

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): June 10, 2020

**Crown Crafts, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

**1-7604**

(Commission File Number)

**58-0678148**

(IRS Employer  
Identification No.)

**916 South Burnside Avenue, Gonzales, LA**

(Address of principal executive offices)

**70737**

(Zip Code)

Registrant's telephone number, including area code: (225) 647-9100

(Former name or former address if changed since last report)

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:

- 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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                      | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.01 per share | CRWS              | Nasdaq Capital Market                     |

Item 2.02. Results of Operations and Financial Condition

On June 10, 2020, Crown Crafts, Inc. (the “Company”) issued a press release announcing its financial results for the fourth quarter and full year of fiscal year 2020, which ended March 29, 2020. A copy of that press release is attached hereto as Exhibit 99.1.

The information in this Item 2.02 and in Exhibit 99.1 attached hereto is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such section. The information in this Item 2.02 and in Exhibit 99.1 attached hereto shall not be incorporated by reference into any registration statement or document pursuant to the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 [Press Release dated June 10, 2020.](#)

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 thereunto duly authorized.

CROWN CRAFTS, INC.

Date: June 10, 2020

/s/ Olivia W. Elliott

Olivia W. Elliott

Vice President and Chief Financial Officer

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Exhibit Index

| <u>Exhibit No.</u> | <u>Description of Exhibit</u>      |
|--------------------|------------------------------------|
| 99.1               | Press Release dated June 10, 2020. |



For immediate release

June 10, 2020

### Crown Crafts Reports Fiscal 2020 Fourth Quarter and Full Year Results

- Gross margin increased for the fiscal year
- Net income increased for the quarter and fiscal year
- Returned \$5.8 million in cash dividends to shareholders during past 12 months

Gonzales, Louisiana – Crown Crafts, Inc. (NASDAQ-CM: CRWS) (the “Company”) today reported results for the fourth quarter and fiscal year 2020, which ended March 29, 2020.

“We are very proud of our strong financial results in fiscal year 2020, which included increased gross margin and net income,” said E. Randall Chestnut, Chairman, President and Chief Executive Officer. “Because of the conservative way in which we operate and the hard work and dedication of our employees, we were able to continue to return long-term value to our stockholders.”

#### Financial Results

Net income for the fourth quarter of fiscal 2020 was \$1.6 million, or \$0.16 per diluted share, on net sales of \$20.3 million, compared with net income of \$1.4 million, or \$0.14 per diluted share, on net sales of \$21.7 million for the fourth quarter of fiscal 2019. Gross profit for the current-year quarter was 26.3% of net sales, down from 28.6% in the prior-year quarter.

For the fiscal year, net income was \$6.6 million, or \$0.65 per diluted share, on net sales of \$73.4 million, compared with net income of \$5.0 million, or \$0.50 per diluted share, on net sales of \$76.4 million for fiscal 2019. Gross profit for the current year was 29.4% of net sales, up from 29.2% in the prior year.

The current year quarter and year-to-date periods were impacted favorably by \$276,000, or \$0.03 per diluted share, and \$568,000, or \$0.06 per diluted share, respectively, due to the reversal of a portion of reserves for unrecognized tax benefits and the related interest and penalties that had been previously accrued. Current year net income for the year-to-date period was also impacted favorably by \$273,000, or \$0.03 per share, due to the effect of certain tax credits. Net income for the year-to-date period of the prior year was unfavorably impacted when the Company incurred \$210,000 in pre-tax expenses to transfer its Sassy-branded inventory from Grand Rapids, Michigan to the Company’s facility in Compton, California. On an after-tax basis, these costs negatively affected the year-to-date period in the prior year by \$156,000.

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**Quarterly Cash Dividend**

In light of the uncertainty of the global effects of COVID-19, the Company's Board of Directors is not declaring a dividend with respect to the first quarter (which, if declared, would have been paid in July 2020). "We are confident that our stockholders will agree that a temporary suspension of dividends in order to conserve cash during these turbulent economic times is in the best interests of the Company," Chestnut said.

**Conference Call**

The Company will host a teleconference today at 1:00 p.m. Central Daylight Time to discuss the Company's results, during which interested individuals will be given the opportunity to ask appropriate questions. To join the teleconference, dial (844) 861-5504 and ask to be joined into the Crown Crafts, Inc. call. The teleconference can also be accessed in listen-only mode by visiting the Company's website at [www.crowncrafts.com](http://www.crowncrafts.com). The financial information to be discussed during the teleconference may be accessed prior to the call on the investor relations portion of the Company's website. A telephone replay of the teleconference will be available one hour after the end of the call through 4:00 p.m. Central Daylight Time on June 17, 2020. To access the replay, dial (877) 344-7529 in the United States or (412) 317-0088 from international locations and refer to conference number 10143940.

**About Crown Crafts, Inc.**

Crown Crafts, Inc. designs, markets and distributes infant, toddler and juvenile consumer products. Founded in 1957, Crown Crafts is one of America's largest producers of infant bedding, toddler bedding, bibs and developmental toys. The Company operates through its three wholly owned subsidiaries, NoJo Baby & Kids, Inc., Sassy Baby, Inc. and Carousel Designs, LLC, which market a variety of infant, toddler and juvenile products under Company-owned trademarks, as well as licensed collections and exclusive private label programs. Sales are made directly to retailers such as mass merchants, large chain stores and juvenile specialty stores, as well as directly to consumers through [www.babybedding.com](http://www.babybedding.com). For more information, visit the Company's website at [www.crowncrafts.com](http://www.crowncrafts.com).

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*The foregoing contains forward-looking statements within the meaning of the Securities Act of 1933, the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Such statements are based upon management's current expectations, projections, estimates and assumptions. Words such as "expects," "believes," "anticipates" and variations of such words and similar expressions identify such forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause future results to differ materially from those suggested by the forward-looking statements. These risks include, among others, general economic conditions, including changes in interest rates, in the overall level of consumer spending and in the price of oil, cotton and other raw materials used in the Company's products, changing competition, changes in the retail environment, the Company's ability to successfully integrate newly acquired businesses, the level and pricing of future orders from the Company's customers, the extent to which the Company's business is concentrated in a small number of customers, the Company's dependence upon third-party suppliers, including some located in foreign countries, customer acceptance of both new designs and newly-introduced product lines, actions of competitors that may impact the Company's business, disruptions to transportation systems or shipping lanes used by the Company or its suppliers, and the Company's dependence upon licenses from third parties. Reference is also made to the Company's periodic filings with the Securities and Exchange Commission for additional factors that may impact the Company's results of operations and financial condition. The Company does not undertake to update the forward-looking statements contained herein to conform to actual results or changes in our expectations, whether as a result of new information, future events or otherwise.*

Contact:

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or

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CROWN CRAFTS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF INCOME  
SELECTED FINANCIAL DATA

In thousands, except percentages and per share data

|   | <b>Three-Month Periods Ended</b> |                       | <b>Fiscal Years Ended</b> |                       |
|---|----------------------------------|-----------------------|---------------------------|-----------------------|
|   | <b>March 29, 2020</b>            | <b>March 31, 2019</b> | <b>March 29, 2020</b>     | <b>March 31, 2019</b> |
|   | <b>(Unaudited)</b>               |                       |                           |                       |
| Net sales                                   | \$ 20,307                        | \$ 21,717             | \$ 73,396                 | \$ 76,381             |
| Gross profit                                | 5,350                            | 6,212                 | 21,590                    | 22,307                |
| Gross profit percentage                     | 26.3%                            | 28.6%                 | 29.4%                     | 29.2%                 |
| Income from operations                      | 1,840                            | 1,976                 | 7,737                     | 7,113                 |
| Income before income tax expense            | 1,873                            | 1,900                 | 7,768                     | 6,791                 |
| Income tax expense                          | 265                              | 508                   | 1,207                     | 1,772                 |
| Net income                                  | 1,608                            | 1,392                 | 6,561                     | 5,019                 |
| Basic earnings per share                    | \$ 0.16                          | \$ 0.14               | \$ 0.65                   | \$ 0.50               |
| Diluted earnings per share                  | \$ 0.16                          | \$ 0.14               | \$ 0.65                   | \$ 0.50               |
| <b>Weighted Average Shares Outstanding:</b> |                                  |                       |                           |                       |
| Basic                                       | 10,167                           | 10,117                | 10,149                    | 10,092                |
| Diluted                                     | 10,170                           | 10,119                | 10,150                    | 10,094                |

CONSOLIDATED BALANCE SHEETS  
SELECTED FINANCIAL DATA  
In thousands

|  | <b>March 29, 2020</b> | <b>March 31, 2019</b> |
|--|-----------------------|-----------------------|
| Cash and cash equivalents                  | \$ 282                | \$ 143                |
| Accounts receivable, net of allowances     | 17,803                | 17,772                |
| Inventories                                | 17,732                | 19,534                |
| Total current assets                       | 37,041                | 38,679                |
| Operating lease right of use assets        | 4,896                 | -                     |
| Finite-lived intangible assets - net       | 5,577                 | 6,432                 |
| Goodwill                                   | 7,125                 | 7,125                 |
| Total assets                               | \$ 57,173             | \$ 54,779             |
| Total current liabilities                  | 6,479                 | 7,711                 |
| Long-term debt                             | 2,578                 | 4,486                 |
| Operating lease liabilities, noncurrent    | 4,959                 | -                     |
| Shareholders' equity                       | 42,436                | 41,388                |
| Total liabilities and shareholders' equity | \$ 57,173             | \$ 54,779             |