

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 13, 2024

Crown Crafts, Inc.
(Exact name of registrant as specified in its charter)

<u>Delaware</u> (State or other jurisdiction of incorporation)	<u>1-7604</u> (Commission File Number)	<u>58-0678148</u> (IRS Employer Identification No.)
<u>916 South Burnside Avenue, Gonzales, LA</u> (Address of principal executive offices)		<u>70737</u> (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))

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

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. ☐

Item 2.02. Results of Operations and Financial Condition.

On August 14, 2024, Crown Crafts, Inc. (the “Company”) issued a press release announcing its financial results for the first quarter of fiscal year 2025, which ended June 30, 2024. 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 2024 Annual Meeting of Stockholders (the “Annual Meeting”) of the Company was held on August 13, 2024 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 Annual Meeting.

At the Annual Meeting, the Company’s stockholders:

- (i) elected two Class II director nominees to the Company’s Board of Directors (the “Board”);
- (ii) approved (on an advisory basis) the compensation of the Company’s named executive officers; and
- (iii) ratified the appointment of KPMG LLP as the Company’s independent registered public accounting firm for the fiscal year ending March 30, 2025.

PROPOSAL 1: ELECTION OF DIRECTOR

To elect two Class II director to the Company’s Board of Directors (the “Board”) to serve until the Company’s Annual Meeting of Stockholders to be held in 2027 and until their successor is elected and qualified or until their earlier death, resignation or removal from office.

<u>Nominee</u>	<u>For</u>	<u>Authority Withheld</u>	<u>Broker Non-Votes</u>
Michael Benstock	4,528,267	263,426	2,781,940
Zenon S. Nie	4,193,687	598,006	2,781,940

PROPOSAL 2: APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF THE COMPANY’S NAMED EXECUTIVE OFFICERS

To approve, on an advisory basis, the compensation of the Company’s named executive officers.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
4,480,769	205,577	105,347	2,781,940

PROPOSAL 3: 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 30, 2025.

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
7,350,913	207,770	14,950	0

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 [Press Release dated August 14, 2024.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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.

Date: August 14, 2024

CROWN CRAFTS, INC.

/s/ Craig J. Demarest

CRAIG J. DEMAREST

Vice President and Chief Financial Officer



For immediate release

August 14, 2024

Crown Crafts Announces Financial Results for First Quarter Fiscal 2025

Gonzales, Louisiana – Crown Crafts, Inc. (NASDAQ-CM: CRWS) (the “Company”) today reported results for the first quarter of fiscal year 2025, which ended June 30, 2024.

First Quarter Summary

- Net sales of \$16.2 million, compared with \$17.1 million in the prior-year quarter
- Gross profit was 24.5% of net sales in the current quarter, 27.7% in the prior-year quarter
- Net loss of \$322,000, or \$0.03 per share
- Net loss includes expenses of approximately \$244,000 (\$193,000 after tax, or \$0.02 per share) associated with the closure of the Company’s subsidiary in the United Kingdom, and approximately \$116,000 (\$90,000 after tax, or \$0.01 per share) of costs associated with the acquisition of Baby Boom Consumer Products (“Baby Boom”)

Subsequent to the End of First Quarter

- Acquired Baby Boom
- Declared quarterly dividend of \$0.08 per share of Series A common stock

“Our first quarter fiscal 2025 results were impacted by the prolonged inflationary pressures facing consumers limiting their discretionary income and certain nonroutine costs that resulted in a small loss for the quarter. We are encouraged by the performance of our bedding segment and we believe that our future holds many exciting opportunities,” said Olivia Elliott, President and Chief Executive Officer. “Our acquisition of Manhattan Toy expanded our distribution channels, and we continue to receive positive feedback on the new product development by Manhattan Toy. We also are very excited about our recent acquisition of Baby Boom, which enhances our presence in the toddler bedding segment, and expands our product lineup with the addition of diaper bags. Baby Boom currently licenses some of the most popular brands and we expect the Baby Boom acquisition to be immediately accretive to earnings. Overall, we will continue our efforts to manage our cost structure in the near-term and to position our brands to capitalize when macroeconomic conditions improve.”

First Quarter Fiscal 2025 Results

Net sales for the first quarter of fiscal 2025 were \$16.2 million, compared with \$17.1 million in the prior-year quarter. The decline in sales is primarily due to a major retailer reducing inventory levels and the loss of a program at another major retailer.

Gross profit was 24.5% of net sales, compared with 27.7% in the first quarter of 2024. The reduction in gross profit relates to the timing of purchases, causing an unfavorable change in the absorption of costs into inventory. Marketing and administrative expenses were \$4.3 million, compared with \$4.0 million in the first quarter of the prior year. Fiscal 2025 includes \$244,000 associated with the closure of the Company's subsidiary in the United Kingdom and \$116,000 in costs associated with the Baby Boom acquisition. Net loss for the quarter was \$322,000, or \$0.03 per share, compared with net income of \$366,000, or \$0.04 per diluted share 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 4, 2024 to stockholders of record at the close of business on September 13, 2024.

Conference Call

The Company will host a teleconference today at 8:00 a.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 join the Crown Crafts 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 Daylight Time on November 15, 2024. To access the replay, dial (877) 344-7529 in the United States or (412) 317-0088 from international locations and enter replay access code **1632569**.

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, toys and disposable products. The Company operates through its three-wholly owned subsidiaries, NoJo Baby & Kids, Inc. and Sassy Baby, Inc. and Manhattan Toy Europe Limited, 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. For more information, visit the Company's website at www.crowncrafts.com.

Forward-Looking Statements

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:

Craig J. Demarest
Vice President and Chief Financial Officer
(225) 647-9118
cdemarest@crowncrafts.com

Investor Relations:

Three Part Advisors
Steven Hooser, Partner, or John Beisler, Managing Director
(817) 310-8776

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

	Three-Month Periods Ended	
	June 30, 2024	July 2, 2023
Net sales	\$ 16,212	\$ 17,123
Gross profit	3,966	4,742
Gross profit percentage	24.5%	27.7%
Marketing and administrative expenses	4,263	4,046
(Loss) Income from operations	(297)	696
(Loss) Income before income tax expense	(386)	506
Income tax expense	(64)	140
Net (loss) income	(322)	366
Basic (loss) earnings per share	\$ (0.03)	\$ 0.04
Diluted (loss) earnings per share	\$ (0.03)	\$ 0.04
Weighted Average Shares Outstanding:		
Basic	10,311	10,154
Diluted	10,311	10,163

CONSOLIDATED BALANCE SHEETS
SELECTED FINANCIAL DATA
In thousands

	(Unaudited) June 30, 2024	March 31, 2024
	\$ 1,103	\$ 829
Cash and cash equivalents	15,822	22,403
Accounts receivable, net of allowances	30,610	29,709
Inventories	49,037	54,824
Total current assets	14,071	14,949
Operating lease right of use assets	2,724	2,872
Finite-lived intangible assets - net	7,926	7,926
Goodwill	\$ 76,359	\$ 82,706
Total assets		
Operating lease liabilities, current	3,663	3,587
Total current liabilities	12,618	10,461
Long-term debt	1,466	8,112
Operating lease liabilities, noncurrent	11,217	12,138
Shareholders' equity	50,656	51,601
Total liabilities and shareholders' equity	\$ 76,359	\$ 82,706