

**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, 2017

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 September 12, 2017, Optical Cable Corporation issued a press release announcing its third quarter of fiscal year 2017 financial results. Also on September 12, 2017, 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 is filed as an Exhibit to this Report.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	<u>Press Release dated September 12, 2017 (FILED HEREWITH)</u>
99.2	<u>Transcript of earnings call on September 12, 2017 (FILED HEREWITH)</u>

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, 2017

**OPTICAL CABLE CORPORATION**

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FOR IMMEDIATE RELEASE**OPTICAL CABLE CORPORATION REPORTS THIRD QUARTER 2017 FINANCIAL RESULTS**

ROANOKE, Va., September 12, 2017 — Optical Cable Corporation (Nasdaq GM: OCC) (“OCC[®]” or the “Company”) today announced financial results for its third quarter ended July 31, 2017.

Third Quarter 2017 Financial Results

Consolidated net sales for the third quarter of fiscal year 2017 were \$16.4 million, a 2.9% decrease, compared to net sales of \$16.9 million for the third quarter of fiscal year 2016, primarily resulting from weakness in the enterprise markets during the third quarter. The Company increased net sales in its specialty markets in the third quarter of fiscal 2017, compared to the same period last year, overcoming continued weakness in the military portion of its specialty markets. The increase in net sales in specialty markets achieved was not sufficient to overcome the decrease in net sales in enterprise markets.

Sequentially, net sales continued to grow in the third quarter of fiscal year 2017, increasing 3.7% compared to net sales of \$15.8 million in the prior quarter. Net sales in the third quarter increased 12.5% as compared to net sales of \$14.6 million for the first quarter of fiscal year 2017.

The Company saw some improvement in net sales to customers outside of the United States, with an increase of 1.2% in the third quarter of fiscal year 2017 compared to the same period last year. Net sales to customers in the United States decreased 3.8% compared to the same period last year.

Gross profit was \$5.3 million in the third quarter of fiscal year 2017, a decrease of 2.9% compared to gross profit of \$5.5 million in the third quarter of fiscal year 2016. Gross profit margin, or gross profit as a percentage of net sales, was 32.3% in the third quarters of both fiscal years 2017 and 2016.

SG&A expenses increased 6.9% to \$5.4 million during the third quarter of fiscal year 2017, compared to \$5.1 million for the third quarter of fiscal year 2016. The increase in SG&A expenses during the third quarter of fiscal 2017 compared to the same period last year was primarily due to increases in employee related costs intended to grow future sales into the next fiscal year.

OCC recorded a net loss of \$295,000, or \$0.05 per basic and diluted share, for the third quarter of fiscal year 2017, compared to net income of \$188,000, or \$0.03 per basic and diluted share, for the third quarter of fiscal year 2016.

Fiscal Year-to-Date 2017 Financial Results

Consolidated net sales were \$46.9 million for the first nine months of fiscal 2017, a slight decrease compared to net sales of \$47.3 million for the same period in fiscal 2016. The Company experienced slight decreases in net sales in both its enterprise and specialty markets in the first nine months of fiscal year 2017, compared to the same period last year.

Net sales to customers in the United States increased less than one percent in the first nine months of fiscal year 2017, compared to the same period last year, while net sales to customers outside of the United States decreased 6.7% compared to the same period last year. During the first nine months of fiscal 2017, net sales outside of the United States was negatively impacted by a strong U.S. dollar relative to other currencies, particularly in certain geographic regions.

Gross profit increased 16.7% to \$15.8 million in the first nine months of fiscal year 2017, compared to \$13.5 million in the first nine months of fiscal 2016. Gross profit margin increased to 33.7% in the first nine months of fiscal year 2017, compared to 28.6% in the first nine months of fiscal year 2016. Gross profit margin for the first nine months of fiscal 2017 was positively impacted by a shift in product mix toward certain higher margin products.

SG&A expenses increased 6.5% to \$16.5 million during the first nine months of fiscal year 2017, compared to \$15.5 million for the same period last year. The increase in SG&A expenses during the first nine months of fiscal 2017, compared to the same period last year, was primarily due to increases in employee related costs, legal fees, and marketing expenses.

OCC recorded a net loss attributable to the Company of \$1.2 million, or \$0.18 per basic and diluted share, for the first nine months of fiscal year 2017, compared to a net loss of \$2.5 million, or \$0.40 per basic and diluted share, for the same period last year.

Management's Comments

Neil Wilkin, President and Chief Executive Officer of OCC, said, “During the first nine months of fiscal year 2017, OCC significantly improved gross profit and bottom line performance. After strengthening in the first half of the year, net sales were weaker in our enterprise markets during the third quarter. We believe this market weakness is temporary. In our third quarter, we continued taking steps to improve long-term performance, including executing on sales and business development efforts, as well as product innovation. These efforts have helped us increase net sales in the past two consecutive quarters, despite weakness in certain of our specialty markets. We are confident that these efforts will drive future growth and enhance shareholder value.”

Conference Call Information

As previously announced, OCC will host a conference call today, September 12, 2017, at 10:00 a.m. Eastern Time. Individuals wishing to participate in the conference call should call (866) 610-1072 or (973) 935-2840 internationally, passcode 79987935. For interested individuals unable to join the call, a replay will be available through September 19, 2017 by dialing (800) 585-8367 or (404) 537-3406, passcode 79987935. 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 comprehensive range of top-tier fiber optic and copper communication cabling and connectivity products and solutions—primarily for the enterprise market, various harsh environment and specialty markets, and the wireless carrier market.

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 9001:2008 registered and OCC’s Roanoke and Dallas facilities are MIL-STD-790G certified.

Optical Cable Corporation™, OCC® , Procyon®, Procyon Blade™, 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,	
	2017	2016	2017	2016
Net sales	\$ 16,432	\$ 16,915	\$ 46,886	\$ 47,303
Cost of goods sold	11,126	11,453	31,107	33,788
Gross profit	5,306	5,462	15,779	13,515
SG&A expenses	5,426	5,075	16,517	15,514
Royalty expense, net	39	39	109	105
Amortization of intangible assets	7	4	19	11
Income (loss) from operations	(166)	344	(866)	(2,115)
Interest expense, net	(127)	(166)	(393)	(460)
Other, net	12	3	110	20
Other expense, net	(115)	(163)	(283)	(440)
Income (loss) before income taxes	(281)	181	(1,149)	(2,555)
Income tax expense (benefit)	14	(7)	1	7
Net income (loss)	\$ (295)	\$ 188	\$ (1,150)	\$ (2,562)
Net loss attributable to noncontrolling interest	—	—	—	(22)
Net income (loss) attributable to OCC	<u>\$ (295)</u>	<u>\$ 188</u>	<u>\$ (1,150)</u>	<u>\$ (2,540)</u>
Net income (loss) attributable to OCC per share: Basic and diluted	<u>\$ (0.05)</u>	<u>\$ 0.03</u>	<u>\$ (0.18)</u>	<u>\$ (0.40)</u>
Weighted average shares outstanding:				
Basic and diluted	<u>6,490</u>	<u>7,115</u>	<u>6,539</u>	<u>6,403</u>

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

	July 31, 2017	October 31, 2016
Cash	\$ 529	\$ 1,879
Trade accounts receivable, net	9,301	8,916
Inventories	18,355	15,024
Other current assets	510	503
Total current assets	28,695	26,322
Non-current assets	13,394	14,344
Total assets	\$ 42,089	\$ 40,666
Current liabilities	\$ 5,910	\$ 4,126
Non-current liabilities	12,015	11,775
Total liabilities	17,925	15,901
Total shareholders' equity	24,164	24,765
Total liabilities and shareholders' equity	\$ 42,089	\$ 40,666

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Transcript: OCC –Q3 2017 Earning Conference Call - 09/12/17 10:00 AM

CORPORATE PARTICIPANTS

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

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

Tracy G. Smith - Optical Cable Corporation - CFO, SVP and Corporate Secretary

PRESENTATION

Operator

Good morning. My name is Laurie and I'll be your conference operator today. At this time, I would like to welcome you to the Optical Cable Corporation third quarter of fiscal year 2017 earnings conference call. (Operator Instructions).

Thank you. Mr. Siegel, you may begin the conference.

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher – Partner

Thank you. Good morning, and thank you all for participating on Optical Cable Corporation's third quarter of fiscal year 2017 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 contents 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, CEO and President

Thank you, Andrew, and good morning, everyone. I will begin the call today with a few opening remarks regarding our third quarter of fiscal year 2017. Tracy will then review the third quarter results for the three-month and nine-month periods ended July 31, 2017 in some additional detail. After her 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.

During the first nine months of fiscal year 2017, OCC significantly improved gross profit and bottom line performance. After strengthening in the first half of the year, net sales were weaker in our enterprise markets during the third quarter. We believe this market weakness is temporary.

We continued taking steps we are confident will improve long-term performance, including executing on sales and business development efforts, as well as product innovation. These efforts have helped us increase net sales in the past two consecutive quarters despite weakness in certain of our specialty markets. Further, we are confident these efforts will drive future growth and enhance shareholder value.

OCC will continue to focus time and resources on those markets with the greatest opportunities, while also appropriately positioning OCC in markets which offer future opportunities for us in the long-term. We continue to be mindful of our expenses as we make appropriate investments in personnel and initiatives that we believe are necessary for future growth. We are confident that we are positioning OCC for success and we are focused on building on this important momentum to further improve our top and bottom lines through execution of our strategic plan.

And with that, I'll turn the call over to Tracy Smith, who'll review some of the specifics regarding our third quarter financial results.

Tracy G. Smith - Optical Cable Corporation - CFO, SVP and Corporate Secretary

Thank you, Neil. Consolidated net sales for the third quarter of fiscal 2017 were \$16.4 million, a decrease of 2.9% compared to net sales of \$16.9 million for the third quarter of fiscal 2016, primarily resulting from weakness in the enterprise markets during the third quarter. We increased net sales in our specialty markets in the third quarter of fiscal 2017 compared to the same period last year, overcoming continued weakness in the military portion of our specialty markets. The increase in net sales in our specialty markets was not sufficient to overcome the decrease in net sales in our enterprise markets.

Sequentially, net sales increased 3.7% and 12.5%, respectively, in the third quarter of fiscal 2017 compared to net sales of \$15.8 million and \$14.6 million for the second and first quarters of fiscal 2017.

Consolidated net sales for the first nine months of fiscal 2017 decreased slightly to \$46.9 million compared to net sales of \$47.3 million for the first nine months of fiscal 2016. We experienced a decrease in net sales in both our enterprise and specialty markets in the first nine months of fiscal 2017 compared to the same period last year.

Turning to gross profit. Gross profit was \$5.3 million in the third quarter of fiscal 2017, a decrease of 2.9% compared to \$5.5 million in the third quarter of fiscal 2016. Gross profit margin, or gross profit as a percentage of net sales, was 32.3% in the third quarters of both fiscal years 2017 and 2016.

Year to date, gross profit increased 16.7% to \$15.8 million in the first nine months of fiscal 2017 compared to \$13.5 million in the first nine months of fiscal 2016. Gross profit margin increased to 33.7% in the first nine months of fiscal 2017 compared to 28.6% in the first nine months of fiscal 2016.

Our gross profit margin percentages are heavily dependent upon product mix on a quarterly basis. Gross profit margin for the first nine months of fiscal 2017 was positively impacted by a shift in product mix toward the sale of certain higher margin products in the first nine months of fiscal 2017 compared to the same period in fiscal 2016.

SG&A expenses increased 6.9% to \$5.4 million during the third quarter of fiscal 2017 compared to \$5.1 million for the same period last year. SG&A expenses as a percentage of net sales were 33% in the third quarter of fiscal 2017 compared to 30% in the third quarter of fiscal 2016.

SG&A expenses increased 6.5% to \$16.5 million during the first nine months of fiscal 2017 compared to \$15.5 million for the same period last year. SG&A expenses as a percentage of net sales were 35.2% in the first nine months of fiscal 2017 compared to 32.8% in the first nine months of fiscal 2016.

The increase in SG&A expenses in the third quarter and first nine months of fiscal 2017, when compared to the same periods last year, primarily resulted from increases in employee related costs intended to grow future sales into the next fiscal year. Also contributing to the increase in SG&A expenses for the first nine months of fiscal 2017, when compared to the same period last year, were increases in marketing expenses and legal fees, partially offset by a decrease in SG&A expenses associated with Centric Solutions.

OCC recorded a net loss of \$295,000, or \$0.05 per basic and diluted share, for the third quarter of fiscal 2017 compared to net income of \$188,000, or \$0.03 per basic and diluted share, for the third quarter of fiscal 2016.

Net loss attributable to OCC for the first nine months of fiscal 2017 was \$1.2 million, or \$0.18 per basic and diluted share, compared to a net loss attributable to OCC of \$2.5 million, or \$0.40 per basic and diluted share, for the first nine months of fiscal 2016.

As of July 31, 2017, we had outstanding borrowings of \$5.4 million on our revolving credit note and \$1.6 million in available credit. We also had outstanding loan balances of \$6.7 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, CEO and President

Thank you, Tracy. And now, if you have any questions, we are 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.

QUESTION AND ANSWERS

Operator

At this time, there are no audio questions. I will now return the call to Neil Wilkin for any additional or closing remarks.

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

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

Andrew Siegel - Joele Frank, Wilkinson Brimmer Katcher - Partner

No, Neil. At this time, we do not have any questions submitted by individual shareholders.

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

Okay. 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 OCC. Thank you.

Operator

Thank you for participating in the Optical Cable Corporation Third Quarter of Fiscal Year 2017 Earnings Conference Call. You may now disconnect.