realizable value based on their knowledge of the product and market conditions. These conditions include, among other things, future demand for product, product utility, unique customer order patterns or unique raw material purchase patterns, changes in customer and quality issues. The reserve for excess and obsolete inventory was 7.5% and 7.7% of gross inventory for the years ended December 31, 2020 and December 31, 2019, respectively. If the impact of market conditions deteriorates from those projected by management, additional inventory reserves may be necessary.

Impairment of Long-Lived Assets

We record impairment losses on long-lived assets used in operations when events and circumstances indicate that the assets are impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying value of those items. Our cash flows are based on historical results adjusted to reflect the best estimate of future market and operating conditions. The net carrying value of assets not recoverable is then reduced to fair value. The estimates of fair value represent the best estimate based on industry trends and reference to market rates and transactions.

Goodwill

We perform our annual impairment test for goodwill utilizing a combination of the income approach, which uses a discounted cash flow methodology, and the market approach, which uses comparable market multiples, and an overall market capitalization reasonableness test in computing fair value by reporting unit. We then compare the fair value of the reporting unit with our carrying value to assess if goodwill has been impaired. The fair value estimates are subjective and sensitive to significant assumptions, such as revenue growth rates, operating margins, the weighted-average cost of capital (WACC), and estimated market multiples, of which are affected by expectations of future market or economic conditions. We believe that the methodologies, significant assumptions, and weightings used are reasonable and result in appropriate fair values of the reporting units.

Our measurement date for our annual impairment test is October 1 of each year. We performed our annual impairment tests for goodwill as of October 1, 2020. We did not have any impairment for goodwill for the years ended December 31, 2020 or 2019. See Note J for additional information.

Deferred Tax Assets

Deferred taxes are recognized at currently enacted tax rates for temporary differences between the financial reporting and income tax basis of assets and liabilities and operating loss and tax credit carryforwards. We establish a valuation allowance to record our deferred tax assets at an amount that is more-likely-than-not to be realized. In the event we were to determine that we would be able to realize our deferred tax assets in the future in excess of their recorded amount, an adjustment to the valuation allowance would increase income in the period such determination was made. Likewise, should we determine that we would not be able to realize all or part of our net deferred tax assets in the future, an adjustment to the valuation allowance would be charged to expense in the period such determination was made.

Uncertain Tax Positions

We identify tax positions taken on the federal, state, local and foreign income tax returns filed or to be filed. A tax position can include: a reduction in taxable income reported in a previously filed tax return or expected to be reported on a future tax return that impacts the measurement of current or deferred income tax assets or liabilities in the period being reported; a decision not to file a tax return; an allocation or a shift of income between jurisdictions; the characterization of income or a decision to exclude reporting taxable income in a tax return; or a decision to classify a transaction, entity or other position in a tax return as tax exempt. We determine whether a tax position is an uncertain or a routine business transaction tax position that is more-likely-than-not to be sustained at the full amount upon examination.

Under FASB ASC 740 ("ASC 740"), "Tax Benefits from Uncertain Tax Positions" that reduce our current or future income tax liability are reported in our financial statements only to the extent that each benefit is recognized and measured under a two-step approach. The first step requires us to assess whether each tax position based on its technical merits and facts and circumstances as of the reporting date, is more-likely-than-not to be sustained upon examination. The second step measures the amount of tax benefit that we would recognize in the financial statements based on a cumulative probability approach. A tax position that meets the more-likely-than-not threshold that is not highly certain is measured based on the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority, assuming that the tax authority has examined the position and has full knowledge of all relevant information.

ASC 740 requires subjectivity to identify outcomes and to assign probability in order to estimate the settlement amount. We provide estimates in order to determine settlement amounts. During the year ended December 31, 2020, we recorded $.1 million of reserves for uncertain tax positions.

Pensions

We record obligations and expenses related to a pension benefit plan based on actuarial valuations, which include key assumptions on discount rates, expected returns on plan assets and compensation increases. These actuarial assumptions are reviewed annually and modified as appropriate. The effect of modifications is generally recorded or amortized over future periods. The discount rate of 2.69% at December 31, 2020 reflects an analysis of yield curves as of the end of the year and the schedule of expected cash needs of the plan. The expected long-term return on plan assets of 7.00% reflects the plan's historical returns and represents our best estimate of the likely future returns on the plan's asset mix. We believe the assumptions used in recording obligations under the plans are reasonable based on prior experience, market conditions and the advice of plan actuaries. However, an increase in the discount rate would decrease the plan obligations and the net periodic benefit cost, while a decrease in the discount rate would increase the plan obligations and the net periodic benefit cost. In addition, an increase in the expected long-term return on plan assets would decrease the net periodic pension cost, while a decrease in expected long-term return on plan assets would increase the net periodic pension cost.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

The Company operates manufacturing facilities and offices around the world and uses fixed and floating rate debt to finance the Company's global operations. As a result, the Company is subject to business risks inherent in non-U.S. activities, including political and economic uncertainty, import and export limitations and market risk related to changes in interest rates and foreign currency exchange rates. The Company believes that the political and economic risks related to the Company's international operations are mitigated due to the geographic diversity in which the Company's international operations are located.

Effective July 1, 2018, Argentina was designated as a highly inflationary economy as the projected three-year cumulative inflation rate exceeded 100%. As such, beginning July 1, 2018, the functional currency for the Company's Argentina subsidiary became the U.S. dollar. Revenue from operations in Argentina represented less than 1% of total consolidated net sales for the year ended December 31, 2020 and less than 2% of consolidated net sales for the years ended December 31, 2019 and 2018.

As of December 31, 2020, the Company had $.1 million in foreign currency forward exchange contracts outstanding. The Company does not hold derivatives for trading purposes.

The Company's primary currency rate exposures are related to foreign denominated debt, intercompany debt, forward exchange contracts, foreign denominated receivables and payables and cash and short-term investments. A hypothetical 10% change in currency rates would have a favorable/unfavorable impact on fair values on such instruments of $5.3 million and on income before tax of $2.5 million.

The Company is exposed to market risk, including changes in interest rates. The Company is subject to interest rate risk on its variable rate revolving credit facilities and term notes, which consisted of long-term borrowings of $38.5 million at December 31, 2020. A 100 basis point increase in the interest rate would have resulted in an increase in interest expense of approximately $.6 million for the year ended December 31, 2020.

Included in the Company's accounting for defined benefit pension plan ("Plan") are assumptions on future discount rates and the expected return on Plan assets. The Company considers current market conditions, including changes in interest rates and Plan asset investment returns. Actuarial assumptions may differ materially from actual results due to changing market and economic conditions or higher or lower withdrawal rates. These differences may result in a significant impact to the amount of net pension expense or income recorded in the future.

A discount rate is used to determine the present value of future payments. In general, our liability increases as the discount rate decreases and decreases as the discount rate increases. The discount rate used to determine the future benefit obligation was 2.69% and 3.50% at December 31, 2020 and 2019, respectively. The discount rate is a significant factor in determining the amounts reported. A 50 basis point change in the discount rate of 2.69% used at December 31, 2020 would have a $3.7 million effect on the Plan's projected benefit obligation.

The Company developed the expected return on Plan assets by considering various factors which include targeted asset allocation percentages, historical returns, and expected future returns. The Company assumed an expected rate of return of 6.50% and 7.00% for the years ended December 31, 2020 and 2019, respectively. A 50 basis point change in the expected rate of return would have a $.2 million effect on the Plan's subsequent year's net periodic pension cost.

As discussed elsewhere in this report, the outbreak of COVID-19 could negatively impact the Company's business and results of operations. Since we cannot predict the duration or scope of the COVID-19 pandemic, the potential negative financial impact to the Company's results cannot be reasonably estimated but could be material. Although the recent deployment of vaccinations is expected to mitigate potential future adverse impact, the impact cannot be predicted with certainty.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
of Preformed Line Products Company

Opinion on the Financial Statements

We have audited the accompanying Consolidated Balance Sheets of Preformed Line Products (the Company) as of December 31, 2020 and 2019, the related Statements of Consolidated Income, Comprehensive Income, Cash Flows, and Shareholders' Equity for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2020 and 2019, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated March 5, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Quantitative Impairment Assessment of Goodwill

Description of the matter

At December 31, 2020, the Company's goodwill was $29.5 million. As discussed in Note J to the consolidated financial statements, goodwill is tested for impairment at least annually at the reporting unit level or more frequently if impairment indicators arise. Goodwill is tested for impairment utilizing a combination of the income approach, which uses a discounted cash flow methodology, and the market approach, which uses comparable company market multiples, to estimate the fair value of each reporting unit.

Auditing management's quantitative goodwill impairment assessment for one reporting unit was

	complex and highly judgmental due to the significant estimation required to determine the fair value of the reporting unit. In particular, the fair value estimate was sensitive to significant assumptions, such as revenue growth rates, operating margins, weighted average cost of capital (WACC), and estimated market multiples, which are affected by expectations of future market or economic conditions.
How we addressed the matter in our audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's goodwill impairment process. This included controls over management's review of the significant assumptions underlying the fair value determination described above. To test the estimated fair value of the Company's reporting unit, we performed audit procedures that included, among others, assessing the methodologies used, testing the significant assumptions described above, and testing the underlying data used by the Company in its analysis. For example, we compared the significant assumptions used by management to current industry and economic trends and to historical results. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to evaluate the changes in the fair value of the reporting unit that would result from changes in the assumptions. We also utilized our specialists to review the methodology, and certain assumptions such as the WACC and market multiples. In addition, we tested management's reconciliation of the fair value of the reporting units to the market capitalization of the Company.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 2008
Cleveland, Ohio
March 5, 2021

PREFORMED LINE PRODUCTS COMPANY
CONSOLIDATED BALANCE SHEETS

	December 31 2020		December 31 2019	
	(Thousands of dollars, except share and per share data)			
ASSETS				
Cash and cash equivalents	$	45,175	$	38,929
Accounts receivable, less allowances of $3,464 ($3,849 in 2019)		92,686		83,517
Inventories - net		97,537		95,718
Prepaids		15,289		6,921
Prepaid taxes		2,371		2,601
Other current assets		3,256		4,289
TOTAL CURRENT ASSETS		256,314		231,975
Property, plant and equipment - net		125,965		124,018
Operating lease, right-of-use assets		13,139		12,453
Intangibles - net		14,443		15,116
Goodwill		29,508		27,840
Deferred income taxes		10,863		7,564
Other assets		10,855		14,605
TOTAL ASSETS	$	461,087	$	433,571
LIABILITIES AND SHAREHOLDERS' EQUITY				
Trade accounts payable	$	31,646	$	28,282
Notes payable to banks		17,428		8,696
Operating lease liabilities, current		2,240		2,062
Current portion of long-term debt		5,216		3,354
Accrued compensation and amounts withheld from employees		14,736		11,817
Accrued expenses and other liabilities		17,508		16,718
Accrued profit-sharing and other benefits		8,252		7,213
Dividends payable		1,292		1,173
Income taxes payable		5,456		1,758
TOTAL CURRENT LIABILITIES		103,774		81,073
Long-term debt, less current portion		33,333		53,722
Unfunded pension obligation		5,826		5,278
Operating lease liabilities, non-current		8,743		8,246
Deferred income taxes		2,921		3,116
Other noncurrent liabilities		14,421		13,568
SHAREHOLDERS' EQUITY				
Shareholders' equity:				
Common shares - $2 par value per share, 15,000,000 shares authorized, 4,902,233 and 4,992,979 issued and outstanding, at December 31, 2020 and December 31, 2019, respectively		13,028		12,848
Common shares issued to rabbi trust, 265,508 and 267,641 shares at December 31, 2020 and December 31, 2019, respectively		(10,940)		(10,981)
Deferred compensation liability		10,940		10,981
Paid-in capital		43,134		38,854
Retained earnings		379,035		353,292
Treasury shares, at cost, 1,611,927 and 1,431,235 shares at December 31, 2020 and December 31, 2019, respectively		(88,568)		(79,106)
Accumulated other comprehensive loss		(54,551)		(57,353)
TOTAL PREFORMED LINE PRODUCTS COMPANY SHAREHOLDERS' EQUITY		292,078		268,535
Noncontrolling interest		(9)		33
TOTAL SHAREHOLDERS' EQUITY		292,069		268,568
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	461,087	$	433,571

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED INCOME

	Year Ended December 31		
	2020	2019	2018
	(In thousands, except per share data)		
Net sales	$ 466,449	$ 444,861	$ 420,878
Cost of products sold	312,436	304,266	288,647
GROSS PROFIT	154,013	140,595	132,231
Costs and expenses			
Selling	35,637	36,609	36,358
General and administrative	56,335	51,806	45,398
Research and engineering	17,625	17,187	15,107
Other operating expenses - net	4,209	2,366	2,434
	113,806	107,968	99,297
OPERATING INCOME	40,207	32,627	32,934
Other income (expense)			
Interest income	259	783	486
Interest expense	(2,396)	(2,217)	(1,290)
Other income	2,501	265	458
	364	(1,169)	(346)
INCOME BEFORE INCOME TAXES	40,571	31,458	32,588
Income taxes	10,810	8,122	6,007
NET INCOME	$ 29,761	$ 23,336	$ 26,581
Net income (loss) attributable to noncontrolling interests	42	(33)	0
NET INCOME ATTRIBUTABLE TO PREFORMED LINE PRODUCTS COMPANY SHAREHOLDERS	$ 29,803	$ 23,303	$ 26,581
AVERAGE NUMBER OF SHARES OF COMMON STOCK OUTSTANDING:			
Basic	4,923	5,031	5,032
Diluted	4,984	5,087	5,107
EARNINGS PER SHARE OF COMMON STOCK ATTRIBUTABLE TO PREFORMED LINE PRODUCTS COMPANY SHAREHOLDERS:			
Basic	$ 6.05	$ 4.63	$ 5.28
Diluted	$ 5.98	$ 4.58	$ 5.21

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED COMPREHENSIVE INCOME

	Year Ended December 31		
	2020	2019	2018
		(Thousands of dollars)	
Net income	$ 29,761	$ 23,336	$ 26,581
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustment	3,835	2,028	(12,285)
Recognized net actuarial gains	363	397	386
Loss on unfunded pension obligations	(1,396)	(195)	(244)
Other comprehensive income (loss), net of tax	2,802	2,230	(12,143)
Less: Comprehensive income attributable to noncontrolling interests	42	(33)	0
Comprehensive income attributable to Preformed Line Products Company shareholders	$ 32,605	$ 25,533	$ 14,438

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED CASH FLOWS

	Year Ended December 31		
	2020	2019	2018
		(Thousands of dollars)	
OPERATING ACTIVITIES			
Net income	$ 29,761	$ 23,336	$ 26,581
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation and amortization	13,838	13,748	12,444
Provision for accounts receivable allowances	2,053	2,132	1,206
Provision for inventory reserves	2,035	1,283	2,402
Deferred income taxes	(3,380)	(1,274)	314
Share-based compensation expense	4,089	4,396	4,236
Loss (gain) on sale of property and equipment	1,108	10	(156)
Other - net	6	292	192
Changes in operating assets and liabilities assets:			
Accounts receivable	(10,539)	(9,777)	(4,499)
Inventories	80	(9,455)	(13,703)
Prepaid expenses	(8,786)	(932)	(3,723)
Trade accounts payables and accrued liabilities	6,952	6,087	3,048
Income taxes, net	3,470	634	(1,896)
Contributions to company pension plan	(330)	0	(5,340)
Other - net	1,285	(3,263)	1,870
NET CASH PROVIDED BY OPERATING ACTIVITIES	41,642	27,217	22,976
INVESTING ACTIVITIES			
Capital expenditures	(24,569)	(29,467)	(9,528)
Proceeds from the sale of property and equipment	10,525	54	195
Purchase of marketable securities	0	(496)	(4,690)
Proceeds from sale of marketable securities	0	2,309	2,953
Purchase of company owned life insurance policies	0	(2,309)	(2,953)
Acquisition of businesses, net of cash	0	(18,894)	0
NET CASH USED IN INVESTING ACTIVITIES	(14,044)	(48,803)	(14,023)
FINANCING ACTIVITIES			
Increase (decrease) in notes payable to banks	9,465	(355)	8,446
Proceeds from long-term debt	90,847	93,036	76,030
Payments of long-term debt	(110,083)	(64,124)	(85,496)
Dividends paid	(4,184)	(4,230)	(4,088)
Proceeds from issuance of common shares	252	213	222
Purchase of common shares for treasury	(5,836)	(2,800)	(191)
Purchase of common shares for treasury from related parties	(3,626)	(4,026)	(3,974)
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(23,165)	17,714	(9,051)
Effects of exchange rate changes on cash and cash equivalents	1,479	(775)	(1,591)
Net increase (decrease) in cash, cash equivalents and restricted cash	5,912	(4,647)	(1,689)
Cash, cash equivalents and restricted cash at beginning of year	39,263	43,910	45,599
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 45,175	$ 39,263	$ 43,910

See notes to consolidated financial statements.

PREFORMED LINE PRODUCTS COMPANY
STATEMENTS OF CONSOLIDATED SHAREHOLDERS' EQUITY

							Accumulated Other Comprehensive Income (Loss)				
	Common Shares	Common Shares Issued to Rabbi Trust	Deferred Compensation Liability	Paid in Capital	Retained Earnings	Treasury Shares	Cumulative Translation Adjustment	Unrecognized Pension Benefit Cost	Total Preformed Line Products Company Equity	Noncontrolling Interests	Total Equity
	(In thousands, except share and per share data)										
Balance at January 1, 2018	$ 12,593	$ (11,834)	$ 11,834	$ 29,734	$ 311,765	$ (68,115)	$ (41,425)	$ (6,015)	$ 238,537	$ 0	$ 238,537
Net income					26,581				26,581		26,581
Foreign currency translation adjustment							(12,285)		(12,285)		(12,285)
Recognized net actuarial gain, net of tax provision of $139								386	386		386
Loss on unfunded pension obligations, net of tax benefit of $77								(244)	(244)		(244)
Total comprehensive income									14,438	0	14,438
Share-based compensation				4,236	(152)				4,084		4,084
Purchase of 52,318 common shares						(4,165)			(4,165)		(4,165)
Issuance of 34,521 common shares	69			431					500		500
Common shares distributed from rabbi trust of 19,396, net		826	(826)						0		0
Cash dividends declared - $.80 per share					(4,024)				(4,024)		(4,024)
Balance at December 31, 2018	$ 12,662	$ (11,008)	$ 11,008	$ 34,401	$ 334,170	$ (72,280)	$ (53,710)	$ (5,873)	$ 249,370	$ 0	$ 249,370
Net income					23,303				23,303	33	23,336
Foreign currency translation adjustment							2,028		2,028		2,028
Recognized net actuarial gain, net of tax provision of $123								397	397		397
Loss on unfunded pension obligations, net of tax benefit of $60								(195)	(195)		(195)
Total comprehensive income									25,533	33	25,566
Share-based compensation				4,396	(167)				4,229		4,229
Purchase of 120,848 common shares						(6,826)			(6,826)		(6,826)
Issuance of 88,377 common shares	186			57					243		243
Common shares distributed from rabbi trust of 1,989, net		27	(27)						0		0
Cash dividends declared - $.80 per share					(4,014)				(4,014)		(4,014)
Balance at December 31, 2019	$ 12,848	$ (10,981)	$ 10,981	$ 38,854	$ 353,292	$ (79,106)	$ (51,682)	$ (5,671)	$ 268,535	$ 33	$ 268,568
Net income					29,803				29,803	(42)	29,761
Foreign currency translation adjustment							3,835		3,835		3,835
Recognized net actuarial gain, net of tax provision of $112								363	363		363
Loss on unfunded pension obligations, net of tax benefit of $433								(1,396)	(1,396)		(1,396)
Total comprehensive income									32,605	(42)	32,563
Share-based compensation				4,089	(148)				3,941		3,941
Purchase of 180,692 common shares						(9,462)			(9,462)		(9,462)
Issuance of 89,946 common shares	180			191					371		371
Common shares distributed from rabbi trust of 2,133, net		41	(41)						0		0
Cash dividends declared - $.80 per share					(3,912)				(3,912)		(3,912)
Balance at December 31, 2020	$ 13,028	$ (10,940)	$ 10,940	$ 43,134	$ 379,035	$ (88,568)	$ (47,847)	$ (6,704)	$ 292,078	$ (9)	$ 292,069

See notes to consolidated financial statements.

Note A - Significant Accounting Policies

Nature of Operations

Preformed Line Products Company and subsidiaries (the "Company") is a designer and manufacturer of products and systems employed in the construction and maintenance of overhead and underground networks for the energy, telecommunication, cable operators, data communication and other similar industries. The Company's primary products support, protect, connect, terminate and secure cables and wires. The Company also provides solar hardware systems and mounting hardware for a variety of solar power applications. The Company's customers include public and private energy utilities and communication companies, cable operators, governmental agencies, contractors and subcontractors, distributors and value-added resellers. The Company serves its worldwide markets through strategically located domestic and international manufacturing facilities.

Principles of Consolidation and Noncontrolling Interests

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries for which it has a controlling interest. All intercompany accounts and transactions have been eliminated upon consolidation.

Noncontrolling interests are presented in the Company's Consolidated Financial Statements as if parent company investors (controlling interests) and other minority investors (noncontrolling interests) in partially owned subsidiaries have similar economic interests in a single entity. As a result, investments in noncontrolling interests are reported as equity in our Consolidated Financial Statements. Additionally, the Company's Consolidated Financial Statements include 100% of a controlled subsidiary's earnings, rather than only our share. Transactions between the parent company and noncontrolling interests are reported in equity as transactions between stockholders, provided that these transactions do not create a change in control.

Cash and Cash Equivalents

Cash, cash equivalents and restricted cash ("Cash") are stated at fair value and consist of highly liquid investments with original maturities of three months or less at the time of acquisition. Restricted cash is included on the Cash and cash equivalents on the Company's Consolidated Balance Sheets.

Allowances for Doubtful Accounts

The Company maintains an allowance for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Prior to the adoption of Financial Accounting Standards Board ("FASB") ASU 2016-13 "Financial Instruments – Credit Losses (Topic 326), the allowances for uncollectible accounts receivable were based upon the number of days the accounts are past due, the current business and macroeconomic environment, geographic considerations and specific information such as bankruptcy or liquidity issues of its customers. Rather than recognizing losses when they are deemed to be probable, the Company now uses a current expected credit loss model in order to immediately recognize an estimate of credit losses that are expected to occur over the life of the financial instruments, mainly trade receivables. Additionally, the allowance is based upon identified delinquent accounts, customer payment patterns and other analyses of historical data trends. The Company also maintains an allowance for future sales credits related to sales recorded during the year. The estimated allowance is based on historical sales credits issued in the subsequent year related to the prior year and any significant, preapproved open return good authorizations as of the balance sheet date.

Inventories

The Company uses the last-in, first-out ("LIFO") method of determining cost for the majority of its material portion of inventories in PLP-USA. All other inventories are determined by the first-in, first-out ("FIFO") or average cost methods. Inventories are carried at net realizable value. Reserves are maintained for estimated obsolescence or excess inventory based on past usage and future demand.

Fair Value of Financial Instruments

Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 825, "Disclosures about Fair Value of Financial Instruments," requires disclosures of the fair value of financial instruments. The estimated fair value of financial instruments was principally based on market prices where such prices were available, and when unavailable, fair values were estimated based on market prices of similar instruments.

Property, Plant and Equipment and Depreciation

Property, plant, and equipment is recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives. The estimated useful lives used, when purchased new, are: land improvements, ten years; buildings, forty years; building improvements, five to forty years; machinery and equipment, three to ten years; and aircraft, fifteen years. Appropriate reductions in estimated useful lives are made for property, plant and equipment purchased in connection with an acquisition of a business or in a used condition when purchased.

Long-Lived Assets

The Company records impairment losses on long-lived assets used in operations when events and circumstances indicate that the carrying value of the assets are impaired and the undiscounted future cash flows estimated to be generated by such assets are less than the carrying value. The Company's cash flows are based on historical results adjusted to reflect the Company's best estimate of future market and operating conditions. The net carrying value of assets not recoverable is then reduced to fair value. The estimate of fair value represents the Company's best estimate based on industry trends and reference to market rates and transactions. The Company did not record any impairment to long-lived assets during the years ended December 31, 2020 and 2019.

Goodwill and Other Intangibles

Goodwill and other intangible assets generally result from business acquisitions. Goodwill is not subject to amortization but is subject to annual impairment testing. Intangible assets with definite lives, consisting primarily of purchased customer relationships, patents, technology, customer backlogs, trademarks and land use rights, are generally amortized over periods from less than one year to twenty years. The Company's intangible assets with finite lives are generally amortized over the period in which the economic benefits of the intangibles are consumed, using either a projected cash flow basis method or the straight-line method. The straight-line method is used in circumstances in which it better reflects the pattern in which the economic benefits of the intangible asset are consumed or otherwise expire compared to using a projected cash flow basis method. An evaluation of the remaining useful life of intangible assets with a determinable life is performed on a periodic basis and when events and circumstances warrant an evaluation. The Company assesses intangible assets with a determinable life for impairment consistent with its policy for assessing other long-lived assets. Goodwill and intangible assets are also reviewed for impairment annually or more frequently when changes in circumstances indicate the carrying amount may be impaired, or in the case of finite-lived intangible assets, when the carrying amount may not be recoverable. Events or circumstances that would result in an impairment review primarily include operations reporting losses or a significant change in the use of an asset. Impairment charges are recognized pursuant to FASB ASC 350-20, "Goodwill."

The Company performs its annual impairment test for goodwill utilizing a combination of the income approach, which uses a discounted cash flow methodology, and the market approach, which uses comparable market multiples, and an overall market capitalization reasonableness test in computing fair value by reporting unit. The Company then compares the fair value of the reporting unit with its carrying value to assess if goodwill has been impaired. The fair value estimates are subjective and sensitive to significant assumptions, such as revenue growth rates, operating margins, the weighted-average cost of capital (WACC), and estimated market multiples, of which are affected by expectations of future market or economic conditions. The Company believes that the methodologies, significant assumptions, and weightings used are reasonable and result in appropriate fair values of the reporting units.

The Company performed its annual impairment test for goodwill as of October 1, 2020 and 2019 and determined that no adjustment to the carrying value was required for the years ended December 31, 2020 and 2019.

Revenue Recognition

Net sales include products and shipping and handling charges, net of estimates for product returns. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products. All revenue is recognized when the Company satisfies the performance obligations under the contract and control of the product is transferred to the customer, primarily based on shipping terms. Revenue for shipping and handling charges are recognized at the time the products are shipped to, delivered to or picked up by the customer. The Company estimates product returns based on historical return rates.

Research and Development

Research and development costs for new products are expensed as incurred and totaled \$2.8 million in 2020, \$3.0 million in 2019 and \$2.4 million in 2018.

Income Taxes

Income taxes are computed in accordance with the provisions of FASB ASC 740, “Income taxes” and includes U.S. (federal and state) and foreign income taxes. In the Consolidated Financial Statements, the benefits of a consolidated return have been reflected where such returns have or could be filed based on the entities and jurisdictions included in the financial statements. Provisions of the U.S. Tax Cuts and Jobs Act ("U.S. Tax Act") became effective for the Company in 2018. The Foreign-Derived Intangible Income (“FDII”) provision generates a deduction against the Company’s U.S. taxable income for U.S. earnings derived offshore that utilize intangibles held by the Company in the U.S. Conversely, the Global Intangible Low-Taxed Income (“GILTI”) provision requires the Company to subject to U.S. taxation a portion of its foreign subsidiary earnings that exceed an allowable return. The Company elects to treat any Global Intangible Low-Taxed Income (“GILTI”) inclusion as a period expense in the year incurred.

Deferred Tax Assets

Deferred taxes are recognized at currently enacted tax rates for temporary differences between the financial reporting and income tax basis of assets and liabilities and operating loss and tax credit carryforwards. The Company establishes a valuation allowance to record deferred tax assets at an amount that is more-likely-than-not to be realized. In the event the Company were to determine that it would be able to realize our deferred tax assets in the future in excess of the recorded amount, an adjustment to the valuation allowance would increase income in the period such determination was made. Likewise, should the Company determine that it would not be able to realize all or part of the net deferred tax assets in the future, an adjustment to the valuation allowance would be charged to expense in the period such determination was made.

Uncertain Tax Positions

The Company identifies tax positions taken on the federal, state, local and foreign income tax returns filed or to be filed. A tax position can include: a reduction in taxable income reported in a previously filed tax return or expected to be reported on a future tax return that impacts the measurement of current or deferred income tax assets or liabilities in the period being reported; a decision not to file a tax return; an allocation or a shift of income between jurisdictions; the characterization of income or a decision to exclude reporting taxable income in a tax return; or a decision to classify a transaction, entity or other position in a tax return as tax exempt. The Company determines whether a tax position is an uncertain or a routine business transaction tax position that is more-likely-than-not to be sustained at the full amount upon examination.

Under FASB ASC 740, “Tax Benefits from Uncertain Tax Positions” that reduce our current or future income tax liability are reported in our financial statements only to the extent that each benefit is recognized and measured under a two-step approach. The first step requires us to assess whether each tax position based on its technical merits and facts and circumstances as of the reporting date, is more-likely-than-not to be sustained upon examination. The second step measures the amount of tax benefit that we would recognize in the financial statements based on a cumulative probability approach. A tax position that meets the more-likely-than-not threshold that is not highly certain is measured based on the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement with the tax authority, assuming that the tax authority has examined the position and has full knowledge of all relevant information.

ASC 740 requires subjectivity to identify outcomes and to assign probability in order to estimate the settlement amount. The Company provides estimates in order to determine settlement amounts. During the year ended December 31, 2020, the Company recorded $.1 million of reserves for uncertain tax positions.

Advertising

Advertising costs are expensed as incurred and totaled $.3 million in 2020 and $1.9 million in both 2019 and 2018.

Foreign Currency Translation

Asset and liability accounts are translated into U.S. dollars using exchange rates in effect at the date of the Consolidated Balance Sheet. The translation adjustments are recorded in Accumulated other comprehensive income (loss). Revenues and expenses are translated at weighted average exchange rates in effect during the period. Transaction gains and losses arising from exchange rate changes on transactions denominated in a currency other than the functional currency are included in income and expense as incurred. Aggregate transaction losses, including hedge activity, for the years ended December 31, 2020, 2019 and 2018 were $1.0 million, $.2 million and $1.5 million, respectively. Upon sale or substantially complete liquidation of an investment in a foreign entity, the cumulative translation adjustment for that entity is reclassified from Accumulated other comprehensive income (loss) to earnings.

Effective July 1, 2018, Argentina was designated as a highly inflationary economy as the projected three-year cumulative inflation rate exceeded 100%. As such, beginning July 1, 2018, the functional currency for the Company's Argentina subsidiary became the U.S. dollar. The impact to the Company's consolidated financial statements for accounting of the Argentina subsidiary under highly inflationary economy rules is not material. Revenue from operations in Argentina was less than 1% of total consolidated net sales for the year ended December 31, 2020 and less than 2% of consolidated net sales for the years ended December 31, 2019 and 2018.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Business Combinations

Upon acquisition of a business, the Company uses the income, market or cost approach (or a combination thereof) for the valuation as appropriate. The valuation inputs in these models and analyses are based on market participant assumptions. Market participants are considered to be buyers and sellers unrelated to the Company in the principal or most advantageous market for the asset or liability.

In the event there is an earn-out associated with an acquisition, the Company uses a valuation model to measure the contingent consideration, which may include significant assumptions such as revenue projections and discount rates. The Company uses a discounted cash flow model to measure the useful lives of intangible assets. The significant assumptions used to estimate the fair value of the intangible assets include discount rates and certain assumptions that form the basis of future cash flows (such as revenue growth rates, attrition rates, and royalty rates). These assumptions relate to the future performance of the acquired businesses, are forward-looking and could be affected by future economic and market conditions.

Fair value estimates are based on a series of judgments about future events and uncertainties and rely heavily on estimates and assumptions. Management values property, plant and equipment using the cost approach supported where available by observable market data, which includes consideration of obsolescence. Acquired inventories are marked to fair value. For certain items, the carrying value is determined to be a reasonable approximation of fair value based on information available to the Company

Derivative Financial Instruments

The Company operates internationally and enters into intercompany transactions denominated in foreign currencies. Consequently, the Company is subject to market risk arising from exchange rate movements between the dates foreign currency transactions occur and the dates they are settled. The Company currently uses foreign currency forward contracts to reduce the risk related to some of these transactions. These contracts usually have maturities of 90 days or less and generally require an exchange of foreign currencies for U.S. dollars at maturity at rates stated in the contracts. These contracts are not designated as hedging instruments under U.S. GAAP. Accordingly, the changes in the fair value of the foreign currency forward contracts are recognized in each accounting period in "Other operating expense - net" on the Consolidated Statements of Income together with the transaction gain or loss from the related balance sheet position. The Company records the contracts at fair value in the Consolidated Balance Sheets. The Company does not hold derivatives for trading purposes.

Recently Adopted Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes" (ASU 2019-12") which simplifies certain specific aspects of ASC 740. ASU 2019-12 addresses the income tax accounting implications of hybrid tax regimes, which includes tax regimes that impose the greater of two taxes, one based on income or one based on items other than income, the treatment of tax basis step-up of goodwill in a transaction that does not qualify as a business combination, the application of the intra-period tax allocation rules in certain situations involving a valuation allowance, the income tax accounting impact on the change of the ownership of an investment from a subsidiary to an equity method investment and a change in an investment from an equity method investment to a subsidiary, income tax accounting related to interim reporting, including the treatment of enacted changes in tax law during interim periods and the treatment of year-to-date loss limitations. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, including interim periods therein. Early adoption of the standard is permitted, including adoption in interim or annual periods for which financial statements have not been issued. The Company has not adopted ASU 2019-12, as ASU 2019-12 would not have a material effect on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, "Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement," which will modify the disclosure requirements on fair value measurements in Topic 820, Fair Value Measurement, including the removal of certain disclosure requirements. The amendments in ASU 2018-13 are effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. The Company adopted the new disclosure requirements beginning in the period ending March 31, 2020. The additional components of this release did not have a material impact on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-14, Compensation – Retirement Benefits – Defined Benefit Plans ("Topic 715"). ASU 2018-14 modifies disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans. Among other requirements, the ASU requires an entity to disclose the reasons for significant gains and losses related to changes in the benefit obligation. Refer to Note C to the Consolidated Financial Statements for further details.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments – Credit Losses ("Topic 326"): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"). ASU 2016-13 changes how entities will measure credit losses for most financial assets and other instruments that are not measured at fair value through net income. This update introduces the current expected credit loss (CECL) model, which will require an entity to measure credit losses for certain financial instruments and financial assets, including trade receivables. Under this update, on initial recognition and at each reporting period, an entity will be required to recognize an allowance that reflects the entity's current estimate of credit losses expected to be incurred over the life of the financial instrument. ASU 2016-13 is effective for public companies in fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The Company has completed its evaluation process and the January 1, 2020 adoption did not have a material impact to the Company's consolidated financial statements for the twelve months ended December 31, 2020.

New Accounting Standards To Be Adopted

In March 2020, the FASB issued ASU No. 2020-04, Reference Rate Reform ("Topic 848"): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. ASU 2020-04 provides for temporary optional expedients and exceptions to the current guidance on certain contract modifications and hedging relationships to ease the burdens related to the expected market transition from the London Inter-bank Offered Rate ("LIBOR") or other reference rates to alternative reference rates. The guidance is available and may be implemented in any period prior to the guidance expiration on December 31, 2022. The Company is currently assessing which of its various contracts will require an update for a new reference rate and will determine the timing for implementation of this guidance at the completion of that analysis.

Note B - Other Financial Statement Information

Inventories – net

	December 31	
	2020	**2019**
Raw materials	$ 53,947	$ 49,729
Work-in-process	9,272	9,352
Finished products	38,801	45,760
	102,020	104,841
Excess of current cost over LIFO cost	(4,483)	(4,667)
Noncurrent portion of inventory	0	(4,456)
	$ 97,537	$ 95,718

Costs for inventories of certain material are determined using the LIFO method and totaled approximately $32.0 million at each of the years ended December 31, 2020 and 2019. The Company's reserves for slow-moving and obsolete inventory at December 31, 2020 and 2019 were $9.9 million and $8.9 million, respectively.

Noncurrent portion of inventory is included in Other assets on the Company's Consolidated Balance Sheets.

Property and equipment – net

Major classes of property, plant and equipment are as follows:

	December 31	
	2020	2019
Land and improvements	$ 22,132	$ 22,218
Buildings and improvements	97,909	82,811
Machinery, equipment and aircraft	176,377	180,221
Construction in progress	9,563	9,460
	305,981	294,710
Less accumulated depreciation	(180,016)	(170,692)
	$ 125,965	$ 124,018

Depreciation of property and equipment was $12.2 million in 2020, $12.3 million in 2019 and $12.1 million in 2018. Machinery, equipment and aircraft includes $.3 million of financing leases at both years ended December 31, 2020 and 2019.

Legal proceedings

The Company can be party to a variety of pending legal proceedings and claims arising in the normal course of business, including, but not limited to, litigation relating to employment, workers' compensation, product liability, environmental and intellectual property. The Company has liability insurance to cover many of these claims.

Although the outcomes of these matters are not predictable with certainty, the Company records a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In the event the Company determines that a loss is not probable, but is reasonably possible, and the likelihood to develop what the Company believes to be a reasonable range of potential loss exists, the Company will include disclosure related to such matters. To the extent that there is a reasonable possibility the losses could exceed amounts already accrued, the Company will adjust the accrual in the period in which the determination is made, disclose an estimate of the additional loss or range of loss and if the amount of such adjustment cannot be reasonably estimated, disclose that an estimate cannot be made. During the year ended December 31, 2020, the Company accrued approximately $2.2 million representing its best estimate for losses to be incurred on a variety of global legal matters.

The Company and its subsidiaries Helix Uniformed Ltd. ("Helix") and Preformed Line Products (Canada) Limited ("PLPC Canada"), were each named, jointly and severally, with each of SNC-Lavalin ATP, Inc. ("SNC ATP"), HD Supply Canada Inc., by its trade names HD Supply Power Solutions and HD Supply Utilities ("HD Supply"), and Anixter Power Solutions Canada Inc. (the corporate successor to HD Supply, "Anixter" and, together with the Company, PLPC Canada, Helix, SNC ATP and HD Supply, the ("Defendants") in a complaint filed by Altalink, L.P. (the "Plaintiff") in the Court of Queen's Bench of Alberta in Alberta, Canada in November 2016 (the "Complaint").

The Complaint states that Plaintiff engaged SNC ATP to design, engineer, procure and construct numerous power distribution and transmission facilities in Alberta (the "Projects") and that through SNC ATP and HD Supply (now Anixter), spacer dampers manufactured by Helix were procured and installed in the Projects. The Complaint alleges that the spacer dampers have and may continue to become loose, open and detach from the conductors, resulting in damage and potential injury and a failure to perform the intended function of providing spacing and damping to the Project. The Plaintiffs are seeking an estimated $56.0 million Canadian dollars in damages jointly and severally from the Defendants, representing the costs of monitoring and replacing the spacer dampers and remediating property damage, due to alleged defects in the design and construction of, and supply of materials for, the Projects by SNC ATP and HD Supply/Anixter and in the design of the spacer dampers by Helix.

The Company believes the claims against it are without merit and intends to vigorously defend against such claims. The Company is unable to predict the outcome of this case, however, it has recorded a reserve for the low end of the range for potential loss associated with this matter. If this matter is concluded in a manner adverse to the Company, it could have a material effect on the Company's financial results.

Note C - Pension Plans

PLP-USA hourly employees of the Company who meet specific requirements as to age and length and date of service are covered by a defined benefit pension plan ("Plan"). On December 12, 2012, the Company approved a freeze on further benefit accruals under the Plan and notified the participants of the freeze on December 19, 2012. Beginning February 1, 2013, participants ceased earning additional benefits under the Plan and no new participants entered the Plan. The Company uses a December 31 measurement date for its Plan.

Net periodic pension cost for the Plan consists of the following components for the year ended December 31:

	2020	2019	2018
Service cost	$ 0	$ 299	$ 250
Interest cost	1,301	1,411	1,349
Expected return on plan assets	(2,251)	(1,946)	(1,985)
Recognized net actuarial loss	475	520	525
Net periodic pension cost	$ (475)	$ 284	$ 139

The following tables set forth benefit obligations, plan assets and the accrued benefit cost of the Plan at December 31:

	2020	2019
Projected benefit obligation at beginning of the year	$ 37,936	$ 33,931
Service cost	0	299
Interest cost	1,301	1,411
Actuarial loss (gain)	4,590	3,528
Benefits paid	(1,245)	(1,233)
Projected benefit obligation at end of year	$ 42,582	$ 37,936
Fair value of plan assets at beginning of the year	$ 32,658	$ 28,672
Actual return on plan assets	5,013	5,219
Employer contributions	330	0
Benefits paid	(1,245)	(1,233)
Fair value of plan assets at end of the year	$ 36,756	$ 32,658
Unfunded pension obligation	$ 5,826	$ 5,278

The actuarial loss in 2020 was primarily the result of a decrease in the Plan discount rate from 3.50% in 2019 to 2.69% in 2020.

In accordance with ASC 715-20, the Company recognizes the underfunded status of the Plan as a liability. The amount recognized in Accumulated other comprehensive loss related to the Plan at December 31 is comprised of the following:

	2020	2019
Balance at January 1	$ (5,671)	$ (5,873)
Reclassification adjustments:		
Pre-tax amortized net actuarial loss	475	520
Tax provision	(112)	(123)
	363	397
Adjustment to recognize gain (loss) on unfunded pension obligations:		
Pre-tax loss	(1,829)	(255)
Tax provision	433	60
	(1,396)	(195)
Balance at December 31	$ (6,704)	$ (5,671)

The 2020 pre-tax unfunded pension obligation loss of $1.8 million included a loss of $5 million due to an .81% decrease in the discount rate to 2.69%, a gain of $.2 million associated with the industry updates to the mortality table used, a gain of $.2 million due to demographic changes combined and a gain of $2.8 million resulting from asset performance above the 6.50% rate of return assumption. There is no prior service cost to be amortized in the future.

The Plan had accumulated benefit obligations in excess of Plan assets as follows:

	2020	2019
Accumulated benefit obligation	$ 42,582	$ 37,936
Fair market value of assets	$ 36,756	$ 32,658

Weighted-average assumptions used to determine benefit obligations at December 31	**2020**	**2019**
Discount rate	2.69%	3.50%
Rate of compensation increase	n/a	n/a

Weighted-average assumptions used to determine net periodic benefit cost at December 31	**2020**	**2019**	**2018**
Discount rate	3.50%	3.50%	4.25%
Rate of compensation increase	n/a	n/a	n/a
Expected long-term return on plan assets	7.00	7.00	8.00

The net periodic pension cost for 2020 was based on a long-term asset rate-of-return of 7.00%. This rate is based upon management's estimate of future long-term rates of return on similar assets and is consistent with historical returns on such assets.

During the year ended December 31, 2019, the Company changed its Plan asset base from a combined Level 1 and Level 2 allocation to utilize net asset value ("NAV") as the practical expedient for its pooled investment funds and the assets are no longer classified in the fair value hierarchy. At December 31, 2020 and 2019, the Plan's pooled investment funds were measured at fair value using the NAV. The NAV is based on the value of the assets owned by the plan, less liabilities. These pooled assets are not quoted on an active exchange. The fair value of the Plan assets as of December 31, 2020 and 2019, by category, are as follows:

Assets measured at net asset value	**2020**	**2019**
Pooled investment fund	$ 36,756	$ 32,658
Total	$ 36,756	$ 32,658

The Plan weighted-average asset allocations at December 31, 2020 and 2019, by asset category, are as follows:

	Plan assets at December 31	
Asset category	**2020**	**2019**
Equity securities	47 %	48 %
Debt securities	53	51
Cash and equivalents	0	1
	100 %	100 %

Management seeks to maximize the long-term total return of financial assets consistent with the fiduciary standards of ERISA. The ability to achieve these returns is dependent upon the need to accept moderate risk to achieve long-term capital appreciation.

In recognition of the expected returns and volatility from financial assets, Plan assets are invested in the following ranges with the target allocation noted:

	Range	**Target**
Equities	40-60%	50%
Fixed Income	40-60%	50%
Cash Equivalents	0-10%	0.0%

Investment in these markets is projected to provide performance consistent with expected long-term returns with appropriate diversification.

The Company's policy is to fund amounts deductible for federal income tax purposes. The Company does not currently expect to contribute to the Plan in 2021.

The benefits expected to be paid out of the Plan assets in each of the next five years and the aggregate benefits expected to be paid for the subsequent five years are as follows:

Year	Pension Benefits
2021	$ 1,273
2022	1,359
2023	1,449
2024	1,540
2025	1,616
2026-2030	9,344

The Company also provides retirement benefits through various defined contribution plans including PLP-USA's Profit Sharing Plan. Expense for these defined contribution plans was $5.9 million in 2020, $4.9 million in 2019 and $5.6 million in 2018.

Further, the Company also provides retirement benefits through the Supplemental Profit Sharing Plan. To the extent an employee's award under PLP-USA's Profit Sharing Plan exceeds the maximum allowable contribution permitted under existing tax laws, the excess is accrued for (but not funded) under a non-qualified Supplemental Profit Sharing Plan. The Supplemental Profit Sharing Plan allows participants the ability to hypothetically invest their proportionate award into various investment options, which primarily includes mutual funds. Expense for the Supplemental Profit Sharing Plan was $1.1 million for both 2020 and 2019 and $.2 million for 2018. The Supplemental Profit Sharing Plan unfunded status for the years ended December 31, 2020 and 2019 was $7.1 million and $6.1 million, respectively, and is included in Other noncurrent liabilities.

Note D - Accumulated Other Comprehensive Income ("AOCI")

The following tables set forth the total changes in AOCI by component, net of tax:

	Year Ended December 31, 2020			Year Ended December 31, 2019		
	Unrecognized Benefit Cost	Cumulative Translation Adjustment	Total	Unrecognized Benefit Cost	Cumulative Translation Adjustment	Total
Balance at January 1	$ (5,671)	$ (51,682)	$ (57,353)	$ (5,873)	$ (53,710)	$ (59,583)
Other comprehensive income before reclassifications:						
Gain (loss) on foreign currency translation adjustment	0	3,835	3,835	0	2,028	2,028
Loss on unfunded pension obligations	(1,396)	0	(1,396)	(195)	0	(195)
Amounts reclassified from AOCI:						
Amortization of defined benefit pension actuarial loss (a)	363	0	363	397	0	397
Net current period other comprehensive income (loss)	(1,033)	3,835	2,802	202	2,028	2,230
Balance at December 31	$ (6,704)	$ (47,847)	$ (54,551)	$ (5,671)	$ (51,682)	$ (57,353)

(a) This AOCI component is included in the computation of net periodic pension costs as noted in Note C – Pension Plans.

Note E - Debt and Credit Arrangements

	December 31	
	2020	2019
Short-term debt		
Secured notes		
Thailand Bhat denominated at 3.60%	$ 5,291	$ 3,670
Thailand Bhat denominated at 3.29%	2,384	1,882
Thailand Bhat denominated at 2.97%	957	0
France Euro denominated at 2.50%	6,142	0
Brazil Real denominated at 2.83%	0	1,152
Brazil Real denominated at 5.40%	1,854	752
Brazil Real denominated at 9.40%	0	1,240
Brazil Real denominated at 3.30%	800	0
Current portion of long-term debt		
U.S. dollar denominated at 2.71%	0	1,448
Austria Euro denominated at 2.48%	25	30
Austria Euro denominated at 1.40%	0	560
Austria Euro denominated at 3.00%	22	22
Indonesia U.S. Dollar denominated at 3.50%	800	800
New Zealand U.S. Dollar denominated at 3.25%	4,369	494
Total short-term debt	22,644	12,050
Long-term debt		
U.S. Dollar denominated at 1.27%, due 2024	12,706	21,552
U.S. Dollar denominated at 2.71%, due 2026	0	9,535
Brazilian Real denominated at 4.60% due 2022	68	147
Brazilian Real denominated at 8.30% due 2025	1,800	0
Poland Zloty denominated at 1.33% due 2024	6,696	6,524
Australian Dollar denominated at 1.15%, due 2024	5,288	5,526
Austria Euro denominated at 2.48% due 2022	25	0
Austria Euro denominated at 2.32% due 2030	128	224
Austria Euro denominated at 2.76% due 2022	67	0
Austria Euro denominated at 1.27% due 2024	614	560
Austria Euro denominated at 3.00% due 2025	121	134
Indonesia U.S Dollar denominated at 3.50% due 2024	6,667	7,467
New Zealand Dollar denominated at 3.25% due 2021	4,369	0
New Zealand Dollar denominated at 3.90% due 2021	0	5,407
Total long-term debt	38,549	57,076
Less current portion	(5,216)	(3,354)
Total long-term debt, less current portion	33,333	53,722
Total debt	$ 55,977	$ 65,772

On April 17, 2020, the Company extended the term on its $65.0 million credit facility from June 30, 2021 to June 30, 2024 and added its Austrian subsidiary as a borrower on the facility. All other terms remain the same, including the interest rate at LIBOR plus 1.125% unless its funded debt to Earnings before Interest, Taxes and Depreciation ratio exceeds 2.25 to 1, at which point the LIBOR spread becomes 1.500%. At December 31, 2020, the Company's Polish subsidiary had borrowed $6.7 million U.S. dollars at a rate of 1.125% plus the Warsaw Interbank Offer Rate with a term expiring June 30, 2024. At December 31, 2020, the Company's Australian subsidiary had borrowed $5.3 million U.S. dollars, also with a term expiring June 30, 2024. At December 31, 2020, the interest rates on the U.S., Polish and Australian line of credit agreement were 1.269%, 1.325% and 1.145%, respectively. Under the credit facility, at December 31, 2020, the Company had utilized $25.4 million with $39.6 million available under the line of credit, net of long-term outstanding letters of credit of $.1 million. The line of credit agreement contains, among other provisions, requirements for maintaining levels of net worth and profitability. At December 31, 2020, the Company was in compliance with these covenants.

On December 22, 2020, the Company sold its corporate aircraft which had an outstanding balance of $8.1 million, of which $1.4 was classified as current. At December 31, 2020, the balance on this credit facility was zero. In September 2020, the company placed a $6.8 million deposit on a new corporate aircraft. Subsequently, in January 2021, the Company purchased the new corporate aircraft and the deposit was refunded and then included in the principal value of the loan. See Note Q for more information regarding this transaction.

On February 28, 2019, the Company acquired its Austrian subsidiary, SubCon Electrical Fittings GmbH ("SubCon"), headquartered in Dornbirn, Austria. The Company's Austrian subsidiary had a 1.0 million euros, or $1.1 million U.S. dollars line of credit with a term expiration of May 31, 2021 with the option to renew for an additional twelve months indefinitely. On June 26, 2020, the Company's Austrian subsidiary borrowed $.6 million on the Company's line of credit at an interest rate of 1.273%. The proceeds were used to repay the previously outstanding local line of credit. At repayment, the local line of credit was cancelled.

On April 25, 2019, the Company borrowed $8.0 million U.S. dollars on behalf of its Indonesian subsidiary at a rate of 3.501% with a term expiring on April 30, 2024. At December 31, 2020, $6.7 million was outstanding on this debt facility, of which $.8 million is classified as current.

On August 14, 2019, the Company's New Zealand subsidiary borrowed $5.3 million U.S. dollars at a rate of 3.900% with a term expiring on August 26, 2021. At December 31, 2020, $4.4 million was outstanding on this facility, all of which is classified as current and has an interest rate of 3.250%. This loan is secured by the Company's New Zealand subsidiary's land and building.

The Company's Asia Pacific segment had $.6 million and $.3 million in restricted cash at December 31, 2020 and 2019, respectively. The restricted cash was used to secure bank debt and is included in Cash and cash equivalents and Other current assets on the Company's Consolidated Balance Sheets at December 31, 2020 and 2019, respectively.

Aggregate maturities of long-term debt during the next five years are as follows: $22.6 million for 2021, $1.0 million for 2022, $.8 million for 2023, $26.1 million for 2024 and $5.4 million thereafter.

Interest paid was $1.9 million in 2020, $2.0 million in 2019 and $1.8 million in 2018.

Guarantees and Letters of Credit

The Company has provided financial guarantees for uncompleted work and financial commitments. The terms of these guarantees vary with end dates ranging from the current year through the completion of such transactions. The guarantees would typically be triggered in the event of non-performance. As of December 31, 2020, the Company had total outstanding guarantees of $9.8 million. Additionally, certain domestic and foreign customers require the Company to issue letters of credit or performance bonds as a condition of placing an order. As of December 31, 2020, the Company had total outstanding letters of credit of $8.0 million.

Note F - Leases

The Company adopted guidance effective in ASU 2016-02, "Leases (Topic 842)" on January 1, 2019. Adoption of this guidance did not change the Company's balance sheet or income statement recognition of finance leases. As a result of adopting this guidance, the Company recorded short and long-term lease liabilities and corresponding right-of-use assets related to its operating leases.

The Company regularly enters into leases in the normal course of business. As of December 31, 2020, the leases in effect were related to land, buildings, vehicles, office equipment and other production equipment under operating leases with lease terms of up to 99 years. The Company often has the option to renew lease terms for buildings and other assets. The exercise of lease renewal options is generally at the Company's sole discretion. In addition, certain lease arrangements may be terminated prior to their original expiration date at the Company's discretion.

The Company evaluates renewal and termination options at the lease commencement date to determine if the Company is reasonably certain to exercise the option on the basis of economic factors. The weighted average remaining lease term for the Company's operating and financing leases as of December 31, 2020 was 17.7 and 3.6 years, respectively.

Lease expense is recognized for these leases on a straight-line basis over the lease term with variable lease payments recognized in the period those payments are incurred. The components of operating and finance lease costs are recognized in Costs and expenses and Interest expense, respectively, on the Company's Consolidated Statements of Income. The Company's operating and finance lease costs for the year ended December 31, 2020 were as follows:

	Year Ended December 31	
	2020	2019
Components of lease expense		
Operating lease cost	$ 2,957	$ 3,138
Finance lease cost		
Amortization of right-of-use assets	66	67
Interest on lease liabilities	9	11
Total lease cost	$ 3,032	$ 3,216

The discount rate implicit within each lease is often not determinable and, therefore, the Company establishes the discount rate based on its incremental borrowing rate. The incremental borrowing rate for the Company's leases is determined based on lease term and currency in which lease payments are made, adjusted for impacts of collateral. The weighted average discount rate used to measure the Company's operating and finance lease liabilities as of December 31, 2020 and December 31, 2019 was 4.46% and 4.33%, respectively.

Future maturities of the Company's lease liabilities as of December 31, 2020 are as follows:

	Year Ended December 31, 2020	
	Operating Leases	Finance Leases
2021	$ 2,580	$ 83
2022	2,156	64
2023	1,482	60
2024	777	30
2025 and thereafter	9,928	19
Total lease payments	$ 16,923	$ 256
Less amount of lease payment representing interest	5,940	19
Total present value of lease payments	$ 10,983	$ 237

Amounts recognized as finance lease obligations are reported in Accrued expense and other liabilities and Other noncurrent liabilities in the Consolidated Balance sheets.

The total minimum sublease rentals under noncancelable subleases to be received through 2023 is $2.6 million.

Supplemental cash flow information related to leases for the year ended December 31, 2020 was as follows:

	Year Ended December 31	
	2020	2019
Supplemental cash flow information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 2,793	$ 5,321
Operating cash flows from finance leases	9	11
Financing cash flows from finance leases	118	100

Note G - Income Taxes

The Company recorded net tax provisions of $10.8 million, $8.1 million, and $6.0 million for the years ended December 31, 2020, 2019, and 2018, respectively. Cash taxes paid net of refunds were $7.7 million, $7.8 million, and $5.6 million for the years ending December 31, 2020, 2019, and 2018, respectively.

Income before income taxes was derived from the following sources:

	2020	2019	2018
United States	$ 22,725	$ 11,353	$ 10,268
Foreign	17,846	20,105	22,320
	$ 40,571	$ 31,458	$ 32,588

The components of income taxes for the years ended December 31 are as follows:

	2020	2019	2018
Current			
Federal	$ 7,909	$ 2,835	$ (904)
Foreign	5,093	6,170	6,247
State and local	1,188	391	350
	14,190	9,396	5,693
Deferred			
Federal	(2,290)	(10)	801
Foreign	(445)	(1,347)	(608)
State and local	(645)	83	121
	(3,380)	(1,274)	314
Income taxes	$ 10,810	$ 8,122	$ 6,007

The differences between the provision for income taxes at the U.S. federal statutory rate and the tax shown in the Statements of Consolidated Income for the years ended December 31 are summarized as follows:

	2020	2019	2018
U. S. federal statutory tax rate	21%	21%	21%
Federal tax at statutory rate	$ 8,520	$ 6,606	$ 6,843
State and local taxes, net of federal benefit	942	308	273
U.S. federal permanent items	1,323	621	240
Global intangible low-taxed income	1,222	1,738	1,721
Foreign tax credits	(1,204)	(1,422)	(1,707)
Transition tax	0	0	(1,780)
Non-U.S. tax rate variances	1,330	929	1,011
Valuation allowance	(245)	(346)	(57)
Tax credits	(349)	(464)	(295)
Tax act impact, deferred rate	0	0	(680)
Other, net	(729)	152	438
	$ 10,810	$ 8,122	$ 6,007

Deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the tax basis of assets and liabilities and their carrying value for financial statement purposes. The tax effects of temporary differences that give rise to the Company's deferred tax assets and liabilities at December 31 are as follows:

	2020	2019
Deferred tax assets:		
Accrued compensation and benefits	$ 1,518	$ 1,180
Inventory valuation reserves	2,535	2,384
Allowance for doubtful accounts	480	473
Benefit plan reserves	7,564	7,586
Net operating loss carryforwards	1,851	3,003
Other accrued expenses	3,825	3,012
Unrealized foreign exchange	799	718
Other	284	0
Gross deferred tax assets	18,856	18,356
Valuation allowance	(2,912)	(3,137)
Net deferred tax assets	15,944	15,219
Deferred tax liabilities:		
Depreciation and other basis differences	(4,514)	(6,867)
Intangibles	(3,419)	(3,742)
Other	(69)	(162)
Deferred tax liabilities	(8,002)	(10,771)
Net deferred tax assets	$ 7,942	$ 4,448

	2020	2019
Change in net deferred tax assets:		
Deferred income tax expense		
Ordinary movement	$ 3,380	$ 1,275
Deferred tax balances from business acquisition	0	(1,883)
Items of other comprehensive income (loss)	319	(62)
Currency translation	(205)	(71)
Total change in net deferred tax assets	$ 3,494	$ (741)

Deferred taxes are recorded at a rate at which such items are expected to reverse based on currently enacted tax rates for temporary differences between the financial reporting and income tax basis of assets and liabilities and operating loss and tax credit carryforwards.

At December 31, 2020, the Company had $7.0 million of foreign net operating loss carryforwards of which $5.4 million has an indefinite carryforward and $1.6 million will expire between the years 2024 and 2030.

The Company assesses the available positive and negative evidence to determine if it is more likely than not sufficient future taxable income will be generated to utilize the existing deferred tax assets by jurisdiction. Based on this evaluation, the Company has established a valuation allowance of $2.9 million at December 31, 2020 in order to measure only the portion of the deferred tax asset that is more likely than not to be realized. The net decrease in the valuation allowance during the year was $.3 million, of which $.2 million impacts the income tax provision and the remainder relates to currency translation.

The Company considers the majority of the earnings in our non-U.S. subsidiaries to be permanently reinvested and accordingly did not record any associated deferred income taxes on such earnings. Accordingly, the Company intends to continue to invest approximately $115.8 million of such earnings, as well as our capital in these subsidiaries, indefinitely outside of the U.S.

The Company is subject to taxation in the U.S. and various state and foreign jurisdictions. As of December 31, 2020, with few exceptions, the Company is no longer subject to U.S. federal examinations by tax authorities for years before 2015 and state, local or foreign examinations by tax authorities for years before 2014.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits related to uncertain tax positions, excluding interest and penalties, for the year ended December 31:

	2020	2019	2018
Balance at January 1	$ 118	$ 0	$ 0
Additions for tax positions of current year	0	0	0
Additions for tax positions of prior years	0	118	0
Reductions for tax positions of prior years	0	0	0
Expiration of statutes of limitations	(52)	0	0
Balance at December 31	$ 66	$ 118	$ 0

The Company records accrued interest as well as penalties related to unrecognized tax benefits as part of the provision for income taxes. During the year ended December 31, 2020, the 2016 portion of the Company's uncertain tax position in the amount of $.1 million expired due to the stature of limitation taking effect. The Company had no significant activity with regard to unrecognized tax benefits. The Company had less than $.1 million of accrued interest and penalties as of December 31, 2020 and 2019. There was no accrued interest or penalties as of December 31, 2018. The remaining balance of $.1 million will expire within the next twelve months due to the statute of limitations.

Note H - Share-Based Compensation

Long Term Incentive Plan of 2008 and 2016 Incentive Plan

The Company maintains an equity award program to give the Company a competitive advantage in attracting, retaining, and motivating officers, employees and directors and to provide an incentive to those individuals to increase shareholder value through long-term incentives directly linked to the Company's performance. Under the Preformed Line Products Company Long Term Incentive Plan of 2008 (the "LTIP"), certain employees, officers, and directors were eligible to receive awards of options, restricted shares and restricted share units (RSUs). The total number of Company common shares reserved for awards under the LTIP was 900,000, of which 800,000 common shares were reserved for RSUs and 100,000 common shares were reserved for share options. The Preformed Line Products Company 2016 Incentive Plan (the "Incentive Plan") was put in place upon approval by the Company's Shareholders at the 2016 Annual Meeting of Shareholders on May 10, 2016. No further awards will be made under the LTIP and previously granted awards remain outstanding in accordance with their terms. Under the Incentive Plan, certain employees, officers, and directors will be eligible to receive awards of options, restricted shares and RSUs. The total number of Company common shares reserved for awards under the Incentive Plan is 1,000,000 of which 900,000 common shares have been reserved for restricted share awards and 100,000 common shares have been reserved for share options. As of December 31, 2020, 40,500 options and 316,685 restricted shares have been granted under the Incentive Plan. The Incentive Plan expires on May 10, 2026.

Restricted Share Units

For the regular annual grants, a portion of the RSUs is subject to time-based cliff vesting and a portion is subject to vesting based upon the Company's performance over a set period for all participants except the CEO. All of the CEO's regular annual RSUs are subject to vesting based upon the Company's performance over a set-year period.

The RSUs are offered at no cost to the employees, however, the participant must remain employed with the Company until the restrictions on the RSUs lapse. The fair value of RSUs is based on the market price of a common share on the grant date. Dividends declared are accrued.

A summary of the RSUs for the year ended December 31, 2020 is as follows:

	Restricted Share Awards			
	Performance and Service Required	Service Required	Total Restricted Awards	Weighted-Average Grant-Date Fair Value
Nonvested as of January 1, 2020	196,342	15,292	211,634	$ 53.68
Granted	71,539	9,547	81,086	54.25
Vested	(73,053)	(6,290)	(79,343)	56.13
Forfeited	(11,051)	(2,763)	(13,814)	61.29
Nonvested as of December 31, 2020	183,777	15,786	199,563	$ 60.33

For time-based RSUs, the Company recognizes stock-based compensation expense on a straight-line basis over the requisite service period of the award in General and administrative expense in the accompanying Statements of Consolidated Income. Annual compensation expense related to the time-based RSUs for the years ended December 31, 2020, 2019 and 2018 was $.4 million, $.5 million and $.5 million, respectively. During the year ended December 31, 2020, a former Officer of the Company forfeited 2,763 RSUs granted during 2020, 2019 and 2018. As of December 31, 2020, there was $.5 million of total unrecognized compensation cost related to time-based RSUs that is expected to be recognized over the weighted-average remaining period of approximately 1.7 years.

For the performance-based RSUs, the number of RSUs in which the participants will vest depends on the Company's level of performance measured by growth in pre-tax income and sales growth over a requisite performance period. Depending on the extent to which the performance criteria are satisfied under the LTIP, the participants are eligible to earn common shares over the vesting period. Performance-based compensation expense for the years ended December 31, 2020, 2019 and 2018 was $3.5 million, $3.9 million and $3.7 million, respectively. During the year ended December 31, 2020, a former Officer of the Company forfeited 11,051 RSUs granted during 2020, 2019 and 2018. As of December 31, 2020, the remaining performance-based RSUs compensation expense of $3.6 million is expected to be recognized over a period of approximately 1.7 years.

The excess tax benefits from service and performance-based RSUs was $.4 million, $.5 million and $.2 million for the years ended December 31, 2020, 2019 and 2018, respectively. This represents the reduction in income taxes otherwise payable during the period attributable to the actual gross tax benefits in excess of the expected tax benefits for restricted shares vested in the current period.

In the event of a Change in Control (as defined in the LTIP and Incentive Plan), vesting of the RSUs will be accelerated and all restrictions will lapse. Nonvested performance-based awards are based on a maximum target potential payout. Actual shares awarded at the end of the performance period may be less than the maximum potential payout level depending on achievement of performance-based award objectives.

To satisfy the vesting of its RSUs, the Company has reserved new shares from its authorized but unissued shares. Any additional granted awards will also be issued from the Company's authorized but unissued shares.

Deferred Compensation Plan

The Company maintains a trust, commonly referred to as a rabbi trust, in connection with the Company's deferred compensation plan. This plan allows for two deferrals. First, Directors make elective deferrals of Director fees payable and held in the rabbi trust. The deferred compensation plan allows the Directors to elect to receive Director fees in common shares of the Company at a later date instead of fees paid each quarter in cash. Second, this plan allows certain Company employees to defer restricted shares or RSUs for future distribution in the form of common shares. Assets of the rabbi trust are consolidated, and the value of the Company's stock held in the rabbi trust is classified in Shareholders' equity and generally accounted for in a manner similar to treasury stock. The Company recognizes the original amount of the deferred compensation (fair value of the deferred stock award at the date of grant) as the basis for recognition in common shares issued to the rabbi trust. Changes in the fair value of amounts owed to certain employees or Directors are not recognized as the Company's deferred compensation plan does not permit diversification and must be settled by the delivery of a fixed number of the Company's common shares. As of December 31, 2020, 265,508 LTIP shares have been deferred and are being held by the rabbi trust.

Share Option Awards

The LTIP permitted and now the Incentive Plan permits the grant of 100,000 options to buy common shares of the Company to certain employees at not less than fair market value of the shares on the date of grant. Options issued to date under the LTIP and Incentive Plan vest 50% after one year following the date of the grant, 75% after two years, and 100% after three years and expire from five to ten years from the date of grant. Shares issued as a result of stock option exercises will be funded with the issuance of new shares.

The Company utilizes the Black-Scholes option pricing model for estimating fair values of options. The Black-Scholes model requires assumptions regarding the volatility of the Company's stock, the expected life of the stock award and the Company's dividend yield. The Company utilizes historical data in determining these assumptions. The risk-free rate for periods within the contractual life of the option is based on the U.S. zero coupon Treasury yield in effect at the time of grant. Forfeitures have been estimated to be zero.

There were 25,500 options granted during the year ended December 31, 2020 and 5,000 granted in both years ended December 31, 2019 and 2018. The fair values for the stock options granted were estimated at the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2020	2019	2018
Risk-free interest rate	1.8%	1.8%	2.8%
Dividend yield	1.6%	1.6%	1.6%
Expected life (years)	5	5	5
Expected volatility	42.0%	42.0%	40.0%

Activity in the Company's LTIP and Incentive Plan for the year ended December 31, 2020 was as follows:

	Number of Shares	Weighted Average Exercise Price per Share	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding at January 1, 2020	31,750	$ 58.77		
Granted	25,500	$ 48.13		
Exercised	(5,050)	$ 47.68		
Forfeited	(1,250)	$ 48.00		
Outstanding (vested and expected to vest) at December 31, 2020	50,950	$ 54.81	7.5	$ 726
Exercisable at December 31, 2020	21,700	$ 61.77	5.0	$ 151

The weighted-average grant-date fair value of options granted during 2020 was $48.13 There were 5,050, 4,000, and 3,500 stock options exercised during the years ended December 31, 2020, 2019 and 2018, respectively. The total intrinsic value of stock options exercised was less than $.1 million for the year ended December 31, 2020 and $.1 million for both years ended December 31, 2019 and 2018. Cash received for the exercise of stock options during 2020 was $.2 million and $.2 million in 2020 and 2019, respectively.

For the year ended December 31, 2020, the Company recorded compensation expense related to the stock options currently vested of $.1 million and less than $.1 million in both years ended December 31, 2019 and 2018. The total compensation cost related to nonvested awards not yet recognized at December 31, 2020 is expected to be $.3 million over a weighted-average period of approximately 2.2 years.

The excess tax benefits from share-based awards for each of the years ended December 31, 2020, 2019 and 2018 was less than $.1 million. This represents the reduction in income taxes otherwise payable during the period attributable to the actual gross tax benefits in excess of the expected tax benefits for options exercised in the current period.

Note I - Computation of Earnings Per Share

Basic earnings per share were computed by dividing net income by the weighted-average number of common shares outstanding for each respective period. Diluted earnings per share were calculated by dividing net income by the weighted-average of all potentially dilutive common shares that were outstanding during the years presented.

The calculation of basic and diluted earnings per share for the year ended December 31 was as follows:

	2020	2019	2018
Numerator			
Net income	$ 29,803	$ 23,303	$ 26,581
Denominator			
Determination of shares (in thousands)			
Weighted-average common shares outstanding	4,923	5,031	5,032
Dilutive effect - share-based awards	61	56	75
Diluted weighted-average common shares outstanding	4,984	5,087	5,107
Earnings per common share			
Basic	$ 6.05	$ 4.63	$ 5.28
Diluted	$ 5.98	$ 4.58	$ 5.21

For the year ended December 31, 2020, 2019 and 2018, 37,919, 15,041 and 260 stock options, respectively, were excluded from the calculation of diluted earnings per share as the effect would have been anti-dilutive.

Note J - Goodwill and Other Intangibles

The Company's finite and indefinite-lived intangible assets consist of the following:

	December 31, 2020		December 31, 2019	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangible assets				
Patents	$ 4,806	$ (4,806)	$ 4,806	$ (4,806)
Land use rights	1,286	(396)	1,128	(331)
Trademark	1,756	(1,474)	1,718	(1,358)
Technology	7,673	(2,402)	7,185	(1,708)
Customer relationships	16,441	(8,441)	15,811	(7,329)
	$ 31,962	$ (17,519)	$ 30,648	$ (15,532)
Indefinite-lived intangible assets				
Goodwill	$ 29,508		$ 27,840	

The Company performs its annual impairment test for goodwill utilizing a combination of the income approach, which uses a discounted cash flow methodology, and the market approach, which uses comparable market multiples, and an overall market capitalization reasonableness test in computing fair value by reporting unit. The Company then compares the fair value of the reporting unit with its carrying value to assess if goodwill has been impaired. The fair value estimates are subjective and sensitive to significant assumptions, such as revenue growth rates, operating margins, the weighted-average cost of capital (WACC), and estimated market multiples, of which are affected by expectations of future market or economic conditions. The Company believes that the methodologies, significant assumptions, and weightings used are reasonable and result in appropriate fair values of the reporting units.

The Company performed its annual impairment test for goodwill as of October 1, 2020 and October 1, 2019 and determined that no adjustment to the carrying value was required.

	USA	The Americas	EMEA	Asia-Pacific	Total
Balance at January 1, 2019	$ 3,078	$ 3,997	$ 1,355	$ 7,191	$ 15,621
Currency translation	0	161	(45)	(29)	87
Goodwill acquired during the year	0	0	18,619	0	18,619
Purchase price allocation adjustments	0	0	(6,487)	0	(6,487)
Balance at December 31, 2019	3,078	4,158	13,442	7,162	27,840
Currency translation	0	93	1,007	568	1,668
Balance at December 31, 2020	$ 3,078	$ 4,251	$ 14,449	$ 7,730	$ 29,508

The Company's only intangible asset with an indefinite life is goodwill. The Company's goodwill is not deductible for tax purposes. Of the $6.5 million in purchase price allocation adjustments at December 31, 2019, $6.3 million represented an allocation to definite lived intangible assets and $.2 million represented an inventory step-up allocation. Refer to Note O "Business Combinations" for additional details regarding the Company's purchase price allocations during fiscal 2019.

The aggregate amortization expense for other intangibles with finite lives, ranging from 4 to 82 years, for the year ended December 31, 2020 was $1.8 million and was $1.5 million for both years ended December 31, 2019 and 2018. Amortization expense is estimated to be $1.7 million for 2021, $1.6 million for 2022, 2023 and 2024 and $1.4 million for 2025. The weighted-average remaining amortization period is approximately 12.4 years. The weighted-average remaining amortization period by intangible asset class; patents, 5.0 years; land use rights, 55.6 years; trademark, 8.6 years; technology, 10.1 years and customer relationships, 9.5 years.

Note K - Fair Value of Financial Assets and Liabilities

The Company measures and records certain assets and liabilities at fair value. A fair value hierarchy is used for those assets and liabilities measured at fair value that distinguishes between assumptions based on market data (observable inputs), and the Company's assumptions (unobservable inputs). The hierarchy consists of the following three levels:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 Inputs other than Level 1 inputs that are either directly or indirectly observable, which may include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 Inputs to the valuation methodology are unobservable and developed using estimates and assumptions developed by the Company which reflect those that a market participant would use.

The following table summarizes the Company's assets and liabilities, recorded and measured at fair value, in the consolidated balance sheets as of December 31, 2020 and 2019:

Description	Balance as of December 31, 2020	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Foreign currency forward contracts	$ 359	$ 0	$ 359	$ 0
Total Assets	$ 359	$ 0	$ 359	$ 0
Liabilities:				
Supplemental profit sharing plan	$ 7,143	$ 0	$ 7,143	$ 0
Foreign currency forward contracts	56	0	56	0
Earn-out	0	0	0	0
Total Liabilities	$ 7,199	$ 0	$ 7,199	$ 0

Description	Balance as of December 31, 2019	Quoted Prices in Active Markets for Identical Assets or Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities:				
Supplemental profit sharing plan	$ 6,059	$ 0	$ 6,059	$ 0
Earn-out	581	0	0	581
Total Liabilities	$ 6,640	$ 0	$ 6,059	$ 581

The Company operates internationally and enters into intercompany transactions denominated in foreign currencies. Consequently, the Company is subject to market risk arising from exchange rate movements between the dates foreign currency transactions occur and the dates they are settled. The Company currently uses foreign currency forward contracts to reduce the risk related to some of these transactions. These contracts usually have maturities of 90 days or less and generally require an exchange of foreign currencies for U.S. dollars at maturity at rates stated in the contracts. These contracts are not designated as hedging instruments under U.S. GAAP. Accordingly, the changes in the fair value of the foreign currency forward contracts are recognized in each accounting period in "Other operating expense - net" on the Consolidated Statements of Income together with the transaction gain or loss from the related balance sheet position. For the twelve months ended December 31, 2020 and 2019, the Company recognized a net gain of $.4 million and loss of $.2 million, respectively, on foreign currency forward contracts. The gains and losses on foreign currency forward contracts are recorded in Other operating expense, net on the Company's Statement of Consolidated Income.

The Company has a non-qualified Supplemental Profit Sharing Plan for its executives. The liability for this unfunded Supplemental Profit Sharing Plan was $7.1 million at December 31, 2020 and $6.1 million at December 31, 2019. These amounts are recorded within Other noncurrent liabilities on the Company's Consolidated Balance Sheets. The Supplemental Profit Sharing Plan allows participants the ability to hypothetically invest their proportionate award into various investment options, which primarily includes mutual funds. The Company credits earnings, gains and losses to the participants' deferred compensation account balances based on the investments selected by the participants. The Company measures the fair value of the Supplemental Profit Sharing Plan liability using the market values of the participants' underlying investment accounts.

The earn-out represents the estimated fair value of additional cash consideration payable in connection with a recent acquisition that is contingent upon the achievement of certain performance milestones using expected future cash flows over the earn-out period and applied a discount rate that appropriately captures the risk associated with the obligation. These are considered to be Level 3 inputs. The contingent liabilities of $0 and $.6 million are recorded in Other noncurrent liabilities on the Company's Consolidated Balance Sheets as of December 31, 2020 and 2019, respectively.

The carrying value of the Company's current financial instruments, which include cash and cash equivalents, accounts receivable, accounts payable and short-term debt, approximates fair value because of the short-term maturity of these instruments.

At December 31, 2020, the fair value of the Company's long-term debt was estimated using discounted cash flows analysis, based on the Company's current incremental borrowing rates for similar types of borrowing arrangements that are considered to be Level 2 inputs. Based on the analysis performed, the fair value and the carrying value of the Company's long-term debt are as follows:

	December 31, 2020		December 31, 2019	
	Fair Value	Carrying Value	Fair Value	Carrying Value
Long-term debt and related current maturities	$ 38,726	$ 38,549	$ 56,539	$ 57,076

Note L - Revenue

Revenue recognition

Net sales include products and shipping and handling charges, net of estimates for product returns. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products. All revenue is recognized when the Company satisfies the performance obligations under the contract and control of the product is transferred to the customer, primarily based on shipping terms. Revenue for shipping and handling charges are recognized at the time the products are shipped to, delivered to or picked up by the customer. The Company estimates product returns based on historical return rates.

Disaggregated revenue

The Company's revenues by segment and product type are as follows:

	Year Ended December 31, 2020				
Product Type	PLP-USA	The Americas	EMEA	Asia-Pacific	Consolidated
Energy	62%	78%	57%	70%	66%
Communications	32%	17%	36%	4%	24%
Special Industries	6%	5%	7%	26%	10%
Total	100%	100%	100%	100%	100%

	Year Ended December 31, 2019				
Product Type	PLP-USA	The Americas	EMEA	Asia-Pacific	Consolidated
Energy	62%	67%	68%	72%	67%
Communications	30%	27%	24%	6%	22%
Special Industries	8%	6%	8%	22%	11%
Total	100%	100%	100%	100%	100%

Note M - Segment Information

The Company designs, manufactures and sells hardware employed in the construction and maintenance of telecommunication, energy and other utility networks, data communication products and mounting hardware for solar power applications. Principal products include cable anchoring, control hardware and splice enclosures, which are sold primarily to customers in North and South America, Europe, South Africa and Asia-Pacific.

The Company reports its segments in four geographic regions: PLP-USA, The Americas, EMEA (Europe, Middle East & Africa) and Asia-Pacific in accordance with accounting standards codified in Financial Accounting Standards Board "FASB" Accounting Standards Codification "ASC" 280, "Segment Reporting". Each segment distributes a full range of the Company's primary products. The PLP-USA segment is comprised of U.S. operations manufacturing the Company's traditional products primarily supporting domestic energy, telecommunications and solar products. The other three segments, The Americas, EMEA and Asia-Pacific support the Company's energy, telecommunications, data communication and solar products in each respective geographical region.

The segment managers responsible for each region report directly to the Company's Chief Executive Officer, who is the chief operating decision maker and are accountable for the financial results and performance of their entire segment for which they are responsible. The business components within each segment are managed to maximize the results of the entire company rather than the results of any individual business component of the segment.

The amount of each segment's performance reported to the chief operating decision maker is for purposes of making decisions about allocating resources to the segment and assessing its performance. The Company evaluates segment performance and allocates resources based on several factors primarily based on sales and income from continuing operations, net of tax.

The accounting policies of the operating segments are the same as those described in Note A in the Notes to Consolidated Financial Statements. No single customer accounts for more than ten percent of the Company's consolidated revenue. U.S. net sales for the year ended December 31, 2020, 2019, and 2018 were $201.3 million, $178.3 million and $169.0 million, respectively. U.S. long-lived assets as of December 31, 2020 and 2019 were $44.2 million and $51.1 million, respectively.

The following table presents a summary of the Company's reportable segments for the year ended December 31, 2020, 2019 and 2018. Financial results for the PLP-USA segment include the elimination of all segments' intercompany profits in inventory.

	Year Ended December 31		
	2020	2019	2018
Net sales			
PLP-USA	$ 201,277	$ 178,301	$ 169,040
The Americas	74,192	68,293	66,868
EMEA	91,108	79,158	69,773
Asia-Pacific	99,872	119,109	115,197
Total net sales	$ 466,449	$ 444,861	$ 420,878
Intersegment sales			
PLP-USA	$ 9,702	$ 10,757	$ 11,648
The Americas	9,938	7,774	9,480
EMEA	3,682	1,375	1,664
Asia-Pacific	14,452	12,720	11,907
Total intersegment sales	$ 37,774	$ 32,626	$ 34,699
Interest income			
PLP-USA	$ 0	$ 0	$ 0
The Americas	112	412	273
EMEA	67	192	102
Asia-Pacific	80	179	111
Total interest income	$ 259	$ 783	$ 486
Interest expense			
PLP-USA	$ (741)	$ (972)	$ (1,023)
The Americas	(586)	(466)	(111)
EMEA	(233)	(149)	(58)
Asia-Pacific	(836)	(630)	(98)
Total interest expense	$ (2,396)	$ (2,217)	$ (1,290)
Income taxes			
PLP-USA	$ 6,161	$ 3,299	$ 367
The Americas	2,461	2,551	3,349
EMEA	1,768	616	1,204
Asia-Pacific	420	1,656	1,087
Total income taxes	$ 10,810	$ 8,122	$ 6,007
Net income attributable to Preformed Line Products Company shareholders			
PLP-USA	$ 16,564	$ 8,054	$ 9,900
The Americas	5,068	6,657	8,479
EMEA	6,644	2,935	3,527
Asia-Pacific	1,527	5,657	4,675
Total net income	$ 29,803	$ 23,303	$ 26,581

	Year Ended December 31		
	2020	2019	2018
Expenditure for long-lived assets			
PLP-USA	$ 9,536	$ 4,928	$ 3,672
The Americas	3,527	2,864	1,746
EMEA	3,007	5,304	1,591
Asia-Pacific	8,499	16,371	2,519
Total expenditures for long-lived assets	$ 24,569	$ 29,467	$ 9,528
Depreciation and amortization			
PLP-USA	$ 5,321	$ 5,393	$ 5,452
The Americas	1,710	1,862	1,488
EMEA	2,797	2,528	1,808
Asia-Pacific	4,010	3,965	3,696
Total depreciation and amortization	$ 13,838	$ 13,748	$ 12,444

	As of December 31	
	2020	2019
Identifiable assets		
PLP-USA	$ 137,689	$ 127,428
The Americas	75,438	71,908
EMEA	106,922	97,126
Asia-Pacific	141,038	137,109
Total identifiable assets	$ 461,087	$ 433,571
Property, plant and equipment		
PLP-USA	$ 44,184	$ 51,097
The Americas	16,507	15,874
EMEA	18,362	16,419
Asia-Pacific	46,912	40,628
Total property, plant and equipment	$ 125,965	$ 124,018

Note N - Related Party Transactions

On January 2, 2020, the Company purchased 1,157 shares of the Company from a retired Officer at a price per share of $67.71, which was calculated from a 30-day average market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On February 5, 2020, the Company purchased 39,208 shares of the Company from current and retired Officers at a price per share of $58.65, which was calculated from a 30-day average market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On October 28, 2020, the Board of the Directors of the Company approved the appointment of David C. Sunkle to serve on its Board of Directors effective upon his retirement at December 31, 2020 for a term commencing January 1, 2021 and ending when his successor has been duly elected and qualified at the annual meeting of shareholders in 2022 or until his earlier resignation or removal.

On December 15, 2020, the Company purchased 19,900 shares of the Company from current Officers at a price per share of $62.71, which was calculated from a 30-day average market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On February 6, 2019, the Company purchased 36,413 shares of the Company from current and retired Officers at a price per share of $56.44, which was calculated from a 30-day average market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On July 2, 2019, the Company purchased 952 shares of the Company from a retired Officer at a price per share of $51.20, which was calculated from a 30-day average market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On December 12, 2019, the Company purchased 20,862 shares of the Company from current Officers at a price per share of $70.39, which was calculated from a 30-day average market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On December 19, 2019, the Company purchased 6,326 shares of the Company from a retired Officer at a price per share of $71.75, which was calculated from a 30-day average market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On February 6, 2018, the Company purchased 7,877 shares of the Company from current Officers and a retired Officer at a price per share of $80.20, which was calculated from a 30-day average of market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On March 15, 2018, the Company purchased 1,430 shares of the Company from a current Officer at a price per share of $63.63, which was calculated from a 30-day average of market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On May 10, 2018, the Company purchased 3,200 shares of the Company from a current Officer at a price per share of $68.10, which was calculated from a 30-day average of market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On June 1, 2018, the Company purchased 8,800 shares of the Company from a retired Officer at a price per share of $73.53, which was calculated from a 30-day average of market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On June 15, 2018, the Company purchased 1,500 shares of the Company from current Officers at a price per share of $77.06, which was calculated from a 30-day average of market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On August 7, 2018, the Company purchased 17,141 shares of the Company from current Officers and a retired officer at a price per share of $87.19, which was calculated from a 30-day average of market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On August 23, 2018, the Company purchased 2,000 shares of the Company from a current employee at a price per share of $83.53, which was calculated from a 30-day average of market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On September 14, 2018, the Company purchased 7,500 shares of the Company from a current Officer at a price per share of $80.95, which was calculated from a 30-day average of market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

On December 18, 2018, the Company purchased 35 shares of the Company from a retired Officer at a price per share of $57.85, which was calculated from a 30-day average of market price in connection with the vesting of equity awards. The Audit Committee of the Board of Directors approved this transaction.

The Company's Australian subsidiary previously utilized copper extrusion services from Cast Alloy. As of December 31, 2020, the Company's Australian subsidiary no longer utilizes the copper extrusion services from Cast Alloy, therefore, there was no expense in the current year. During the years ended December 31, 2019 and 2018, PLP-Australia incurred a total of $.1 million and $.2 million for these expenses. Cast Alloy is owned by Simi Almasan, Continuous Improvement Engineer, a current PLP employee. The Audit Committee of the Board of Directors approved these transactions.

The Company's Austrian subsidiary currently has a loan due, carrying an interest rate of 3.0%, to one if its current employees which is reflected on the Company's balance sheet in the amount of $.1 million. Interest incurred on this loan during the year ended December 31, 20 was negligible. This loan is due in December of 2025.

The Company's Austrian subsidiary leases a portion of its Dornbirn, Austria location from a holding company owned by a current employee. During the years ended December 31, 2020 and 2019, the Company paid $.2 million and $.1 million in lease expenses, respectively. The lease is valid for an indefinite period of time and can be terminated if the lessee and lessor provide a six-month notice at the end of any chosen calendar year.

The Company's Czech Republic subsidiary leases a factory at its Prostějov, Czech Republic location from a company currently owned by two current employees. During both years ended December 31, 2020 and 2019, the Company paid $.2 million in lease expenses. The lease term is for 5 years from its original effective date of April 1, 2019.

During each year ended December 31, 2020, 2019 and 2018, the Company paid approximately $.1 million in legal fees to Baker & Hostetler LLP, of which R. Steven Kestner was the Chairman and the chair of its policy committee. Mr. Kestner is a Director of the Company.

Note O - Business Combinations

The Company accounts for business combinations using the acquisition method of accounting and, accordingly, the assets and liabilities of the acquired entities are recorded at their estimated fair values at the date of acquisition.

On February 28, 2019, the Company acquired 100% of SubCon. Subcon is headquartered in Dornbirn, Austria with manufacturing operations in Brno, Czech Republic. The acquisition of SubCon will strengthen the Company's position in the global substation market and will expand its operational presence in Europe. The total purchase price was $10.1 million in cash, net of $1.9 million in cash acquired. The purchase price was predominantly allocated to Goodwill of $6.6 million and Intangible assets of $4.7 million with useful lives ranging from 10 to 11 years. SubCon's overall purchase price included an estimated contingent liability of $.6 million for an earn-out consideration with a potential maximum payment of 4.0 million Euros which was reduced to zero during 2020. The earn-out of $0.0 and $.6 million is recorded in Other noncurrent liabilities on the Company's Consolidated Balance Sheets at December 31, 2020 and 2019, respectively.

On April 1, 2019, the Company acquired 90% of MICOS Telcom s.r.o. ("MICOS Telcom") headquartered in Prostějov, Czech Republic with the remaining 10% to be acquired over the next three years. The acquisition of MICOS Telcom will strengthen the Company's position in the global telecom market and will also expand its operational presence in Europe. The total purchase price was $8.8 million in cash, net of $.5 million in cash acquired and a hold-back liability of $1.5 million U.S. dollars payable in two years from the date of purchase and $.9 million of deferred consideration for the remaining 10%. The hold-back liability and deferred consideration are recorded in Other noncurrent liabilities on the Company's Consolidated Balance Sheets. The purchase price was predominantly allocated to Goodwill of $5.6 million and Intangible assets of $3.4 million. The Intangible assets included in the acquisition of MICOS have useful lives of 12 years.

The operating results and financial position of both SubCon and MICOS Telcom are included in the Company's EMEA reportable segment as of their respective dates of acquisition. Pro-forma results of the Company's consolidated operations for the years ended December 31, 2019 and 2018 would not have been materially different from reported results and are therefore not presented.

There was no material impact on the Company's Consolidated Statements of Income as a result of the finalization of purchase price accounting. The following table summarizes the final fair values of the assets acquired and liabilities assumed at the acquisition dates:

Assets acquired		
Current assets, net of cash	$	5,976
Property, plant and equipment		1,189
Goodwill		12,132
Finite-lived intangible assets		8,092
Other long-term assets		1,883
Total assets acquired	$	29,272
Liabilities assumed		(10,378)
Net assets acquired	$	18,894

Note P - Product Warranty Reserve

The Company records an accrual for estimated warranty costs to Costs of products sold in the Statements of Consolidated Income. These amounts are recorded in Accrued expenses and other liabilities in the Consolidated Balance Sheets. The Company records and accounts for its warranty reserve based on specific claim incidents. Should the Company become aware of a specific potential warranty claim for which liability is probable and reasonably estimable, a specific charge is recorded and accounted for accordingly. Adjustments are made quarterly to the accruals as claim information changes.

The following is a rollforward of the product warranty reserve:

	2020	2019	2018
Balance at January 1	$ 1,309	$ 928	$ 1,076
Additions charged to costs and expenses	279	481	97
Warranty usage	(314)	(317)	(133)
Currency translation	8	217	(112)
Balance at December 31	$ 1,282	$ 1,309	$ 928

Note Q - Subsequent Events

On January 19, 2021, the Company received funding for a term loan from PNC Equipment Finance, LLC in the amount of $20.5 million to fund the purchase of a corporate aircraft. The principal of $20.5 million includes an amount that transacted as a deposit in September of 2020 and then, subsequently, refunded in January of 2021. The aircraft replaces the Company's former aircraft, which was sold in December 2020. The proceeds of the sale were used to pay off the debt associated with the former aircraft.

The term of the loan is 120 months at a fixed interest rate of 2.744%. The loan is payable in 119 equal monthly installments, commencing on March 1, 2021 with a final payment of any outstanding principal and accrued interest due and payable on the final monthly payment date. The loan is secured by the aircraft.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's Principal Executive Officer and Principal Financial Officer have concluded based on their review thereof that the Company's disclosure controls and procedures as defined in Rule 13a-15(e) or Rule 15d-15(e) of the Securities Exchange Act of 1934, as amended, were effective as of December 31, 2020.

Management's Report on Internal Control Over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of the consolidated financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements and even when determined to be effective, can only provide reasonable assurance with respect to financial statement preparation and presentation.

Management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2020. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework (2013).*

Based upon its assessment, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2020.

The effectiveness of the Company's internal control over financial reporting as of December 31, 2020 has been audited by Ernst & Young LLP, an independent registered public accounting firm, who expressed an unqualified opinion as stated in their report, a copy of which is included below.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f)) during the quarter ended December 31, 2020 that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
of Preformed Line Products Company

Opinion on Internal Control over Financial Reporting

We have audited Preformed Line Products Company's' internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Preformed Line Products (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Consolidated Balance Sheets of the Company as of December 31, 2020 and 2019, the related Statements of Consolidated Income, Comprehensive Income, Cash Flows, and Shareholders' Equity for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated March 5, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Cleveland, Ohio
March 5, 2021

Item 9B. Other Information

None

Part III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this Item 10 is incorporated by reference to the information under the captions “Corporate Governance – Board Composition”, “Corporate Governance - Election of Directors”, “Section 16(a) Beneficial Ownership Compliance”, “Corporate Governance – Code of Conduct” and “Corporate Governance – Board Committees and Meetings – Audit Committee” in the Company’s Proxy Statement, for the Annual Meeting of Shareholders to be held May 4, 2021 (the “Proxy Statement”). Information relative to executive officers of the Company is contained in Part I of this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information set forth under the caption “Directors and Executive Officers Compensation” and “Compensation Policies and Risk” in the Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Other than the information required by Item 201(d) of Regulation S-K the information set forth under the caption “Security Ownership of Certain Beneficial Owners and Management” in the Proxy Statement is incorporated herein by reference. The information required by Item 201(d) of Regulation S-K is set forth in Item 5 of this report.

Item 13. Certain Relationships, Related Transactions and Director Independence

The information set forth under the captions “Transactions with Related Persons” and “Election of Directors” in the Proxy Statement is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

The information set forth under the captions “Independent Registered Public Accounting Firm”, “Audit Fees”, “Audit-Related Fees”, “Tax Fees” and “All Other Fees” in the Proxy Statement is incorporated herein by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements and Schedule

Page	Financial Statements
35	Consolidated Balance Sheets
36	Statements of Consolidated Income
37	Statements of Consolidated Comprehensive Income
38	Statements of Consolidated Cash Flows
39	Statements of Consolidated Shareholders' Equity
40	Notes to Consolidated Financial Statements

Page	Schedule
75	II - Valuation and Qualifying Accounts

(b) Exhibits

Exhibit Number	Exhibit
3.1	Amended and Restated Articles of Incorporation (incorporated by reference to the Company's Registration Statement on Form 10).
3.2	Amended and Restated Code of Regulations of Preformed Line Products Company (incorporated by reference to the Company's Registration Statement on Form 10).
3.3	Amendment to the Amended and Restated Code of Regulations of Preformed Line Products Company, effective May 10, 2016, filed herewith
4	Description of Specimen Share Certificate (incorporated by reference to the Company's Registration Statement on Form 10).
4.2	Description of the Registrant's Securities Registered Under Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to the Company's 10-K filed for the year ended December 31, 2019)
10.1	Preformed Line Products Company 1999 Employee Stock Option Plan (incorporated by reference to the Company's Registration Statement on Form 10).*
10.2	Preformed Line Products Company Officers Bonus Plan (incorporated by reference to the Company's 10-K filed for the year ended December 31, 2007).*
10.3	Preformed Line Products Company Executive Life Insurance Plan – Summary (incorporated by reference to the Company's Registration Statement on Form 10).*
10.4	Preformed Line Products Company Supplemental Profit Sharing Plan (incorporated by reference to the Company's Registration Statement on Form 10).*
10.5	Amended and Restated Loan Agreement dated September 24, 2015 between the Company and PNC Bank, National Association (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2015).
10.6	Preformed Line Products Company 1999 Employee Stock Option Plan Incentive Stock Option agreement (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2004).*
10.7	Preformed Line Products Company Chief Executive Officer Bonus Plan (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2007).*
10.8	Preformed Line Products Company Amended and Restated Long Term Incentive Plan of 2008 (incorporated by reference to Appendix A of the Company's Definitive Proxy Statement filed on March 11, 2011).*
10.9	Deferred Shares Plan (incorporated by reference to the Company's 8-K current report filing dated August 21, 2008).
10.10	Form of Restricted Shares Grant Agreement under the Amended and Restated Long Term Incentive Plan of 2008 (incorporated by reference to the Company's 10-Q filing for the quarter ended September 30, 2008).*

10.11	Form of Restricted Stock Unit Award Agreement under the Amended and Restated Long Term Incentive Plan of 2008 (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2013).*
10.12	Form of Restricted Stock Unit Award Agreement under the Amended and Restated Long Term Incentive Plan of 2008 (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2014).*
10.13	Form of Restricted Stock Agreement under the Amended and Restated Long Term Incentive Plan of 2008 (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2015).*
10.14	Form of Restricted Stock Unit Award Agreement under the Amended and Restated Long Term Incentive Plan of 2008 (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2015).*
10.15	Amendment to Amended and Restated Loan Agreement dated November 6, 2015 between the Company and PNC Bank, National Association (incorporated by reference to the Company's 10-K filing for the year ended December 31, 2015).
10.16	Preformed Line Products Company 2016 Incentive Plan (filed herewith).
10.17	Promissory Note dated June 27, 2016, between the Company and PNC Bank, National Association (incorporated by reference to the Company's Form 10-Q filing for the quarter ended September 30, 2016).
10.18	Amendment No. 2 to Amended and Restated Loan Agreement dated August 22, 2016 between the Company and PNC Bank, National Association (incorporated by reference to the Company's Form 10-Q filing for the quarter ended September 30, 2016).
10.19	Amended and Restated Line of Credit Note dated August 22, 2016 between the Company and PNC Bank, National Association (incorporated by reference to the Company's Form 10-Q filing for the quarter ended September 30, 2016).
10.20	Amended and Restated Line of Credit Note dated March 13, 2018 between the Company and PNC Bank, National Association (incorporated by reference to the Company's Form 10-Q filing for the quarter ended March 31, 2018).
10.21	Amendment No. 3 to Amended and Restated Line of Credit Note dated March 13, 2018 between the Company and PNC Bank, National Association (incorporated by reference to the Company's Form 10-Q filing for the quarter ended March 31, 2018).
10.22	Term Note April 25, 2019 between the Company and PNC Bank, National Association (incorporated by reference to the Company's 10-Q filing for the quarter ended March 31, 2019).
10.23	Joinder and Amendment No. 5 to Amended and Restated Line of Credit Note dated April 25, 2019 between the Company and PNC Bank, National Association (incorporated by reference to the Company's 10-Q filing for the quarter ended March 31, 2019).
10.24	Amended and Restated Loan Agreement, dated April 17, 2020, between the Company and PNC Bank, National Association Joinder and Amendment No. 5 to Amended and Restated Line of Credit Note dated April 25, 2019 between the Company and PNC Bank, National Association (incorporated by reference to the Company's 10-Q filing for the quarter ended June 30, 2020).
10.25	Promissory Note dated December 31, 2020, between the Company and PNC Bank National Association (filed herewith).
14.1	Preformed Line Products Amended Company Code of Conduct (incorporated by reference to the Company's 10-K filed for the year ended December 31, 2019)
21	Subsidiaries of Preformed Line Products Company, filed herewith.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm, filed herewith.
31.1	Certification of the Principal Executive Officer, Robert G. Ruhlman, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certification of the Principal Accounting Officer, Andrew S. Klaus, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certification of the Principal Executive Officer, Robert G. Ruhlman, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished.
32.2	Certification of the Principal Accounting Officer, Andrew S. Klaus, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished.
101.INS	Inline XBRL Instance Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.

101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

* Indicates management contracts or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Preformed Line Products Company

March 5, 2021	/s/ Robert G. Ruhlman Robert G. Ruhlman Chairman, President and Chief Executive Officer (principal executive officer)
March 5, 2021	/s/ Andrew S. Klaus Andrew S. Klaus Chief Financial Officer (principal financial and accounting officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacity and on the dates indicated.

March 5, 2021	/s/ Robert G. Ruhlman Robert G. Ruhlman Chairman, President and Chief Executive Officer
March 5, 2021	/s/ Glenn E. Corlett Glenn E. Corlett Director
March 5, 2021	/s/ Matthew E. Frymier Matthew E. Frymier Director
March 5, 2021	/s/ Michael E. Gibbons Michael E. Gibbons Director
March 5, 2021	/s/ R. Steven Kestner R. Steven Kestner Director
March 5, 2021	/s/ Richard R. Gascoigne Richard R. Gascoigne Director
March 5, 2021	/s/ J. Ryan Ruhlman J. Ryan Ruhlman Director
March 5, 2021	/s/ Maegan A. R. Cross Maegan A. R. Cross Director
March 5, 2021	/s/ David C. Sunkle David C. Sunkle Director

PREFORMED LINE PRODUCTS COMPANY

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS
Year Ended December 31, 2020, 2019 and 2018
(Thousands of dollars)

For the year ended December 31, 2020:	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Other additions or deductions	Balance at end of period
Allowance for doubtful accounts	$ 3,224	$ 1,279	$ (1,527)	$ (128)	$ 2,848
Reserve for credit memos	625	774	(792)	9	616
Slow-moving and obsolete inventory reserves	8,877	2,035	(1,097)	85	9,900
Accrued product warranty	1,309	279	(314)	8	1,282
Foreign net operating loss tax carryforwards	3,137	1,176	(1,473)	72	2,912

For the year ended December 31, 2019:	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Other additions or deductions	Balance at end of period
Allowance for doubtful accounts	$ 2,652	$ 1,294	$ (697)	$ (25)	$ 3,224
Reserve for credit memos	526	817	(739)	21	625
Slow-moving and obsolete inventory reserves	8,462	1,283	(1,104)	236	8,877
Accrued product warranty	928	481	(317)	217	1,309
Foreign net operating loss tax carryforwards	3,495	153	(499)	(12)	3,137

For the year ended December 31, 2018:	Balance at beginning of period	Additions charged to costs and expenses	Deductions	Other additions or deductions	Balance at end of period
Allowance for doubtful accounts	$ 2,910	$ 449	$ (529)	$ (178)	$ 2,652
Reserve for credit memos	415	802	(688)	(3)	526
Slow-moving and obsolete inventory reserves	9,066	1,341	(1,658)	(287)	8,462
Accrued product warranty	1,076	97	(133)	(112)	928
Foreign net operating loss tax carryforwards	3,965	568	(761)	(277)	3,495

DIRECTORS

Robert G. Ruhlman
Chairman, President, and CEO

Glenn E. Corlett
Dean Emeritus, College of Business–Ohio University

Maegan A. R. Cross
Director, Laurel Fund

Matthew D. Frymier
Former Chairman, Chicago Stock Exchange
Partner, Broadhaven Capital Partners

Richard R. Gascoigne
Former Managing Director, Marsh Inc.

Michael E. Gibbons
Senior Managing Director, Brown Gibbons Lang & Company

R. Steven Kestner
Former Chairman, Senior Partner, Baker & Hostetler LLP

J. Ryan Ruhlman
Vice President, Marketing and Business Development

David C. Sunkle
Former Vice President, Research, Engineering, and Manufacturing

OFFICERS

Robert G. Ruhlman
Chairman, President, and CEO

Dennis F. McKenna
Chief Operating Officer

Andrew S. Klaus
Chief Financial Officer

John M. Hofstetter
Executive Vice President, U.S. Operations

William H. Haag III
Vice President, Asia Pacific

John J. Olenik
Vice President, Research and Engineering

Timothy J. O'Shaughnessy
Vice President, Human Resources

J. Ryan Ruhlman
Vice President, Marketing and Business Development

Caroline S. Vaccariello
General Counsel and Corporate Secretary

GLOBAL OPERATIONS

Argentina
Buenos Aires, Argentina

Australia
Sydney, Australia

Austria
Dornbirn, Austria

Brazil
São Paulo, Brazil

Canada
Cambridge, Ontario, Canada
Lachine, Québec, Canada

China
Beijing, China

Colombia
Medellin, Colombia

Czech Republic
Prostejov, Czech Republic

France
Paris, France

Indonesia
Bekasi, Indonesia

Malaysia
Selangor, Malaysia

Mexico
Querétaro, Mexico

New Zealand
Auckland, New Zealand

Poland
Bielsko-Biala, Poland

Russia
Moscow, Russia

South Africa
Pietermaritzburg, Republic of South Africa

Spain
Sevilla, Spain

Thailand
Bangkok, Thailand

United Kingdom
Andover, Hampshire, England

United States
Cleveland, Ohio (Global Headquarters)
Rogers, Arkansas
Albemarle, North Carolina

Vietnam
Ho Chi Minh City, Vietnam

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A copy of PLP's code of conduct is posted at preformed.com in the "About Us" section.

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