

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):

August 12, 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 August 12, 2020, Crown Crafts, Inc. (the “Company”) issued a press release announcing its financial results for the first quarter of fiscal year 2021, which ended June 28, 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 5.07. Submission of Matters to a Vote of Security Holders

The 2020 Annual Meeting of Stockholders of the Company was held on August 11, 2020 at the Company’s executive offices, located at 916 South Burnside Avenue, Third Floor, Gonzales, Louisiana. The following tables reflect the tabulation of the votes with respect to each proposal submitted to a vote of the Company’s stockholders at the 2020 Annual Meeting. Abstentions were counted as present for the purpose of establishing a quorum, but were not treated as votes cast on each respective proposal.

PROPOSAL 1: ELECTION OF DIRECTORS

To elect two members to the Board of Directors to hold office as Class III Directors until the 2023 Annual Meeting of Stockholders. The Class III Nominees who received a plurality of the properly cast votes of the outstanding shares of Series A common stock entitled to vote on this proposal were Donald Ratajczak and Patricia Stensrud, who were thereby elected as the Company’s Class III Directors. The tabulation of the results of the voting is as follows:

<u>Nominee</u>	<u>For</u>	<u>Authority Withheld</u>	<u>Broker Non-Votes</u>
Donald Ratajczak	5,735,252	416,348	2,510,113
Patricia Stensrud	5,812,965	338,635	2,510,113

PROPOSAL 2: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To ratify the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the fiscal year ending March 28, 2021. This proposal was approved by properly cast votes in the affirmative of a majority of the votes cast on the proposal in respect of outstanding shares of Series A common stock. The tabulation of the results of the voting is as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
8,420,813	233,011	7,889	0

PROPOSAL 3: ADVISORY APPROVAL OF EXECUTIVE COMPENSATION

To approve, on a non-binding, advisory basis, the compensation of the Company’s named executive officers. This proposal was approved by properly cast votes in the affirmative of a majority of the votes cast on the proposal in respect of outstanding shares of Series A common stock. The tabulation of the results of the voting is as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
5,690,729	411,162	49,709	2,510,113

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

99.1 [Press Release dated August 12, 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: August 12, 2020

/s/ Olivia W. Elliott

Olivia W. Elliott

Vice President and Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	Press Release dated August 12, 2020.



For immediate release

August 12, 2020

Crown Crafts Reports Fiscal 2021 First Quarter Results

- Net sales increased 1.6% for the quarter
- Improved gross margin and an increase in net income of 12.6%
- Board declares a quarterly dividend of \$0.08 per share

Gonzales, Louisiana – Crown Crafts, Inc. (NASDAQ-CM: CRWS) (the “Company”) today reported results for the first quarter of fiscal year 2021, which ended June 28, 2020.

“We are very pleased to begin our 2021 fiscal year with a strong performance in all metrics,” said E. Randall Chestnut, Chairman, President and Chief Executive Officer. “In spite of the ongoing pandemic impacting the economy, consumer demand for the Company’s products remained strong, and we continue to control our costs,” Chestnut continued.

Financial Results

Net income for the first quarter of fiscal 2021 was \$1.2 million, or \$0.12 per diluted share, on net sales of \$16.2 million, compared with net income of \$1.1 million, or \$0.11 per diluted share, on net sales of \$15.9 million for the first quarter of fiscal 2020. Prior year net income was impacted favorably by \$292,000, or \$0.03 per diluted share, due to a reversal of a portion of reserves for unrecognized tax benefits and the related interest and penalties that had been previously accrued. Gross profit for the current year quarter increased to 31.0% of net sales from 28.5% of net sales in the prior year quarter.

Quarterly Cash Dividend

The Company also announced that its Board of Directors declared a quarterly cash dividend on the Company’s Series A common stock of \$0.08 per share, which will be paid on October 2, 2020 to stockholders of record at the close of business on September 11, 2020. “Due to our strong performance and financial position, the Board has decided to resume the payment of dividends as an appropriate return of value to our stockholders,” 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. 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 Standard Time on November 13, 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 10146364.

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. For more information, visit the Company's website at www.crowncrafts.com.

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, the impact of the COVID-19 pandemic on the Company's business operations, 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: Olivia W. Elliott
Vice President and Chief Financial Officer
(225) 647-9124
oelliott@crowncrafts.com

CROWN CRAFTS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
SELECTED FINANCIAL DATA
In thousands, except percentages and per share data

	Three-Month Periods Ended	
	June 28, 2020	June 30, 2019
Net sales	\$ 16,205	\$ 15,942
Gross profit	5,023	4,551
Gross profit percentage	31.0%	28.5%
Income from operations	1,643	1,099
Income before income tax expense	1,640	1,136
Income tax expense	425	57
Net income	1,215	1,079
Basic earnings per share	\$ 0.12	\$ 0.11
Diluted earnings per share	\$ 0.12	\$ 0.11
Weighted Average Shares Outstanding:		
Basic	10,171	10,119
Diluted	10,171	10,119

CONSOLIDATED BALANCE SHEETS
SELECTED FINANCIAL DATA
In thousands

	June 28, 2020	March 29, 2020
	(Unaudited)	
Cash and cash equivalents	\$ 6,710	\$ 282
Accounts receivable, net of allowances	15,072	17,803
Inventories	17,330	17,732
Total current assets	40,153	37,041
Operating lease right of use assets	4,465	4,896
Finite-lived intangible assets - net	5,368	5,577
Goodwill	7,125	7,125
Total assets	\$ 59,700	\$ 57,173
Total current liabilities	9,335	6,479
Long-term debt	1,227	2,578
Operating lease liabilities, noncurrent	4,650	4,959
Shareholders' equity	43,737	42,436
Total liabilities and shareholders' equity	\$ 59,700	\$ 57,173