

**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): December 19, 2018

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))

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 December 19, 2018, Optical Cable Corporation issued a press release announcing its fourth quarter and fiscal year 2018 financial results. Also on December 19, 2018, 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 December 19, 2018 (FILED HEREWITH)
99.2	Transcript of earnings call on December 19, 2018 (FILED HEREWITH)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OPTICAL CABLE CORPORATION

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

Dated: December 20, 2018



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FOR IMMEDIATE RELEASE

**OPTICAL CABLE CORPORATION REPORTS
 FISCAL YEAR AND FOURTH QUARTER 2018 FINANCIAL RESULTS**

OCC[®] Achieves the Highest Annual Net Sales in Company History

*Double-Digit Growth in Net Sales and Gross Profit
 in Fiscal 2018 and the Fourth Quarter*

ROANOKE, Va., December 19, 2018 — Optical Cable Corporation (Nasdaq GM: OCC) (“OCC[®]” or the “Company”) today announced financial results for fiscal year 2018 and its fourth quarter ended October 31, 2018.

Fiscal Year 2018 Financial Results

OCC[®] grew consolidated net sales 37.0% to \$87.8 million in fiscal year 2018—the highest annual net sales in Company history—achieving gross profit growth of 34.0% and increased profitability for the year. The Company’s net sales for fiscal year 2017 was \$64.1 million.

The Company increased net sales in its specialty markets in fiscal year 2018, compared to fiscal year 2017, particularly in its wireless carrier and military markets. This increase was partially offset by a decrease in net sales in the Company’s enterprise markets.

OCC’s increase in net sales during fiscal year 2018 when compared to fiscal year 2017 was driven primarily by significant orders from one customer with whom OCC has done business for a number of years.

OCC's gross profit grew 34.0% to \$27.9 million in fiscal year 2018, compared to gross profit of \$20.8 million in fiscal year 2017. Gross profit margin was 31.7% in fiscal year 2018 compared to 32.4% for fiscal year 2017, primarily due to changes in fiber optic cable product mix including hybrid cables.

SG&A expenses as a percentage of net sales were 29.8% in fiscal year 2018, compared to 34.3% in fiscal year 2017, as OCC benefited from its operating leverage. The Company experiences positive operating leverage when certain SG&A expenses are spread over higher consolidated net sales levels. OCC reported that SG&A expenses were \$26.1 million during fiscal year 2018, an increase of 18.9% when compared to \$22.0 million for fiscal year 2017. The increase in SG&A expenses was primarily the result of increases in employee related costs including employee incentives and commissions, which increased due to increased net sales and the improved financial results during fiscal year 2018.

OCC recorded net income of \$1.1 million, or \$0.14 per basic and diluted share, for fiscal year 2018, compared to a net loss of \$1.7 million, or \$0.27 per basic and diluted share, for fiscal year 2017.

Fourth Quarter 2018 Financial Results

Consolidated net sales increased 17.8% to \$20.3 million in the fourth quarter of fiscal year 2018, compared to net sales of \$17.2 million in the fourth quarter of fiscal year 2017.

The Company increased net sales in its specialty markets in the fourth quarter of fiscal year 2018, compared to the same period last year, particularly in its wireless carrier market. This increase was partially offset by a decrease in net sales in the Company's enterprise markets.

Gross profit increased 32.7% to \$6.7 million in the fourth quarter of fiscal year 2018, compared to gross profit of \$5.0 million in the same period last year. Gross profit margin, or gross profit as a percentage of net sales, was 32.9% in the fourth quarter of fiscal year 2018 compared to 29.2% for the same period in fiscal year 2017, primarily due to changes in fiber optic cable product mix.

SG&A expenses were \$6.8 million during the fourth quarter of fiscal year 2018, an increase of 24.8% compared to \$5.5 million for the fourth quarter of fiscal year 2017. SG&A expenses as a percentage of net sales were 33.6% in the fourth quarter of fiscal year 2018, compared to 31.7% during the same period last year. The increase in SG&A expenses was primarily the result of increases in employee related costs including employee incentives and commissions, which increased due to increased net sales and the improved financial results during the fourth quarter of fiscal year 2018.

For the fourth quarter of fiscal year 2018, OCC recorded a net loss of \$350,000, or \$0.05 per basic and diluted share, compared to a net loss of \$589,000, or \$0.09 per basic and diluted share, for the fourth quarter of fiscal year 2017.

Management's Comments

Neil Wilkin, President and Chief Executive Officer of OCC, said, “At the beginning of our fiscal year we set aggressive growth goals, and we are pleased to have met and exceeded all of them. Our record net sales in fiscal year 2018, and solid gross profit and profitability, reflect the strength of our product offering, our team, and our continuing focus on operational efficiency. We continue to see strong demand for our comprehensive suite of innovative and integrated solutions—particularly in our specialty markets.”

Mr. Wilkin concluded, “We are excited about the opportunities we see for OCC in 2019 and beyond as we continue to execute on our growth strategies and implement marketing initiatives in targeted markets. We will also continue efforts to enhance productivity and reduce costs. Looking ahead, we are confident in our ability to deliver enhanced shareholder value by meeting the needs of our customers and diverse end-user base.”

Conference Call Information

As previously announced, OCC will host a conference call today, December 19, 2018, 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 2875789. For interested individuals unable to join the call, a replay will be available through Wednesday, December 26, 2018 by dialing (800) 585-8367 or (404) 537-3406, passcode 2875789. 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 October 31,		Fiscal Year Ended October 31,	
	2018	2017	2018	2017
Net sales	\$ 20,273	\$ 17,207	\$ 87,828	\$ 64,093
Cost of goods sold	13,612	12,188	59,955	43,295
Gross profit	6,661	5,019	27,873	20,798
SG&A expenses	6,802	5,452	26,131	21,969
Royalty (income) expense, net	(3)	11	(33)	120
Amortization of intangible assets	9	7	35	26
Income (loss) from operations	(147)	(451)	1,740	(1,317)
Interest expense, net	(133)	(131)	(608)	(523)
Other, net	(81)	(14)	(80)	96
Other expense, net	(214)	(145)	(688)	(427)
Income (loss) before income taxes	(361)	(596)	1,052	(1,744)
Income tax benefit	11	7	17	5
Net income (loss)	<u>\$ (350)</u>	<u>\$ (589)</u>	<u>\$ 1,069</u>	<u>\$ (1,739)</u>
Net income (loss) per share:				
Basic and diluted	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>	<u>\$ 0.14</u>	<u>\$ (0.27)</u>
Weighted average shares outstanding:				
Basic and diluted	<u>6,667</u>	<u>6,494</u>	<u>7,593</u>	<u>6,547</u>

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

	October 31, 2018	October 31, 2017
Cash	\$ 177	\$ 891
Trade accounts receivable, net	12,833	8,941
Inventories	17,475	16,781
Other current assets	562	490
Total current assets	31,047	27,103
Non-current assets	12,051	13,036
Total assets	\$ 43,098	\$ 40,139
Current liabilities	\$ 7,028	\$ 4,197
Non-current liabilities	9,259	12,253
Total liabilities	16,287	16,450
Total shareholders' equity	26,811	23,689
Total liabilities and shareholders' equity	\$ 43,098	\$ 40,139

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CORPORATE PARTICIPANTS

Andrew Siegel Joele Frank, Wilkinson Brimmer Katcher - Partner

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

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

PRESENTATION**Operator**

Ladies and gentlemen, thank you for standing by, and welcome to the Optical Cable Corporation fourth quarter 2018 earnings conference call.(Operator Instructions)

It is now my pleasure to turn the floor over to Andrew Siegel from Joele Frank to begin.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Thank you, and good morning. Thank you all for participating on Optical Cable Corporation's fourth quarter of fiscal year 2018 conference call.By this time, everyone should have a copy of the earnings press release issued earlier today. You can also visit 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 content of the Internet webcast on 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, Andrew, and good morning, everyone. I will begin the call today with a few opening remarks regarding our fourth quarter and fiscal year ended October 31, 2018. Tracy will then review the fourth quarter and full year results for the 3-month and 12-month periods ended October 31, 2018, in some additional detail. After Tracy's remarks, I will make some closing remarks, and we will also answer as many questions as we can from analysts.

As is our normal practice, we 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.

During fiscal 2018, Optical Cable Corporation delivered strong financial performance, while continuing to execute on our growth strategies and market initiatives. We recorded the highest annual net sales in Company history in fiscal 2018, with double-digit growth in both net sales and gross profit. Consolidated net sales increased 37%, resulting in gross profit growth of 34%.

Optical Cable Corporation has successfully built strong market positions in a broad range of targeted markets over the years, including enterprise, harsh environment and specialty markets. Our market strength is built on our innovative and top-tier cabling and connectivity products, our team's expertise and customer service focus, and our commitment to continual improvement. This competitive marketing position is one of OCC's most

valuable assets. It has earned us the respect of other industry participants, particularly competitors much larger than OCC, and it is a point of pride for our team.

This competitive market positioning provides opportunities and operating leverage to grow in our markets and create shareholder value over the long term, the types of opportunities from which OCC benefited this year.

In fiscal 2018, we significantly increased our fiber optic cable production volumes to meet increased demand. While our increased production enabled sales growth, it also created some operational challenges. OCC continues to take steps to manage spikes in demand and our increased production capacity, including hiring additional personnel.

We are optimistic about our ability to meet the rising demand in 2019 and beyond and remain focused on capitalizing on the momentum we are building to drive the business to greater heights.

And with that, I will turn the call over to Tracy Smith, who will review some additional details regarding our fourth quarter and fiscal year 2018 financial results.

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

Thank you, Neil. Consolidated net sales for fiscal year 2018 were \$87.8 million, an increase of 37% compared to net sales of \$64.1 million for fiscal year 2017, and the highest annual net sales in Company history.

We increased net sales in our specialty markets in fiscal 2018 compared to fiscal 2017, particularly in our wireless carrier and military markets. This increase was partially offset by a decrease in net sales in our enterprise markets.

Consolidated net sales for the fourth quarter of fiscal 2018 were \$20.3 million, an increase of 17.8% compared to net sales of \$17.2 million for the fourth quarter of fiscal 2017. OCC's increase in net sales during the fourth quarter and during fiscal year 2018 have been driven by significant orders from one customer with whom OCC has done business for a number of years.

Turning to gross profit. Gross profit increased 34% to \$27.9 million in fiscal 2018 from \$20.8 million in fiscal 2017. Gross profit margin, or gross profit as a percentage of net sales, was 31.7% in fiscal 2018, compared to 32.4% in fiscal 2017. Gross profit was \$6.7 million in the fourth quarter of fiscal 2018, an increase of 32.7% compared to \$5 million in the fourth quarter of fiscal 2017. Gross profit margin, or gross profit as a percentage of net sales, was 32.9% in the fourth quarter of fiscal 2018 compared to 29.2% in the fourth quarter of fiscal 2017.

Our gross profit margin percentages are heavily dependent upon product mix on a quarterly basis. Gross profit margin in fiscal 2018 was impacted by a shift in product mix toward the sale of certain lower margin products compared to fiscal 2017. However, the significant increase in net sales levels during fiscal 2018 for our fiber optic cable products helped to offset the impact of the decrease in gross profit margin on gross profit, as certain fixed manufacturing costs were spread over higher sales.

SG&A expenses increased 18.9% to \$26.1 million during fiscal year 2018, compared to \$22 million for fiscal year 2017. SG&A expenses as a percentage of net sales were 29.8% in fiscal 2018 compared to 34.3% in fiscal 2017 as OCC benefited from its operating leverage. The Company experiences a positive operating leverage when certain SG&A expenses are spread over higher consolidated net sales levels. SG&A expenses increased 24.8% to \$6.8 million during the fourth quarter of fiscal 2018 compared to \$5.5 million for the same period last year. SG&A expenses as a percentage of net sales were 33.6% in the fourth quarter of fiscal 2018 compared to 31.7% in the fourth quarter of fiscal 2017. The increase in SG&A expenses during the fourth quarter and during fiscal 2018, compared to the same periods last year, was primarily the result of increases in employee-related costs, including employee incentives and commissions. This can be attributed to increased net sales and our improved financial results during the fourth quarter and fiscal year 2018.

OCC recorded net income of \$1.1 million, or \$0.14 per basic and diluted share, for fiscal 2018 compared to a net loss of \$1.7 million or \$0.27 per basic and diluted share for fiscal 2017.

OCC recorded a net loss of \$350,000, or \$0.05 per basic and diluted share, for the fourth quarter of fiscal 2018 compared to a net loss of \$589,000, or \$0.09 per basic and diluted share, for the fourth quarter of fiscal 2017.

As of October 31, 2018, we had outstanding borrowings of \$3 million on our revolving credit note and \$4 million in available credit. We also had outstanding loan balances of \$6.4 million under our real estate term loans.

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. Operator, if you could please indicate the instructions for our participants to call in any questions they may have, I would appreciate it. Again, we're taking calls from institutional investors at the moment, and then we'll also follow up with some questions that have been submitted by individual shareholders.

QUESTIONS AND ANSWERS

Operator

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

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Neil, it's Andrew. This quarter, we did get some questions from someone who identified himself as an individual investor. There actually are -- he submitted 10 multi part questions. So I'm going to go ahead and read them one by one so that you can address them individually if that's okay. I've also sent you a copy of these by email. Are you ready to proceed with that?

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

Yes, Andrew.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Okay. So the first question is about net sales. He said, following \$64.6 million in net sales in fiscal year 2016 and \$64.1 million in sales in fiscal year 2017, fiscal year 2018 revenue skyrocketed to \$87.8 million. What made fiscal year 2018 so fabulous? And regarding your big orders, can you provide more information on the customers or industries or product lines even if specific orders are now -- specific big orders are now filled, are similar orders that powered fiscal year 2018 repeatable?

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

Okay. Thank you, Andrew. As we've disclosed, our numbers and our performance this year reflect orders we've received from a large long-term customer. We continue to see strong demand, of course, for our products across the rest of our customer base. We don't talk specifically about specific order types or future customer activity for competitive reasons, but we are optimistic about our ability to develop business and also to meet rising demand in 2019 and beyond. As we've also said before, this particular spike we had in 2018 was a result of orders in the wireless carrier market.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Thanks, Neil. The second question from this individual investor was, can you provide some insight into OCC company-specific dynamics within your control that might have contributed to the fiscal year 2018 sales ramp? Specifically, he asked about sales incentives expense increased in fiscal year 2018, and he said, were sales and incentive structures changed or was the higher sales incentive expense simply driven by increased sales? And aside from top officers, how much of the incentives are paid in stock or stock options as opposed to cash?

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

Okay. Well, our sales and our business development teams work diligently to cultivate sales opportunities to build our business and have always done that. The sales ramps we saw were the result of a lot of the work that was done by those teams, and we're constantly doing that in order to drive future growth. We do have sales incentives in place as you'd expect that reward not only the sales team, but also the Company on a broader basis. Those incentives can get tweaked from year to year, slightly. But that tweaking in no way contributed to the increase in the SG&A expense related to the increased sales this year. And so that was part of the normal terms of our incentive plans. One of the other parts of the question was asking about stock comp. OCC does have a program of issuing restricted stock to the leadership team and to other key employees. And that stock comp vests at least in, particularly for the last couple of years, stock grants have been -- vesting has been dependent on performance-based measures and that continues to be the case.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Thanks, Neil. Moving to question 3 out of 10. Can you break down revenues and operating income by business lines? If you cannot break down revenue, can you provide some insight into which business lines are more important to OCC than others in terms of revenue and margins?

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

Well, we don't -- for competitive reasons, we don't comment or break down revenues or margins on specific product lines. What's also important to remember is, even though we sell a lot of products, a lot of these products work together as part of systems. And so whether or not more fiber optic cable on one project, by way of example, or copper cable or certain kinds of connectivity, are up or down isn't necessarily reflective of the business specifically on a long-term basis. Of course, all of our product lines are important to us, and that's one of the reasons why we did some of the acquisitions we did a few years ago to complete a more complete -- to provide a more complete product line and a complete solution to our customers.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Okay. Question 4, considering many competitors have more resources and greater economies of scale, how do you -- what do you view as your most competitive products? How do you compete against larger competitors?

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

And we've had a lot of history in this, Andrew, I mean, OCC has competed against much larger players successfully for many years. And our competitive strength is really built on the robust product offering we have as well as our team's focus on building the business and providing our customers with the best solutions. We're admired by much larger companies, and we're very proud of that. And the reason is because we've consistently been able to carve out market niches in those markets we've targeted and to be a leader in those market niches. And of course, we're going to continue to focus on our strategic sales and business development initiatives, and we believe that's going to contribute to growth as well as continue to strengthen our ability to compete against our much larger competitors.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Okay. Question 5 relates to 5G. And he said, 5G is a technology that's driving spending by some of your customers, but I expect 5G revenue impact on OCC is mixed. Can you provide some insight on the anticipated impacts of 5G on OCC?

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

Sure. 5G is a technology that everyone's talking about. It is an area that certainly will provide some tremendous growth to our industry. The technology is still in the process of developing and developing rapidly. And while we're confident that OCC will have some ability to participate in the growth that results from 5G, we really can't indicate at this time what that impact will be or how significant that will be.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Okay. Question 6 relates to future growth. How will you manage that growth? Will you need to change the organizational structure of OCC in order to help you take the next level of sales -- and take you to the next level of sales and profits?

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

Okay. We've always focused on building an organizational structure that is scalable. Our long-term commitment has been to set up the Company so that we can grow much bigger than we are -- were last year and even are today. We have made some organizational changes in the last couple of years. Of course, we do that periodically. But specifically, with respect to being able to manage and handle additional growth, we've added some capabilities and some talent in our manufacturing and operations group that is changing and advancing how OCC manages our manufacturing and operations, and we believe that we will see efficiencies and capabilities that come out of those efforts.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Question 7 relates to the acquisition of OCC stock by Mr. David R. Goode of Norfolk, Virginia. This was disclosed in the SEC filing on October 4th. The question is, considering David Goode's background as retired CEO of Norfolk Southern as well as a retired board member of Caterpillar, Delta, Texas Instruments and Georgia Pacific and your current -- and a current board member of Russell Reynolds, the shareholder said, that seems important. Can you provide some insight into the nature of OCC's relationship with David Goode?

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

Sure, Andrew. And David Goode is a native of Roanoke, and it's through that connection that we've gotten to know him. He's expressed an interest in OCC and has consistently had interest in Roanoke, and that's the reason why we're proud to say he is a shareholder of OCC now.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Question 8. Regarding your sales and marketing initiatives in targeted markets that you discussed at the March 2018 Annual Meeting. Can you identify those initiatives in targeted markets? And in today's press release, you closed by saying that you're excited about the opportunities you see in 2019 as you continue to execute on growth strategies and implement marketing initiatives in targeted markets. The question is, are these initiatives having an impact at this time? Can you provide some color on the sales and marketing initiatives as we think about outlook for the year ahead?

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

Yes, Andrew. We are proud of the initiatives that we put in place. We are seeing benefits from those in the targeted markets. For competitive reasons, we've not talked about the specific markets in our marketing approaches or the markets that we specifically believe we're going to see the most growth in. Because of OCC's enviable market position vis-à-vis our competitors, we do see folks watching OCC in how we proceed because we have maintained that competitive ability. And so part of that is not discussing those sorts of matters in any detail.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Okay. There are 2 final questions here. I'll give them to you both together. They're pretty short actually. The first is whether or not OCC is experiencing labor cost increases? And the second is -- the final question is, how much NOLs, net operating losses, does OCC have remaining?

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

Okay. I'll take the first of those, and we'll have Tracy to talk about the last item. One of the things we're very proud of at OCC is that we offer competitive wages and competitive benefits and we've always done that. Like a lot of other companies, recently we have seen increases in labor costs and have done some things to react to those pressures. It's mostly in the entry-level positions where we're seeing that sort of thing, but we are proud of the fact that we pay competitive wages and benefits. We're fortunate to have a lot of long-term employees because of the culture we create, the family atmosphere that we have as well as the wages and benefits that we pay, and we expect that to continue. And the second question was -- the second part of the question was, Andrew?

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

It was NOLs, how much do you have remaining?

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

Andrew, this is Tracy. Disclosures related to our NOL carry forwards that should provide an answer to that question will be included in our Form 10-K, which we anticipate filing within the next couple of days. So I would direct anyone interested in that to those disclosures.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

Okay, thanks. Well, that concludes the 10 questions submitted by an individual investor this quarter. Thank you.

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

Okay. And Andrew, you didn't -- those were the 10 questions submitted by one individual investor. Did you have any other questions from anyone else?

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

We did not receive other questions beyond that list of 10.

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

Okay. Well, I appreciate it. I hope that our answers were helpful. As we begin fiscal year 2019, the OCC team continues to be committed to advancing our key strategic initiatives designed to drive top- and bottom-line growth and create substantial long-term shareholder value. In particular, as we've talked about, we're focused on sales, marketing and product initiatives to grow sales in targeted markets and strengthen our market position. We're also continuing our work to generate operational efficiencies and process improvements. An important point that I'd like to make is that the interests of our Board of Directors and our current employees are aligned with those of our shareholders. Current employees and members of the Board of Directors own more than 38% of OCC's outstanding common shares as of the end of fiscal 2018. And as a result, we are laser-focused on taking the actions that will deliver enhanced shareholder value.

Looking ahead, we are excited about capitalizing on the opportunities before us, and we are confident in our ability to continue to meet the evolving needs of our customers, end users and all of our other stakeholders.

As we end the call today, I would like to thank our team of dedicated employees who have worked tirelessly to achieve our strong results in fiscal 2018 and who will continue to drive our success in 2019 and beyond. We as a leadership team, but also I personally, are deeply grateful for their dedication and contributions.

Thank you, everyone for listening to our fourth quarter conference call today. And also, during this holiday season, please remember those men and women in uniform defending freedom and liberty and protecting our country and their families. We thank them for their service and sacrifice and for their families' sacrifice. Happy holidays, Merry Christmas and Happy New Year to you and all that are on the call. And thank you again for your continued interest in Optical Cable Corporation.

Operator

Thank you for participating in the Optical Cable fourth quarter 2018 earnings conference call. You may now disconnect.