

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

FORM 8-K

Current Report

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

Date of Report (Date of earliest event reported): June 13, 2022

OPTICAL CABLE CORPORATION

(Exact name of registrant as specified in its charter)

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)

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))

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

<u>Title of Each Class</u>	<u>Trading Symbol</u>	<u>Name of exchange on which registered</u>
Common Stock, no par value	OCC	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12B-2 of the Securities Exchange Act of 1934.

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.

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Item 2.02 Results of Operations and Financial Condition

On June 13, 2022, Optical Cable Corporation issued a press release announcing its second quarter of fiscal year 2022 financial results. Also on June 13, 2022, 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 are filed as Exhibits to this Report.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release dated June 13, 2022 (FILED HEREWITH)
99.2	Transcript of earnings call on June 13, 2022 (FILED HEREWITH)
104	Cover page Interactive Data File (embedded within the inline XBRL document)

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: June 14, 2022

**OPTICAL CABLE CORPORATION**

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FOR IMMEDIATE RELEASE

**OPTICAL CABLE CORPORATION REPORTS
 SECOND QUARTER OF 2022 FINANCIAL RESULTS**

*OCC® Achieves Year-over-Year Increases in
 Net Sales and Gross Profit in the Second Quarter and First Half of Fiscal Year 2022*

Roanoke, Va., June 13, 2022 — Optical Cable Corporation (Nasdaq GM: OCC) (“OCC®” or the “Company”) today announced financial results for its second quarter ended April 30, 2022.

Second Quarter 2022 Financial Results

Consolidated net sales for the second quarter of fiscal year 2022 increased 9.3% to \$17.2 million, compared to net sales of \$15.7 million for the same period last year, with increased net sales in the enterprise and specialty markets, including the wireless carrier market.

Sequentially, consolidated net sales increased 19.1% for the second quarter of fiscal year 2022, compared to net sales of \$14.4 million for the first quarter of fiscal year 2022.

The Company’s sales order backlog/forward load continues to be at higher than typical levels and product demand is robust with demand for OCC’s products increasing during the second quarter of fiscal year 2022.

Production volumes were tempered during the second quarter of fiscal year 2022 by supply chain and labor constraints, impacting net sales. The Company believes labor constraints are beginning to show signs of easing in the third quarter of fiscal year 2022.

Gross profit increased 4.4% to \$5.0 million in the second quarter of fiscal year 2022, compared to gross profit of \$4.8 million for the same period last year. Sequentially, gross profit increased 24.4% in the second quarter of fiscal year 2022, compared to gross profit of \$4.0 million for the first quarter of fiscal year 2022.

Gross profit margin, or gross profit as a percentage of net sales, was 29.3% in the second quarter of fiscal year 2022 compared to 30.6% in the second quarter of fiscal year 2021. The year-over-year decrease in gross profit margin was primarily due to rapid inflation causing increases in costs of raw materials for sales orders accepted prior to raw material cost increases.

SG&A expenses increased to \$5.0 million during the second quarter of fiscal year 2022, compared to \$4.6 million for the second quarter of fiscal year 2021. The increase in SG&A expenses was primarily the result of net increases in employee and contracted sales personnel related costs.

For the second quarter of fiscal year 2022, OCC recorded a net loss of \$228,000, or \$0.03 per basic and diluted share, compared to net income of \$3.4 million, or \$0.45 per basic and diluted share, for the second quarter of fiscal year 2021.

Fiscal Year-to-Date 2022 Financial Results

Consolidated net sales for the first half of fiscal year 2022 increased 14.6% to \$31.6 million, compared to net sales of \$27.6 million for the first half of fiscal year 2021. The Company achieved increases in net sales in both its enterprise and specialty markets, including the wireless carrier market, in the first half of fiscal year 2022, compared to the same period last year.

OCC reported gross profit of \$9.1 million in the first half of fiscal year 2022, an increase of 27.4% compared to gross profit of \$7.1 million in the first half of fiscal year 2021.

Gross profit margin increased to 28.7% in the first half of fiscal year 2022 compared to 25.8% for the same period in fiscal year 2021. The Company's gross profit margins tend to be higher when it achieves higher net sales levels due to its operating leverage, as certain fixed manufacturing costs are spread over higher sales. This operating leverage positively impacted the Company's gross profit margin during the first half of fiscal year 2022, particularly during the first quarter of fiscal year 2022. This positive impact during the first quarter of fiscal year 2022 was partially offset by the impact of increasing costs of raw materials.

SG&A expenses increased 10.3% to \$9.8 million during the first half of fiscal year 2022 from \$8.9 million for the first half of fiscal year 2021. The increase in SG&A expenses during the first half of fiscal year 2022 compared to the first half of fiscal year 2021 was primarily the result of increases in employee and contracted sales personnel related costs.

OCC recorded a net loss of \$1.2 million, or \$0.16 per basic and diluted share, for the first half of fiscal year 2022, compared to net income of \$1.2 million, or \$0.17 per basic and diluted share, for the first half of fiscal year 2021.

As of April 30, 2022, OCC had a \$2.2 million receivable for Employee Retention Tax Credit ("ERTC") still to be refunded, which was received by the Company in May 2022.

Management's Comments

Neil Wilkin, President and Chief Executive Officer of OCC, said, “Our second quarter results reflect the OCC team’s continued execution in a dynamic market that is experiencing pressures from inflation, labor shortages and supply chain constraints. We are continuing to see robust demand for our products as we execute our growth strategies and build on our strong competitive position. We also continue to focus on controlling expenses as supply chain and labor market constraints that affected our results are starting to show signs of relenting. Looking ahead to the second half of fiscal 2022, our team is focused on driving growth in our targeted markets, providing customers with our full suite of mission-critical cabling and connectivity products and solutions, and operating efficiently as we work to capture the opportunities ahead and deliver value to shareholders.”

Conference Call Information

As previously announced, OCC will host a conference call today, June 13, 2022, at 10:00 a.m. Eastern Time. Individuals wishing to participate in the conference call should call (800) 909-7113 in the U.S. or (785) 424-1677 internationally, Conference ID: OCCQ222. For interested individuals unable to join the call, a replay will be available through Monday, June 20, 2022 by dialing (800) 839-5245 or (402) 220-2701. 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.

Company Information

Optical Cable Corporation (“OCC®”) is a leading manufacturer of a broad range of fiber optic and copper data communication cabling and connectivity solutions primarily for the enterprise market and various harsh environment and specialty markets (collectively, the non-carrier markets) and also the wireless carrier market, offering integrated suites of high-quality products which operate as a system solution or seamlessly integrate with other providers’ offerings.

OCC® 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.

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 9001:2015 registered and its Roanoke and Dallas facilities are MIL-STD-790G certified.

Optical Cable Corporation™, OCC®, Procyon®, 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.

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)

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

	Three Months Ended April 30,		Six Months Ended April 30,	
	2022	2021	2022	2021
Net sales	\$ 17,200	\$ 15,741	\$ 31,641	\$ 27,618
Cost of goods sold	<u>12,167</u>	<u>10,922</u>	<u>22,562</u>	<u>20,489</u>
Gross profit	5,033	4,819	9,079	7,129
SG&A expenses	5,036	4,589	9,816	8,898
Royalty (income) expense, net	7	(43)	13	(50)
Amortization of intangible assets	<u>11</u>	<u>11</u>	<u>24</u>	<u>22</u>
Income (loss) from operations	(21)	262	(774)	(1,741)
Interest expense, net	(182)	(181)	(341)	(355)
Other, net	<u>(30)</u>	<u>3,311</u>	<u>(41)</u>	<u>3,314</u>
Other income (expense), net	<u>(212)</u>	<u>3,130</u>	<u>(382)</u>	<u>2,959</u>
Income (loss) before income taxes	(233)	3,392	(1,156)	1,218
Income tax expense (benefit)	<u>(5)</u>	<u>7</u>	<u>8</u>	<u>(26)</u>
Net income (loss)	<u>\$ (228)</u>	<u>\$ 3,385</u>	<u>\$ (1,164)</u>	<u>\$ 1,244</u>
Net income (loss) per share:				
Basic and diluted	<u>\$ (0.03)</u>	<u>\$ 0.45</u>	<u>\$ (0.16)</u>	<u>\$ 0.17</u>
Weighted average shares outstanding:				
Basic and diluted	<u>7,487</u>	<u>7,536</u>	<u>7,465</u>	<u>7,536</u>

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

	April 30, 2022	October 31, 2021
Cash	\$ 239	\$ 132
Trade accounts receivable, net	10,552	8,376
Inventories	18,646	16,304
Other current assets	2,632	2,754
Total current assets	<u>32,069</u>	<u>27,566</u>
Non-current assets	9,710	10,351
Total assets	<u>\$ 41,779</u>	<u>\$ 37,917</u>
Current liabilities	\$ 8,430	\$ 6,168
Non-current liabilities	12,174	9,543
Total liabilities	<u>20,604</u>	<u>15,711</u>
Total shareholders' equity	<u>21,175</u>	<u>22,206</u>
Total liabilities and shareholders' equity	<u>\$ 41,779</u>	<u>\$ 37,917</u>

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Transcript: OCC –Q2 2022 Earnings Conference Call – 6/13/22 10:00 AM

CORPORATE PARTICIPANTS

Neil D. Wilkin - Optical Cable Corporation - Chairman, President & CEO

Tracy G. Smith - Optical Cable Corporation - Senior VP, CFO & Corporate Secretary

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

PRESENTATION

Operator

Good morning. My name is Gretchen, and I will be your conference operator today. At this time, I would like to welcome you to the Optical Cable Corporation second quarter 2022 earnings conference call. (Operator Instructions) Please note, this call may be recorded.

It is now my pleasure to turn today's program over to Mr. Palash. Please, you may begin your conference.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Thank you, Gretchen. Good morning, and thank you all for participating on Optical Cable Corporation's second quarter of fiscal year 2022 conference call. By this time, everyone should have a copy of the earnings press release issued earlier today. You can also visit www.occfiber.com for a copy.

On the call with us today are 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 as well as today's call.

With that, I'll turn the call over to Neil Wilkin. Neil, please begin.

Neil D. Wilkin - Optical Cable Corporation - Chairman, President & CEO

Thank you, Aaron, and good morning, everyone. I will begin today's call with a few opening remarks. Tracy will then review the second quarter results for the three-month and six-month periods ended April 30, 2022 in some additional 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 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 today.

Our second quarter results reflect the OCC team's continued execution in a dynamic market that is experiencing pressures from inflation, labor shortages and supply chain constraints, which tempered production volumes and impacted net sales.

Yet as a result of the OCC team's execution, we were able to deliver a solid top line performance this quarter, with net sales in the second quarter increasing over 19% sequentially from the first quarter of this year and over 9% year-over-year compared to the second fiscal quarter of 2021. We were also able to deliver strong gross profit performance.

I would also add that we are pleased that our sales order backlog and forward load continue to be at high levels, higher than typical. This reflects strong demand as we execute our growth strategies and build on our strong competitive position.

We also continue to focus on controlling expenses as supply chain and labor market constraints that affected our results are starting to show signs of easing. OCC remains well positioned to capture the growing opportunities in the cabling and connectivity industry. At OCC, we have differentiated core strengths and capabilities that not only enable us to offer top-tier solutions, products, application and technical expertise, but also to successfully compete against much larger competitors.

Moreover, our enviable market position, brand recognition and the loyalty of our customers and end users helps us service a broad diverse geographic footprint, with OCC selling into approximately 50 countries each year. We appreciate the opportunity to meet the evolving and unique needs of our customers, installers, specifiers and end users.

As we look ahead to the second half of fiscal 2022, our team is focused on continuing to drive growth in our targeted markets, providing customers with our full suite of mission-critical cabling and connectivity products and solutions. We are also continuing our efforts to operate efficiently and effectively, increase production volumes and meet strong product demand.

Moving forward, we remain committed to leveraging our core strengths and capabilities, and executing our strategies and initiatives to create long-term value for shareholders.

And with that, I'll turn the call over to Tracy, who will review in additional detail our second quarter fiscal year 2022 financial results.

Tracy G. Smith - Optical Cable Corporation - Senior VP, CFO & Corporate Secretary

Thank you, Neil. Consolidated net sales for the second quarter of fiscal 2022 increased 9.3% to \$17.2 million compared to net sales of \$15.7 million for the same period last year. Sequentially, net sales increased 19.1% in the second quarter of fiscal year 2022 compared to net sales of \$14.4 million for the first quarter of fiscal year 2022.

Consolidated net sales for the first half of fiscal 2022 were \$31.6 million, an increase of 14.6% compared to net sales of \$27.6 million for the same period last year.

During the second quarter and first half of fiscal 2022, we experienced an increase in net sales in both the enterprise and specialty markets, including the wireless carrier market, compared to the same period last year.

As Neil mentioned, our sales order backlog/forward load continues to be at higher than typical levels and product demand is robust with demand for our products increasing during the second quarter and first half of fiscal year 2022.

Production volumes were tempered during the second quarter and first half of fiscal year 2022 by supply chain and labor constraints, impacting net sales. At this time, we believe labor constraints are beginning to show signs of easing in the third quarter of fiscal year 2022.

Turning to gross profit. Our gross profit increased 4.4% to \$5 million in the second quarter of fiscal 2022 compared to gross profit of \$4.8 million in the second quarter of fiscal 2021. Sequentially, gross profit increased 24.4% in the second quarter of fiscal year 2022 compared to gross profit of \$4 million for the first quarter of fiscal year 2022.

Gross profit margin, or gross profit as a percentage of net sales, was 29.3% in the second quarter of fiscal 2022 compared to 30.6% for the same period last year.

Gross profit was \$9.1 million in the first half of fiscal 2022, an increase of 27.4% compared to \$7.1 million in the first half of fiscal 2021. Gross profit margin increased to 28.7% in the first half of fiscal 2022 compared to 25.8% in the first half of fiscal 2021.

The year-over-year decrease in gross profit margin when comparing the second quarter of fiscal 2022 to the second quarter of fiscal 2021 was primarily due to rapid inflation causing increases in costs of raw materials for sales orders accepted prior to raw material cost increases.

Our gross profit margins tend to be higher when the Company achieves higher net sales levels, as certain fixed manufacturing costs are spread over higher sales. This operating leverage, which is beneficial at higher sales levels, positively impacted our gross profit margins in the first half of fiscal year 2022, but was partially offset by the impact of increasing costs of raw materials.

SG&A expenses increased to \$5 million during the second quarter of fiscal 2022 compared to \$4.6 million for the same period last year. SG&A expenses as a percentage of net sales were 29.3% in the second quarter of fiscal 2022 compared to 29.2% in the second quarter of fiscal 2021.

SG&A expenses increased to \$9.8 million during the first half of fiscal 2022 compared to \$8.9 million from the same period last year. SG&A expenses as a percentage of net sales were 31% in the first half of fiscal 2022 compared to 32.2% in the first half of fiscal 2021.

The increase in SG&A expenses during the second quarter and first half of fiscal 2022 compared to the same periods last year was primarily the result of net increases in employee and contracted sales personnel-related costs.

OCC recorded a net loss of \$228,000, or \$0.03 per basic and diluted share, for the second quarter of fiscal 2022, compared to net income of \$3.4 million, or \$0.45 per basic and diluted share, for the second quarter of fiscal 2021.

OCC recorded a net loss of \$1.2 million, or \$0.16 per basic and diluted share, for the first half of fiscal 2022, compared to net income of \$1.2 million, or \$0.17 per basic and diluted share, for the first half of fiscal 2021.

As of April 30, 2022, we had a \$2.2 million receivable for the Employee Retention Tax Credit still to be refunded, which we received in May 2022.

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

Neil D. Wilkin - Optical Cable Corporation - Chairman, President & CEO

Thank you, Tracy. And now if any analysts or institutional investors have any questions, we're happy to answer them. Gretchen, if you could please indicate the instructions for our participants to call in any questions they may have, I'd appreciate it. Again, we're only taking live questions from analysts and institutional investors.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) It appears we have no questions at this time. I will now turn the program back over to our speakers for any additional or closing remarks.

Neil D. Wilkin - Optical Cable Corporation - Chairman, President & CEO

Aaron, I know we've had some questions submitted by some noninstitutional shareholders. Do you want to go through those and we'll answer them?

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Sure. So first question, while I appreciate that product mix and inflation play an important role here, I was wondering if you could comment on whether the efficiency improvements at your Roanoke plant have increased operational leverage/shifted your cost structure?

Neil D. Wilkin - Optical Cable Corporation - Chairman, President & CEO

Thank you, Aaron. Yes, we have been very focused on making improvements in efficiency, and it has increased our operating leverage. We've looked at process improvements as well as how products move through the plant in order to increase that efficiency.

That said, our margins are still impacted by product mix, which can vary sometimes significantly from quarter-to-quarter. This year, what's been impacting our gross profit has been the inflation and also labor availability of -- labor availability issues.

The higher volume we get through the plant, the more efficient we are and the better our gross profits are. We've said before and have been talking about our sales order backlog is high. And when we receive those orders, and we've committed to a price, we honor that price even though we may have received subsequent raw material increases, and that's part of what Tracy was describing earlier.

Also, as you would imagine, when you have supply chain constraints that can also affect how the plant is run efficiently. So in the second quarter and the gross profit margin that we were able to deliver, very pleased with that, given these other matters that are impacting and putting some downward pressure on gross profit. And also as we see volume increase and some of the labor issues ease, I would expect over time that those margins would improve.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Okay. Great. Next question, could you comment on potential opportunities you see for the Company both directly related to the build-out and the derivative effects a more expansive broadband network may have on demand for products?

Neil D. Wilkin - Optical Cable Corporation - Chairman, President & CEO

Yes. I mean, generally, our market targets tend to be enterprise, private markets as well as specialty markets that are private networks. We have, as you all know, had a fair amount of success in the fiber to the antenna market, which is outside of that area. And we've also had some products and some sales that have touched on the broadband market. We're constantly evaluating markets and opportunities to use our products to expand sales. We have in the private network space, certainly had success, that had been impacted by the broadband initiatives that are currently going on.

Aaron Palash Joele Frank, Wilkinson Brimmer Katcher - IR

Okay. Given the labor shortage, the Company has been dealing with over the past months, and the increased demand for skilled labor sales growth may lead to, could you comment on how you're thinking about the hiring of skilled versus internal training trade-off?

Neil D. Wilkin - Optical Cable Corporation - Chairman, President & CEO

Yes. Thank you. We've been very fortunate at OCC to have folks that are well tenured. And while we have seen an increase in some turnover during these last quarters, it's been less than what we've heard others have been experiencing, and we benefit from that.

We do always try to find production employees that maybe have some relevant experience to what their paths will be here. But if the question is implying that we would hire someone temporarily just to kind of come in from a skilled standpoint, that's harder to do. We definitely have—no matter how experienced someone is in manufacturing—have to go through internal training, because a lot of our setup and controls are proprietary.

And so it takes time to make sure that even if someone was an experienced cable operator in manufacturing, by way of example, that they learn what our processes are in order to make our products.

So always looking at this, we've been looking at very creative ideas to help minimize this. As we've said, we are seeing some easing in the labor constraints and hope that continues. And we think we will see some of that some benefit of those easings in the third quarter.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Terrific. Last question. Do you have an update on manufacturing or substation product development?

Neil D. Wilkin - Optical Cable Corporation - Chairman, President & CEO

Well, as our shareholders know, OCC has a history of making adjustments and improvements of the products when we see an opportunity to better serve our customers' needs and have continued to do that. We also are fortunate to have an engineering team that is able to come up with some unique concepts, so we've been able to patent.

We don't talk about our ongoing product development opportunities specifically. And so I'm not going to do that here. But I will say that we continue to have a presence in manufacturing and industrial applications, and that's one of the things that we are definitely known for and our customer base appreciates.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Great. That was the last question.

Transcript: OCC –Q2 2022 Earnings Conference Call – 6/13/22 10:00 AM

Neil D. Wilkin - Optical Cable Corporation - Chairman, President & CEO

Okay. Thank you, Aaron. I appreciate it. I want to thank everyone for listening to our second quarter fiscal year 2022 conference call today. As always, we appreciate your time and your interest in Optical Cable Corporation. I hope everyone has a good day. Thank you.

Operator

This does conclude today's program. Thank you for your participation. You may now disconnect.