

**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 10, 2020

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 September 10, 2020, Optical Cable Corporation issued a press release announcing its third quarter of fiscal year 2020 financial results. Also on September 10, 2020, 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 10, 2020 (FILED HEREWITH)
99.2	Transcript of earnings call on September 10, 2020 (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 14, 2020

**OPTICAL CABLE CORPORATION**

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FOR IMMEDIATE RELEASE

**OPTICAL CABLE CORPORATION REPORTS
 THIRD QUARTER 2020 FINANCIAL RESULTS**

Roanoke, Va., September 10, 2020 — Optical Cable Corporation (Nasdaq GM: OCC) (“OCC®” or the “Company”) today announced financial results for its third quarter ended July 31, 2020.

Third Quarter 2020 Financial Results

Consolidated net sales were \$13.6 million in the third quarter of fiscal year 2020, a decrease of 21.5% compared to net sales of \$17.4 million for the same period last year, reflecting the economic effects of the COVID-19 pandemic.

Gross profit was \$3.5 million in the third quarter of fiscal year 2020 compared to gross profit of \$4.5 million in the same period last year, a decrease of 22.7%. Gross profit margin, or gross profit as a percentage of net sales, was 25.5% in the third quarter of fiscal year 2020 compared to 25.9% for the same period in fiscal year 2019.

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 pressure on gross profit margin during the third quarter of fiscal year 2020, as fixed costs were spread over lower sales.

SG&A expenses decreased 15.8% to \$4.6 million during the third quarter of fiscal year 2020, compared to \$5.4 million for the third quarter of fiscal year 2019. SG&A expenses as a percentage of net sales were 33.4% in the third quarter of fiscal year 2020, compared to 31.2% in the third quarter of fiscal year 2019. 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, marketing expenses and shipping costs.

For the third quarter of fiscal year 2020, OCC recorded a net loss of \$1.4 million, or \$0.20 per basic and diluted share, compared to a net loss of \$1.1 million, or \$0.15 per basic and diluted share, for the third quarter of fiscal year 2019.

Fiscal Year-to-Date 2020 Financial Results

Consolidated net sales for the first nine months of fiscal year 2020 decreased 22.0% to \$41.4 million, compared to net sales of \$53.1 million for the first nine months of fiscal year 2019, reflecting the economic effects of the COVID-19 pandemic.

The Company experienced a year-over-year decrease in net sales in its enterprise and specialty markets, including the wireless carrier market, in the first nine months of fiscal year 2020, compared to the same period last year. Net sales to one customer in the wireless carrier market accounted for \$5.6 million of the decrease in net sales during the first nine months of fiscal 2020, compared to the first nine months of fiscal 2019.

OCC reported gross profit of \$9.9 million in the first nine months of fiscal year 2020, a decrease of 26.1% compared to gross profit of \$13.4 million in the first nine months of fiscal year 2019. Gross profit margin was 23.9% in the first nine months of fiscal year 2020 compared to 25.2% for the same period in fiscal year 2019.

The Company's gross profit margin in the first nine months of fiscal year 2020 was substantially impacted by fixed production costs being spread over lower total sales when compared to the first nine months of fiscal 2019, offsetting cost reductions and production throughput and efficiency improvements.

SG&A expenses decreased 16.9% to \$14.9 million during the first nine months of fiscal year 2020 from \$18.0 million for the first nine months of fiscal year 2019. The decrease in SG&A expenses during the first nine months of fiscal year 2020 compared to the same period last year was primarily the result of decreases in employee related costs including employee incentives, commissions and compensation costs, partially offset by an increase in bad debt expense.

OCC recorded a net loss of \$5.7 million, or \$0.78 per basic and diluted share, for the first nine months of fiscal year 2020, compared to a net loss of \$5.0 million, or \$0.68 per basic and diluted share, for the first nine months of fiscal year 2019.

Revolver Refinancing

During the third quarter of fiscal 2020, OCC terminated its Revolving Credit Note with Pinnacle Bank and, along with its wholly owned subsidiaries, entered into a Loan and Security Agreement with North Mill Capital LLC ("North Mill"). As part of the refinancing transaction, OCC also entered into a Revolving Credit Master Promissory Note with North Mill that provides up to a maximum aggregate principal amount of \$18.0 million for the Company's working capital needs with availability based on a working capital borrowing base calculation.

Overview of COVID-19 Effects

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.

During the COVID-19 pandemic, the safety of OCC employees and their families, and safely manufacturing and supplying the critical and essential needs of OCC’s customers, are of primary importance. The Company made a number of proactive changes to business operations in response to the COVID-19 pandemic, including: severely limiting business travel and face-to-face meetings, having a portion of its non-manufacturing employees work remotely, and implementing strict social distancing, symptom self-assessments and mask protocols within its facilities.

OCC continues to closely monitor the COVID-19 situation and will continue to take appropriate actions to protect the safety of OCC employees and their families, as well as the business.

Management’s Comments

Neil Wilkin, President and Chief Executive Officer of OCC, said, “Our results for the quarter and year-to-date period reflect both the strength and resiliency of our offering, and the continued economic disruption caused by the COVID-19 pandemic. Strong demand from certain customers has helped to partially offset reduced sales to customers in other industries. Despite these headwinds, we made important progress and are benefiting from cost reductions, efficiency improvements and enhanced production throughput at our Roanoke production facility. We also continue our initiatives to further strengthen our market positioning in preparation for a post-pandemic economic recovery in our markets.”

Mr. Wilkin added, “I am incredibly proud of how our team has risen to the occasion during this crisis to ensure the uninterrupted supply of our mission-critical products to our country’s military, first responders and other essential workers, including at healthcare facilities and hospitals, test centers and laboratories. We are humbled by our designation as an Essential Critical Infrastructure Workforce, recognize the importance of this responsibility, and remain committed to meeting the needs of our government and commercial customers.”

Mr. Wilkin concluded, “OCC has a strong foundation and a resilient business model, and the Company is uniquely positioned in our industry. The actions we took during the quarter to refinance OCC’s credit facility strengthened the Company’s financial position and will facilitate the continued advancement of our growth initiatives. We remain focused on operating as efficiently as possible while serving our customers, as we manage through the pandemic and position OCC to deliver long-term shareholder value.”

Conference Call Information

As previously announced, OCC will host a conference call today, September 10, 2020, 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 5975054. For interested individuals unable to join the call, a replay will be available through Thursday, September 17, 2020 by dialing (800) 585-8367 or (404) 537-3406, passcode 5975054. 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 July 31,		Nine Months Ended July 31,	
	2020	2019	2020	2019
Net sales	\$ 13,639	\$ 17,367	\$ 41,390	\$ 53,075
Cost of goods sold	<u>10,167</u>	<u>12,876</u>	<u>31,517</u>	<u>39,712</u>
Gross profit	3,472	4,491	9,873	13,363
SG&A expenses	4,560	5,418	14,934	17,969
Royalty (income) expense, net	193	—	208	(1)
Amortization of intangible assets	<u>11</u>	<u>10</u>	<u>31</u>	<u>28</u>
Loss from operations	(1,292)	(937)	(5,300)	(4,633)
Interest expense, net	(136)	(135)	(397)	(382)
Other, net	<u>(1)</u>	<u>—</u>	<u>(3)</u>	<u>(7)</u>
Other expense, net	<u>(137)</u>	<u>(135)</u>	<u>(400)</u>	<u>(389)</u>
Loss before income taxes	(1,429)	(1,072)	(5,700)	(5,022)
Income tax expense (benefit)	<u>5</u>	<u>13</u>	<u>15</u>	<u>(9)</u>
Net loss	<u>\$ (1,434)</u>	<u>\$ (1,085)</u>	<u>\$ (5,715)</u>	<u>\$ (5,013)</u>
Net loss per share:				
Basic and diluted	<u>\$ (0.20)</u>	<u>\$ (0.15)</u>	<u>\$ (0.78)</u>	<u>\$ (0.68)</u>
Weighted average shares outstanding:				
Basic and diluted	<u>7,353</u>	<u>7,319</u>	<u>7,355</u>	<u>7,409</u>

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

	July 31, 2020	October 31, 2019
Cash	\$ 999	\$ 537
Trade accounts receivable, net	6,800	10,348
Inventories	17,129	18,096
Other current assets	370	399
Total current assets	<u>25,298</u>	<u>29,380</u>
Non-current assets	11,615	10,727
Total assets	<u>\$ 36,913</u>	<u>\$ 40,107</u>
Current liabilities	\$ 7,591	\$ 13,627
Non-current liabilities	13,696	5,241
Total liabilities	<u>21,287</u>	<u>18,868</u>
Total shareholders' equity	<u>15,626</u>	<u>21,239</u>
Total liabilities and shareholders' equity	<u>\$ 36,913</u>	<u>\$ 40,107</u>

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Transcript: OCC – Q3 2020 Earnings Conference Call - 09/10/20 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

CONFERENCE CALL PARTICIPANTS

Aaron Palash Joele Frank, Wilkinson Brimmer Katcher - IR

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 2020 earnings conference call. (Operator Instructions).

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

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Great. Good morning, and thank you all for participating on Optical Cable Corporation's third quarter of fiscal year 2020 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'd like to 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, 2020, 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.

2020 continues to be a challenging year for all of us. I want to thank the OCC team for its continued diligence in adhering to the precautions we have in place to keep OCC COVID free. It is through this diligence, both at work and at home, that we will continue to remain safe and healthy. We've taken a number of steps to ensure the health and safety of our employees and their families, and we've been able to mitigate the impact of COVID-19 on our employees and on day-to-day operations, which we have continued uninterrupted at all three of our locations, but at lower production volumes.

As I mentioned in our second quarter conference call, OCC is obligated and continues to operate during the COVID-19 pandemic because our workforce is classified as a Defense Industrial Base Essential Critical Infrastructure Workforce under the guidelines from the U.S. Department of Defense and an Essential Critical Infrastructure Workforce under the guidelines of the U.S. Department of Homeland Security, Cybersecurity and Infrastructure Security Agency. This is something that we are deeply humbled by and is a responsibility that we do not take lightly. Every day, but especially in light of tomorrow being the 19th anniversary of September 11th, we are reminded of the importance of our job to ensure the uninterrupted supply of our mission-critical products to our country's military, first responders and other essential workers, including healthcare facilities and hospitals.

This quarter, we have seen both the strength and resiliency of our offering as strong demand from certain customers has helped to partially offset those COVID-19 related reduced sales to customers in other industries. That said, while we continue to operate, we have experienced decreases in revenues in many of our markets, in particular, our specialty markets, causing production volumes and operations to continue to be negatively impacted due to the COVID-19 pandemic. As a result, our net sales for the third quarter of fiscal year 2020 decreased 21.5% compared to the same period last year. Sequentially, net sales decreased 8.2% in the third quarter compared to the second quarter of fiscal year 2020. Despite these headwinds, we've made important progress and are benefiting from cost reductions, efficiency improvements and enhanced production throughput at our Roanoke production facility.

We also made important progress strengthening our financial position by successfully refinancing our revolving credit facility with North Mill Capital during the third quarter of fiscal year 2020. The new revolver allows OCC up to a maximum aggregate principal amount of \$18 million, with availability based on a working capital borrowing base calculation. This provides the Company with greater financial flexibility for our working capital needs.

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 underway will facilitate future profitable growth, further strengthen our market positioning and ultimately enable OCC to successfully compete against our larger competitors both now and into the post-pandemic economic recovery in our markets.

And with that, I'll turn the call over to Tracy Smith, who will review in additional detail our second quarter of fiscal year 2020 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 2020 were \$13.6 million, a decrease of 21.5% compared to net sales of \$17.4 million for the third quarter of fiscal 2019. Net sales were negatively impacted during the third quarter of fiscal year 2020 due primarily to the economic effects of the COVID-19 pandemic.

Consolidated net sales for the first nine months of fiscal 2020 were \$41.4 million, a decrease of 22% compared to net sales of \$53.1 million for the same period last year. The decrease in net sales during the first nine months of fiscal 2020 was primarily the result of the number of large orders from one customer in the wireless carrier market in the first nine months of fiscal year 2019 that did not recur at the same levels in the first nine months of fiscal year 2020. Net sales to this customer decreased \$5.6 million in the first nine months of fiscal year 2020. Historically, net sales to this customer have been volatile from quarter to quarter and from year to year. We also believe net sales during the first nine months of fiscal year 2020 were negatively impacted by the COVID-19 pandemic which ceased or significantly reduced operations of many businesses, including OCC customers and suppliers.

Turning to gross profit. Gross profit was \$3.5 million in the third quarter of fiscal 2020 compared to \$4.5 million in the third quarter of fiscal 2019. Gross profit margin, or gross profit as a percentage of net sales, was 25.5% in the third quarter of fiscal 2020 compared to 25.9% in the third quarter of fiscal 2019. Gross profit was \$9.9 million in the first nine months of fiscal 2020 compared to \$13.4 million in the first nine months of fiscal 2019. Gross profit margin, or gross profit as a percentage of net sales, was 23.9% in the first nine months of fiscal 2020 compared to 25.2% in the first nine months of fiscal 2019. 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 third quarter and first nine months of fiscal year 2020, as fixed costs were spread over lower sales, offsetting cost reductions and significant production throughput and efficiency improvements achieved principally in the Company's Roanoke production facility.

SG&A expenses decreased approximately \$858,000, or 15.8%, to \$4.6 million during the third quarter of fiscal 2020 compared to \$5.4 million for the same period last year. SG&A expenses as a percentage of net sales were 33.4% in the third quarter of fiscal 2020 compared to 31.2% in the third quarter of fiscal 2019. SG&A expenses decreased approximately \$3 million, or 16.9%, to \$14.9 million during the first nine months of fiscal 2020 compared to \$18 million for the same period last year. SG&A expenses as a percentage of net sales were 36.1% in the first nine months of fiscal 2020 compared to 33.9% in the first nine months of fiscal 2019. The decrease in SG&A expenses during the third quarter and first nine months of fiscal 2020 compared to the same periods last year was primarily the result of decreases in employee related costs, including employee incentives and commissions and net reductions and other SG&A expenses as we focused on controlling costs. These decreases were partially offset by an increase in bad debt expense due to concerns about collectibility of certain customer accounts during this unprecedented pandemic environment.

OCC recorded a net loss of \$1.4 million, or \$0.20 per basic and diluted share, for the third quarter of fiscal 2020 compared to a net loss of \$1.1 million, or \$0.15 per basic and diluted share, for the third quarter of fiscal 2019. OCC recorded a net loss of \$5.7 million, or \$0.78 per basic and diluted share, for the first nine months of fiscal 2020 compared to a net loss of \$5 million, or \$0.68 per basic and diluted share, for the first nine months of fiscal 2019.

On July 24, 2020, OCC terminated its revolving credit note with Pinnacle Bank and, along with our wholly owned subsidiaries, entered into a loan and security agreement with North Mill Capital. As part of the refinancing transaction, OCC also entered into a revolving credit master promissory note with North Mill that provided up to a maximum aggregate principal amount of \$18 million with availability based on a working capital borrowing base calculation.

As of July 31, 2020, we had outstanding borrowings of \$4.6 million on our revolving credit note and \$2.2 million in available credit. We also had outstanding loan balances of \$5.2 million under our real estate term loans and \$5 million on our PPP loan.

And 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 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. 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) And I'm showing no questions at this time. I'd like to turn the floor back over to Neil Wilkin for any additional or closing remarks.

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

Okay. Thank you, Maria. Aaron, we, of course, accept questions submitted in writing this morning prior to the call. I think we have received some questions. Could you go ahead and read those off and we'll respond to them, please?

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher – IR

Yes. We have received a few questions. The first one is, did OCC hire a new compensation consultant in 2020?

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

Okay. Short answer is no. As you all know, the independent compensation committee is who hires and utilizes a compensation consultant to assist them in setting CEO and CFO compensation. We use the same consultant that the compensation committee uses to provide data that we use in setting compensation levels for the remaining members of the leadership team. The compensation consultant we're currently using is still the same one that the compensation committee has used in the past. They do periodically consult with others and evaluate that, and that's been done within the last couple of years, but there has not been a change and OCC, as always, focuses on the design and compensation structures across the entire Company that provides proper incentives based on hitting performance targets. If you have some more questions about that, we describe a little bit in our Proxy Statements how we view compensation, how the compensation committee views compensation, and that should be a helpful reference.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Great. Next question, does David Goode have a role with the Company yet?

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

No, other than as an investor in the Company. David Goode is a native of Roanoke. And of course, as the former Chairman and President of Norfolk Southern, he's always expressed an interest in Roanoke as a region even when he left Roanoke. And has expressed an interest in OCC, and we're proud to say that he's a shareholder and appreciate his investment.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Great. Do you expect to generate significant royalty income over the next several years?

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

Tracy, do you want to take this one?

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

Sure. We continue to place importance on our new product development and using patents to protect our innovations. We don't currently have licenses that are generating significant royalty income at this time. While we don't expect royalties to be a meaningful revenue stream in the near term, at this time, I can't say whether it will become an increased source of revenue over the long term. We have been granted patents related to certain CAT 8 enabling technology for connectors, which we believe will have future value for OCC and our products and possibly could generate license royalty revenue in the future.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

Okay. Last question. Do you have a time line on when you will repurchase stock?

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

Do you want to take that one, Tracy?

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

Sure. As is going to be noted in our 10-Q, which we expect to file later today, until future notice, the Company has suspended repurchases and has no current plans to repurchase or retire shares. Given the current market environment, including the uncertainty created by COVID-19, we really can't speculate about continuing our repurchase program right now.

Aaron Palash - Joele Frank, Wilkinson Brimmer Katcher - IR

That's it on the submitted questions.

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

Okay. Well, thank you, Aaron. 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 Optical Cable Corporation. Hope you and your families continue to be safe. And we thank you for your time today.

Operator

Thank you, ladies and gentlemen. This does conclude today's conference call. You may now disconnect, and have a wonderful day.