

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

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: 000-20278

ENCORE WIRE CORP ORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

75-2274963

(I.R.S. Employer
Identification No.)

1329 Millwood Road

McKinney Texas

75069

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (972) 562-9473

N/A

(Former name, former address and former fiscal year, if changed since last report)

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 Stock, par value \$.01 per share	WIRE	The NASDAQ Global Select Market

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 the definitions of "large accelerated filer," "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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares of Common Stock, par value \$0.01, outstanding as of April 24, 2024: 15,788,916

ENCORE WIRE CORPORATION
FORM 10-Q
FOR THE QUARTER ENDED MARCH 31, 2024

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Encore Wire Corporation

Balance Sheets

(In thousands, except share and per share data)

	March 31, 2024	December 31, 2023
	(Unaudited)	(Audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 614,088	\$ 560,635
Accounts receivable, net of allowance of \$ 2,455 and \$ 2,455	471,246	475,291
Inventories, net	173,669	163,679
Income tax receivable	—	4,769
Prepaid expenses and other	3,151	6,201
Total current assets	1,262,154	1,210,575
Property, plant and equipment, net	779,017	756,863
Other assets	369	474
Total assets	\$ 2,041,540	\$ 1,967,912
Liabilities and Stockholders' Equity		
Current liabilities:		
Trade accounts payable	\$ 84,355	\$ 80,548
Accrued liabilities	69,157	79,590
Income taxes payable	14,895	—
Total current liabilities	168,407	160,138
Long-term liabilities:		
Deferred income taxes and other	60,176	60,197
Total long-term liabilities	60,176	60,197
Total liabilities	228,583	220,335
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value:		
Authorized shares – 2,000,000 ; none issued	—	—
Common stock, \$.01 par value:		
Authorized shares – 40,000,000 ;		
Issued shares – 27,442,440 and 27,276,834	274	273
Additional paid-in capital	108,452	106,035
Treasury stock, at cost – 11,661,524 and 11,661,524 shares	(867,222)	(867,222)
Retained earnings	2,571,453	2,508,491
Total stockholders' equity	1,812,957	1,747,577
Total liabilities and stockholders' equity	\$ 2,041,540	\$ 1,967,912

See accompanying notes.

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

	Quarter Ended March 31,	
	2024	2023
	(Unaudited)	
Net sales	\$ 632,661	\$ 660,492
Cost of goods sold	496,672	455,407
Gross profit	135,989	205,085
 Selling, general, and administrative expenses	61,088	58,704
Operating income	74,901	146,381
 Net interest and other income	7,330	9,174
Income before income taxes	82,231	155,555
 Provision for income taxes	18,954	36,072
Net income	\$ 63,277	\$ 119,483
 Earnings per common and common equivalent share – basic	\$ 4.02	\$ 6.60
Earnings per common and common equivalent share – diluted	\$ 3.92	\$ 6.50
 Weighted average common and common equivalent shares outstanding – basic	15,738	18,099
Weighted average common and common equivalent shares outstanding – diluted	16,143	18,369
 Cash dividends declared per share	\$ 0.02	\$ 0.02

See accompanying notes.

Encore Wire Corporation
Statements of Stockholders' Equity
(In thousands, except per share data)

2024 (Unaudited)	Common Stock		Additional Paid-In Capital	Treasury Stock		Retained Earnings	Total Stockholders' Equity
	Shares	Amount		Shares	Amount		
Balance at December 31, 2023	27,276	\$ 273	\$ 106,035	(11,662)	\$ (867,222)	\$ 2,508,491	\$ 1,747,577
Net income	—	—	—	—	—	63,277	63,277
Exercise of stock options	40	—	1,728	—	—	—	1,728
Stock-based compensation	126	1	689	—	—	—	690
Dividend declared—\$ 0.02 per share	—	—	—	—	—	(315)	(315)
Purchase of treasury stock	—	—	—	—	—	—	—
Balance at March 31, 2024	27,442	\$ 274	\$ 108,452	(11,662)	\$ (867,222)	\$ 2,571,453	\$ 1,812,957

2023 (Unaudited)	Common Stock		Additional Paid-In Capital	Treasury Stock		Retained Earnings	Total Stockholders' Equity
	Shares	Amount		Shares	Amount		
Balance at December 31, 2022	27,139	\$ 271	\$ 83,622	(9,000)	\$ (402,639)	\$ 2,137,412	\$ 1,818,666
Net income	—	—	—	—	—	119,483	119,483
Exercise of stock options	10	—	316	—	—	—	316
Stock-based compensation	93	1	4,040	—	—	—	4,041
Dividend declared—\$ 0.02 per share	—	—	—	—	—	(350)	(350)
Purchase of treasury stock	—	—	—	(702)	(128,252)	—	(128,252)
Balance at March 31, 2023	27,242	\$ 272	\$ 87,978	(9,702)	\$ (530,891)	\$ 2,256,545	\$ 1,813,904

See accompanying notes.

Encore Wire Corporation
Statements of Cash Flow
(In thousands)

	Quarter Ended March 31,	
	2024	2023
		(Unaudited)
Operating Activities:		
Net income	\$ 63,277	\$ 119,483
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	8,526	7,692
Deferred income taxes	(9)	(2,391)
Stock-based compensation attributable to equity awards	689	4,040
Other	221	673
Changes in operating assets and liabilities:		
Accounts receivable	4,045	18,931
Inventories	(9,990)	(20,691)
Other assets	3,093	1,478
Trade accounts payable and accrued liabilities	(3,384)	(41,031)
Current income taxes receivable / payable	19,664	38,753
Net cash provided by operating activities	86,132	126,937
Investing Activities:		
Purchases of property, plant and equipment	(34,242)	(31,768)
Proceeds from sale of assets	149	—
Net cash used in investing activities	(34,093)	(31,768)
Financing Activities:		
Purchase of treasury stock	—	(128,252)
Proceeds from issuance of common stock, net	1,729	317
Dividends paid	(315)	(367)
Net cash provided by/(used in) financing activities	1,414	(128,302)
Net increase (decrease) in cash and cash equivalents	53,453	(33,133)
Cash and cash equivalents at beginning of period	560,635	730,557
Cash and cash equivalents at end of period	\$ 614,088	\$ 697,424

See accompanying notes.

ENCORE WIRE CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
March 31, 2024

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The unaudited financial statements of Encore Wire Corporation (the "Company") have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim information and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete annual financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments considered necessary for a fair presentation, have been included. Results of operations for interim periods presented do not necessarily indicate the results that may be expected for the entire year. These financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Revenue Recognition

Our revenue is derived by fulfilling customer orders for the purchase of our products, which include electrical building wire and cable. We recognize revenue at the point in time that control of the ordered products is transferred to the customer, which is typically upon shipment to the customer from our manufacturing facilities and based on agreed upon shipping terms on the related purchase order. Amounts billed and due from our customers are classified as accounts receivables on the balance sheet and require payment on a short-term basis through standard payment terms.

Revenue is measured as the amount of consideration we expect to receive in exchange for fulfilling product orders. The amount of consideration we expect to receive includes estimates for trade payment discounts and customer rebates, which are estimated using historical experience and other relevant factors, and are recorded within the same period that the revenue is recognized. We review and update these estimates regularly and the impact of any adjustments are recognized in the period the adjustments are identified. The adjustments resulting from updated estimates of trade payment discounts and customer rebates were not material.

Recent Accounting Pronouncements

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") is the sole source of authoritative U.S. GAAP, along with the Securities and Exchange Commission ("SEC") and Public Company Accounting Oversight Board ("PCAOB") issued rules and regulations that apply only to SEC registrants. The FASB issues an Accounting Standard Update ("ASU") to communicate changes to the codification. The Company considers the applicability and impact of all ASUs. In March 2024, the SEC adopted "The Enhancement and Standardization of Climate-Related Disclosures for Investors" (the "Final Rule"). The Final Rule sets forth amendments to the SEC's rules under the Securities Act of 1933 and Securities Exchange Act of 1934 that require registrants to provide certain climate-related information in their registration statements and annual reports. The Final Rule requires information about a registrant's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition. In addition, the Final Rule requires registrants to disclose how they assess and oversee climate-related risks. Shortly after the SEC voted to approve the Final Rule, several lawsuits were filed challenging the rule. The U.S. Judicial Panel on Multidistrict Litigation ordered that such lawsuits be consolidated and proceed in the U.S. Court of Appeals for the Eighth Circuit. On April 4, 2024, the SEC voluntarily stayed implementation of the Final Rule, pending resolution of the litigation challenging it. The timing regarding the resolution of such litigation is unknown at this time. The Company is evaluating the impact of the new rules on its financial statements. No new standards have been adopted in 2024.

NOTE 2 – INVENTORIES

Inventories consist of the following:

In Thousands	March 31, 2024	December 31, 2023
Raw materials	\$ 41,364	\$ 64,512
Work-in-process	71,334	55,921
Finished goods	157,943	139,348
Total Inventory at FIFO cost	270,641	259,781
Adjust to LIFO cost	(96,972)	(96,102)
Inventory, net	\$ 173,669	\$ 163,679

Inventories are stated at the lower of cost, determined by the last-in, first-out ("LIFO") method, or market. The Company maintains two inventory pools for LIFO purposes. As permitted by U.S. GAAP, the Company maintains its inventory costs and cost of goods sold on a first-in, first-out ("FIFO") basis and makes a monthly adjustment to total inventory and cost of goods sold from FIFO to LIFO. The Company applies the lower of cost or market ("LCM") test by comparing the LIFO cost of its raw materials, work-in-process and finished goods inventories to estimated market values, which are based primarily on the most recent quoted market price of copper and other material prices as of the end of each reporting period. The Company performs a lower of cost or market calculation quarterly. As of March 31, 2024, no LCM adjustment was required. However, decreases in copper and other material prices could necessitate establishing an LCM reserve in future periods. Additionally, future reductions in the quantity of inventory on hand could cause copper or other raw materials that are carried in inventory at costs different from the cost of copper and other raw materials in the period in which the reduction occurs to be included in costs of goods sold for that period at the different price.

In the first quarter of 2024, LIFO adjustments were recorded that increased cost of goods sold by \$ 0.9 million, compared to LIFO adjustments that increased cost of goods sold by \$ 23.9 million in the first quarter of 2023.

NOTE 3 - PROPERTY, PLANT and EQUIPMENT

Property, plant and equipment consists of the following:

In Thousands	March 31, 2024	December 31, 2023
Land and land improvements	\$ 90,162	\$ 90,162
Construction-in-progress	174,216	163,514
Buildings and improvements	313,281	313,691
Machinery and equipment	497,183	478,060
Furniture and fixtures	17,308	17,231
Property, plant and equipment, gross	1,092,150	1,062,658
Accumulated depreciation	(313,133)	(305,795)
Property, plant and equipment, net	\$ 779,017	\$ 756,863

In the first quarter of 2024, depreciation expense was \$ 8.5 million, compared to \$ 7.7 million in the first quarter of 2023.

NOTE 4 – ACCRUED LIABILITIES

Accrued liabilities consist of the following:

In Thousands	March 31, 2024	December 31, 2023
Sales rebates payable	\$ 27,324	\$ 39,123
SAR Liability	19,995	22,182
Property taxes payable	1,503	5,827
Accrued salaries	14,478	6,947
Other accrued liabilities	5,857	5,511
Total accrued liabilities	\$ 69,157	\$ 79,590

NOTE 5 – INCOME TAXES

Income taxes were accrued at an effective rate of 23.0 % in the first quarter of 2024 versus 23.2 % in the first quarter of 2023, consistent with the Company's estimated liabilities. In all periods, the differences between the provisions for income taxes and the income taxes computed using the federal income tax statutory rate are due primarily to the incremental taxes accrued for state and local taxes and the Section 162(m) limitation on executive compensation.

NOTE 6 – EARNINGS PER SHARE

Earnings per common and common equivalent share is computed using the weighted average number of shares of common stock and common stock equivalents outstanding during each period. If dilutive, the effect of stock awards, treated as common stock equivalents, is calculated using the treasury stock method.

The following table sets forth the computation of basic and diluted earnings per share:

In Thousands	Quarter Ended March 31,	
	2024	2023
Numerator:		
Net income	\$ 63,277	\$ 119,483
Denominator:		
Denominator for basic earnings per share – weighted average shares	15,738	18,099
Effect of dilutive securities:		
Employee stock awards	405	270
Denominator for diluted earnings per share – weighted average shares	<u>16,143</u>	<u>18,369</u>

There were no anti-dilutive employee stock awards excluded from the determination of diluted earnings per common and common equivalent shares for the first quarter of 2024 or 2023.

NOTE 7 – DEBT

On February 9, 2021, the Company terminated its previous credit agreement and entered into a new Credit Agreement (the "2021 Credit Agreement") with two banks, Bank of America, N.A., as administrative agent and letter of credit issuer, and Wells Fargo Bank, National Association, as syndication agent. The 2021 Credit Agreement matures on February 9, 2026 and provides for maximum borrowings of \$ 200.0 million. At our request, and subject to certain conditions, the commitments under the 2021

Credit Agreement may be increased by a maximum of up to \$ 100.0 million as long as existing or new lenders agree to provide such additional commitments.

The 2021 Credit Agreement contains provisions to replace LIBOR with a replacement rate as described in the 2021 Credit Agreement. On October 20, 2022, the Company entered into the First Amendment to the 2021 Credit Agreement (the 2021 Credit Agreement as amended, the "Amended 2021 Credit Agreement") which replaced LIBOR with Bloomberg Short-Term Bank Yield Index ("BSBY") as permitted under the 2021 Credit Agreement. Borrowings under the line of credit bear interest, at the Company's option, at either (1) BSBY plus a margin that varies from 1.000 % to 1.875 % depending upon the Leverage Ratio (as defined in the 2021 Credit Agreement), or (2) the base rate (which is the highest of the federal funds rate plus 0.5 %, the prime rate, or BSBY plus 1.0 %) plus 0 % to 0.375 % (depending upon the Leverage Ratio). A commitment fee ranging from 0.200 % to 0.325 % (depending upon the Leverage Ratio) is payable on the unused line of credit. As of March 31, 2024, there were no borrowings outstanding under the Amended 2021 Credit Agreement, and letters of credit outstanding in the amount of \$ 0.3 million left \$ 199.7 million of credit available under the Amended 2021 Credit Agreement. Obligations under the Amended 2021 Credit Agreement are the only contractual borrowing obligations or commercial borrowing commitments of the Company. The foregoing description of the Amended 2021 Credit Agreement is not complete and is qualified in its entirety by reference to the full text of the Amended 2021 Credit Agreement (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022, and incorporated herein by reference).

Obligations under the Amended 2021 Credit Agreement are unsecured and contain customary covenants and events of default. The Company was in compliance with the covenants as of and for the period ended March 31, 2024.

NOTE 8 – STOCKHOLDERS' EQUITY

On November 10, 2006, the Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to an authorized number of shares of its common stock from time to time in open market or private transactions, at the Company's discretion. This authorization originally expired on December 31, 2007, and the Company's Board of Directors has authorized several increases and annual extensions of this stock repurchase program, most recently in February 2024, authorizing the repurchase of up to 2,000,000 shares of our common stock. As of March 31, 2024, 2,000,000 shares remained authorized for repurchase through March 31, 2025. The Company did not repurchase shares of its stock in the three months ended March 31, 2024, compared to 702,478 shares repurchased in the three months ended March 31, 2023.

NOTE 9 - CONTINGENCIES

There are no material pending proceedings to which the Company is a party or to which any of its property is subject. However, the Company is from time to time involved in litigation, certain other claims and arbitration matters arising in the ordinary course of its business.

NOTE 10 – SUBSEQUENT EVENTS

As previously announced, on April 14, 2024, the Company entered into an Agreement and Plan of Merger ("Merger Agreement") by and among the Company, Prysmian S.p.A., a company organized under the laws of the Republic of Italy ("Parent"), Applause Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"), and solely as provided in Section 9.12 therein, Prysmian Cables and Systems USA, LLC, a Delaware limited liability company, providing for the merger of Merger Sub with and into the Company, with the Company continuing as the surviving corporation and becoming a wholly owned subsidiary of Parent ("Merger").

Upon the consummation of the Merger, each outstanding share of common stock of the Company, par value \$.01 per share (the "Common Stock"), as of immediately prior to the effective time of the Merger (other than certain enumerated exceptions in the Merger Agreement) will be converted into the right to receive (A) \$ 290.00 per share in cash, plus, (B) if applicable, an amount in cash, rounded to the nearest cent, equal to \$ 0.0635 per share multiplied by the number of calendar days elapsed after April 14, 2025 until and excluding the closing date of the Merger (with no such additional consideration if the closing date occurs on or prior to April 14, 2025).

The Merger Agreement provides for a go-shop period that will expire at 11:59 p.m. on May 19, 2024, during which the Company has the right to solicit, encourage or facilitate the making of any alternative acquisition proposal. The transaction is expected to close in the second half of 2024, and is subject to customary closing conditions, including Hart-Scott-Rodino Act clearance.

Under the Merger Agreement, the Company may be required to pay Parent a termination fee of up to \$ 146.54 million if the Merger Agreement is terminated under certain specified circumstances and Parent may be required to pay a reverse termination fee of \$ 180.00 million to the Company if the Merger Agreement is terminated under certain circumstances.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Encore Wire Corporation is a leading manufacturer of a broad range of copper and aluminum electrical wire and cables, supplying power generation and distribution solutions to meet our customers' needs today and in the future. The Company focuses on maintaining a low-cost of production while providing exceptional customer service and quickly shipping complete orders coast-to-coast. Our products are proudly made in America at our vertically-integrated, single-site, Texas campus.

The Company's operating results in any given period are driven by several key factors, including the volume of product produced and shipped, the cost of copper and other raw materials, the competitive pricing environment in the wire industry and the resulting influence on gross margin, and the efficiency with which the Company's plants operate during the period, among others. Price competition for electrical wire and cable is intense, and the Company sells its products in accordance with prevailing market prices. Copper, a commodity product, is the principal raw material used by the Company in manufacturing its products. The price of copper fluctuates depending on general economic conditions, in relation to supply and demand, and other factors, which causes monthly variations in the cost of the Company's purchased copper. Additionally, the SEC allows shares of certain physically backed copper exchange-traded funds ("ETFs") to be listed and publicly traded. Such funds and other copper ETFs like them hold copper cathode as collateral against their shares. The acquisition of copper cathode by copper ETFs may materially decrease or interrupt the availability of copper for immediate delivery in the United States, which could materially increase the Company's cost of copper. In addition to raising copper prices and potential supply shortages, we believe that ETFs and similar copper-backed derivative products could lead to increased price volatility for copper. The Company cannot predict copper prices or the effect of fluctuations in the cost of copper on the Company's future operating results. Wire prices can, and frequently do, change on a daily basis. This competitive pricing market for wire does not always mirror changes in copper prices, making margins highly volatile. The tables below highlight the range of closing prices of copper on a per pound basis on the Comex exchange for the periods shown.

COMEX COPPER CLOSING PRICE 2024

	January 2024	February 2024	March 2024	Quarter Ended March 31, 2024
High	\$ 3.91	\$ 3.90	\$ 4.11	\$ 4.11
Low	3.73	3.69	3.84	3.69
Average	3.81	3.80	3.98	3.86

COMEX COPPER CLOSING PRICE 2023

	January 2023	February 2023	March 2023	Quarter Ended March 31, 2023
High	\$ 4.27	\$ 4.23	\$ 4.17	\$ 4.27
Low	3.74	3.96	3.86	3.74
Average	4.12	4.09	4.05	4.08

The following discussion and analysis relate to factors that have affected the operating results of the Company for the quarters and three months ended March 31, 2024 and 2023. Reference should also be made to the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Recent Developments

On April 14, 2024, the Company entered into an Agreement and Plan of Merger ("Merger Agreement") by and among the Company, Prysmian S.p.A., a company organized under the laws of the Republic of Italy ("Parent"), Applause Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of Parent ("Merger Sub"), and solely as provided in Section 9.12 therein, Prysmian Cables and Systems USA, LLC, a Delaware limited liability company, providing for the merger of Merger Sub with and into the Company, with the Company continuing as the surviving corporation and becoming a wholly owned subsidiary of Parent ("Merger").

Upon the consummation of the Merger, each outstanding share of common stock of the Company, par value \$.01 per share (the "Common Stock"), as of immediately prior to the effective time of the Merger (other than (a) shares of Common Stock owned by the Company as treasury stock or otherwise, excluding shares of Common Stock held by any Company Employee Plan (as defined in the Merger Agreement) or trust related thereto (other than shares of Common Stock reserved for issuance under any of the Company Equity Plans (as defined in the Merger Agreement)) or held by Parent or Merger Sub (or any direct or indirect parent of Merger Sub) immediately prior to the effective time of the Merger, (b) shares of Common Stock owned by any wholly

owned subsidiary of Parent (other than Merger Sub or any direct or indirect parent of Merger Sub) immediately prior to the effective time of the merger and (c) shares of Common Stock that are held by holders who have not voted in favor of the adoption of the Merger Agreement or consented thereto in writing and are entitled to demand and properly demand appraisal of such shares pursuant to Section 262 of the General Corporation Law of the State of Delaware) will be converted into the right to receive (A) \$290.00 per share in cash, plus, (B) if applicable, an amount in cash, rounded to the nearest cent, equal to \$0.0635 per share multiplied by the number of calendar days elapsed after April 14, 2025 until and excluding the closing date of the Merger (with no such additional consideration if the closing date occurs on or prior to April 14, 2025).

Consummation of the Merger is subject to certain conditions set forth in the Merger Agreement, including, but not limited to, the following: (i) the affirmative vote of the holders of a majority of the shares of Common Stock outstanding on the record date for the meeting of the Company's stockholders (the "Company Stockholder Meeting") in favor of adopting the Merger Agreement (the "Required Company Stockholder Vote"), (ii) the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), and, if applicable, the receipt of certain other specified regulatory approvals, and (iii) the absence of any law or order by a U.S. court or other governmental entity of competent jurisdiction in the U.S. that prohibits or makes illegal the consummation of the Merger. The obligation of each party to consummate the Merger is also conditioned upon the other party's representations and warranties being true and correct (subject to certain exceptions and materiality qualifiers) and the other party having performed in all material respects its obligations under the Merger Agreement. The obligation of Parent and Merger Sub to consummate the Merger is also conditioned upon the absence of a material adverse effect on the Company since the date of the Merger Agreement.

The Merger Agreement includes customary representations, warranties, and covenants of the parties, including termination provisions for both the Company and the Parent. Under the Merger Agreement, the Company may be required to pay Parent a termination fee of up to \$146.54 million if the Merger Agreement is terminated under certain specified circumstances and Parent may be required to pay a reverse termination fee of \$180.00 million to the Company if the Merger Agreement is terminated under certain circumstances. The Merger Agreement also places certain restrictions on the conduct of the Company's business prior to the completion of the Merger, which could delay or prevent the Company from undertaking business opportunities that may arise or any other action it would otherwise take with respect to the operations of the Company absent these restrictions.

Results of Operations

Quarter Ended March 31, 2024 Compared to Quarter Ended March 31, 2023

Net sales were \$632.7 million in the first quarter of 2024 compared to \$660.5 million in the first quarter of 2023. Copper unit volume, measured in pounds of copper contained in the wire sold, increased 19.7% in the first quarter of 2024 versus the first quarter of 2023. Aluminum unit volume also increased in the first quarter of 2024 versus the first quarter of 2023. The decrease in net sales dollars was driven by an anticipated decrease in the average selling prices in the first quarter of 2024 compared to the first quarter of 2023.

Cost of goods sold was \$496.7 million, or 78.5% of net sales, in the first quarter of 2024, compared to \$455.4 million, or 68.9% of net sales in the first quarter of 2023. Gross profit decreased to \$136.0 million, or 21.5% of net sales, in the first quarter of 2024 from \$205.1 million, or 31.1% of net sales in the first quarter of 2023.

Gross profit percentage for the first quarter of 2024 was 21.5% compared to 31.1% in the first quarter of 2023. The average selling price of wire per copper pound sold decreased 16.2% in the first quarter of 2024 versus the first quarter of 2023, while the average cost of copper per pound purchased decreased 5.0%. The overall increase in total volumes shipped, offset by an anticipated decrease in the average selling price of copper, resulted in the decreased gross profit margin in the first quarter of 2024 compared to the first quarter of 2023.

Net income for the first quarter of 2024 was \$63.3 million versus \$119.5 million in the first quarter of 2023. Fully diluted earnings per common share were \$3.92 in the first quarter of 2024 versus \$6.50 in the first quarter of 2023.

Total raw material cost as a percentage of sales increased to 67.9% in the first quarter of 2024, from 60.0% in the first quarter of 2023. Overhead costs increased to 10.6% of net sales in the first quarter of 2024, from 8.9% of net sales in the first quarter of 2023. Overhead costs contain some fixed and semi-fixed components which do not fluctuate as much as sales dollars fluctuate.

Selling expenses, consisting of commissions and freight, for the first quarter of 2024 were \$28.2 million, or 4.5% of net sales, compared to \$28.9 million, or 4.4% of net sales in the first quarter of 2023. Commissions paid to independent manufacturers' representatives are paid as a relatively stable percentage of sales dollars and exhibited little change as a percentage of sales. Freight costs as a percentage of net sales were 2.0% of net sales in the first quarter of 2024, compared to 1.9% in the first

quarter of 2023. General and administrative ("G&A") expenses for the first quarter of 2024 were \$32.9 million, or 5.2% of net sales, compared to \$29.8 million, or 4.5% of net sales, in the first quarter of 2023.

Net interest and other income was \$7.3 million in the first quarter of 2024 compared to \$9.2 million in the first quarter of 2023. The decrease in net interest and other income was primarily driven by a decrease in the Company's cash balance in the first quarter of 2024 compared to the first quarter of 2023.

Liquidity and Capital Resources

The Company maintains a substantial inventory of finished products to satisfy customers' delivery requirements promptly. As is customary in the building wire industry, the Company provides payment terms to most of its customers that exceed terms that it receives from its suppliers. Copper suppliers generally give very short payment terms (less than 15 days) while the Company and the building wire industry give customers much longer terms. In general, the Company's standard payment terms result in the collection of a significant majority of net sales within approximately 75 days of the date of invoice. As a result of this timing difference, building wire companies must have sufficient cash and access to capital resources to finance their working capital needs, thereby creating a barrier to entry for companies who do not have sufficient liquidity and capital resources. The two largest components of working capital, receivables and inventory, and to a lesser extent, capital expenditures, are the primary drivers of the Company's liquidity needs. Generally, these needs will cause the Company's cash balance to rise and fall inversely to the receivables and inventory balances. The Company's receivables and inventories will rise and fall in concert with several factors, most notably the price of copper and other raw materials and the level of unit sales. Capital expenditures have historically been necessary to expand and update the production capacity of the Company's manufacturing operations. The Company has historically satisfied its liquidity and capital expenditure needs with cash generated from operations and borrowings under its various debt arrangements. The Company historically uses its revolving credit facility to manage day to day operating cash needs as required by daily fluctuations in working capital and has the facility in place should such a need arise in the future.

For more information on the Company's revolving credit facility, see Note 7 to the Company's financial statements included in Item 1 to this report, which is incorporated herein by reference.

Cash provided by operating activities was \$86.1 million in the first three months of 2024 compared to cash provided of \$126.9 million in the first three months of 2023. The following changes in components of cash flow from operations were notable. The Company had net income of \$63.3 million in the first three months of 2024 compared to net income of \$119.5 million in the first three months of 2023. Accounts receivable decreased \$4.0 million in the first three months of 2024 compared to decreasing \$18.9 million in the first three months of 2023. Accounts receivable generally fluctuates in proportion to dollar sales and, to a lesser extent, are affected by the timing of when sales occur during a given quarter. With an average of 60 to 75 days of sales outstanding, quarters in which sales are more back-end loaded will have higher accounts receivable balances outstanding at quarter-end. Inventory, net increased \$10.0 million in the first three months of 2024 compared to increasing \$20.7 million in the first three months of 2023. Trade accounts payable and accrued liabilities negatively impacted cash by \$3.4 million in the first three months of 2024 versus negatively impacting cash by \$41.0 million in the first three months of 2023. In the first three months of 2024, changes in current and deferred taxes favorably impacted cash by \$19.7 million versus \$36.4 million of favorable impact in the first three months of 2023. These changes in cash flow were the primary drivers of the \$40.8 million decrease in cash flows provided by operating activities in the first three months of 2024 compared to the first three months of 2023.

Cash used in investing activities increased to \$34.1 million in the first three months of 2024 from \$31.8 million in the first three months of 2023.

Cash used in financing activities in the first three months of 2024 consisted of \$0.3 million of cash dividends paid and \$1.7 million of proceeds from exercised stock options. These activities provided \$1.4 million of cash in financing activities for the first three months of 2024 compared to \$128.3 million used in the first three months of 2023. For the three months ended March 31, 2024 and 2023, the Company did not access its revolving line of credit.

The Company's cash balance was \$614.1 million at March 31, 2024 compared to \$697.4 million at March 31, 2023.

During the remainder of 2024, the Company expects its capital expenditures will consist primarily of expenditures related to the purchases of manufacturing equipment throughout its facilities to update equipment and the previously announced expansion plans which remain on schedule. The incremental investments previously announced continue in earnest, focused on broadening our position as a low-cost manufacturer in the sector and increasing manufacturing capacity to drive growth. In 2023, we began construction of a state-of-the-art residential wire and cable manufacturing facility which will replace our

original residential manufacturing plant, leveraging automation and advanced manufacturing technology to increase capacity, improve order fill and further modernize our campus. This investment will strengthen our position in the residential market segment while also supporting the production of feed wire used across our campus. We anticipate this facility will be substantially complete in early Q3 2024 and will help to further elevate our ability to ship 100% complete orders quickly. Capital spending in the remainder of 2024 through 2026 will further expand vertical integration in our manufacturing processes to reduce costs as well as modernize select wire manufacturing facilities to increase capacity and efficiency and improve our position as a sustainable and environmentally responsible company. Total capital expenditures were \$164.5 million in 2023. We expect total capital expenditures to range from \$130 - \$150 million in the full year of 2024, \$130 - \$150 million in 2025, and \$100 - \$120 million in 2026. We expect to continue to fund these investments with existing cash reserves and operating cash flows.

Critical Accounting Estimates and Policies

Management's discussion and analysis of its financial condition and results of operations are based upon the Company's financial statements, which have been prepared in accordance with U.S. GAAP. The Company's unaudited financial statements are impacted by the accounting policies used and the estimates and assumptions made by management in their preparation. See Note 1 to the notes to the financial statements for information on the Company's significant accounting policies.

As of March 31, 2024, there have been no significant changes to the Company's critical accounting policies and related estimates previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Information Regarding Forward-Looking Statements

This quarterly report on Form 10-Q contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements related to the expected timing of the closing of the pending Merger and expectations following the closing of the Merger. Forward-looking statements can be identified by words such as: "anticipate", "intend", "plan", "goal", "seek", "believe", "project", "estimate", "expect", "strategy", "future", "likely", "may", "should", "will" and similar references to future periods. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Therefore, you should not rely on any of these forward-looking statements. Examples of such uncertainties and risks include, but are not limited to, the possibility that the Company may be unable to obtain the required stockholder approval, antitrust or other regulatory approvals or that other conditions to consummation of the Merger may not be satisfied, such that the Merger may not be consummated or that the consummation may be delayed, the reaction of distributors, vendors, other partners and employees to the announcement or consummation of the Merger, general macro-economic conditions, including risks associated with unforeseeable events such as pandemics, wars and other hostilities, emergencies or other disasters, risks associated with certain covenants in the Merger Agreement that may limit or disrupt our current plans and operations, the amount of the costs, fees, expenses and charges related to the Merger that may not be recovered if the Merger is not consummated for any reason, the outcome of any legal proceedings that may be brought related to the Merger, the occurrence of any event, change or other circumstances that could give rise to the termination of the Merger Agreement, other risks and uncertainties described Item 1A. Risk Factors, the pricing environment of copper, aluminum and other raw materials, our order fill rates, profitability and stockholder value, payment of future dividends, future purchases of stock, the impact of competitive pricing and other risks detailed from time to time in the Company's reports filed with the SEC. Actual results may vary materially from those anticipated. Any forward-looking statement made by us in this report is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise. For more information regarding "forward-looking statements," see "Information Regarding Forward-Looking Statements" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the year ended December 31, 2023, which is hereby incorporated by reference.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

There have been no material changes from the information provided in Item 7A, "Quantitative and Qualitative Disclosures About Market Risk," of the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures.

The Company maintains controls and procedures designed to ensure that information required to be disclosed by it in the reports it files with or submits to the SEC is recorded, processed, summarized and reported within the time periods specified in

the SEC's rules and forms and to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including the Chief Executive and Chief Financial Officers, as appropriate, to allow timely decisions regarding required disclosure. Based on an evaluation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report conducted by the Company's management, with the participation of the Chief Executive and Chief Financial Officers, the Chief Executive and Chief Financial Officers concluded that the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports it files with or submits to the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, including the Chief Executive and Chief Financial Officers, as appropriate, to allow timely decisions regarding required disclosure.

There have been no changes in the Company's internal control over financial reporting or in other factors that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting during the period covered by this report.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings.

For information on the Company's legal proceedings, see Note 9 to the Company's financial statements included in Item 1 to this report and incorporated herein by reference.

Item 1A. Risk Factors.

Item 1A of Part I of our annual report on Form 10-K for the year ended December 31, 2023 includes a detailed discussion of the risk factors that could materially affect our business, financial condition or future prospects. The information below updates and supplements, and should be read in conjunction with, the risk factors in our 2023 Form 10-K.

Risks related to the Merger

The pendency of the Merger could have a material adverse effect on our business, consolidated financial condition or results of operations, or the market price of our common stock.

On April 14, 2024, the Company entered into the Merger Agreement. During the period between the date of the signing of the Merger Agreement and the closing of the Merger, our business has been and is exposed to certain inherent risks due to the effect of the announcement and the pendency of the Merger, including the following:

- the potential for us to experience difficulties maintaining relationships with customers and business partners, who may defer decisions about working with us, move to our competitors, or seek to delay or change existing business relationships with us;
- potential uncertainties in the event there is negative sentiment in the marketplace with respect to the Merger, which could adversely impact investor confidence in our business;
- our potential inability to retain and hire key personnel during the pendency of the Merger, as our personnel may experience uncertainty about their future roles following the Merger;
- diversion of our management's time and attention, as well as distraction of our key personnel, from the Company's ordinary course of business operations;
- the occurrence of any event, change, or other circumstance that could give rise to the termination of the Merger Agreement, including in circumstances requiring the Company to pay a termination fee; and
- our inability to solicit other acquisition proposals after the expiration of the go-shop period, pursue alternative business opportunities, make strategic changes to our business, and other restrictions on our ability to conduct our business pursuant to the Merger Agreement.

Expenses related to the pending Merger are significant and may adversely affect our operating results.

We have incurred and expect to continue to incur significant expenses in connection with the pending Merger, including legal and investment banking fees. If the Merger is not consummated, we may under certain circumstances be required to pay to Parent a termination fee of up to \$146.54 million. Our financial position and results of operations may be adversely affected if we were required to pay the termination fee.

The Merger may not be completed within the expected timeframe, or at all, and any significant delay or the failure to complete the Merger could adversely affect our business, consolidated financial condition or results of operations, or the market price of our common stock.

There can be no assurance that the Merger will be completed within the intended timeframe, or at all. If the Merger is not completed within the intended timeframe or at all, or if the Merger is significantly delayed, we may be subject to a number of material risks, including the following:

- to the extent that the current market price of our common stock reflects an assumption that the Merger will be completed, the market price may be negatively impacted because of a failure to complete the Merger within the expected timeframe, or at all;
- we could be subject to litigation related to any failure to complete the Merger;

- we have incurred, and expect to continue incurring, significant costs, expenses, and fees for professional services and other Merger-related costs, for which we may receive little or no benefit if the Merger is not completed, and many of these fees and costs will be payable by us even if the Merger is not completed; and
- a significant delay in completing the Merger or the failure to complete the Merger may result in negative publicity, which, in turn, could negatively affect our relationships with business partners and could impact investor and consumer confidence in our business.

The occurrence of any of these events individually or in combination could materially adversely affect our business, consolidated financial condition or results of operations, or the market price of our common stock.

Shareholder litigation could prevent or delay the closing of the Merger or otherwise negatively impact our business, consolidated financial condition or results of operations, or the market price of our common stock.

We may incur additional costs in connection with the defense or settlement of any future shareholder litigation related to the pending Merger. Such litigation may adversely affect our ability to complete the Merger. We could incur significant costs in connection with any such litigation, including costs associated with the indemnification obligations to our directors, which could adversely affect our business, consolidated financial condition or results of operations, or the market price of our common stock.

The Merger Agreement contains provisions that could discourage a potential competing acquirer of us.

The Merger Agreement contains non-solicitation provisions that, upon expiration of the go-shop period and subject to limited exceptions, restrict our ability to solicit, initiate, or knowingly encourage or induce competing third-party proposals (or engage in, continue or otherwise participate in negotiations or discussions regarding such third-party proposals) for the acquisition of our stock or assets. Under certain limited circumstances, our Board of Directors may (i) withdraw, qualify or modify its recommendation that our stockholders adopt the Merger Agreement and/or (ii) terminate the Merger Agreement to enter into a definitive agreement with respect to a third-party acquisition proposal. However, before doing so, our Board of Directors must abide by certain procedures described in the Merger Agreement, including provisions that give Parent an opportunity to negotiate in good faith to modify the terms of the Merger Agreement in a manner that any such third-party acquisition proposal would not constitute a superior proposal. In some circumstances, upon termination of the Merger Agreement, we will be required to pay a termination fee to Parent of up to \$146.54 million.

These provisions could discourage a potential third-party acquirer that might have an interest in acquiring all or a significant portion of us from considering or proposing that acquisition, even if the acquirer was prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the Merger, or might otherwise result in a potential third-party acquirer proposing to pay a lower price to our stockholders than they might otherwise have proposed to pay due to the added expense of the termination fee that may become payable in certain circumstances.

All of the matters described above, alone or in combination, could materially and adversely affect our business, financial condition, results of operations and stock price.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Note 8 to the Company's financial statements included in Item 1 to this report is hereby incorporated herein by reference.

The following table provides information relating to our purchases of shares of our common stock during the three months ended March 31, 2024.

Period	(a)	(b)	(c)	(d)
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (1)
January 2024	—	\$ —	—	813,617
February 2024	—	—	—	2,000,000
March 2024	—	—	—	2,000,000
	—	\$ —	—	

(1) On November 10, 2006, the Board of Directors approved a stock repurchase program authorizing the Company to repurchase up to an authorized number of shares of its common stock from time to time in open market or private transactions, at the Company's discretion. This authorization originally expired on December 31, 2007, and the Company's Board of Directors has authorized several increases and annual extensions of this stock repurchase program, most recently in February 2024, authorizing the repurchase of up to 2,000,000 shares of our common stock. As of March 31, 2024, 2,000,000 shares remained authorized for repurchase through March 31, 2025. The Company did not repurchase shares of its stock in the three months ended March 31, 2024, compared to 702,478 shares repurchased in the three months ended March 31, 2023.

Item 5. Other Information.**Rule 10b5-1 Trading Plans**

During the three months ended March 31, 2024, none of our executive officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any "non-Rule 10b5-1 trading arrangement."

Item 6. Exhibits.

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of April 14, 2024, by and among Prysmian S.p.A., Applause Merger Sub Inc., Prysmian Cables and Systems USA, LLC (solely for purposes of Section 9.12) and Encore Wire Corporation (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on April 15, 2024, and incorporated herein by reference).
3.1	Certificate of Incorporation of Encore Wire Corporation and all amendments thereto (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2009, and incorporated herein by reference).
3.2	Third Amended and Restated Bylaws of Encore Wire Corporation, as amended through February 27, 2012 (filed as Exhibit 3.2 to the Company's Annual Report on Form 10-K for the year ended December 31, 2011, and incorporated herein by reference).
3.3	Amendment to the Third Amended and Restated Bylaws of Encore Wire Corporation (filed as Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on April 15, 2024, and incorporated herein by reference).
4.1	Form of certificate for Common Stock (filed as Exhibit 1 to the Company's registration statement on Form 8-A, filed with the SEC on June 4, 1992, and incorporated herein by reference).
10.1*	Form of Encore Wire Corporation Performance-Based Restricted Stock Unit Award Agreement under the 2020 Long Term Incentive Plan.
10.2*	Form of Encore Wire Corporation Time-Based Restricted Stock Unit Award Agreement under the 2020 Long Term Incentive Plan.
31.1	Certification by Daniel L. Jones, Chairman, President and Chief Executive Officer of the Company, dated April 25, 2024 and submitted pursuant to Rule 13a-14(a)/15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification by Bret J. Eckert, Executive Vice President and Chief Financial Officer of the Company, dated April 25, 2024 and submitted pursuant to Rule 13a-14(a)/15d-14(a) and pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification by Daniel L. Jones, Chairman, President and Chief Executive Officer of the Company, dated April 25, 2024 as required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification by Bret J. Eckert, Executive Vice President and Chief Financial Officer of the Company, dated April 25, 2024 as required by 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL 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
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

* Management contract or compensatory plan

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ENCORE WIRE CORPORATION

(Registrant)

Dated: April 25, 2024

/s/ DANIEL L. JONES

Daniel L. Jones
Chairman, President and Chief Executive Officer

Dated: April 25, 2024

/s/ BRET J. ECKERT

Bret J. Eckert
Executive Vice President and Chief Financial Officer

**ENCORE WIRE CORPORATION
2020 LONG TERM INCENTIVE PLAN**

Restricted Stock Unit Award Agreement

This Restricted Stock Unit Award Agreement (this “*Agreement*”) is made by and between Encore Wire Corporation, a Delaware corporation (the “*Company*”), and [NAME] (the “*Participant*”), effective as of [DATE], 2024 (the “*Grant Date*”).

RECITALS

WHEREAS, the Company has adopted the Encore Wire Corporation 2020 Long Term Incentive Plan (as the same may be amended from time to time, the “*Plan*”), which Plan is incorporated herein by reference and made a part of this Agreement, and capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to those terms in the Plan; and

WHEREAS, the Committee has authorized and approved the grant of an Award of Restricted Stock Units to the Participant that will provide the Participant the opportunity to receive shares of the common stock of the Company (the “*Common Stock*”) upon the settlement of the Award on the terms and conditions set forth in the Plan and this Agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the parties agree as follows:

1. **Grant of Restricted Stock Unit Award**. The Company hereby grants to the Participant the number of Restricted Stock Units set forth in the next sentence, on the terms and conditions set forth in the Plan and this Agreement, subject to adjustment as set forth in the Plan. This award consists of 50,000 time-based restricted stock units (“RSUs”) and 50,000 (at the target level of performance) performance-based restricted stock units (“PRSUs”).
2. **Vesting and Forfeiture of Restricted Stock Units**. Subject to the terms and conditions set forth in the Plan and this Agreement, the Restricted Stock Units shall vest as follows:
 - (a) **General**. Except as otherwise provided in this Section 2, the Restricted Stock Units shall vest (in whole shares, rounded down) according to the following schedule, subject to the Participant’s continued employment with the Company or its Affiliate through each applicable vesting date and, in the case of PRSUs, also subject to the applicable performance-based vesting conditions set forth in Section 2(b) below:

Number of Restricted Stock Units Vesting	Vesting Date
1/3 of the RSUs and 1/3 of the PRSUs (at target), each rounded down to the nearest whole Restricted Stock Unit	First Anniversary of the Grant Date
1/3 of the RSUs and 1/3 of the PRSUs (at target), each rounded down to the nearest whole Restricted Stock Unit	Second Anniversary of the Grant Date
Remainder of the RSUs and remainder of the PRSUs (at target)	Third Anniversary of the Grant Date

(b) PRSUs. The PRSUs (at target) corresponding to a particular vesting date set forth above are referred to as a “tranche.” The tranche of PRSUs corresponding to a particular vesting date above will vest only if the time and service-based vesting conditions set forth in this Section 2 are satisfied as to that vesting date and, if such condition is satisfied, the number of PRSUs (at target) in that tranche will be multiplied by the “Performance Achievement Percentage” (which will be between 50% and 150%) determined as of that vesting date in accordance with this Section 2(b) (as modified by Sections 2(c), (d), and (e), if and as applicable). Subject to Section 2(b)(iv), to the extent the Performance Achievement Percentage as to a particular tranche is determined to be less than full vesting of that tranche, any PRSUs in that tranche that could have become vested on that vesting date but do not vest (as a result of the Performance Achievement Percentage being less than full vesting) shall terminate and be forfeited as of such vesting date (regardless of whether the time and service-based vesting conditions are satisfied as to such PRSUs).

(i) If both the Tangible Book Value Condition (as defined below) and the Company TSR Condition (as defined below) are satisfied with respect to a particular tranche, then the Performance Achievement Percentage for that tranche will be determined in accordance with clause (ii) below. If one or both of the Tangible Book Value Condition and the Company TSR Condition are not satisfied with respect to a particular tranche, then the Performance Achievement Percentage for that tranche will be 50%. For purposes of this Agreement, the “Tangible Book Value Condition” will be satisfied with respect to a particular tranche if, for the calendar year preceding the calendar year in which the vesting date applicable to that tranche occurs relative to the second calendar year preceding the calendar year in which the vesting date applicable to that tranche occurs, the Company’s tangible book value per share (calculated, as to an applicable year, in accordance with the Company’s standard methodology of dividing the Company’s total stockholders equity as of the end of that year by the Company’s number of actual issued and outstanding shares of common stock as of the end of that year) increased. For purposes of this Agreement, the “Company TSR Condition” will be satisfied with respect to a particular tranche if the Company’s TSR (as defined below) measured over the period of thirty-six consecutive calendar months ending with the calendar month preceding the month in which the vesting date applicable to that tranche occurs (the “Prior 36-Month Period”) was positive.

(ii) If the Performance Achievement Percentage for a tranche is to be determined in accordance with this clause (ii) (as provided in clause (i) above), then the Performance Achievement Percentage for that tranche will be determined in accordance with the following chart based on the Company’s TSR performance relative to the performance of the Russell 2000 Index (the “Index”) when measured over the Prior 36-Month Period applicable to that tranche.

If the Company's TSR performance for the Prior 36-Month Period relative to the performance of the Index for that same period is:	The Performance Achievement Percentage will be:
Equal (for example, the Company's TSR is plus 40% and the Index performance is also plus 40%)	100%
Positive (for example, the Company's TSR is plus 50% but the Index performance is plus 40%)	100% increased (but not above 150%) by the proportionate amount (expressed as a percentage) by which the Company's TSR for the Prior 36-Month Period exceeded the performance of the Index for that same period (<i>i.e.</i> , in the example given, the Performance Achievement Percentage would be 125% because a 50% increase in TSR for the applicable period is 25% greater than a 40% increase for the applicable period)
Negative (for example, the Company's TSR is plus 30% but the Index performance is plus 40%)	100% reduced (but not below 50%) by the proportionate amount (expressed as a percentage) by which the Company's TSR for the Prior 36-Month Period was less than the performance of the Index for that same period (<i>i.e.</i> , in the example given, the Performance Achievement Percentage would be 75% because a 30% increase in TSR for the applicable period is 25% less than a 40% increase for the applicable period)

(iii) For purposes of this Agreement, "TSR" means total shareholder return, and shall be calculated based on the closing price (in regular trading on the principal exchange for which the stock is listed or admitted to trade) for a share of Company common stock on the last trading day before the start of the applicable measurement period and the closing price (in regular trading on the principal exchange for which the stock is listed or admitted to trade) for a share of Company common stock on the last trading day of the applicable measurement period, assuming the reinvestment of dividends, and equitably adjusted to account for stock splits, reverse stock splits, and stock dividends. For purposes of this Agreement, the performance of the Index shall be expressed as a percentage return over the applicable measurement period of an investment made in the Index at the start of that measurement period.

(iv) As to each of the first tranche and the second tranche, to the extent the Performance Achievement Percentage for that tranche is less than 100%, the difference between the number of PRSUs in that tranche that would have vested on the applicable vesting date had the Performance Achievement Percentage for that tranche been 100% and the number of PRSUs in that tranche that actually vested on that vesting date (“Excess PRSUs”) shall be carried forward and eligible to vest based on any greater Performance Achievement Percentage (not in excess of 100%) attained in connection with a later vesting date (with vesting on any later vesting date subject to the Participant’s continued employment with the Company or its Affiliate through the applicable later vesting date). (For example and subject to the continued employment requirement, if the Performance Achievement Percentages for the first, second, and third tranches were 80%, 95% and 110%, respectively, three-quarters of the Excess PRSUs corresponding to the first tranche would vest on the second vesting date (the portion of such Excess PRSUs corresponding to an increase in the Performance Achievement Percentage from 80% to 95%), and the remaining Excess PRSUs corresponding to the first tranche together with all of the Excess PRSUs corresponding to the second tranche would vest on the third vesting date. As another example and subject to the continued employment requirement, if the Performance Achievement Percentages for the first, second, and third tranches were 50%, 60% and 60%, respectively, one-fifth of the Excess PRSUs corresponding to the first tranche would vest on the second vesting date (the portion of such Excess PRSUs corresponding to an increase in the Performance Achievement Percentage from 50% to 60%), but no Excess PRSUs would vest in connection with the third vesting date (because the Performance Achievement Percentage for the third vesting date did not exceed the Performance Achievement Percentage for the second vesting date, and the Excess PRSUs from the first vesting date that corresponded to an increase in the Performance Achievement Percentage from 50% to 60% had already vested in connection with the second vesting date).) Any such carried-forward PRSUs shall terminate and be forfeited effective as of the third vesting date to the extent that they do not vest in connection with the third vesting date.

(c) Change in Control. All outstanding and unvested Restricted Stock Units (RSUs and PRSUs) shall vest upon a Change in Control (as defined below), subject to the Participant’s continued employment with the Company or its Affiliate as of the date of consummation of such Change in Control. For such purposes, the number of PRSUs vesting shall be determined as follows: (a) no adjustment shall be made as to any tranche of PRSUs as to which the applicable vesting date occurred before the date of such Change in Control (other than as provided in Section 2(b)(iv), which clause shall continue to apply and as any later vesting dates are determined in accordance with clause (b) of this sentence), and (b) as to any tranche of PRSUs as to which the applicable vesting date did not occur before the date of such Change in Control, the vesting date as to such tranche shall be deemed to be the date of such Change in Control. For purposes of this Agreement and notwithstanding Section 2(g) of the Plan, “Change in Control” means the occurrence of any of the following events after the Grant Date: (i) a “change in the ownership” of the Company within the meaning of Treasury Regulation § 1.409A-3(i)(5)(v), whereby any one person,

or more than one person acting as a “group” (as such term is defined in Treasury Regulation § 1.409A-3(i)(5)(v)(B)), acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; (ii) a “change in the effective control” of the Company within the meaning of Treasury Regulation § 1.409A-3(i)(5)(vi)(A)(2), whereby a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or (iii) a “change in the ownership of a substantial portion” of the Company’s assets within the meaning of Treasury Regulation § 1.409A-3(i)(5)(vii), whereby any one person, or more than one person acting as a “group” (as such term is defined in Treasury Regulation § 1.409A-3(i)(5)(vii)(C)), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than 75% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions.

- (d) **Retirement.** Upon termination of the Participant’s employment with the Company and its Affiliates by the Participant after reaching age 60 and completing 10 years of continuous employment with the Company and its Affiliates (“*Retirement*”), all outstanding and unvested Restricted Stock Units shall vest as of the date of such termination of employment as though a Change in Control had occurred on such date (with the number of RSUs and PRSUs vesting determined by applying Section 2(c)).
- (e) **Death or Disability.** Upon termination of the Participant’s employment with the Company and its Affiliates as a result of the Participant’s death or Disability, all outstanding and unvested Restricted Stock Units shall vest as of the date of such termination of employment as though a Change in Control had occurred on such date (with the number of RSUs and PRSUs vesting determined by applying Section 2(c)). “*Disability*” means the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Committee on the basis of such medical evidence as the Committee deems warranted under the circumstances.
- (f) **Forfeiture.** Any unvested Restricted Stock Units shall be forfeited immediately, automatically and without consideration upon a termination of the Participant’s employment with the Company and its Affiliates for any reason other than Retirement or the Participant’s death or Disability.

3. **Dividend Equivalents.** The Participant shall be entitled to Dividend Equivalents with respect to the Restricted Stock Units granted pursuant to this Award. Each Restricted Stock Unit subject to this Award is hereby granted in tandem with a corresponding Dividend Equivalent, which Dividend Equivalent shall remain outstanding from the Grant Date until the earlier of the settlement or forfeiture of the Restricted Stock Unit to which the Dividend Equivalent corresponds. Each Dividend Equivalent entitles the Participant to receive cash

payments, subject to and in accordance with this Agreement, in an amount equal to any cash dividends paid by the Company in respect of the share of Common Stock underlying the Restricted Stock Unit to which such Dividend Equivalent relates. The Company shall establish, with respect to each Restricted Unit, a separate Dividend Equivalent bookkeeping account for such Restricted Stock Unit (a “*DE Account*”), which shall be credited (without interest) on the applicable dividend payment dates with an amount equal to any cash dividends paid during the period that such Restricted Unit remains outstanding with respect to the share of Common Stock underlying the Restricted Stock Unit to which such Dividend Equivalent relates. Upon the vesting of a Restricted Stock Unit, the Dividend Equivalent (and the *DE Account*) with respect to such vested Restricted Stock Unit shall also become vested. Similarly, upon the forfeiture of a Restricted Stock Unit, the Dividend Equivalent (and the *DE Account*) with respect to such forfeited Restricted Stock Unit shall also be forfeited. Dividend Equivalents shall not entitle the Participant to any payments relating to cash dividends paid after the earlier to occur of the date that the applicable Restricted Stock Unit is settled in accordance with Section 4 or the forfeiture of the Restricted Stock Unit underlying such Dividend Equivalent. Payments with respect to vested Dividend Equivalents shall be made in cash as soon as practicable, and not later than 60 days, after the date that such Dividend Equivalent vests. The Participant shall not be entitled to receive any interest with respect to the payment of Dividend Equivalents.

4. **Payment.** Promptly following each applicable vesting date or vesting event of the Restricted Stock Units (but no later than 60 days following such vesting date or event), the Company shall deliver to the Participant a number of shares of Common Stock equal to the aggregate number of Restricted Stock Units that vest as of such date or event. No fractional shares of Common Stock shall be delivered; the Company shall pay cash in respect of any fractional shares of Common Stock. The Company may deliver such shares either through book entry accounts held by, or in the name of, the Participant or cause to be issued a certificate or certificates representing the number of shares of Common Stock to be issued in respect of the Restricted Stock Units, registered in the name of the Participant.
5. **Withholding Requirements.** The Company shall be entitled to take any of the following actions in order to satisfy tax withholding obligations arising on account of amounts accrued or payable under this Agreement: (i) deduct from any amount accrued or payable under this Agreement, including withholding shares of Common Stock, the amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld with respect thereto, (ii) require the Participant to pay to the Company such withholding taxes, or (iii) deduct from any other compensation payable to the Participant the amount of any withholding obligations with respect to amounts accrued or payable under this Agreement. The Committee shall determine in its discretion which of the above actions shall be taken in order to satisfy tax withholding obligations arising on account of amounts accrued or payable under this Agreement, including but not limited to withholding from shares of Common Stock not otherwise issuable at such time by accelerating the issuance of such shares, as permitted under Treasury Regulation Section 1.409A-3(j)(4)(vi).
6. **Adjustment of Shares of Common Stock.** In the event of any change with respect to the outstanding shares of Common Stock contemplated by Section 8 of the Plan, the Restricted Stock Units may be adjusted in accordance with Section 8 of the Plan.

7. Miscellaneous Provisions.

- (a) Securities Laws Requirements. No shares of Common Stock will be issued or transferred pursuant to this Agreement unless and until all then applicable requirements imposed by federal and state securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction, and by any exchanges upon which the shares of Common Stock may be listed, have been fully met. As a condition precedent to the issuance of shares of Common Stock pursuant to this Agreement, the Company may require the Participant to take any reasonable action to meet those requirements. The Committee may impose such conditions on any shares of Common Stock issuable pursuant to this Agreement as it may deem advisable, including, without limitation, restrictions under the Securities Act, as amended, under the requirements of any exchange upon which shares of the same class are then listed and under any blue sky or other securities laws applicable to those shares of Common Stock.
- (b) Rights of a Shareholder of the Company. Prior to settlement of the Restricted Stock Units in shares of Common Stock, the Participant will not have any rights as a shareholder of the Company with respect to any shares of Common Stock underlying the Restricted Stock Units.
- (c) Transfer Restrictions. The shares of Common Stock delivered hereunder will be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are listed, any applicable federal or state laws and any agreement with, or policy of, the Company or the Committee to which the Participant is a party or subject, and the Committee may cause orders or designations to be placed upon the books and records of the Company's transfer agent to make appropriate reference to such restrictions.
- (d) No Right to Continued Employment. Nothing in this Agreement or the Plan confers upon the Participant any right to continue in the employment of the Company or its Affiliates for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Affiliate employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her employment at any time and for any reason.
- (e) Notification. Any notification required by the terms of this Agreement will be given by the Participant (i) in writing addressed to the Company at its principal executive office and will be deemed effective upon actual receipt when delivered by personal delivery or by registered or certified mail, with postage and fees prepaid, or (ii) by electronic transmission to the Company's e-mail address of the Company's Chief Financial Officer and will be deemed effective upon actual receipt. Any notification required by the terms of this Agreement will be given by the Company (x) in writing addressed to the address that the Participant most recently provided to the Company and will be deemed effective upon personal delivery or within three (3) days of deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, or (y) by facsimile or electronic transmission to the Participant's primary work fax number or e-mail

address (as applicable) and will be deemed effective upon confirmation of receipt by the sender of such transmission.

- (f) **Entire Agreement.** This Agreement and the Plan constitute the entire agreement between the parties hereto with regard to the subject matter of this Agreement. This Agreement and the Plan supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter of this Agreement.
- (g) **Waiver.** No waiver of any breach or condition of this Agreement will be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.
- (h) **Successors and Assigns.** The provisions of this Agreement will inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's executor, personal representative(s), distributees, administrator, permitted transferees, permitted assignees, beneficiaries, and legatee(s), as applicable, whether or not any such person will have become a party to this Agreement and have agreed in writing to be joined herein and be bound by the terms hereof.
- (i) **Severability.** The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, then the remaining provisions will nevertheless be binding and enforceable.
- (j) **Amendment.** Except as otherwise provided in the Plan, this Agreement will not be amended unless the amendment is agreed to in writing by both the Participant and the Company.
- (k) **Choice of Law; Jurisdiction.** This Agreement and all claims, causes of action or proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or relate to this Agreement will be governed by the internal laws of the State of Delaware, excluding any conflicts or choice-of-law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.
- (l) **Clawback.** To the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Board (or a committee thereof), any shares of Common Stock granted and Dividend Equivalents paid under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures adopted by the Company, which clawback policies or procedures may provide for forfeiture and/or recoupment of such shares of Common Stock and Dividend Equivalents. Notwithstanding any provision of this Agreement to the contrary, the Company reserves the right, without the Participant's consent, to adopt any such clawback policies and procedures, including such policies and procedures applicable to this Agreement with retroactive effect.
- (m) **Unfunded Award.** The Award represents an unfunded, unsecured right to receive shares of Common Stock and the associated Dividend Equivalents in accordance with the terms of this Agreement, and the Company shall not be required to

segregate any assets with respect to any payments due in connection with this Agreement.

- (n) Code Section 409A. This Agreement and the Restricted Stock Units and Dividend Equivalents granted hereunder are intended to comply with Section 409A of the Code in both form and operation so that the additional taxes imposed by Section 409A of the Code will not apply, and any ambiguities herein shall be interpreted, to the extent possible, in a manner consistent therewith. For purposes of Section 409A of the Code, each payment due with respect to the grant of Restricted Stock Units hereunder shall be considered a separate payment and the Participant's entitlement to a series of payments with respect to the grant of Restricted Stock Units hereunder is to be treated as an entitlement to a series of separate payments. Any payments to be made under this Agreement as a result of the Participant's termination of employment shall only be made if such termination of employment constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h) ("Separation from Service"). Any provision of this Agreement to the contrary notwithstanding, if the Participant is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of his or her Separation from Service, any payment to be made under this Agreement upon such Separation from Service will not be paid until six months after the date of the Participant's Separation from Service (or, if earlier, the date of the Participant's death). In such case, any payment so delayed shall be paid in a single lump sum on the first business day following the sixth-month anniversary of the Participant's Separation from Service (or, if earlier, upon the Participant's death). None of the Company or its Affiliates shall be liable to the Participant for any payment made under this Agreement or with respect to any Restricted Stock Unit, which is determined to result in an additional tax, penalty or interest under Section 409A of the Code, nor for reporting, in good faith, any payment made under this Agreement or with respect to any Restricted Stock Unit as an amount includable in gross income under Section 409A of the Code.
- (o) Signature in Counterparts. This Agreement may be signed in counterparts, manually or electronically, each of which will be an original, with the same effect as if the signatures to each were upon the same instrument.
- (p) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to any Awards granted under the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company, if applicable. Such on-line or electronic system shall satisfy notification requirements discussed in Section 7(e).
- (q) Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understands the terms and provisions of the Plan and this Agreement, and accepts the Restricted Stock Units subject to all of the terms and conditions of the Plan and this Agreement. In the event of a conflict between any term or provision contained in this Agreement and a term or provision of the Plan, the applicable term and provision of the Plan will govern and prevail.

[Signature page follows.]

IN WITNESS WHEREOF, the Company and the Participant have executed this Restricted Stock Unit Award Agreement as of the dates set forth below.

PARTICIPANT

ENCORE WIRE CORPORATION

Signature: _____

By: _____

Print Name: _____

Name: _____

Date: _____

Its: _____

Date: _____

[Signature Page – Restricted Stock Unit Award Agreement]

**ENCORE WIRE CORPORATION
2020 LONG TERM INCENTIVE PLAN**

Time-Based Restricted Stock Unit Award Agreement

This Time-Based Restricted Stock Unit Award Agreement (this “*Agreement*”) is made by and between Encore Wire Corporation, a Delaware corporation (the “*Company*”), and [NAME] (the “*Participant*”), effective as of [DATE], 2022 (the “*Grant Date*”).

RECITALS

WHEREAS, the Company has adopted the Encore Wire Corporation 2020 Long Term Incentive Plan (as the same may be amended from time to time, the “*Plan*”), which Plan is incorporated herein by reference and made a part of this Agreement, and capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to those terms in the Plan; and

WHEREAS, the Committee has authorized and approved the grant of an Award of Restricted Stock Units to the Participant that will provide the Participant the opportunity to receive shares of the common stock of the Company (the “*Common Stock*”) upon the settlement of the Award on the terms and conditions set forth in the Plan and this Agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the parties agree as follows:

1. **Grant of Restricted Stock Unit Award**. The Company hereby grants to the Participant [NUMBER] Restricted Stock Units, on the terms and conditions set forth in the Plan and this Agreement, subject to adjustment as set forth in the Plan.
2. **Vesting and Forfeiture of Restricted Stock Units**. Subject to the terms and conditions set forth in the Plan and this Agreement, the Restricted Stock Units shall vest as follows:
 - (a) **General**. Except as otherwise provided in this Section 2, the Restricted Stock Units shall vest (in whole shares, rounded down) according to the following schedule, subject to the Participant’s continued employment with the Company or its Affiliate through each applicable vesting date:

<u>Number of Restricted Stock Units Vesting</u>	<u>Vesting Date</u>
1/3 of the Restricted Stock Units	First Anniversary of Grant Date
1/3 of the Restricted Stock Units	Second Anniversary of Grant Date
Remainder of the Restricted Stock Units	Third Anniversary of Grant Date

- (b) **Change in Control**. All unvested Restricted Stock Units shall fully vest upon a Change in Control (as defined below), subject to the Participant’s continued employment with the Company or its Affiliate as of the date of consummation of

such Change in Control. For purposes of this Agreement and notwithstanding Section 2(g) of the Plan, “Change in Control” means the occurrence of any of the following events after the Grant Date: (i) a “change in the ownership” of the Company within the meaning of Treasury Regulation § 1.409A-3(i)(5)(v), whereby any one person, or more than one person acting as a “group” (as such term is defined in Treasury Regulation § 1.409A-3(i)(5)(v)(B)), acquires ownership of stock in the Company that, together with stock held by such person or group, constitutes more than 50% of the total fair market value or total voting power of the stock of the Company; (ii) a “change in the effective control” of the Company within the meaning of Treasury Regulation § 1.409A-3(i)(5)(vi)(A)(2), whereby a majority of the members of the Board are replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or (iii) a “change in the ownership of a substantial portion” of the Company’s assets within the meaning of Treasury Regulation § 1.409A-3(i)(5)(vii), whereby any one person, or more than one person acting as a “group” (as such term is defined in Treasury Regulation § 1.409A-3(i)(5)(vii)(C)), acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets of the Company that have a total gross fair market value equal to or more than 75% of the total gross fair market value of all the assets of the Company immediately prior to such acquisition or acquisitions.

- (c) **Retirement.** Upon termination of the Participant’s employment with the Company and its Affiliates by the Participant after reaching age 60 and completing 10 years of continuous employment with the Company and its Affiliates (“*Retirement*”), all unvested Restricted Stock Units shall fully vest as of the date of such termination of employment.
- (d) **Death or Disability.** Upon termination of the Participant’s employment with the Company and its Affiliates as a result of the Participant’s death or Disability, all unvested Restricted Stock Units shall fully vest as of the date of such termination of employment. “*Disability*” means the inability of the Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Code, and will be determined by the Committee on the basis of such medical evidence as the Committee deems warranted under the circumstances.
- (e) **Forfeiture.** Any unvested Restricted Stock Units shall be forfeited immediately, automatically and without consideration upon a termination of the Participant’s employment with the Company and its Affiliates for any reason other than Retirement or the Participant’s death or Disability.

3. Dividend Equivalents. The Participant shall be entitled to Dividend Equivalents with respect to the Restricted Stock Units granted pursuant to this Award. Each Restricted Stock Unit subject to this Award is hereby granted in tandem with a corresponding Dividend Equivalent, which Dividend Equivalent shall remain outstanding from the Grant Date until the earlier of the settlement or forfeiture of the Restricted Stock Unit to which the Dividend Equivalent corresponds. Each Dividend Equivalent entitles the Participant to receive cash payments, subject to and in accordance with this Agreement, in an amount equal to any cash dividends paid by the Company in respect of the share of Common Stock underlying the Restricted Stock Unit to which such Dividend Equivalent relates. The Company shall establish, with respect to each Restricted Unit, a separate Dividend Equivalent bookkeeping account for such Restricted Stock Unit (a “*DE Account*”), which shall be credited (without interest) on the applicable dividend payment dates with an amount equal to any cash dividends paid during the period that such Restricted Unit remains outstanding with respect to the share of Common Stock underlying the Restricted Stock Unit to which such Dividend Equivalent relates. Upon the vesting of a Restricted Stock Unit, the Dividend Equivalent (and the DE Account) with respect to such vested Restricted Stock Unit shall also become vested. Similarly, upon the forfeiture of a Restricted Stock Unit, the Dividend Equivalent (and the DE Account) with respect to such forfeited Restricted Stock Unit shall also be forfeited. Dividend Equivalents shall not entitle the Participant to any payments relating to cash dividends paid after the earlier to occur of the date that the applicable Restricted Stock Unit is settled in accordance with Section 4 or the forfeiture of the Restricted Stock Unit underlying such Dividend Equivalent. Payments with respect to vested Dividend Equivalents shall be made in cash as soon as practicable, and not later than 60 days, after the date that such Dividend Equivalent vests. The Participant shall not be entitled to receive any interest with respect to the payment of Dividend Equivalents.
4. Payment. Promptly following each applicable vesting date or vesting event of the Restricted Stock Units (but no later than 60 days following such vesting date or event), the Company shall deliver to the Participant a number of shares of Common Stock equal to the aggregate number of Restricted Stock Units that vest as of such date or event. No fractional shares of Common Stock shall be delivered; the Company shall pay cash in respect of any fractional shares of Common Stock. The Company may deliver such shares either through book entry accounts held by, or in the name of, the Participant or cause to be issued a certificate or certificates representing the number of shares of Common Stock to be issued in respect of the Restricted Stock Units, registered in the name of the Participant.
5. Withholding Requirements. The Company shall be entitled to take any of the following actions in order to satisfy tax withholding obligations arising on account of amounts accrued or payable under this Agreement: (i) deduct from any amount accrued or payable under this Agreement, including withholding shares of Common Stock, the amount equal to the federal, state and local income taxes and other amounts as may be required by law to be withheld with respect thereto, (ii) require the Participant to pay to the Company such withholding taxes, or (iii) deduct from any other compensation payable to the Participant the amount of any withholding obligations with respect to amounts accrued or payable under this Agreement. The Committee shall determine in its discretion which of the above actions shall be taken in order to satisfy tax withholding obligations arising on account of

amounts accrued or payable under this Agreement, including but not limited to withholding from shares of Common Stock not otherwise issuable at such time by accelerating the issuance of such shares, as permitted under Treasury Regulation Section 1.409A-3(j)(4)(vi).

6. **Adjustment of Shares of Common Stock.** In the event of any change with respect to the outstanding shares of Common Stock contemplated by Section 8 of the Plan, the Restricted Stock Units may be adjusted in accordance with Section 8 of the Plan.

7. **Miscellaneous Provisions.**

- (a) **Securities Laws Requirements.** No shares of Common Stock will be issued or transferred pursuant to this Agreement unless and until all then applicable requirements imposed by federal and state securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction, and by any exchanges upon which the shares of Common Stock may be listed, have been fully met. As a condition precedent to the issuance of shares of Common Stock pursuant to this Agreement, the Company may require the Participant to take any reasonable action to meet those requirements. The Committee may impose such conditions on any shares of Common Stock issuable pursuant to this Agreement as it may deem advisable, including, without limitation, restrictions under the Securities Act, as amended, under the requirements of any exchange upon which shares of the same class are then listed and under any blue sky or other securities laws applicable to those shares of Common Stock.
- (b) **Rights of a Shareholder of the Company.** Prior to settlement of the Restricted Stock Units in shares of Common Stock, the Participant will not have any rights as a shareholder of the Company with respect to any shares of Common Stock underlying the Restricted Stock Units.
- (c) **Transfer Restrictions.** The shares of Common Stock delivered hereunder will be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are listed, any applicable federal or state laws and any agreement with, or policy of, the Company or the Committee to which the Participant is a party or subject, and the Committee may cause orders or designations to be placed upon the books and records of the Company's transfer agent to make appropriate reference to such restrictions.
- (d) **No Right to Continued Employment.** Nothing in this Agreement or the Plan confers upon the Participant any right to continue in the employment of the Company or its Affiliates for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Affiliate employing or retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her employment at any time and for any reason.

(e) Notification. Any notification required by the terms of this Agreement will be given by the Participant (i) in writing addressed to the Company at its principal executive office and will be deemed effective upon actual receipt when delivered by personal delivery or by registered or certified mail, with postage and fees prepaid, or (ii) by electronic transmission to the Company's e-mail address of the Company's Chief Financial Officer and will be deemed effective upon actual receipt. Any notification required by the terms of this Agreement will be given by the Company (x) in writing addressed to the address that the Participant most recently provided to the Company and will be deemed effective upon personal delivery or within three (3) days of deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, or (y) by facsimile or electronic transmission to the Participant's primary work fax number or e-mail address (as applicable) and will be deemed effective upon confirmation of receipt by the sender of such transmission.

(f) Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties hereto with regard to the subject matter of this Agreement. This Agreement and the Plan supersede any other agreements, representations or understandings (whether oral or written and whether express or implied) that relate to the subject matter of this Agreement.

(g) Waiver. No waiver of any breach or condition of this Agreement will be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.

(h) Successors and Assigns. The provisions of this Agreement will inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's executor, personal representative(s), distributees, administrator, permitted transferees, permitted assignees, beneficiaries, and legatee(s), as applicable, whether or not any such person will have become a party to this Agreement and have agreed in writing to be joined herein and be bound by the terms hereof.

(i) Severability. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, then the remaining provisions will nevertheless be binding and enforceable.

(j) Amendment. Except as otherwise provided in the Plan, this Agreement will not be amended unless the amendment is agreed to in writing by both the Participant and the Company.

(k) Choice of Law; Jurisdiction. This Agreement and all claims, causes of action or proceedings (whether in contract, in tort, at law or otherwise) that may be based upon, arise out of or relate to this Agreement will be governed by the internal laws of the State of Delaware, excluding any conflicts or choice-of-law rule or principle

that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

- (l) Clawback. To the extent required by applicable law or any applicable securities exchange listing standards, or as otherwise determined by the Board (or a committee thereof), any shares of Common Stock granted and Dividend Equivalents paid under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures adopted by the Company, which clawback policies or procedures may provide for forfeiture and/or recoupment of such shares of Common Stock and Dividend Equivalents. Notwithstanding any provision of this Agreement to the contrary, the Company reserves the right, without the Participant's consent, to adopt any such clawback policies and procedures, including such policies and procedures applicable to this Agreement with retroactive effect.
- (m) Unfunded Award. The Award represents an unfunded, unsecured right to receive shares of Common Stock and the associated Dividend Equivalents in accordance with the terms of this Agreement, and the Company shall not be required to segregate any assets with respect to any payments due in connection with this Agreement.
- (n) Code Section 409A. This Agreement and the Restricted Stock Units and Dividend Equivalents granted hereunder are intended to comply with Section 409A of the Code in both form and operation so that the additional taxes imposed by Section 409A of the Code will not apply, and any ambiguities herein shall be interpreted, to the extent possible, in a manner consistent therewith. For purposes of Section 409A of the Code, each payment due with respect to the grant of Restricted Stock Units hereunder shall be considered a separate payment and the Participant's entitlement to a series of payments with respect to the grant of Restricted Stock Units hereunder is to be treated as an entitlement to a series of separate payments. Any payments to be made under this Agreement as a result of the Participant's termination of employment shall only be made if such termination of employment constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h) ("Separation from Service"). Any provision of this Agreement to the contrary notwithstanding, if the Participant is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of his or her Separation from Service, any payment to be made under this Agreement upon such Separation from Service will not be paid until six months after the date of the Participant's Separation from Service (or, if earlier, the date of the Participant's death). In such case, any payment so delayed shall be paid in a single lump sum on the first business day following the sixth-month anniversary of the Participant's Separation from Service (or, if earlier, upon the Participant's death). None of the Company or its Affiliates shall be liable to the Participant for any payment made under this Agreement or with respect to any Restricted Stock Unit, which is determined to result in an additional tax, penalty or interest under Section 409A of the Code, nor for reporting, in good faith, any payment made under

this Agreement or with respect to any Restricted Stock Unit as an amount includable in gross income under Section 409A of the Code.

- (o) Signature in Counterparts. This Agreement may be signed in counterparts, manually or electronically, each of which will be an original, with the same effect as if the signatures to each were upon the same instrument.
- (p) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to any Awards granted under the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company, if applicable. Such on-line or electronic system shall satisfy notification requirements discussed in Section 7(e).
- (q) Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understands the terms and provisions of the Plan and this Agreement, and accepts the Restricted Stock Units subject to all of the terms and conditions of the Plan and this Agreement. In the event of a conflict between any term or provision contained in this Agreement and a term or provision of the Plan, the applicable term and provision of the Plan will govern and prevail.

[Signature page follows.]

IN WITNESS WHEREOF, the Company and the Participant have executed this Restricted Stock Unit Award Agreement as of the dates set forth below.

PARTICIPANT

ENCORE WIRE CORPORATION

Signature: _____

By: _____

Print Name: _____

Name: _____

Date: _____

Its: _____

Date: _____

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Daniel L. Jones, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Encore Wire Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024

/s/ DANIEL L. JONES

Daniel L. Jones
Chairman, President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Bret J. Eckert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Encore Wire Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2024

/s/ BRET J. ECKERT

Bret J. Eckert
Executive Vice President and Chief Financial Officer

CERTIFICATION FURNISHED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Encore Wire Corporation (the "Company") on Form 10-Q for the quarterly period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel L. Jones, Chairman, President and Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 25, 2024

/s/ DANIEL L. JONES

Daniel L. Jones
Chairman, President and Chief Executive Officer

CERTIFICATION FURNISHED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Encore Wire Corporation (the "Company") on Form 10-Q for the quarterly period ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bret J. Eckert, Executive Vice President and Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 25, 2024

/s/ BRET J. ECKERT

Bret J. Eckert
Executive Vice President and Chief Financial Officer