

NASDAQ:OCC Q3 2025 Earnings Call Transcript

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David | Conference Operator:

Hello, my name is David and I'll be your conference operator today. At this time, I'd like to welcome you to Optical Cable Corporation's third quarter of fiscal year 2025 earnings conference call. All lines have been placed on mute to prevent any background noise. After the speaker's remarks, there will be a question and answer period. If you would like to ask a live question at that time, please press the star and one on your telephone keypad. Please note that today's call will be recorded. Your host today will be Mr. Dean Starrett. Mr. Starrett, you may begin your conference.

Dean Starrett | Host / Director of Investor Relations:

Good afternoon, and thank you for joining us for Optical Cable Corporation's third quarter of fiscal 2025 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 would like to remind everyone that this call may contain forward-looking statements that involve risks and uncertainties. The actual future results of Optical Capable Corporation may differ materially due to a number of factors and risks including, but not limited to, those factors referenced in the forward-looking statement section of this morning's press release. The 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 Wilkin | President and Chief Executive Officer:

Thank you, Dean, and good afternoon, 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 31st, 2025 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. OCC had a strong third quarter as we delivered significant net sales growth and gross profit expansion during both the third quarter and the first nine months of this fiscal year. Net sales increased 22.8% during the third quarter of fiscal 2025 compared to the same period last fiscal year, and increased 12.8 percent during the nine months ended July 31st, 2025, compared to the same period last year. These results reflect the OCC team's ability to capture additional opportunities as demand for our products increased in many of our markets. We also continue to see the benefits of OCC's significant operating leverage during the third quarter. as our 22.8% year-over-year increase in net sales drove gross profit growth of 61.2%. I'm pleased to report that the OCC team is executing well against our long-term growth strategy. As previously announced, OCC and Litera entered into a strategic collaboration agreement in early July to expand product offerings and solutions to the enterprise sector, the data center sector, as well as expanded presence in certain other sectors. As part of this strategic collaboration, OCC and Litera have combined portions of the product portfolios of both companies to deliver additional integrated cabling and connectivity solution offerings, which will include certain Litera products being offered and sold by OCC. In connection with this strategic collaboration, Litera made an investment in OCC with Litera holding 7.24% of the company's outstanding common shares. We anticipate our strategic collaboration with Litera will provide growth

opportunities for OCC. As we look ahead to the end of this fiscal year and into 2026, we remain focused on disciplined execution and capitalizing on growth opportunities to drive shareholder value. And with that, I'll turn the call over to Tracey, who will review in additional detail our third quarter of fiscal year 2025 financial results.

Tracy Smith | Senior Vice President and Chief Financial Officer:

Thank you, Neal. Consolidated net sales for the third quarter of fiscal 2025 increased 22.8% to \$19.9 million compared to net sales of \$16.2 million for the same period last year, resulting from increases in net sales in both our enterprise and specialty markets. Sequentially, net sales increased 13.5% during the third quarter of fiscal year 2025, compared to net sales of \$17.5 million for the second quarter of fiscal 2025. Consolidated net sales for the first nine months of fiscal 2025 increased 12.8% to \$53.2 million, compared to net sales of \$47.2 million for the first nine months of fiscal 2024, with sales increases in both our enterprise and specialty markets. At the end of our third fiscal quarter of 2025, our sales order backlog and forward load was \$7.1 million compared to \$7.2 million as of April 30th, 2025, \$6.6 million as of January 31st, 2025, and \$5.7 million as of October 31st, 2024. Turning to gross profit, our gross profit increased 61.2% or \$2.4 million to \$6.3 million in the third quarter of fiscal 2025, compared to \$3.9 million for the same period last year. Gross profit margin or gross profit as a percentage of net sales increased to 31.7% in the third quarter of fiscal 2025 up from 24.2% in the third quarter of fiscal 2024 and 30.4% for the second quarter of fiscal year 2025. Gross profit increased 39.5% to \$16.3 million in the first nine months of fiscal 2025 compared to \$11.7 million in the first nine months of fiscal 2024. Gross profit margin increased to 30.6% in the first nine months of fiscal 2025, compared to 24.7% in the first nine months of fiscal 2024. Gross profit margin for the third quarter and first nine months of fiscal 2025 was positively impacted by production efficiencies created by higher volumes and the resulting positive impact of our operating leverage. Additionally, our gross profit margin percentages are heavily dependent upon product mix on a quarterly basis and may vary based on changes in product mix. SG&A expenses increased to \$5.7 million or 9.5% in the third quarter of fiscal year 2025 compared to \$5.2 million for the same period last year. SG&A expenses as a percentage of net sales were 28.8% in the third quarter of fiscal 2025 compared to 32.3% in the prior year period. SG&A expenses increased to \$16.9 million or 8.2% during the first nine months of fiscal year 2025 compared to \$15.7 million for the same period last year. SG&A expenses as a percentage of net sales were 31.8% in the third quarter of fiscal 2025 compared to 33.2% in the prior year period. The increase in SG&A expenses during the third quarter and first nine months of fiscal year 2025 compared to the same periods last year was primarily the result of increases in employee and contracted sales personnel related costs and shipping costs. included in employee and contracted sales personnel related costs for compensation costs and sales incentives. OCC recorded net income of \$302,000 or 4 cents per basic and diluted share for the third quarter of fiscal 2025 compared to a net loss of \$1.6 million or 20 cents per basic and diluted share for the third quarter of fiscal 2024. OCC recorded a net loss of \$1.5 million or 19 cents per basic and diluted share for the first nine months of fiscal year 2025 compared to \$4.6 million or 59 cents per share for the first nine months of fiscal year 2024. With that, I'll turn the call back over to you, Neal.

Neil Wilkin | President and Chief Executive Officer:

Thank you, Tracy. At this time, we would normally take questions from analysts and institutional investors, live questions. However, we have received a number of questions in advance of the call today we believe would be of interest to most participants. So we're going to go through those questions first and then we will address any remaining questions live that may come from analysts and institutional investors. Dean, if you could please begin reading the questions we've received in advance and we will respond.

Dean Starrett | Host / Director of Investor Relations:

Absolutely. First question, can you Comments on what you're seeing in your traditional markets and how it has evolved through the year?

Neil Wilkin | President and Chief Executive Officer:

Yes, we are generally seeing strength in our targeted markets this year, and that's been the case with others in our industry as well. We believe we're benefiting from our strong market position, and that's been reflected in our top-line results this year, including in the third quarter of 2025. Thanks.

Dean Starrett | Host / Director of Investor Relations:

Can you comment as to what you're seeing in terms of AI impact? It seems like this should be a significant opportunity for you.

Neil Wilkin | President and Chief Executive Officer:

Well, as folks know, and I believe it's fairly clear that AI is growing or some would even say exploding because of all the demand. And this is positively impacting our industry generally. The impact is seen in the growth of hyperscale data centers in particular. Currently, OCC's products are more suited for what we would call Tier 2 and Tier 3 data centers. However, we do believe we will see positive impact from AI and data center growth. However, we also believe the biggest growth will be seen by those companies targeting hyperscale data centers.

Unknown | Unidentified Participant:

Yeah, apologies.

Dean Starrett | Host / Director of Investor Relations:

CommScope recently sold the vertical that is competing with you on Amphenol. Do you expect any impact from that?

Neil Wilkin | President and Chief Executive Officer:

As our listeners may expect, we are following these developments, but at this time we do not believe this will have an impact on OCC.

Dean Starrett | Host / Director of Investor Relations:

Thank you. Next question. The backlog is down versus Q2, but Q4 is usually the strongest quarter. Does this decline in backlog mean that the seasonality is not expected to be what we'd normally expect from Q4?

Neil Wilkin | President and Chief Executive Officer:

Tracy is going to take the next few questions here.

Tracy Smith | Senior Vice President and Chief Financial Officer:

Thanks. I would describe the decrease in backlog and forward load of approximately \$100,000 as more of a leveling off rather than a decrease, certainly not a significant decrease. and possibly more related to timing of shipments and order entry than indicative of demand. At the end of Q3, our backlog and forward load was still higher than the backlog and forward load at the end of both fiscal 2024 and the first quarter of fiscal 2025, which is basically where you see the seasonality impact.

Dean Starrett | Host / Director of Investor Relations:

Thanks, Gracie. How much indicative backlog decline is a result of potentially weaker demand?

Tracy Smith | Senior Vice President and Chief Financial Officer:

Well, as I mentioned in my response to the previous question, this was a very minimal decline. We don't believe it is an indicator of weaker demand at this point. As Neil said, we're generally seeing strength in our target markets and believe demand is holding strong.

Dean Starrett | Host / Director of Investor Relations:

Appreciate that. Next question is why was the gross margin 31.5% with higher sales levels in the quarter? considering in Q4 last year it was 33.5% with lower sales levels.

Tracy Smith | Senior Vice President and Chief Financial Officer:

As we've mentioned in our previous filings, our gross profit margin varies depending on product mix in addition to volumes. We believe this was as a result of product mix when comparing the two quarters.

Dean Starrett | Host / Director of Investor Relations:

Thanks. Next question. Do you think you will need to increase capacity if you have plans to materially invest in extra capacity?

Tracy Smith | Senior Vice President and Chief Financial Officer:

We believe we have the capacity to capture the exciting growth opportunities out there. We're currently filling some open positions in our manufacturing operations given anticipated demand, particularly in Roanoke. And it does take some time for our production employees to get fully up to speed. But other than filling open requisitions to meet anticipated demand, we don't have any needs or plans to significantly invest in extra capacity at this time.

Dean Starrett | Host / Director of Investor Relations:

Thank you. Next question, is the current OPEX level sustainable or should we expect any material new expenses moving forward?

Tracy Smith | Senior Vice President and Chief Financial Officer:

As we've described in the past, we believe our operating leverage has a significant positive impact on our results as revenues increase. We also believe that our operating expenses should be generally sustainable at current and even higher sales levels.

Dean Starrett | Host / Director of Investor Relations:

Next question. Could you elaborate on the structure of OCC's Litera cooperation? Will OCC be manufacturing Litera-branded products? And will OCC hold any Litera equipment inventory?

Neil Wilkin | President and Chief Executive Officer:

Thanks, Dean. I will answer the number of questions that we've received regarding Litera. I will say, as we get started in going through these questions, There's a lot of details about our collaboration that we're not prepared to share and that I think is consistent with the way we've typically operated. With respect to the question at hand here, we had previously disclosed the purpose of the strategic collaboration that ACC has entered into with ITERA was to expand product offerings and solutions, especially for the data center and enterprise sectors. We believe that both OCC and Lyterra will benefit from opportunities generated by the ability to expand fiber optic and copper cabling and connectivity solutions in the enterprise sector, the data center sector, as well as an expanded presence in certain other sectors. As you all know, Lyterra has made an investment in OCC and we believe this reflects their confidence in OCC. and resulted in Litera holding 7.24% interest in OCC. We have on file the stock purchase agreement related to this investment by Litera, and that was filed with the SEC in a form 8K shortly after the announcement on July 7th.

Dean Starrett | Host / Director of Investor Relations:

Thank you. The next question on this topic, how will Litera add value to OCC? How will Lyterra help you to increase sales?

Neil Wilkin | President and Chief Executive Officer:

Well, as we've said, and one of the benefits of working with a company like Lyterra is they are a global leader in optical fiber and connectivity solutions. And we've successfully worked with Lyterra and its predecessor, OFS VITAL, for decades. Our collaboration with Lyterra expands on our product offerings and solutions especially for data centers and enterprise sectors, and we believe OCC will benefit from that. We think not only our customers will benefit, but also our shareholders as well.

Unknown | Unidentified Participant:

Thanks. Next question.

Dean Starrett | Host / Director of Investor Relations:

It seems like OCC has already started to benefit from Lytera sales and marketing efforts. Is Lytera going to then sales and marketing resources to generate business for the partnership going forward?

Neil Wilkin | President and Chief Executive Officer:

Well, Litera did exhibit at the Bixie Trade Show last month, and at the invitation of Litera, OCC did provide some personnel at the Litera booth at Bixie. As part of this new collaboration, we expect that Litera and OCC will be working together in various different ways. However, we are not commenting on our specific sales and marketing strategies which is consistent with OCC's past practice.

Dean Starrett | Host / Director of Investor Relations:

Thanks, Neil. Next question. Is the goal with Litera collaboration still to target tier two data centers, or does this open the door to hyperscalers and larger data centers?

Neil Wilkin | President and Chief Executive Officer:

OCC continues to focus on the products we offer, which tend to be more suitable for what we would call Tier 2 and Tier 3 data centers. That does not rule out the possibility of us seeing benefits from the growth that's happening in the hyperscale market, but our core products and solutions are fairly focused on Tier 2 and Tier 3.

Dean Starrett | Host / Director of Investor Relations:

Thanks. The next investor question, Can you give us an impression of the opportunity here, maybe a typical ticket size for Tier 2 or Tier 3 data centers given the combined offerings?

Neil Wilkin | President and Chief Executive Officer:

Well, I will say that the opportunities in Tier 2 and Tier 3 data centers really vary in size. They can include anything from greenfield builds to moves, adds, and changes. As you all know, it's our practice that we do not provide forecasts of expected sales opportunities. I think that's what we can say about that.

Dean Starrett | Host / Director of Investor Relations:

Next question is, did Lytera want to buy more equity than the 7.24% interest?

Neil Wilkin | President and Chief Executive Officer:

No. We're not going to comment or get into the details of our negotiations with Lytera, and that shouldn't be a surprise. We do think very highly of Lytera and the Lytera team, and we believe their investment in OCC reflects their confidence in our business and the work we will do together. We're very excited to be working with Lytera and look forward to that continually develop over time.

Dean Starrett | Host / Director of Investor Relations:

Thanks. We received a number of questions with respect to specific sales or financial outlook with respect to the strategic collaboration with Litera. Can you speak to that?

Neil Wilkin | President and Chief Executive Officer:

Again, consistent with OCC's past practice, we are not going to give specific guidance or projections. What we will say is that we are confident that our strategic collaboration with Litera and the resulting Litera OCC integrated solutions will enable us to offer, provide an offering that will expand our market opportunities, accelerate OCC's sales growth, and will create value for OCC and its shareholders.

Dean Starrett | Host / Director of Investor Relations:

Thanks. We have no other questions that were provided in advance of the call today at this time.

Neil Wilkin | President and Chief Executive Officer:

Neil? Okay. Thank you, Dean. So now, as we usually do, if any analysts or institutional investors have any remaining questions, we are happy to answer them. David, if you could please indicate the instructions for our participants to call in the questions they may have, I'd appreciate it. Again, we are only taking live questions from analysts and institutional investors.

David | Conference Operator:

Absolutely. At this time, if any of the analysts or institutional investors would like to ask a question or please press the star and one keys on your telephone keypad. Keep in mind, you can remove yourself from the question queue at any time by pressing star and two. Again, it is star and one to ask a question today. And we'll take our first question from SF Nathan with Eden Discovery. Please go ahead. Your line is open.

S.F. Nathan | Analyst, Eden Discovery:

Hello, guys. Congratulations. You're a wonderful quarter. The first question is that you saw meaningful growth in the U.S. market this quarter, and in the past quarter, the U.S. was not growing that fast. So I was wondering if you can give us a little bit of color about which verticals caused this acceleration and which products. It would be great.

Unknown | Unidentified Participant:

Thanks.

Neil Wilkin | President and Chief Executive Officer:

I appreciate the question. Part of the reason why we're seeing growth in addition to the work that our sales and business development teams are doing successfully is you'll recall that in most of fiscal year 2024 and before that, the whole industry was in a bit of a downturn. So we're benefiting that, but we're also benefiting from our strong position in the marketplace that's doing well. I don't think we can speak, and we typically don't speak to the specifics of which markets and which products are doing well. But generally right now, and as

we'll disclose in our Form 10-Q that will be filed later today, we've seen growth in both our enterprise markets as well as our specialty markets. And we've seen growth in the U.S. and we've seen growth internationally. And so I think that at this point it's a fairly broad growth scenario that we're experiencing and strengthen market.

S.F. Nathan | Analyst, Eden Discovery:

Okay, from my next question, I've been following you for a long time and I read all the press releases and I noticed all the tones. So, at the current press release, you talked about good prospects for this year and beyond. which is a new thing. It seems that you're more confident on the next fiscal year. So it is also a surprise. So can you explain a little bit about driving deaths and a little bit more color about what makes you feel more optimistic?

Neil Wilkin | President and Chief Executive Officer:

Well, we've been optimistic because, you know, the industry went through about five quarters of decrease and and pressure. We kept the position. We weren't as negatively affected as others in our industry were. And in addition to that, we're also benefiting from the recovery in the industry. We believe that the activity that's going on in data centers we're going to benefit from, even though we are not at the moment offering products that are more hyperscale related. And we also see strength in our other markets. We do a lot of specialty work, and we're seeing strength across the board in those markets, and so that's the reason why we're optimistic. I think we're also, as you would expect, excited about our new relationship with Lytera. We've worked with Lytera for years. We know the quality company that they are and the people, and the fact that we believe we've are taking the relationship we've developed over many years to a different level by them making this investment and collaborating in a significant way in certain markets and with certain products, I think is a reason to be particularly optimistic on our part. We still have seasonality in our annual cycle. Of course, Q1 and Q2 tend to be a little softer. And, of course, there's a lot of noise in the market now in many different fronts. If you just, as you see and follow the financial news, you can see that. So, you know, we can't be certain about what will happen, but right now we're particularly optimistic about the path we're on.

S.F. Nathan | Analyst, Eden Discovery:

Thank you. That's very helpful. And that's my last question. I won't hijack the call. So it's a little bit more macro-oriented, so we can assume interest rates are probably going down soon. So I was wondering, does the fact that interest rates are going down can maybe affect some of your clients, maybe help them a little bit to, you know, relieve some of the financial pressure and maybe accelerate your growth? Do you see any effect of that?

Neil Wilkin | President and Chief Executive Officer:

It's hard to say. I think that the interest rate decreases that the Fed is at least being pressured and somewhat considering. They're looking at various different market data, some of which is conflicting, and how that actually filters down into the actual interest rates that businesses are subject to is also still a question mark, I think, in the market. So we're not really... looking to what happens with the interest rates to figure out how our business is going to do going forward. But it is something we'd watch as you'd expect.

S.F. Nathan | Analyst, Eden Discovery:

Thank you. Thank you so much. Just a very last question. Considering the large growth you had this quarter, do you still expect the level of seasonality to take place? Do you still expect Q4 to be the youngest?

Neil Wilkin | President and Chief Executive Officer:

Well, we don't really forecast on a quarterly basis. And our business also is a business that can have a lot of volatility in it, but right now we're optimistic. Appreciate your questions. I was happy that you've asked a number of them. I was happy to answer those. We tend to restrict the questions just to two per institutional investor. Dean, are there any other questions?

David | Conference Operator:

Or operator, excuse me. As a reminder, if you'd like to ask a question, please press the star and one keys on your telephone keypad. We can pause for a moment to allow any further questioners to queue. We'll take our next question from James Winchester with Quantified Value Partners. Please go ahead. Your line is open.

James Winchester | Analyst, Quantified Value Partners:

Yes, good afternoon. I wanted to ask if you could maybe give us a little bit better sense of what's driving gross margin. I know that you've talked in the past about how when the market was soft, you maintained your infrastructure and capacity, even though it was kind of penalized you during that period. But in looking at gross margins, I see we are now, I think, up to the fourth quarter consecutively of very nice expansion in gross margin. I was wondering if you could just talk a little bit about what's driving that.

Neil Wilkin | President and Chief Executive Officer:

Sure. There's two things that impact our margins significantly. One is the product mix. The products that we offer particularly on the fiber optic cable side, but also across our other product lines, can vary based on product mix. Just from what the market price is for certain products. And so that creates an issue. It also, on the cable manufacturing side, that product mix can particularly impact you know, for a processing standpoint. So, I put those kind of in one bucket which is really product mix. The second piece that really impacts us and that we benefit from at higher sales levels is the operating leverage. And that operating leverage in our business is significant. So, yes, we do tend to not to like to pull back in personnel significantly on the manufacturing side. when there's pullbacks in the marketplace. But a lot of the cost relates to just the fixed cost of having a manufacturing facility. And as our sales dollars go up, those fixed costs get spread over those higher dollars very quickly. And that results in higher gross profit margins. We just see the same effect in SG&A costs because we have a substantial amount of fixed SG&A costs. And being a public company, those public company costs also factor into that. I addressed that in my letter to the shareholders in our 2024, the last year's letter to the shareholders, that kind of gives you a sense of what you can see over several quarters, which may be of interest to you if you haven't looked at that before.

James Winchester | Analyst, Quantified Value Partners:

That's very helpful. Just sort of extending on that first question, And in light of your new relationship or joint venture with Lytera, can you sort of give a generalization of whether that will, number one, whether that will drive more volume over your manufacturing infrastructure? And number two, can you give us some sense of kind of where you're at in terms of utilization of your capacity? Are you at, you know, a quarter, a half, 90%?

We're going to need more capacity next year or, you know, just to sort of give a broad brush assessment of where you're at.

Neil Wilkin | President and Chief Executive Officer:

Sure. Well, we certainly do hope that the relationship with iTero will create more production volume for us. I think that we're in a good position in our products and in our markets. and then adding Lytera's products to that, I think ultimately should create more demand for us, and that's what our goal certainly is. From a utilization or capacity standpoint, typically, and Tracy had talked about this I think earlier in a question a little bit, is typically what affects us most is the personnel standpoint from a manufacturing side. we tend to have more capacity in equipment than we completely utilize. Part of that's because our product line is diverse enough that we have to be prepared for different types of flows of products through the plant, particularly on the cable side. And so we tend to flex on personnel with overtime and then by new hires as demands increase, and that typically does not require significant additional investment in new equipment. And that also explains the operating leverage. What we've disclosed in our Form 10-Q, typically when we do our calculations, is a capacity, running at a capacity of about 50%. Now that seems low, But that's not the personnel we have staffed. That's really the machinery and also recognition of how we calculate or how we're utilizing shifts. So in two of our facilities, we're not running 24 hours a day. And in Roanoke, we're not fully staffed 24 hours a day, 365 like some companies. That's important and strategic in the way we operate because we're not making just a handful of cable products that are always run in very, very long runs and are kind of set it and forget it. Our products include customized products and also specialty products that allow us to be more flexible as different product lines move through our facility in different cells in different manners depending on demand. So what I'd say is that we report that by calculating in that manner, It's about a 50% capacity. I think on any day our manufacturing people wouldn't look at it that way, but that's the way we calculate it. But certainly we have to maintain and do maintain excess capacity in order to maintain that flexibility and also a reality of the type of business and the part of the business we're in rather than a company that really focuses on 100 different or 200 different cable products, and that's what they run all day long, 365, 24-7.

David | Conference Operator:

And once again, if you would like to ask a question, please press the star and one keys. And we can pause for another moment to allow any further questioners to queue. We'll take our next question from Sergei Mascara with Kelper Capital Firm. Please go ahead. Your line is open.

Sergei Mascara | Analyst, Kelper Capital Firm:

Hey, guys. Thanks for taking my question. I'm wondering why you are not talking about the data center opportunity in your website and your data center products?

Neil Wilkin | President and Chief Executive Officer:

Let me make sure I understood the question. Why we're not talking about the collaboration more extensively on our website yet? Is that what you're talking about?

Sergei Mascara | Analyst, Kelper Capital Firm:

No, no, no. I'm asking, if I check your website, it seems that you are not offering products for data center. I'm wondering why you are not advertising the product that you have on your website.

Neil Wilkin | President and Chief Executive Officer:

Well, I mean, we do have, we are in the process of making some improvements to our website. I think that there's a couple of reasons. Number one, I think that there needs to be some improvements. We do have data center products on our website. I need to go back to see how much we specifically promoted that, but we will look at improvements on our website. But a lot of our sales in the business that we receive is through the relationships we've had in the industry over years and years and years. And so it's a little bit different than some other businesses that relied more on the advertising on the website.

David | Conference Operator:

And there are no further questions on the line at this time. I'll turn the program back to management for any additional or closing remarks.

Neil Wilkin | President and Chief Executive Officer:

Thank you, David. I would like to thank everyone for listening to our third quarter of Fiscal Year 2025 conference call today. As always, we appreciate your time and your investment in Optical Cable Corporation. Additionally, on today specifically, I'd like to thank those men and women who have served and are serving our country around the world to protect our freedom and liberty, and to honor those who perished in the terrorist attack on our country 24 years ago today in New York, Pennsylvania, and Virginia. And OCC, we will never forget. Thank you.

David | Conference Operator:

This does conclude the Optical Cable Corporation's third quarter of fiscal year 2025 earnings conference call. Thank you for your participation, and you may now disconnect.