

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**Current Report**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 13, 2016

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**OPTICAL CABLE CORPORATION**

(Exact name of registrant as specified in its charter)

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**Virginia**  
(State or other jurisdiction of  
incorporation or organization)

**000-27022**  
(Commission  
File Number)

**54-1237042**  
(I.R.S. Employer  
Identification Number)

**5290 Concourse Drive**  
**Roanoke, VA**  
(Address of principal executive offices)

**24019**  
(Zip Code)

**(540) 265-0690**  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition**

On September 13, 2016, Optical Cable Corporation issued a press release announcing its third quarter of fiscal year 2016 financial results. Also on September 13, 2016, Optical Cable Corporation held an earnings call. The press release is attached hereto as Exhibit 99.1 and the transcript for the earnings call is attached as Exhibit 99.2.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

The following is filed as an Exhibit to this Report.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release dated September 13, 2016 (FILED HEREWITH)
99.2	Transcript of earnings call on September 13, 2016 (FILED HEREWITH)

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 hereunto duly authorized.

OPTICAL CABLE CORPORATION

By: /s/ TRACY G. SMITH  
Name: Tracy G. Smith  
Title: Senior Vice President and Chief Financial Officer

Dated: September 14, 2016



**OPTICAL CABLE CORPORATION**  
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 Roanoke, VA 24019  
 (Nasdaq GM: OCC)  
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**FOR IMMEDIATE RELEASE**

**OPTICAL CABLE CORPORATION REPORTS  
 THIRD QUARTER 2016 FINANCIAL RESULTS**

***OCC Achieves Sequential Quarterly Increases  
 in Net Sales, Gross Profit and Profitability***

**ROANOKE, VA, September 13, 2016** — Optical Cable Corporation (Nasdaq GM: OCC) (“OCC®” or the “Company”) today announced financial results for its third quarter ended July 31, 2016.

*Third Quarter 2016 Financial Results*

Consolidated net sales for the third quarter of fiscal year 2016 were \$16.9 million, compared to net sales of \$20.8 million for the third quarter of fiscal year 2015, a decrease of 18.6%.

Sequentially, net sales increased in the third quarter of fiscal 2016, up 3.5% compared to net sales of \$16.3 million for the second quarter of fiscal year 2016, and up 20.4% compared to \$14.0 million for the first quarter of fiscal 2016.

When compared to the same period last year, net sales for the third quarter of fiscal year 2016 continued to be negatively impacted by reduced demand in certain specialty markets and downward pressure on pricing in certain markets. The strong U.S. dollar also impacted sales outside of the U.S. during the third quarter of fiscal year 2016.

Gross profit margin, or gross profit as a percentage of net sales, improved to 32.3% in the third quarter of fiscal year 2016, compared to 27.5% in the third quarter of fiscal year 2015. The Company achieved gross profit of \$5.5 million in the third quarter of fiscal year 2016, compared to \$5.7 million in the third quarter of fiscal year 2015.

Gross profit margin in the third quarter of fiscal year 2016 was positively impacted by a change in product mix including a decrease in sales of certain products that had negatively impacted gross profit margin in the third quarter of fiscal year 2015.

Sequentially, gross profit during the third quarter of fiscal 2016 increased 20.0% and 55.9%, respectively, compared to gross profit in the second and first quarters of fiscal year 2016. The Company's gross profit margin increased to 32.3% in the third quarter of fiscal 2016, an improvement compared to 27.9% and 24.9%, respectively, in the second and first quarters of fiscal 2016.

SG&A expenses decreased 16.6% to \$5.1 million for the third quarter of fiscal year 2016 from \$6.1 million for the third quarter of fiscal year 2015, as a result of targeted cost reduction efforts across all expense categories.

OCC recorded net income attributable to the Company of \$188,000, or \$0.03 per basic and diluted share, for the third quarter of fiscal year 2016, compared to a net loss attributable to the Company of \$573,000, or \$0.09 per basic and diluted share, for the third quarter of fiscal year 2015.

#### *Fiscal Year-to-Date 2016 Financial Results*

Consolidated net sales for the first nine months of fiscal year 2016 were \$47.3 million, compared to net sales of \$56.8 million for the same period in fiscal year 2015, a decrease of 16.7%.

Gross profit was \$13.5 million in the first nine months of fiscal year 2016, compared to \$16.8 million in the first nine months of fiscal 2015. Gross profit margin was 28.6% in the first nine months of fiscal year 2016, compared to 29.5% in the first nine months of fiscal year 2015. Gross profit margin for the first nine months of fiscal 2016 was impacted primarily by lower sales volumes, particularly in the first quarter of fiscal 2016. While the sale of certain lower margin products negatively impacted gross profit margin earlier in the fiscal year, a change in product mix during the latter part of the second quarter and during the third quarter of fiscal 2016 generated a significant increase in gross profit margins.

SG&A expenses for the first nine months of fiscal year 2016 decreased \$2.8 million, or 15.1%, compared to SG&A expenses of \$18.3 million for the first nine months of fiscal year 2015. The decrease in SG&A expenses was the result of targeted cost reduction efforts across all expense categories.

OCC recorded a net loss attributable to the Company of \$2.5 million, or \$0.40 per basic and diluted share, for the first nine months of fiscal year 2016, compared to a net loss of \$1.3 million, or \$0.21 per basic and diluted share, for the same period last year.

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The Company generated approximately \$2.0 million of cash flow from operating activities during the first nine months of fiscal year 2016, an increase of 95.3% compared to the first nine months of fiscal year 2015.

#### *Management's Comments*

Neil Wilkin, President and Chief Executive Officer of OCC, said, “During our third quarter, we made further progress on our initiatives to reduce costs and operate even more efficiently. These efforts, together with our success in increasing our top-line performance on a sequential basis, allowed us to achieve solid third quarter results despite challenging and volatile macroeconomic conditions that are impacting many of our end-markets.”

“OCC’s improved results, including increased gross profit margins, were achieved through targeted cost reduction initiatives and efforts to operate efficiently, as well as a more favorable product mix. At the same time, we continue to make investments and improvements that we believe will contribute to future positive performance,” Mr. Wilkin said.

“OCC produces an outstanding suite of innovative product offerings and solutions for our customers, and we thank our employees for their hard work and dedication. We are confident we are taking the right steps and look forward to building on our strong foundation to deliver value for shareholders,” Mr. Wilkin added.

#### *Conference Call Information*

As previously announced, OCC will host a conference call today, September 13, 2016, at 10:00 a.m. Eastern Time. Individuals wishing to participate in the conference call should call (866) 610-1072 or (973) 935-2840. For interested individuals unable to join the call, a replay will be available through September 20, 2016 by dialing (800) 585-8367 or (404) 537-3406, pass code 75718603. The call will also be broadcast live over the Internet and can be accessed by visiting the investor relations section of the Company’s website at [www.occfiber.com](http://www.occfiber.com).

#### *Company Information*

Optical Cable Corporation (“OCC<sup>®</sup>”) is a leading manufacturer of a comprehensive range of top-tier fiber optic and copper communication cabling and connectivity products and solutions—primarily for the enterprise market, various harsh environment and specialty markets, and the wireless carrier market.

OCC<sup>®</sup> is internationally recognized for pioneering innovative fiber optic and copper communications technologies, including fiber optic cable designs for the most demanding environments and applications, copper connectivity designs to meet the highest data communication industry standards, as well as a broad product offering built on the evolution of these fundamental technologies.

OCC uses its expertise to deliver cabling and connectivity products and integrated solutions that are best suited to the performance requirements of each end-user’s application. And, OCC’s solutions offerings cover a broad range of applications—from commercial, enterprise network, datacenter, residential and campus installations to customized products for specialty applications and harsh environments, including military, industrial, mining, petrochemical and broadcast applications, as well as for the wireless carrier market.

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Founded in 1983, OCC is headquartered in Roanoke, Virginia with offices, manufacturing and warehouse facilities located in Roanoke, Virginia, near Asheville, North Carolina and near Dallas, Texas. OCC's facilities are ISO 9001:2008 registered and OCC's Roanoke and Dallas facilities are MIL-STD-790F certified.

Optical Cable Corporation™, OCC®, Procyon®, Procyon Blade™, Superior Modular Products™, SMP Data Communications™, Applied Optical Systems™, and associated logos are trademarks of Optical Cable Corporation.

Further information about OCC® is available at [www.occfiber.com](http://www.occfiber.com).

#### FORWARD-LOOKING INFORMATION

This news release by Optical Cable Corporation and its subsidiaries (collectively, the “Company” or “OCC”) may contain certain forward-looking information within the meaning of the federal securities laws. The forward-looking information may include, among other information, (i) statements concerning our outlook for the future, (ii) statements of belief, anticipation or expectation, (iii) future plans, strategies or anticipated events, and (iv) similar information and statements concerning matters that are not historical facts. Such forward-looking information is subject to known and unknown variables, uncertainties, contingencies and risks that may cause actual events or results to differ materially from our expectations, and such known and unknown variables, uncertainties, contingencies and risks may also adversely affect Optical Cable Corporation and its subsidiaries, the Company's future results of operations and future financial condition, and/or the future equity value of the Company. A partial list of such variables, uncertainties, contingencies and risks that could cause or contribute to such differences from our expectations or that could otherwise adversely affect Optical Cable Corporation and its subsidiaries is set forth in Optical Cable Corporation's quarterly and annual reports filed with the Securities and Exchange Commission (“SEC”) under the heading “Forward-Looking Information.” OCC's quarterly and annual reports are available to the public on the SEC's website at <http://www.sec.gov>. In providing forward-looking information, the Company expressly disclaims any obligation to update this information, whether as a result of new information, future events or otherwise except as required by applicable laws and regulations.

(Financial Tables Follow)

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OPTICAL CABLE CORPORATION  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(thousands, except per share data)  
(unaudited)

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2016	2015	2016	2015
Net sales	\$ 16,915	\$ 20,781	\$ 47,303	\$ 56,816
Cost of goods sold	<u>11,453</u>	<u>15,072</u>	<u>33,788</u>	<u>40,053</u>
Gross profit	5,462	5,709	13,515	16,763
SG&A expenses	5,075	6,084	15,514	18,279
Royalty expense, net	39	27	105	117
Amortization of intangible assets	<u>4</u>	<u>3</u>	<u>11</u>	<u>8</u>
Income (loss) from operations	344	(405)	(2,115)	(1,641)
Interest expense, net	(166)	(114)	(460)	(319)
Other, net	<u>3</u>	<u>3</u>	<u>20</u>	<u>8</u>
Other expense, net	<u>(163)</u>	<u>(111)</u>	<u>(440)</u>	<u>(311)</u>
Income (loss) before income taxes	181	(516)	(2,555)	(1,952)
Income tax expense (benefit)	<u>(7)</u>	<u>46</u>	<u>7</u>	<u>(630)</u>
Net income (loss)	<u>\$ 188</u>	<u>\$ (562)</u>	<u>\$ (2,562)</u>	<u>\$ (1,322)</u>
Net income (loss) attributable to noncontrolling interest	<u>—</u>	<u>11</u>	<u>(22)</u>	<u>(31)</u>
Net income (loss) attributable to OCC	<u>\$ 188</u>	<u>\$ (573)</u>	<u>\$ (2,540)</u>	<u>\$ (1,291)</u>
Net income (loss) attributable to OCC per share: Basic and diluted	<u>\$ 0.03</u>	<u>\$ (0.09)</u>	<u>\$ (0.40)</u>	<u>\$ (0.21)</u>
Weighted average shares outstanding:				
Basic and diluted	<u>7,115</u>	<u>6,210</u>	<u>6,403</u>	<u>6,233</u>
Cash dividends declared per common share	<u>\$ —</u>	<u>\$ 0.02</u>	<u>\$ —</u>	<u>\$ 0.06</u>

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OPTICAL CABLE CORPORATION  
CONDENSED CONSOLIDATED BALANCE SHEET DATA  
(thousands)  
(unaudited)

	July 31, 2016	October 31, 2015
Cash	\$ 1,773	\$ 1,083
Trade accounts receivable, net	9,046	9,189
Inventories	14,944	17,816
Other current assets	522	1,059
<b>Total current assets</b>	<b>26,285</b>	<b>29,147</b>
Non-current assets	14,828	15,882
<b>Total assets</b>	<b>\$ 41,113</b>	<b>\$ 45,029</b>
Current liabilities	\$ 4,853	\$ 5,643
Non-current liabilities	12,347	13,497
<b>Total liabilities</b>	<b>17,200</b>	<b>19,140</b>
Total shareholders' equity attributable to OCC	23,913	26,631
Noncontrolling interest	—	(742)
<b>Total shareholders' equity</b>	<b>23,913</b>	<b>25,889</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 41,113</b>	<b>\$ 45,029</b>

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THOMSON REUTERS STREETEVENTS  
TRANSCRIPT  
OCC - Q3 2016 Optical Cable Corporation Earnings Call  
EVENT DATE/TIME: SEPTEMBER 13, 2016 / 10:00AM ET

**Corporate Participants**

**Andrew Siegel** Joele Frank, Wilkinson, Brimmer, Katcher - Investor Relations  
**Neil Wilkin** Optical Cable Corporation – Chairman of the Board, President, and Chief Executive Officer  
**Tracy Smith** Optical Cable Corporation - Senior Vice President and Chief Financial Officer

**Presentation**

**Operator**

Good morning. My name is Maria, and I'll be your conference operator today. At this time, I would like to welcome everyone to the Optical Cable Corporation third quarter 2016 earnings conference call.

(Operator Instructions)

Thank you. Mr. Siegel, you may begin your conference.

**Andrew Siegel** - Joele Frank, Wilkinson, Brimmer, Katcher - Investor Relations

Thanks, Maria. Good morning, and thank you all for participating on Optical Cable Corporation's third quarter of fiscal year 2016 conference call. By this time, everyone should have a copy of the earnings press release issued earlier today. You can also visit [occfiber.com](http://occfiber.com) for a copy. On the call with us today is Neil Wilkin, President and Chief Executive Officer of OCC, and Tracy Smith, Senior Vice President and Chief Financial Officer.

Before we begin, I'd like to remind everyone that this call may contain forward-looking statements that involve risks and uncertainties. The actual future results of Optical Cable Corporation may differ materially due to a number of factors and risks, including, but not limited to, those factors referenced in the forward-looking statements section of this morning's press release. These cautionary statements apply to the contents of the Internet webcast on [www.occfiber.com](http://www.occfiber.com) as well as today's call. Now I'll turn the call over to Neil Wilkin. Neil, please begin.

**Neil Wilkin** - Optical Cable Corporation - Chairman of the Board, President, and Chief Executive Officer

Thank you, Andrew, and good morning, everyone. I will begin the call today with a few opening remarks. Tracy will then review the third quarter results for the three-month and nine-month periods ended July 31, 2016 in more detail. After Tracy's remarks, we will answer as many of your questions as we can. As is our normal practice, we will only take questions from analysts and institutional investors during the Q&A session. However, we also offer our other shareholders the opportunity to submit questions in advance of our earnings call. Instructions regarding such submissions are included in our press release announcing the date and time of our call.

During our third quarter, we made further progress on our initiatives to reduce cost and operate more efficiently. These efforts, together with our success in increasing our top-line performance on a sequential basis, allowed us to achieve solid third quarter results despite challenging and volatile macroeconomic conditions that are impacting certain of our end-markets. Importantly, while we have focused efforts on cost reduction initiatives, we also continue to make appropriate investments and improvements that we believe will contribute to future positive performance.

OCC continues to be operating cash flow positive. During the first nine months of fiscal year 2016, we generated approximately \$2 million in net cash provided by operations, with no increase in bank indebtedness since August 2015. In fact, through August 2016, we paid down \$500,000 on our new revolving credit facility with Bank of North Carolina.

Looking ahead, we intend to build on our positive momentum in the last quarter of the fiscal year by continuing to successfully execute on our strategies and drive growth and enhance shareholder value. We will continue to pursue opportunities to increase sales, realize operational efficiencies and reduce costs to further improve our bottom line results—focusing on factors we can control to best position OCC for future success.

We are confident we are taking the right steps, and we believe that as we continue to execute on our ongoing initiatives, the results will be a stronger OCC that will drive substantial long-term value creation. OCC produces an outstanding suite of innovative product offerings and solutions for our customers and end-users, and we thank our employees for their hard work and dedication. We look forward to building on our strong foundation to deliver value for shareholders.

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And with that, I will now turn the call over to Tracy Smith, who will review some specifics regarding our third quarter in additional detail.

**Tracy Smith** - Optical Cable Corporation - Senior Vice President and Chief Financial Officer

Thank you, Neil. The Company achieved consolidated net sales of \$16.9 million during the third quarter of fiscal year 2016, a decrease of 18.6% compared to net sales of \$20.8 million for the same period last year. Sequentially, net sales increased 3.5% and 20.4%, respectively, in the third quarter of fiscal 2016, compared to net sales of \$16.3 million and \$14 million for the second and first quarters of fiscal 2016.

Consolidated net sales for the first nine months of fiscal 2016 were \$47.3 million, a decrease of 16.7% compared to net sales of \$56.8 million for the same period in fiscal 2015. We experienced a decrease in net sales in both our enterprise and specialty markets in the third quarter and first nine months of fiscal 2016, compared to the same periods last year. We are also continuing to see downward pressure on pricing in certain markets, particularly the wireless carrier market. Net sales outside of the United States continue to be negatively impacted by the strong US dollar relative to other international currencies.

Gross profit was \$5.5 million in the third quarter of fiscal year 2016 compared to \$5.7 million in the third quarter of fiscal year 2015. Gross profit margin, or gross profit as a percentage of net sales, was 32.3% in the third quarter of fiscal 2016 compared to 27.5% in the third quarter of fiscal 2015. Sequentially, gross profit increased 20% and 55.9%, respectively, in the third quarter of fiscal 2016 compared to gross profit in the second and first quarters of fiscal 2016. Gross profit margin increased to 32.3% in the third quarter of fiscal 2016 compared to 27.9% and 24.9%, respectively, in the second and first quarters of fiscal 2016.

Gross profit was \$13.5 million in the first nine months of fiscal year 2016 compared to \$16.8 million in the first nine months of fiscal year 2015. Gross profit margin was 28.6% in the first nine months of fiscal 2016 compared to 29.5% in the first nine months of fiscal year 2015. Gross profit margin for the first nine months of fiscal 2016 was impacted primarily by lower sales volumes, particularly in the first quarter of fiscal 2016. While the sale of certain lower margin products negatively impacted gross profit margin earlier in the fiscal year, a change in product mix during the latter part of the second quarter and during the third quarter of fiscal 2016 generated an increase in gross profit margins. Our gross profit margin percentages are heavily dependent upon product mix on a quarterly basis. Additionally, the cost reductions implemented near the end of fiscal year 2015 positively impacted gross profit margins in both the third quarter of fiscal 2016 as well as the year-to-date period.

SG&A expenses decreased 16.6% to \$5.1 million during the third quarter of fiscal 2016 compared to \$6.1 million for the same period last year. SG&A expenses as a percentage of net sales were 30% in the third quarter of fiscal 2016 compared to 29.3% in the third quarter of fiscal year 2015.

SG&A expenses decreased \$2.8 million, or 15.1%, to \$15.5 million during the first nine months of fiscal 2016 compared to \$18.3 million for the same period last year. SG&A expenses as a percentage of net sales were 32.8% in the first nine months of fiscal 2016 compared to 32.2% in the first nine months of fiscal year 2015. The decrease in SG&A expenses in the third quarter and first nine months of fiscal 2016 when compared to the same periods last year was the result of targeted cost reduction efforts across all expense categories.

For the third quarter of fiscal year 2016, we reported net income attributable to OCC of \$188,000, or \$0.03 per basic and diluted share, compared to a net loss attributable to OCC of \$573,000, or \$0.09 per basic and diluted share, for the same period last year.

Net loss attributable to OCC for the first nine months of fiscal year 2016 was \$2.5 million, or \$0.40 per basic and diluted share, compared to a net loss attributable to OCC of \$1.3 million, or \$0.21 per basic and diluted share, for the same period last year.

As of July 31, 2016, we had outstanding borrowings of \$5.9 million on our revolving credit note and \$1.1 million in available credit. We also had outstanding loan balances of \$7 million under our real estate term loans, also with the Bank of North Carolina.

With that, I'll turn the call back over to Neil.

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**Neil Wilkin** - Optical Cable Corporation - Chairman of the Board, President, and Chief Executive Officer

Thank you, Tracy. And now, if you have any questions, we are happy to answer them. Maria, if you could please indicate the instructions for our participants to call in any questions they may have, I would appreciate it.

## **Questions and Answers**

### **Operator**

(Operator Instructions) And I'm showing no questions at this time, sir.

(Operator Instructions) I'm showing no questions at this time. I would like to turn the floor back over to Mr. Wilkin for any additional or closing remarks.

**Neil Wilkin** - Optical Cable Corporation - Chairman of the Board, President, and Chief Executive Officer

Thank you, Maria. Before we sign off, Andrew, could you let us know if there's any questions that were submitted in advance by individual shareholders?

**Andrew Siegel** - Joele Frank, Wilkinson, Brimmer, Katcher - Investor Relations

Neil, there were no questions submitted this quarter by individual shareholders. So I'll turn it back to you for any closing remarks.

**Neil Wilkin** - Optical Cable Corporation - Chairman of the Board, President, and Chief Executive Officer

Okay, thank you. I would like to thank everyone for listening to our third quarter conference call today. As always, we appreciate your time and your interest in OCC. Thank you.

### **Operator**

Thank you, ladies and gentlemen. This does conclude today's conference call, you may now disconnect.