UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended August 1, 2020

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-14170

NATIONAL BEVERAGE CORP.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)		59-2605822 (I.R.S. Employer Identification No.)

8100 SW Tenth Street, Suite 4000, Fort Lauderdale, FL 33324
(Address of principal executive offices including zip code)

(954) 581-0922
(Registrant's telephone number including area code)

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 $.01	FIZZ	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (Exchange Act) during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of registrant's common stock outstanding as of September 8, 2020 was 46,632,128.

NATIONAL BEVERAGE CORP.

Form 10Q – QUARTERLY REPORT
For the Quarter Ended August 1, 2020

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS
NATIONAL BEVERAGE CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	August 1, 2020	May 2, 2020
Assets		
Current assets:		
Cash and equivalents	$ 352,519	$ 304,518
Trade receivables - net	103,749	84,921
Inventories	63,075	63,482
Prepaid and other assets	7,775	7,791
Total current assets	527,118	460,712
Property, plant and equipment - net	120,550	120,627
Right-of-use assets, net	44,485	47,884
Goodwill	13,145	13,145
Intangible assets	1,615	1,615
Other assets	4,748	4,663
Total assets	$ 711,661	$ 648,646
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 74,467	$ 74,369
Accrued liabilities	44,993	42,476
Operating lease liabilities	16,481	16,980

Income taxes payable	13,724	7,863
Total current liabilities	149,665	141,688
Deferred income taxes - net	16,054	14,823
Operating lease liabilities – non current	29,535	32,159
Other liabilities	7,467	7,639
Total liabilities	202,721	196,309
Shareholders' equity:		
Preferred stock, $1 par value - 1,000,000 shares authorized; Series C - 150,000 shares issued	150	150
Common stock, $.01 par value - 200,000,000 shares authorized; 50,817,184 shares issued (50,803,184 at May 2)	508	508
Additional paid-in capital	38,110	37,930
Retained earnings	494,566	443,402
Accumulated other comprehensive (loss)	(161)	(5,420)
Treasury stock - at cost:		
Series C preferred stock - 150,000 shares	(5,100)	(5,100)
Common stock - 4,187,056 shares	(19,133)	(19,133)
Total shareholders' equity	508,940	452,337
Total liabilities and shareholders' equity	$ 711,661	$ 648,646

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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NATIONAL BEVERAGE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	August 1, 2020	July 27, 2019
Net sales	$ 293,367	$ 263,568
Cost of sales	176,149	166,994
Gross profit	117,218	96,574
Selling, general and administrative expenses	50,547	51,997
Operating income	66,671	44,577
Other income - net	276	731
Income before income taxes	66,947	45,308
Provision for income taxes	15,783	10,766
Net income	$ 51,164	$ 34,542
Earnings per common share:		
Basic	$ 1.10	$ .74
Diluted	$ 1.09	$ .74
Weighted average common shares outstanding:		
Basic	46,624	46,646
Diluted	46,754	46,880

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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NATIONAL BEVERAGE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended

	August 1, 2020	July 27, 2019
Net income	$ 51,164	$ 34,542
Other comprehensive income, net of tax:		
Cash flow hedges	5,259	16
Comprehensive income	$ 56,423	$ 34,558

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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NATIONAL BEVERAGE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Three Months Ended			
	August 1, 2020		July 27, 2019	
	Shares	Amount	Shares	Amount
Series C Preferred Stock				
Beginning and end of period	150	$ 150	150	$ 150
Common Stock				
Beginning of period	50,803	508	50,678	507
Stock options exercised	14	-	-	-
End of period	50,817	508	50,678	507
Additional Paid-In Capital				
Beginning of period		37,930		37,065
Stock options exercised		139		7
Stock-based compensation		41		62
End of period		38,110		37,134
Retained Earnings				
Beginning of period		443,402		313,430
Net income		51,164		34,542
End of period		494,566		347,972
Accumulated Other Comprehensive (Loss) Income				
Beginning of period		(5,420)		(1,543)
Cash flow hedges, net of tax		5,259		16
End of period		(161)		(1,527)
Treasury Stock - Series C Preferred				
Beginning and end of period	150	(5,100)	150	(5,100)
Treasury Stock - Common				
Beginning and end of period	4,187	(19,133)	4,033	(12,900)
Total Shareholders' Equity		$ 508,940		$ 366,236

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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NATIONAL BEVERAGE CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

Three Months Ended

	August 1, 2020	July 27, 2019
Operating Activities:		
Net income	$ 51,164	$ 34,542
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	4,627	4,446
Deferred income tax benefit	(151)	(428)
Loss on disposal of property, net	2	46
Stock-based compensation	41	62
Amortization of operating right to use assets	3,399	3,435
Changes in assets and liabilities:		
Trade receivables	(18,828)	38
Inventories	407	(2,731)
Prepaid and other assets	(163)	3,154
Accounts payable	98	(493)
Accrued and other liabilities	10,933	8,540
Net cash provided by operating activities	51,529	50,611
Investing Activities:		
Additions to property, plant and equipment	(3,668)	(4,156)
Proceeds from sale of property, plant and equipment	1	6
Net cash used in investing activities	(3,667)	(4,150)
Financing Activities:		
Proceeds from stock options exercised	139	7
Net cash provided by financing activities	139	7
Net Increase in Cash and Equivalents	48,001	46,468
Cash and Equivalents - Beginning of Period	304,518	156,200
Cash and Equivalents - End of Period	$ 352,519	$ 202,668
Other Cash Flow Information:		
Interest paid	$ 13	$ 13
Income taxes paid	$ 1,240	$ -

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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NATIONAL BEVERAGE CORP.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

National Beverage Corp. develops, produces, markets and sells a distinctive portfolio of sparkling waters, juices, energy drinks and carbonated soft drinks primarily in the United States and Canada. Incorporated in Delaware in 1985, National Beverage Corp. is a holding company for various operating subsidiaries. When used in this report, the terms "we," "us," "our," "Company" and "National Beverage" mean National Beverage Corp. and its subsidiaries.

1. SIGNIFICANT ACCOUNTING POLICIES AND RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENT

Basis of Presentation
The condensed consolidated financial statements include the accounts of National Beverage Corp. and its subsidiaries. Significant intercompany transactions and accounts have been eliminated.

The condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") and rules and regulations of the Securities and Exchange Commission for interim financial reporting. Accordingly, they do not include all information and notes presented in the annual consolidated financial statements. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended May 2, 2020. The accounting policies used in these interim condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements.

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. Actual results could differ from those estimates. In our opinion, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Results for the interim periods presented are not necessarily indicative of results which might be expected for the entire fiscal year.

Reclassification
Certain reclassifications have been made to prior period balances in order to conform to the current period's presentation.

Inventories

Inventories are stated at the lower of first-in, first-out cost or market. Inventories at August 1, 2020 were comprised of finished goods of $33.9 million and raw materials of $29.2 million. Inventories at May 2, 2020 were comprised of finished goods of $39.1 million and raw materials of $24.4 million.

Marketing Costs

The Company utilizes a variety of marketing programs, including cooperative advertising programs with customers, to advertise and promote our products to consumers. Marketing costs are expensed when incurred, except for prepaid advertising and production costs which are expensed when the advertising takes place. Marketing costs, which are included in selling, general and administrative expenses, totaled $9.9 million for the three months ended August 1, 2020 and $15.1 for the three months ended July 27, 2019.

Shipping and Handling Costs

Shipping and handling costs are reported in selling, general and administrative expenses in the accompanying condensed consolidated statements of income. Such costs totaled $19.4 million for the three months ended August 1, 2020 and $18.0 for the three months ended July 27, 2019. Although our classification is consistent with many beverage companies, our gross margin may not be comparable to companies that include shipping and handling costs in cost of sales.

Summary of Significant Accounting Policies

There have been no significant changes in the Company's significant accounting policies during the three months ended August 1, 2020, as compared to the significant accounting policies described in the Form 10-K.

Recent Accounting Pronouncement

On December 18, 2019, the Financial Accounting Standards Board issued Accounting Standards Update, “Simplifying the Accounting for Income Taxes” (ASU 2019-12). The new standard reduces the complexity pertaining to certain areas in accounting for income taxes. Key elements include, but are not limited to, the elimination of certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating taxes during the quarters and the recognition of deferred tax liabilities for outside basis differences. This guidance also simplifies aspects of the accounting for franchise taxes and changes in tax laws or rates, as well as clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. ASU 2019-12 is effective for the Company's first quarter of fiscal year 2022. The Company is in the process of evaluating the impact of the adoption of this new standard on its condensed consolidated financial statements.

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	(In thousands)	
	August 1, 2020	May 2, 2020
Land	$ 9,835	$ 9,835
Buildings and improvements	60,358	59,618
Machinery and equipment	241,178	238,300
Total	311,371	307,753
Less accumulated depreciation	(190,821)	(187,126)
Property, plant and equipment – net	$ 120,550	$ 120,627

Depreciation expense was $3.7 million for the three months ended August 1, 2020 and $3.8 million for the three months ended July 27, 2019.

3. DEBT

At August 1, 2020, a subsidiary of the Company maintained unsecured revolving credit facilities with banks aggregating $100 million (the "Credit Facilities"). The Credit Facilities expire from October 3, 2020 to June 18, 2021 and any borrowings would currently bear interest at .9% above one-month LIBOR. There were no borrowings outstanding under the Credit Facilities at August 1, 2020 or May 2, 2020. At August 1, 2020, $3.4 million of the Credit Facilities was reserved for standby letters of credit and $96.6 million was available for borrowings.

The Credit Facilities require the subsidiary to maintain certain financial ratios, including debt to net worth and debt to EBITDA (as defined in the Credit Facilities), and contain other restrictions, none of which are expected to have a material effect on our operations or financial position. At August 1, 2020, we were in compliance with all loan covenants.

4. STOCK-BASED COMPENSATION

During the three months ended August 1, 2020, options to purchase 14,000 shares were exercised (weighted average exercise price of $9.95 per share). At August 1, 2020, options to purchase 173,045 shares (weighted average exercise price of $14.71 per share) were outstanding and stock-based awards to purchase 2,798,252 shares of common stock were available for grant.

5. DERIVATIVE FINANCIAL INSTRUMENTS

From time to time, we enter into aluminum swap contracts to partially mitigate our exposure to changes in the cost of aluminum cans. Such financial instruments are designated and accounted for as cash flow hedges. Accordingly, gains or losses attributable to the effective portion of the cash flow hedges are reported in Accumulated Other Comprehensive Income (Loss) ("AOCI") and reclassified into cost of sales in the period in which the hedged transaction affects earnings. The ineffective portion of the change in fair value of our cash flow hedges was immaterial. The following summarizes the gains (losses) recognized in the Condensed Consolidated Statements of Income and AOCI relative to the cash flow hedge for the three months ended August 1, 2020 and July 27, 2019:

	(In thousands)	
	2020	2019
Recognized in AOCI:		
Gain (loss) before income taxes	$ 5,080	$ (1,423)
Less income tax provision (benefit)	1,215	(340)
Net	3,865	(1,083)
Reclassified from AOCI to cost of sales:		
(Loss) before income taxes	(1,832)	(1,444)
Less income tax (benefit)	(438)	(345)
Net	(1,394)	(1,099)
Net change to AOCI	$ 5,259	$ 16

As of August 1, 2020, the notional amount of our outstanding aluminum swap contracts was $37.1 million and, assuming no change in commodity prices, $130,000 of unrealized losses before tax will be reclassified from AOCI and recognized in earnings over the next 12 months.

As of August 1, 2020, the fair value of the derivative asset was $1.0 million, which was included as a component of prepaid and other assets and the fair value of the derivative liability was $987,000 which was included as a component of accrued liabilities. At May 2, 2020, the fair value of the derivative liability was $6.9 million, which was included as a component of accrued liabilities. Such valuation does not entail a significant amount of judgment and the inputs that are significant to the fair value measurement are Level 2 as defined by the fair value hierarchy as they are observable market based inputs or unobservable inputs that are corroborated by market data.

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6. LEASES

The Company has entered into various non-cancelable operating lease agreements for certain of our offices, buildings, machinery and equipment expiring at various dates through January 2029. The Company does not assume renewals in the determination of the lease term unless the renewals are deemed to be reasonably assured at lease commencement. Lease agreements generally do not contain material residual value guarantees or material restrictive covenants. Operating lease cost for the three months ended August 1, 2020 and July 27, 2019 was $3.4 million. As of August 1, 2020, the weighted-average remaining lease term and weighted average discount rate of operating leases was 4.1 years and 3.38%, respectively. As of May 2, 2020, the weighted-average remaining lease term and weighted average discount rate of operating leases was 4.3 years and 3.38%, respectively. Cash payments were $3.5 million and $3.7 million, respectively for operating leases for the three months ended August 1, 2020 and July 27, 2019.

The following is a summary of future minimum lease payments and related liabilities for all non-cancelable operating leases as of August 1, 2020:

	(In thousands)
Fiscal 2021 - Remaining 3 quarters	$ 10,725
Fiscal 2022	13,276
Fiscal 2023	8,975
Fiscal 2024	7,361
Fiscal 2025	4,475
Thereafter	4,101
Total minimum lease payments including interest	48,913
Less: Amounts representing interest	(2,897)
Present value of minimum lease payments	46,016
Less: Current portion of lease liabilities	(16,481)
Non-current portion of lease liabilities	$ 29,535

The following is a summary of future minimum lease payments and related liabilities for all non-cancelable operating leases as of May 2, 2020:

	(In thousands)
Fiscal 2021	$ 14,206
Fiscal 2022	13,276
Fiscal 2023	8,975
Fiscal 2024	7,361
Fiscal 2025	4,475
Thereafter	4,101
Total minimum lease payments including interest	52,394
Less: Amounts representing interest	(3,255)
Present value of minimum lease payments	49,139
Less: Current portion of lease liabilities	(16,980)
Non-current portion of lease liabilities	$ 32,159

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

National Beverage Corp. innovatively refreshes America with a distinctive portfolio of sparkling waters, juices, energy drinks (Power+ Brands) and, to a lesser extent, Carbonated Soft Drinks. We believe our creative product designs, innovative packaging and imaginative flavors, along with our corporate culture and philosophy, make National Beverage unique as a stand-alone entity in the beverage industry.

Our strategy seeks the profitable growth of our products by (i) developing healthier beverages in response to the global shift in consumer buying habits and tailoring our beverage portfolio to the preferences of a diverse mix of 'crossover consumers' – a growing group desiring a healthier alternative to artificially sweetened and high-caloric beverages; (ii) emphasizing unique flavor development and variety throughout our brands that appeal to multiple demographic groups; (iii) maintaining points of difference through innovative marketing, packaging and consumer engagement and (iv) responding faster and more creatively to changing consumer trends than larger competitors who are burdened by legacy production and distribution complexity and costs.

The majority of our brands are geared to the active and health-conscious consumer including sparkling waters, energy drinks, and juices. Our portfolio of Power+ Brands includes LaCroix®, LaCroix Cúrate®, and LaCroix NiCola® sparkling water products; Clear Fruit® non-carbonated water beverages enhanced with fruit flavor; Rip It® energy drinks and shots; and Everfresh®, Everfresh Premier Varietals™ and Mr. Pure® 100% juice and juice-based products. Additionally, we produce and distribute carbonated soft drinks including Shasta® and Faygo®, iconic brands whose consumer loyalty spans more than 130 years.

Presently, our primary market focus is the United States and Canada. Certain of our products are also distributed on a limited basis in other countries and options to expand distribution to other regions are being considered. To service a diverse customer base that includes numerous national retailers, as well as thousands of smaller "up-and-down-the-street" accounts, we utilize a hybrid distribution system consisting of warehouse and direct-store delivery. The warehouse delivery system allows our retail partners to further maximize their assets by utilizing their ability to pick up product at our warehouses, further lowering their/our product costs.

Our operating results are affected by numerous factors, including fluctuations in the costs of raw materials, holiday and seasonal programming and weather conditions. Beverage sales are seasonal with higher sales volume realized during the summer months when outdoor activities are more prevalent.

Our highly innovative business, where new beverages are developed and produced for selective holidays and ceremonial dates, should not be analyzed on the common three-month (quarterly) periods, traditionally found acceptable. Today, costly development projects and seasonal weather periods, plus promotional packaging, can distort quarter-to-quarter statistics and result in decision making that is not truly beneficial for investors and shareholders alike.

Traditional and typical are not a part of an innovator's vocabulary.

RESULTS OF OPERATIONS

Three Months Ended August 1, 2020 (first quarter of fiscal 2021) compared to Three Months Ended July 27, 2019 (first quarter of fiscal 2020)

Net sales for the first quarter of fiscal 2021 increased 11.3% to $293.4 million from $263.6 million for the first quarter of fiscal 2020. The increase in sales resulted primarily from a 12.3% increase in case volume. The volume increase includes a 15.7% increase of our Power+ Brands, and 5.1% growth in Carbonated Soft Drinks. The increase in Power+ Brands volume is primarily attributable to increased consumer demand in the take-home channel. Average selling price per case was flat.

Gross profit for the first quarter of fiscal 2021 increased to $117.2 million from $96.6 million for the first quarter of fiscal 2020. The increase in gross profit is due to increased volume and reduced raw material costs. The cost of sales per case decreased 5.2% and gross margin increased to 40.0% from 36.6% for the first quarter of fiscal 2020.

Selling, general and administrative expenses for the first quarter of fiscal 2021 decreased $1.5 million to $50.5 million from $52.0 million for the first quarter of fiscal 2020. The decrease was primarily due to reduced marketing and selling costs partially offset by increased shipping costs. As a percent of net sales, selling, general and administrative expenses decreased to 17.2% from 19.7% for the first quarter of fiscal 2020.

Other income includes interest income of $276,000 for the first quarter of fiscal 2021 and $731,000 for the first quarter of fiscal 2020. The decrease in interest income is due to lower return on investments.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 23.6% for the first quarter of fiscal 2021 and 23.8% for the first quarter of fiscal 2020. The difference between the effective rate and the federal statutory rate of 21% was primarily due to the effects of state income taxes.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources
Our principal source of funds is cash generated from operations. At August 1, 2020, we maintained $100 million unsecured revolving credit facilities, under which no borrowings were outstanding and $3.4 million was reserved for standby letters of credit. We believe existing capital resources will be sufficient to meet our liquidity and capital requirements for the next twelve months.

Cash Flows

The Company's cash position increased $48.0 million for the first quarter of fiscal 2021, which compares to an increase of $46.5 million for the first quarter of fiscal 2020.

Net cash provided by operating activities for the first quarter of fiscal 2021 amounted to $51.5 million compared to $50.6 million for the first quarter of fiscal 2020. For the first quarter of fiscal 2021, cash flow was principally provided by net income of $51.1 million, an increase in accrued and other liabilities of $10.9 million and depreciation and amortization aggregating $4.6 million, offset in part by sales volume and other related increases in trade receivables.

Net cash used in investing activities for the first quarter of fiscal 2021 reflects capital expenditures of $3.7 million, compared to capital expenditures of $4.2 million for the first quarter of fiscal 2020. We intend to continue production capacity and efficiency improvement projects in fiscal 2021, and expect capital expenditures to be comparable to fiscal 2020 levels.

Financial Position

At August 1, 2020, our working capital increased to $377.5 million from $319.0 million at May 2, 2020. The current ratio was 3.5 to 1 at August 1, 2020 compared to 3.3 to 1 at May 2, 2020. The $58.5 million increase in working capital was due to higher cash and trade receivables, partially offset by higher accrued liabilities, and income taxes payable. Trade receivables increased $18.8 million during the first quarter of 2020 due to increased sales and days sales outstanding remained unchanged at 32.2 days. Inventories decreased slightly during the first quarter of 2020 and inventory turns remained unchanged at 9.4 times.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risks from those reported in our Annual Report on Form 10-K for the fiscal year ended May 2, 2020.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of the Company's management, including our Chief Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective to ensure information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (2) accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

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There were no changes in our internal control over financial reporting during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

FORWARD-LOOKING STATEMENTS

National Beverage Corp. and its representatives may make written or oral statements relating to future events or results relative to our financial, operational and business performance, achievements, objectives and strategies. These statements are "forward-looking" within the meaning of the Private Securities Litigation Reform Act of 1995 and include statements contained in this report and other filings with the Securities and Exchange Commission and in reports to our stockholders. Certain statements including, without limitation, statements containing the words "believes," "anticipates," "intends," "plans," "expects," and "estimates" constitute "forward-looking statements" and involve known and unknown risk, uncertainties and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the following: general economic and business conditions, pricing of competitive products, success of new product and flavor introductions, fluctuations in the costs and availability of raw materials and packaging supplies, ability to pass along cost increases to our customers, labor strikes or work stoppages or other interruptions in the employment of labor, continued retailer support for our products, changes in brand image, consumer demand and preferences and our success in creating products geared toward consumers' tastes, success in implementing business strategies, changes in business strategy or development plans, government regulations, taxes or fees imposed on the sale of our products, unfavorable weather conditions and other factors referenced in this report, filings with the Securities and Exchange Commission and other reports to our stockholders. We disclaim an obligation to update any such factors or to publicly announce the results of any revisions to any forward-looking statements contained herein to reflect future events or developments.

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PART II - OTHER INFORMATION

ITEM 1A. RISK FACTORS

There have been no material changes in risk factors from those reported in our Annual Report on Form 10-K for the fiscal year ended May 2, 2020.

ITEM 6. EXHIBITS

Exhibit No.	Description
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from National Beverage Corp. Quarterly Report on Form 10-Q for the quarterly period ended August 1, 2020, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Income; (iii) Consolidated Statements of Comprehensive Income; (iv) Consolidated Statements of Shareholders' Equity; (v) Consolidated Statements of Cash Flows; and (vi) the Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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SIGNATURE

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: September 10, 2020

National Beverage Corp.
(Registrant)

By: /s/ George R. Bracken
George R. Bracken
Executive Vice President – Finance
(Principal Financial Officer)

EXHIBIT 31.1

CERTIFICATION

I, Nick A. Caporella, certify that:

1. I have reviewed this quarterly report on Form 10-Q of National Beverage Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 10, 2020

/s/ Nick A. Caporella
Nick A. Caporella
Chairman of the Board and
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, George R. Bracken, certify that:

1. I have reviewed this quarterly report on Form 10-Q of National Beverage Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: September 10, 2020

/s/ George R. Bracken
George R. Bracken
Executive Vice President – Finance
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of National Beverage Corp. (the “Company”) on Form 10-Q for the period ended August 1, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Nick A. Caporella, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: September 10, 2020

/s/ Nick A. Caporella
Nick A. Caporella
Chairman of the Board and
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of National Beverage Corp. (the "Company") on Form 10-Q for the period ended August 1, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George R. Bracken, Executive Vice President - Finance of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: September 10, 2020

/s/ George R. Bracken
George R. Bracken
Executive Vice President – Finance
(Principal Financial Officer)