

**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): March 15, 2021

---

**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:

Title of Each Class  
Common Stock, no par value

Trading Symbol  
OCC

Name of exchange on which registered  
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.

---

**Table of Contents**

<a href="#">Item 2.02 Results of Operations and Financial Condition</a>	3
<a href="#">Item 9.01 Financial Statements and Exhibits</a>	3
<a href="#">Signatures</a>	4
<a href="#">Exhibits</a>	

## Item 2.02 Results of Operations and Financial Condition

On March 15, 2021, Optical Cable Corporation issued a press release announcing its first quarter of fiscal year 2021 financial results. Also on March 15, 2021, 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	<a href="#">Press Release dated March 15, 2021 (FILED HEREWITH)</a>
99.2	<a href="#">Transcript of earnings call on March 15, 2021 (FILED HEREWITH)</a>
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: March 16, 2021



**OPTICAL CABLE CORPORATION**  
 5290 Concourse Drive  
 Roanoke, VA 24019  
 (Nasdaq GM: OCC)  
[www.occfiber.com](http://www.occfiber.com)

**AT THE COMPANY:**

Neil Wilkin  
 Chairman, President & CEO  
 (540) 265-0690  
[investorrelations@occfiber.com](mailto:investorrelations@occfiber.com)

Tracy Smith  
 Senior Vice President & CFO  
 (540) 265-0690  
[investorrelations@occfiber.com](mailto:investorrelations@occfiber.com)

**AT JOELE FRANK, WILKINSON BRIMMER KATCHER:**

Andrew Siegel  
 (212) 355-4449 ext. 8627  
[occ-jfwbk@joelefrank.com](mailto:occ-jfwbk@joelefrank.com)

Aaron Palash  
 (212) 355-4449 ext. 8603  
[occ-jfwbk@joelefrank.com](mailto:occ-jfwbk@joelefrank.com)

**FOR IMMEDIATE RELEASE**

**OPTICAL CABLE CORPORATION REPORTS  
 FIRST QUARTER 2021 FINANCIAL RESULTS**

**Roanoke, Va., March 15, 2021** — Optical Cable Corporation (Nasdaq GM: OCC) (“OCC®” or the “Company”) today announced financial results for its first quarter ended January 31, 2021.

*First Quarter 2021 Financial Results*

Consolidated net sales were \$11.9 million in the first quarter of fiscal year 2021, a decrease of 7.8% compared to net sales of \$12.9 million for the same period last year, reflecting the continued economic effects of the COVID-19 pandemic. The Company experienced a decrease in net sales in both its enterprise and specialty markets, including the wireless carrier market, in the first quarter of fiscal year 2021, compared to the same period last year.

Gross profit was \$2.3 million in the first quarter of fiscal year 2021 compared to gross profit of \$2.4 million in the same period last year, a decrease of 3.9%. Gross profit margin increased to 19.4% in the first quarter of fiscal year 2021 compared to 18.7% for the same period in fiscal year 2020.

SG&A expenses decreased 10.7% to \$4.3 million during the first quarter of fiscal year 2021, compared to \$4.8 million for the first quarter of fiscal year 2020. The decrease in SG&A expenses was primarily the result of decreases in employee-related costs and certain other costs impacted by the COVID-19 pandemic, such as travel expenses, as well as other initiatives to control costs.

For the first quarter of fiscal year 2021, OCC recorded a net loss of \$2.1 million, or \$0.29 per basic and diluted share, compared to a net loss of \$2.6 million, or \$0.35 per basic and diluted share, for the first quarter of fiscal year 2020.

---

### *Management's Comments*

Neil Wilkin, President and Chief Executive Officer of OCC, said, “Our first quarter results reflect the hard work of the OCC team to control what we can in a market environment that is still significantly affected by the ongoing COVID-19 pandemic. We continued our strategic efforts to capture growth opportunities in our targeted markets, while operating efficiently and implementing cost control initiatives. The team remains focused on providing our customers with the mission-critical products and solutions for which they rely on OCC. At the same time, we will continue to protect the business and build on our strong market position as we move forward.”

Mr. Wilkin continued, “We appreciate the perseverance of our team members and are proud to continue serving our country’s military and those on the front line against COVID-19. While the past year was challenging in many ways, we are optimistic that the end of the pandemic is in sight and that OCC is positioned to capture significant opportunities and create long-term shareholder value.”

### *SBA PPP Loan*

During fiscal year 2020, OCC closed on a \$5.0 million U.S. Small Business Administration Payroll Protection Program loan (the “PPP Loan”) made necessary by the significant negative impact of the COVID-19 pandemic on the Company’s sales and operations. As a result of this PPP Loan, OCC was able to maintain employee headcount levels only somewhat lower than those prior to the COVID-19 pandemic and maintain its ability to service critical infrastructure customers, while avoiding the need to significantly curtail its operational readiness. Under the Coronavirus Aid, Relief, and Economic Security Act and the Paycheck Protection Program Flexibility Act of 2020, all or a portion of this loan may be forgiven if certain requirements are met. The Company believes it has met those requirements and has applied for forgiveness of the entire balance of the loan and accrued interest.

### *Overview of COVID-19 Effects*

The Company believes the COVID-19 pandemic continues to have a significant negative impact on businesses and individuals in OCC’s markets both in the United States and globally—particularly in certain specialty markets. Actions taken to limit the spread of the virus have resulted in an unprecedented disruption of normal activities as businesses have been forced to shut down or operate on a limited basis.

OCC is obligated and continues to operate during the COVID-19 pandemic because the Company’s workforce is classified a “Defense Industrial Base Essential Critical Infrastructure Workforce” under guidelines from the U.S. Department of Defense and an “Essential Critical Infrastructure Workforce” under guidelines by the U.S. Department of Homeland Security, Cybersecurity and Infrastructure Security Agency (CISA). While continuing to operate, OCC’s revenues, production volumes, and operations have been negatively impacted by the COVID-19 pandemic.

OCC is beginning to see some positive indicators of future strengthening in some of its markets and is hopeful it will begin to benefit from improvement in its markets during the second half of fiscal year 2021. Despite these positive indicators, OCC cannot fully predict the duration or scope of the pandemic, and it cannot fully anticipate or reasonably estimate all the ways in which the current global health crisis and market conditions could adversely impact its business in the future.

---

### *Conference Call Information*

As previously announced, OCC will host a conference call today, March 15, 2021, at 10:00 a.m. Eastern Time. Individuals wishing to participate in the conference call should call (866) 610-1072 in the U.S. or (973) 935-2840 internationally, passcode 8983665. For interested individuals unable to join the call, a replay will be available through Monday, March 22, 2021 by dialing (800) 585-8367 or (404) 537-3406, passcode 8983665. 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®") 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](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)

---



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

	Three Months Ended January 31,	
	2021	2020
Net sales	\$ 11,876	\$ 12,887
Cost of goods sold	9,567	10,483
Gross profit	2,309	2,404
SG&A expenses	4,308	4,824
Royalty (income) expense, net	(7)	18
Amortization of intangible assets	10	10
Loss from operations	(2,002)	(2,448)
Interest expense, net	(174)	(137)
Other, net	3	(2)
Other expense, net	(171)	(139)
Loss before income taxes	(2,173)	(2,587)
Income tax expense (benefit)	(32)	5
Net loss	\$ (2,141)	\$ (2,592)
Net loss per share:		
Basic and diluted	\$ (0.29)	\$ (0.35)
Weighted average shares outstanding:		
Basic and diluted	7,353	7,322

--MORE--

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

---

	January 31, 2021	October 31, 2020
Cash	\$ 452	\$ 141
Trade accounts receivable, net	6,264	7,561
Inventories	17,380	17,100
Other current assets	391	521
Total current assets	24,487	25,323
Non-current assets	10,878	11,235
Total assets	<u>\$ 35,365</u>	<u>\$ 36,558</u>
Current liabilities	\$ 9,363	\$ 6,266
Non-current liabilities	12,843	15,032
Total liabilities	22,206	21,298
Total shareholders' equity	13,159	15,260
Total liabilities and shareholders' equity	<u>\$ 35,365</u>	<u>\$ 36,558</u>

###

## 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 Laurie, and I will be your conference operator today. At this time, I would like to welcome you to the Optical Cable Corporation first quarter 2021 earnings conference call. (Operator Instructions)

Mr. Palash, you may begin your conference.

**Aaron Palash** - Joele Frank, Wilkinson Brimmer Katcher - IR

Thank you, Laurie. Good morning, and thank you all for participating on Optical Cable Corporation's first quarter of fiscal year 2021 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](http://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](http://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 the call today with a few opening remarks. Tracy will then review the first quarter results for the three-month period ended January 31, 2021, 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.

A year ago, we held our first quarterly earnings in the earliest days of the pandemic. We had started taking steps to protect our employees and ensure their health and safety. We really could not have fathomed the impact the pandemic would have on our country, our communities or our business. A year later, the OCC team is working to control what we can in a market environment that is still affected by the ongoing COVID-19 pandemic. Despite the challenging conditions, we've continued our strategic efforts to capture growth opportunities in our targeted markets while operating efficiently and implementing cost control initiatives.

Our results for the first quarter of 2021 reflect the market environment and the actions we've been taking. While net sales in both our enterprise and specialty markets were down, we reduced our expenses and increased our gross profit margin year-over-year. Tracy will get into the numbers in a moment.

---

I'm incredibly proud of what the OCC team is accomplishing. Through their perseverance, we are providing our customers with the mission-critical products and solutions for which they rely on OCC. As part of these efforts, we have continued serving our country's military and those on the front line against COVID-19.

Looking ahead, we will continue to protect the business and build on our strong market position as we move forward. While the past year was challenging in many ways, we are optimistic that the end of the pandemic is in sight and that OCC is positioned to capture significant opportunities and create long-term shareholder value.

OCC has a strong foundation and, as we have proven before, a resilient business model. Further, OCC continues to be uniquely positioned in our industry, and we remain focused on operating as efficiently as possible while continuing to serve our customers. We are confident that our distinct competitive advantages, capabilities and initiatives we have underway will facilitate future profitable growth, further strengthen our market positioning and ultimately enable OCC to successfully compete against our larger competitors both now, into and through a post-pandemic economic recovery in our markets.

And with that, I will turn the call over to Tracy Smith, who will review in additional detail our first quarter of fiscal year 2021 financial results.

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

Thank you, Neil. Consolidated net sales for the first quarter of fiscal 2021 were \$11.9 million, a decrease of 7.8% compared to net sales of \$12.9 million for the first quarter of fiscal 2020. We believe net sales during the first quarter of fiscal year 2021 were negatively impacted by the COVID-19 pandemic as certain businesses continued to limit operations and/or reduce or delay product purchases.

We are beginning to see some positive indicators of future strengthening in some of our markets and are hopeful we will begin to benefit from improvement in our markets during the second half of fiscal year 2021. However, we cannot fully predict the duration or scope of the COVID-19 pandemic, and we cannot fully anticipate or reasonably estimate the continuing impact of the pandemic on our various markets and customers.

Turning to gross profit. Gross profit was \$2.3 million in the first quarter of fiscal year 2021 compared to \$2.4 million in the first quarter of fiscal 2020. Gross profit margin, or gross profit as a percentage of net sales, increased to 19.4% in the first quarter of fiscal 2021 compared to 18.7% in the first quarter of fiscal 2020. 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, was the primary factor putting downward pressure on gross profit margin during the first quarters of fiscal year 2021 and 2020.

Actions that we took in fiscal years 2020 and 2019 positively impacted our gross profit margin in the first quarter of fiscal year 2021, resulting in a slightly improved gross profit margin when compared to the first quarter of fiscal year 2020, even considering a decrease in sales of approximately \$1 million when comparing the two periods and resulting fixed costs being spread over fewer sales dollars. Our gross profit margin percentages are also heavily dependent upon product mix on a quarterly basis and may vary based on changes in product mix from quarter to quarter.

SG&A expenses decreased 10.7% to \$4.3 million during the first quarter of fiscal 2021 compared to \$4.8 million for the same period last year. SG&A expenses as a percentage of net sales were 36.3% in the first quarter of fiscal 2021 compared to 37.4% in the first quarter of fiscal 2020. The decrease in SG&A expenses during the first quarter of fiscal 2021 compared to the same period last year was primarily the result of decreases in employee-related costs and certain other costs impacted by the COVID-19 pandemic, such as travel expenses, as well as other initiatives to control costs.

---

OCC recorded a net loss of \$2.1 million, or \$0.29 per basic and diluted share, for the first quarter of fiscal 2021 compared to a net loss of \$2.6 million, or \$0.35 per basic and diluted share, for the first quarter of fiscal 2020.

During fiscal year 2020, OCC closed on a \$5 million Small Business Administration Payroll Protection Program loan made necessary by the significant negative impact of the COVID-19 pandemic on the Company's sales and operations. As a result of this loan, we were able to maintain employee headcount levels, only somewhat lower than those prior to the COVID-19 pandemic, and maintain our ability to service critical infrastructure customers while avoiding the need to significantly curtail our operational readiness. Under the Coronavirus Aid, Relief, and Economic Security Act and the Paycheck Protection Program Flexibility Act of 2020, all or a portion of this loan may be forgiven if certain requirements are met. We believe we have met those requirements and applied for forgiveness of the entire principal balance and accrued interest of the loan on February 22, 2021.

As of January 31, 2021, we had outstanding borrowings of \$4.9 million on our Revolver and \$1.2 million in available credit. We also had outstanding loan balances of \$5.1 million under our real estate term loans and \$5 million on our PPP loan.

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

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

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

**Operator**

(Operator Instructions) I'm showing no questions at this time. I will now return the call to Neil Wilkin.

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

Thank you, Laurie. Aaron, are there any questions that were submitted by individual investors in advance of today's call?

**Aaron Palash** - Joele Frank, Wilkinson Brimmer Katcher - IR

Neil, there were no questions submitted in advance of the call.

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

Okay. Well, I would like to thank everyone for listening to our first quarter conference call today. As always, we appreciate your time and your interest in Optical Cable Corporation. I hope you all will continue to stay safe, and we appreciate your time. Thank you.

**Operator**

Thank you for participating in the Optical Cable Corporation first quarter 2021 earnings conference call. You may now disconnect your lines, and have a wonderful day.