

**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): September 12, 2023

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.

[Table of Contents](#)

Table of Contents

[Item 2.02 Results of Operations and Financial Condition](#)

3

[Item 9.01 Financial Statements and Exhibits](#)

3

[Signatures](#)

4

Exhibits

2

Item 2.02 Results of Operations and Financial Condition

On September 12, 2023, Optical Cable Corporation issued a press release announcing its third quarter of fiscal year 2023 financial results. Also on September 12, 2023, 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.

Exhibit No. Description of Exhibit

99.1	Press Release dated September 12, 2023 (FILED HEREWITH)
99.2	Transcript of earnings call on September 12, 2023 (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: September 13, 2023

**OPTICAL CABLE CORPORATION**

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FOR IMMEDIATE RELEASE

**OPTICAL CABLE CORPORATION REPORTS
 THIRD QUARTER OF FISCAL 2023 FINANCIAL RESULTS**

*OCC® Achieves Increases in Net Sales, Gross Profit, Gross Profit Margins and Net Income
 in First Nine Months of Fiscal 2023 Compared to Prior Year Period*

Roanoke, Va., September 12, 2023 — Optical Cable Corporation (Nasdaq GM: OCC) (“OCC®” or the “Company”) today announced financial results for its third quarter ended July 31, 2023.

Third Quarter 2023 Financial Results

Consolidated net sales for the third quarter of fiscal year 2023 decreased 2.5% to \$16.9 million, compared to net sales of \$17.4 million for the same period last year, with decreased net sales in the Company’s enterprise market partially offset by increased net sales in its specialty markets.

Gross profit increased 6.4% to \$5.1 million in the third quarter of fiscal year 2023, compared to gross profit of \$4.8 million for the same period last year.

Gross profit margin, or gross profit as a percentage of net sales, increased to 30.2% in the third quarter of fiscal year 2023 compared to 27.7% in the third quarter of fiscal year 2022. OCC realized improved gross profit margins compared to the third quarter of fiscal year 2022 despite a comparable decrease in net sales levels. The Company attributes this margin improvement to gains in production efficiency as well as the impact of a more fully trained workforce.

SG&A expenses were \$5.0 million in both the third quarters of fiscal year 2023 and 2022. SG&A expenses as a percentage of net sales were 29.3% in the third quarter of fiscal 2023, compared to 28.5% in the prior year period.

For the third quarter of fiscal year 2023, OCC recorded net income of \$101,000, or \$0.01 per basic and diluted share, compared to a net loss of \$372,000, or \$0.05 per basic and diluted share, for the third quarter of fiscal year 2022. In addition to improved sales and gross profit, the Company's results reflect the gain on additional insurance proceeds received during the third quarter of fiscal year 2023 for damage to property and equipment totaling \$256,000, which was recorded as other income, net on the Company's statement of operations.

Fiscal Year-to-Date 2023 Financial Results

Consolidated net sales for the first nine months of fiscal year 2023 increased 11.9% to \$54.8 million, compared to net sales of \$49.0 million for the first nine months of fiscal year 2022. The Company achieved increases in net sales in its specialty markets in the first nine months of fiscal year 2023, compared to the same period last year, but the increases were partially offset by decreases in its enterprise market.

The Company's sales order backlog/forward load remains at higher than typical levels, but decreased to approximately \$6.8 million at the end of the first nine months of fiscal year 2023, compared to approximately \$8.0 million at the end of the second quarter of fiscal year 2023 and more than \$12.0 million at the end of fiscal year 2022.

OCC reported gross profit of \$18.4 million in the first nine months of fiscal year 2023, an increase of 32.6% compared to gross profit of \$13.9 million in the first nine months of fiscal year 2022. Gross profit margin increased to 33.6% in the first nine months of fiscal year 2023 compared to 28.3% for the same period in fiscal year 2022.

OCC's gross profit margins tend to be higher when it achieves higher net sales due to its operating leverage, as has been the case in the first nine months of fiscal year 2023, relative to the same period last year. In addition to the positive impact of this operating leverage, OCC's gross profit margins reflect increased production efficiency, as well as the impact of a more fully trained workforce. The Company's gross profit margins are also heavily dependent upon changes in product mix.

SG&A expenses increased 8.8% to \$16.1 million during the first nine months of fiscal year 2023 compared to \$14.8 million for the first nine months of fiscal year 2022. SG&A expenses as a percentage of net sales were 29.3% in the first nine months of fiscal year 2023, compared to 30.1% in the first nine months of fiscal year 2022. The increase in SG&A expenses was primarily the result of increases in employee and contracted sales personnel related costs.

OCC recorded net income of \$3.3 million, or \$0.42 per basic and diluted share, for the first nine months of fiscal year 2023, compared to a net loss of \$1.5 million, or \$0.20 per basic and diluted share, for the first nine months of fiscal year 2022. In addition to improved sales and gross profit, the Company's results benefited from the gain on insurance proceeds received for damage to property and equipment totaling \$2.0 million, which was recorded as other income, net on the Company's statement of operations during the first nine months of fiscal year 2023.

Gain on Insurance Proceeds

During the second and third quarters of fiscal year 2023, the Company received insurance proceeds in connection with water damage at the Company's Asheville office facilities at the end of December 2022. The impacted office space is separate from the Company's manufacturing building, which houses the Company's Asheville manufacturing operations. There was no significant impact to the Company's operations as a result of this event.

Insurance proceeds received in excess of expenses incurred through July 31, 2023, a net total of \$2.0 million, is included in other income (expense), net as a gain on insurance proceeds received for damage to property and equipment on the Company's condensed consolidated statement of operations. To the extent the Company incurs expenses in future periods to restore, repair or replace damaged assets, the Company may recognize offsetting losses in those future periods. At this time, the Company does not expect future restoration and repair costs to exceed any insurance proceeds.

Management's Comments

Neil Wilkin, President and Chief Executive Officer of OCC, said, "With year-over-year increases in key metrics during the first nine months of fiscal year 2023, including net sales, gross profit, gross profit margin, operating income and net income, our results reflect the OCC team's hard work and success executing our strategy in a dynamic market so far this year. We continue to see robust demand for our diversified suite of mission-critical cabling and connectivity products and solutions in certain of our specialty markets, even while certain of our other targeted markets, like enterprise and wireless carrier markets, are softening consistent with industry trends. Propelled by our commitment to capture demand, drive growth, work safely, and operate efficiently, we are focused on finishing the fiscal year strong, serving our valued customers and end-users, and driving enhanced value for shareholders."

Conference Call Information

As previously announced, OCC will host a conference call today, September 12, 2023, at 11:00 a.m. Eastern Time. Individuals wishing to participate in the conference call should call (800) 445-7795 in the U.S. or (785) 424-1699 internationally, Conference ID: OCCQ323. For interested individuals unable to join the call, a replay will be available through Tuesday, September 19, 2023 by dialing (800) 945-0830 or (402) 220-0669. 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 components.

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 July 31,		Nine Months Ended July 31,	
	2023	2022	2023	2022
Net sales	\$ 16,941	\$ 17,383	\$ 54,845	\$ 49,024
Cost of goods sold	11,825	12,575	36,425	35,136
Gross profit	5,116	4,808	18,420	13,888
SG&A expenses	4,957	4,954	16,075	14,771
Royalty expense, net	7	6	20	20
Amortization of intangible assets	14	14	41	38
Income (loss) from operations	138	(166)	2,284	(941)
Interest expense, net	(298)	(198)	(855)	(539)
Gain on insurance proceeds received for damage to property and equipment	256	—	1,952	
Other, net	4	2	59	(39)
Other income (expense), net	(38)	(196)	1,156	(578)
Income (loss) before income taxes	100	(362)	3,440	(1,519)
Income tax expense (benefit)	(1)	10	106	17
Net income (loss)	<u>\$ 101</u>	<u>\$ (372)</u>	<u>\$ 3,334</u>	<u>\$ (1,536)</u>
Net income (loss) per share:				
Basic and diluted	<u>\$ 0.01</u>	<u>\$ (0.05)</u>	<u>\$ 0.42</u>	<u>\$ (0.20)</u>
Weighted average shares outstanding:				
Basic and diluted	<u>7,867</u>	<u>7,517</u>	<u>7,876</u>	<u>7,525</u>

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

	July 31, 2023	October 31, 2022
Cash	\$ 193	\$ 216
Restricted cash	1,518	—
Trade accounts receivable, net	9,300	10,964
Inventories	24,946	19,439
Other current assets	547	577
Total current assets	36,504	31,196
Non-current assets	9,050	9,362
Total assets	\$ 45,554	\$ 40,558
Current liabilities	\$ 11,816	\$ 7,483
Non-current liabilities	7,897	10,915
Total liabilities	19,713	18,398
Total shareholders' equity	25,841	22,160
Total liabilities and shareholders' equity	\$ 45,554	\$ 40,558

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Transcript: OCC –Q3 2023 Earnings Conference Call – 9/12/23 11:00 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

(Operator Instructions) Good morning. My name is Angela, and I will be your conference operator today. At this time, I would like to welcome you to the Optical Cable Corporation third quarter of fiscal year 2023 earnings conference call. (Operator Instructions) Mr. Palash, you may begin your conference.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Thank you, Angela.

Good morning, and thank you all for joining us for Optical Cable Corporation's third quarter of fiscal year 2023 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 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, 2023 in some additional detail. After Tracy's remarks, we will answer as many 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.

Before we discuss the third quarter, I want to note that yesterday was, of course, the anniversary of the September 11th attacks on our homeland. We are incredibly grateful for all of those who have served and those who continue to serve for their sacrifices for our country and our freedom. The OCC team is proud of the work we do to support our armed services and first responders. OCC is honored to be trusted with the responsibility of manufacturing and supplying our mission-critical products to our country's military, first responders and other essential workers, including healthcare facilities and hospitals.

And now, turning to the third quarter fiscal year 2023. With year-over-year increases in key metrics during the first nine months of fiscal year 2023, including net sales, gross profit, gross profit margin, operating income and net income, our results so far this year reflect the OCC team's hard work and success executing our strategy in a dynamic market. Looking at the third quarter of fiscal year 2023, our gross profit increased 6.4% and our gross profit margins also increased, even while our net sales decreased 2.5%, all when compared to the third quarter of fiscal year 2022.

In certain of our specialty markets, we continue to see robust demand for our diversified suite of mission-critical cabling and connectivity products and solutions, even while certain of our other targeted markets, like the enterprise and wireless carrier markets, are softening at this time, consistent with the industry trends.

One of OCC's core strengths is, and continues to be, our diversified revenue base with a broad range of industries and markets served, and we benefited from this diversification during the third quarter of fiscal 2023. Our sales order backlog and forward load remains at higher than typical levels, but had decreased by the end of the third quarter of fiscal year 2023, compared to the end of the second quarter of fiscal year 2023.

Looking forward, while certain of our markets are showing signs of continued softness, including our enterprise and wireless carrier markets, we believe certain of our other markets are showing signs of continued strength. We are continuing to monitor the evolving macroeconomic trends, industry trends, and potential risks that could impact our business. We are continuing to execute our strategic initiatives and are committed to capturing demand, driving growth, working safely and operating efficiently.

As we move into the fourth quarter of fiscal year 2023 and beyond, we are focused as ever on finishing the fiscal year strong, serving our valued customers and end users, and driving enhanced value for shareholders.

And with that, I will turn the call over to Tracy, who will review in additional detail our third quarter of fiscal year 2023 financial results.

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

Thank you, Neil. Consolidated net sales for the third quarter of fiscal year 2023 decreased 2.5% to \$16.9 million compared to net sales of \$17.4 million for the same period last year. Consolidated net sales for the first nine months of fiscal 2023 were \$54.8 million, an increase of 11.9%, compared to net sales of \$49 million for the same period last year.

During the third quarter and first nine months of fiscal 2023, we experienced an increase in net sales in our specialty markets compared to the same period last year, but this increase was partially offset by decreases in our enterprise market.

Net sales for the third quarter of fiscal year 2023 were negatively impacted by various macroeconomic pressures, risks and uncertainties as well as a brief shutdown in our manufacturing operations resulting from a cyber incident that occurred in June 2023. While certain of our markets are showing signs of continued softening, including our enterprise and wireless carrier markets, we believe there are positive indicators in certain of our other markets. Additionally, our manufacturing operations have returned to normal functionality after being impacted by the cyber incident that occurred in June 2023.

As Neil mentioned, our sales order backlog and forward load continues to remain at higher than typical levels, at approximately \$6.8 million at the end of the third quarter of fiscal year 2023, compared to approximately \$8 million at the end of the second quarter of fiscal 2023, and more than \$12 million at the end of the fourth quarter of fiscal year 2022.

Turning to gross profit. Gross profit increased 6.4% to \$5.1 million in the third quarter of fiscal 2023 compared to gross profit of \$4.8 million for the same period last year. Gross profit margin, or gross profit as a percentage of net sales, increased to 30.2% in the third quarter of fiscal 2023 compared to 27.7% in the third quarter of fiscal 2022.

OCC realized improved gross profit margins compared to the third quarter of fiscal year 2022 despite a comparable decrease in net sales levels. We attribute this margin improvement to gains in production efficiency as well as the impact of a more fully trained workforce.

Gross profit increased 32.6% to \$18.4 million in the first nine months of fiscal 2023 compared to \$13.9 million in the first nine months of fiscal 2022. Gross profit margin increased to 33.6% in the first nine months of fiscal 2023 compared to 28.3% in the first nine months of fiscal 2022.

Our gross profit margins tend to be higher when we achieve higher net sales levels due to our operating leverage as certain fixed manufacturing costs are spread over higher sales. We experienced improved gross profit margins when comparing the first nine months of fiscal year 2023 to the same period in 2022. We attribute this improvement to the positive impact of our operating leverage as sales levels increased, gains in production efficiencies, as well as the impact of a more fully trained workforce. 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.

SG&A expenses were \$5 million in both the third quarters of fiscal year 2023 and 2022. SG&A expenses as a percentage of net sales were 29.3% in the third quarter of fiscal 2023 compared to 28.5% in the third quarter of fiscal 2022.

SG&A expenses increased to \$16.1 million during the first nine months of fiscal year 2023 from \$14.8 million for the first nine months of fiscal year 2022. In the first nine months of fiscal year 2023, SG&A expenses as a percentage of net sales were 29.3% compared to 30.1% for the same period of fiscal year 2022.

The increase in SG&A expenses during the first nine months of fiscal year 2023, compared to the same period last year, was primarily the result of increases in employee and contracted sales personnel related costs. Included in employee and contracted sales personnel related costs are employee incentives and commissions, which increased due to increased net sales, and the improved financial results during the first nine months of fiscal 2023.

OCC recorded net income of \$101,000, or \$0.01 per basic and diluted share, for the third quarter of fiscal 2023, compared to a net loss of \$372,000, or \$0.05 per basic and diluted share, for the third quarter of fiscal 2022.

OCC recorded net income of \$3.3 million, or \$0.42 per basic and diluted share, for the first nine months of fiscal year 2023 compared to a net loss of \$1.5 million, or \$0.20 per basic and diluted share, for the first nine months of fiscal year 2022.

In addition to improved sales and gross profit, the Company's results benefited from the gain on insurance proceeds received for damage to property and equipment, totaling \$2 million, which was recorded as other income, net on the Company's statement of operations during the first nine months of fiscal year 2023.

During the second and third quarters of fiscal year 2023, we received insurance proceeds in connection with our office building and its contents at our Asheville facilities sustaining water damage from a burst pipe in the sprinkler system at the end of December 2022. In connection with this event, we recognized a gain on insurance proceeds received for damage to property and equipment during the first nine months of fiscal year 2023 totaling \$2 million.

To the extent we incur expenses in future periods to restore, repair or replace damaged assets, we may recognize offsetting losses in those future periods. At this time, we do not expect future restoration and repair costs to exceed any insurance proceeds.

As of July 31, 2023, we had outstanding borrowings of \$7.3 million on our revolver and \$3.9 million in available credit. We also had outstanding loan balances of \$4.3 million under our real estate term loans.

And with that, I'll turn the call back over to you, Neil.

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

Thank you, Tracy. And now, if analysts or institutional investors have questions, we are happy to answer them. Angela, 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.

Q U E S T I O N S A N D A N S W E R S

Operator

(Operator Instructions) It appears there are no questions at this time. I will now turn the program back over to our presenters for additional remarks.

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

Thank you, Angela. Aaron, I know we have some questions that have been submitted by individual investors. If you can walk us through those, I'd appreciate it.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Sure. Here's the first. There was a recent article in the Wall Street Journal about the building out of broadband to all types of rural areas in the USA. Might OCC be a beneficiary of this buildout? And also, might the increasing tension with China work to OCC's advantage in any way?

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

First part of the question, OCC does have products that are used in broadband related applications. Generally, the broadband market has not been one of OCC's targeted markets for a number of reasons, however, we are following the developments and the potential opportunities in the broadband markets.

With respect to the second part of the question, as you/all listeners know, for sure, there's been more on-shoring of manufacturing in the US, and as a US manufacturer, we believe this trend provides us with additional opportunities.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Next question. The cash balance is always low at quarter end. Is it low throughout the quarter and does this cause any issues in regards to running the Company?

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

I'm going to ask Tracy to answer that question, Aaron.

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

Sure. The cash balance reflects the way advances on and payments on our revolver work. Our accounts receivable collections pay down our revolver on a daily basis, which is not unusual, so we believe our revolver provides sufficient capital to meet our business needs. As you know, OCC benefits from a strong balance sheet with a current ratio of 3:1 at the end of the third quarter, even when excluding our restricted cash balance.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Okay. That was the last question submitted before the deadline.

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

Okay. Thank you. Thank you, Aaron.

We'd like to thank everyone for listening to our third quarter of fiscal year 2023 conference call today. As always, we appreciate your time and your investment in Optical Cable Corporation. Thank you.

Operator

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