National Beverage Corp. • 2018 Annual Report & Proxy Statement

fizz INNOVATOR

IMAGE

CALC

RESEARCH

DISPLAY

MEMORY

DESIGN

Chairman's Communique

Source: The Wall Street Journal - August 12, 2018
The War on Sugar's Biggest Casualty: Global Prices

Over the past five years...

U.S. sparkling water sales grew by

$1.4B

While U.S. soda sales declined by

$1.2B

June 20, 2018 fizz revenue reached $1 Billion

Last Three Fiscal Years Ended April 2018:

Shareholder Value (Stock Price + Dividend) ***Quadrupled***

Year-Over-Year Operating Profit grew by ***Double Digits*** in each quarter

EPS increased ***202%***

$349 Million Net Cash provided by Operating Activities

- *BevNet Magazine Chooses LaCroix Brand of the Year – Combination of flavor, cool designs, consumer outreach + accessibility*
- *Good Morning America devotes primetime to LaCroix's Popularity + Essence*
- *Beverage Marketing Corporation selects National Beverage as Company of the Year*
- *Jimmy Fallon – The Tonight Show NBC . . . Cultural Phenomenon – LaCroix and its Essence*
- *LaCroix has the greatest growth potential household penetration: # of family members consuming different flavors = ++ conversion opportunity*

Approximately 500 million cups of coffee consumed in America daily – LaCroix first to combine Sparkling Water + Coffee Essence

LaCroix Themes (Cúrate, NiCola) have more consumer appeal due to Innovative Colors, Unique Essences and Sensorial Experiences

Financial Facts | *Brand Facts* | *Industry Facts*

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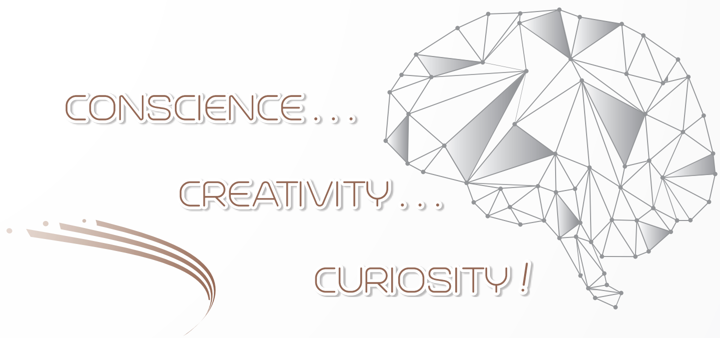


"Wonder is the Beginning of . . . Wisdom!"
Socrates

So clear, crisp and simple he said to me . . . "Nick, our revenues hit ***One Billion Dollars*** yesterday!" *June 20, 2018*

As I reflect back, my thoughts swiftly flashed over many tough times, but on June 20th they all became quite unimportant.

During those arduous early years, I had set a goal that became a huge silent stimulator – the vision to grow our Company to $1 Billion organically without buying any revenues. On June 20, 2018, we nearly made it, all except approximately $180 million relating to the purchase of Shasta and Faygo.

Our fiscal year ended April 2018 marks the fourth year of double-digit growth and we have chronicled the significant events of FY2018 on the ***FIZZ Innovator***.

While there is much to write about National Beverage Corp., I am going to focus on what each and every investor wants to know. What is going to sustain the growth of LaCroix? How is Shasta Sparkling Water SDA (Soft Drink Alternative) doing? Why is the future of **FIZZ** more exciting than its past?

So, here we go . . .

LaCroix is the ultimate game changer in the world of sparkling water. The Millennials have set the pace and GenZ is following their lead choosing LaCroix as their favorite craving. Viral marketing – by the consumers, for the consumers – is the most genuine form of advertising and distinguishes LaCroix from its impersonators.

I just saw a recent YouTube video showing two kids stocking a refrigerator with LaCroix, with the older one telling the younger one how it's done! Good stuff – viral marketing.

The Ultimate, Absolute, Complete, Soft Drink Alternative –

Shasta Sparkling Water was conceptualized, created and designed as a healthy alternative – harmless, without any sweetener, sodium or calories – and still provides the fizzy fun of a ball game, a picnic and a family outing. Leveraging the brand equity in core Brand Shasta, which stands for family, fun and now fitness, the new Shasta Sparkling Water will thrive on the same brand attributes.

Nostalgic, classic, traditional flavorings that consumers grew up on, but have had to reduce for health reasons, are now available as Shasta SDA without the health risk. Our exclusive in-store brand introduction technique, *BrandED*, has confirmed consumer demand from all ages of this soft drink alternative providing flavor profiles like our original Shasta Cola, Draft Root Beer, Big Black Cherry, California Orange and Lemon Lime Splash. We have witnessed a mother's joy of having her children enjoy Shasta Sparkling Water while bringing some home to her diabetic mother who introduced her to the original Shasta soft drinks. Joy again . . .

Shasta SDA is also a soft drink alternative for the hospital, health and congregate care community which appears on the trays in a special 8oz. serving size.

What makes our future brighter than the past?

Once in a lifetime or once in a career, an event of a magnitude so significant occurs that it has the potential of changing an industry – maybe the world. That's LaCroix . . . ***Awesome!***

LaCroix – *look at it again*. **La La**, do you feel it, sense it? It lures you into being refreshed by just thinking of the name . . . LaCroix. That name has inspired a cult and has created an awareness that leaves each and every consumer with that special feeling of . . . ***the Joy of LaCroix***. It became the symbol of authenticity, healthy hydration and the smart way to live. Divine destiny defined our efforts. Intrigued by the name and vision of what could be, and helped through the use of masterful techniques that included the use of colors and reflections of sensorial caring, we created the stimulant that the cult embraced. Today, it is the symbol of the way to be, the way to live and what we want for those who we genuinely care for. It is our LaCroix now.

LaCroix and its various themes are a visionary's daydream. Included with this Annual Report is a box of the latest ***LaCroix NiCola*** offerings. As I stare at these cans before me, nothing so exciting and imaginable has ever been produced thus far, so I hope you will be as delighted as we certainly are for you to try them. Our wish . . . to have all new themes captivate more and more LaCroix enthusiasts. Our mission . . . to entrepreneur this wonder of a brand and have it become the ultimate obsession that truly defines a generation that guided America's conscience – ***the LaCroix way!***

No one can predict or adequately quantify the upside potential of LaCroix. The concept and use of exotic themes are only limited by the wonderment of our dreams.

America . . . its life is undergoing many changes – as is our industry. Principled, seasoned business leaders know that the pendulum of balance is always at work. Brands LaCroix and Shasta SDA are infants. Our LaCroix brand status allows it to 'stand' while Shasta SDA is still 'crawling'. The world needs and awaits both, but the present matrix of market measurement affirms that LaCroix is a brand. In the past, the FTC used 40 million 192oz. cases as a qualifier for brand status – certainly many did not qualify under this measurement.

LaCroix will soon surpass Diet Coke and Diet Pepsi at the grocery channel, and this does not include Mexico and Canada. Brand LaCroix is #1 in 42 of 52 total markets in the U.S., measured/accepted by Nielsen, and is climbing hourly in the remaining ten markets.

The life of LaCroix has just begun and its potential is – ***the world*** – not yet calculable. These circumstances position LaCroix in a special place. The ownership of National Beverage and its shareholders add to the uniqueness of valuation of this company.

I have not given up on the plan that was previously discussed – longevity reward for shareholders that register their stock in their name and get rewarded for their loyalty through more company distributions.

The opportunities, advantages and financial prospects should be strengthened by a more harmonious, less volatile stock that is not under pressure to react abnormally. The current status may not allow our loyal investors to be protected from the 'whims' of self-serving opportunists. There are ways to have this happen – either the 'long' way or by a swifter transformation. The heart of our control shareholder has proven that his ***partner shareholders*** (long-term) are near and dear to his heart. We are working to remedy this current status. ***FIZZ*** is a very valuable enterprise and we want to treat our consumers and shareholders alike – super healthy, naturally!

All shareholders want to see their company more than exceed their growth expectations. National Beverage continues its healthy growth momentum with '0' calories, '0' sodium and '0' sweetener – the ***Innocent*** way. This heightened thrust will propel ***FIZZ*** to accelerate its dominant leadership . . . in the movement to make America healthier!

Yes, we will . . .

Nick

Nick A. Caporella
Chairman and Chief Executive Officer

FINANCIAL
REVIEW

SELECTED FINANCIAL DATA

(In thousands, except per share and footnote amounts)	Fiscal Year Ended April 28, 2018	April 29, 2017	April 30, 2016	April 30, 2015	May 3, 2014[4]
SUMMARY OF OPERATIONS					
Net sales	$ 975,734	$ 826,918	$ 704,785	$ 645,825	$ 641,135
Cost of sales	584,599	500,841	463,348	426,685	423,480
Gross profit	391,135	326,077	241,437	219,140	217,655
Selling, general and administrative expenses	186,947	163,600	148,384	145,157	153,220
Interest expense	201	189	203	371	660
Other (income) expense - net	(1,502)	(537)	145	(1,101)	666
Income before income taxes	205,489	162,825	92,705	74,713	63,109
Provision for income taxes	55,715	55,780	31,507	25,402	19,474
Net income	$ 149,774	$ 107,045	$ 61,198	$ 49,311	$ 43,635
PER SHARE DATA					
Basic earnings per common share[1]	$ 3.21	$ 2.30	$ 1.31	$ 1.06	$ .93
Diluted earnings per common share[1]	3.19	2.29	1.31	1.05	.92
Closing stock price	89.78	88.59	46.74	22.42	19.21
Dividends paid on common stock[2]	1.50	1.50	—	—	—
BALANCE SHEET DATA					
Cash and equivalents[2]	$ 189,864	$ 136,372	$ 105,577	$ 52,456	$ 29,932
Working capital[2][3]	248,297	181,115	143,603	97,130	75,933
Property, plant and equipment - net	85,807	65,150	61,932	60,182	59,494
Total assets[2][3]	458,832	353,983	301,044	243,402	220,156
Long-term debt	—	—	—	10,000	30,000
Deferred income tax liability [3]	14,502	12,087	10,020	10,897	11,188
Shareholders' equity[2]	331,440	245,618	206,152	147,782	106,201
Dividends paid on common stock[2]	69,878	69,850	—	—	—

(1) Basic earnings per common share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding. Diluted earnings per common share includes the dilutive effect of stock options.

(2) The Company paid special cash dividends on Common Stock of $69.9 million ($1.50 per share) on August 4, 2017 and January 27, 2017.

(3) Deferred taxes have been reclassified from current assets to non-current liabilities in accordance with ASU 2015-17. See Note 1 of Notes to Consolidated Financial Statements.

(4) Fiscal 2014 consisted of 53 weeks.

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 and, to a lesser degree, energy drinks. Over the past few years, our carbonated soft drink brands continue to be modified as we endeavor to make them more adaptable to our consumers. We believe our ingenious 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.

January 1986 found our infant company in possession of a month-old, typical soda pop manufacturer whose acquisition cost had not yet been determined. One, at the time, could have described it as a *'Hail Mary'* attempt to thwart another corporate 1980's raider takeover.

January 2018 ushered in a corporate marvel of focus that we believe not only defies the beverage giants' power and might, but finds that its creativity and innovation transformed the entire soft drink industry!

We primarily employ the warehouse delivery system, which due to the bricks and mortar costs to all retailers, allows our retail partners to further maximize assets by utilizing their ability to pick up product at our warehouses, thus further lowering their/our product costs.

Within the final quarter of FY2018, with the exception of the warehouse delivery system, National Beverage Corp. has completed its transformation from that typical soda pop manufacturer of January 1986 to the master innovator of this healthier refreshment company! From our corporate philosophy, development of products, marketing to manufacturing, we are converting consumers to a *'Better for You'* thirst quencher that compassionately cares for their nutritional health. We are in our infancy and have only begun in our quest to innovate for the joy, benefit and enjoyment of our consumers' healthier lifestyle!

As the cornerstone relative to the lead-in paragraph emphasizing National Beverage's uniqueness:

Many believe that if you put good in –
Great comes out . . .
We believe that if we put excellent in –
<u>You</u> get magical out!

Presently, National Beverage Corp. is uniquely positioned in three distinctive ways:

(1) The retail grocery industry is in revolution. Yesteryear, each retailer induced their consumer with a proprietary brand (especially soft drinks), but today understands that the well-informed, smart consumer is demanding that retailers provide **recognizable** brands that have earned their respective consumer standing on their merits.

(2) The retail grocer today is in the most competitive-indexed service industry, without exception. Innovation, plus the urgent time demands on the consumer, is requiring quick, expedient shopping and home delivery is even more of a current shoppers' choice. Retailers cannot carry slower-moving items that home delivery will not support.

(3) The new Millennial consumer is the most competent/knowledgeable product analyzer ever, and personal mental/physical lifestyles demand that healthier is their preferred choice. Calories must qualify as worthy; sugar being enemy #1 in the life of the Millennial.

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 that larger competitors who are burdened by legacy production, distribution complexity and costs cannot quickly comply with.

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 to deliver our products primarily through the warehouse delivery system and distributors.

National Beverage Corp. is incorporated in Delaware and began trading as a public company on the NASDAQ Stock Market in 1991. In this report, the terms "we," "us," "our," "Company" and "National Beverage" mean National Beverage Corp. and its subsidiaries unless indicated otherwise.

Our operating results are affected by numerous factors, including fluctuations in the costs of raw materials, holiday and seasonal programming and weather conditions. While yesteryear witnessed more seasonality, higher sales are realized during the summer 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, make quarter-to-quarter comparisons unworthy statistics and forces companies to decision making for that purpose, not truly beneficial for investors and shareholders alike.

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

RESULTS OF OPERATIONS

Net Sales Net sales for fiscal year ended April 28, 2018 ("Fiscal 2018") increased 18.0% to $975.7 million compared to $826.9 million for fiscal year ended April 29, 2017 ("Fiscal 2017"). The increase in sales resulted primarily from a 19.8% increase in branded case volume and, to a lesser extent, a higher average selling price. Power+ Brands volume increased 38.9%; branded carbonated soft drinks volume declined by 6.2%. The Company discontinued its lower-margin, private-label carbonated soft drink business in the third quarter of Fiscal 2018, allowing future performance to be more focused on brand equity appreciation.

Net sales for Fiscal 2017 increased 17.3% to $826.9 million compared to $704.8 million for the fiscal year ended April 30, 2016 ("Fiscal 2016"). The increase in sales resulted primarily from a 16.6% increase in case volume and, to a lesser extent, a higher average selling price. Power+ Brands volume increased 42.6%; branded carbonated soft drinks volume was flat.

Gross Profit Gross profit for Fiscal 2018 increased 20.0% to $391.1 million compared to $326.1 million for Fiscal 2017. The increase in gross profit is due to increased volume and growth in higher margin Power+ Brands, offset in part by increased cost of sales per case. Cost of sales per case increased 1.0% primarily due to higher aluminum costs. Gross margin expanded to 40.1%.

Gross profit for Fiscal 2017 increased 35.1% to $326.1 million compared to $241.4 million for Fiscal 2016. The increase in gross profit was due to increased volume, growth in higher margin Power+ Brands and a decline in cost of sales per case of 5.7%. The decrease in cost of sales per case was due to favorable product mix changes and lower raw material costs. Gross margin expanded to 39.4%.

Shipping and handling costs are included in selling, general and administrative expenses, the classification of which is consistent with many beverage companies. However, our gross margin may not be comparable to companies that include shipping and handling costs in cost of sales. See Note 1 of Notes to Consolidated Financial Statements.

Selling, General and Administrative Expenses

Selling, general and administrative expenses were $186.9 million or 19.2% of net sales for Fiscal 2018, increasing $23.3 million from Fiscal 2017. The increase was primarily due to shipping and other volume-related expenses and marketing spending increases. As a percent of net sales, selling, general and administrative expenses decreased primarily due to the leveraging effects of higher volume on fixed costs.

Selling, general and administrative expenses were $163.6 million or 19.8% of net sales for Fiscal 2017 compared to $148.4 million or 21.1% of net sales for Fiscal 2016. The increase was primarily due to shipping and other volume-related expenses and marketing spending increases. As a percent of net sales, selling, general and administrative expenses decreased primarily due to the leveraging effects of higher volume on fixed costs and growth of products distributed by customer pick-up.

Interest Expense and Other Expense (Income) - Net

Interest expense is comprised of fees related to maintaining lines of credit and, for part of Fiscal 2016, interest on borrowings. Interest expense was essentially flat for all years presented. Other expense is net of interest income of $1.6 million for Fiscal 2018, $.6 million for Fiscal 2017 and $.1 million for Fiscal 2016. The change in interest income is due to changes in average invested balances and increased return on investments.

Income Taxes Our effective tax rate was 27.1% for Fiscal 2018, 34.3% for Fiscal 2017 and 34% for Fiscal 2016. The reduction in the effective tax rate was due to the statutory rate decreases set forth in the Tax Cuts and Jobs Act (the “Tax Act”) enacted into law on December 22, 2017. Under the Tax Act, the applicable federal statutory rate was 30.4% for Fiscal 2018. Included in the effective tax rate for Fiscal 2018 is a one-time adjustment reducing income tax expense to remeasure previous deferred tax liabilities of $4.3 million. In all years, the difference between the effective rate and the federal statutory rate was due to the effects of state income taxes, the domestic manufacturing deduction and share-based payment awards. The applicable federal statutory rate under the Tax Act will be reduced to 21% for fiscal 2019. See Note 7 of Notes to Consolidated Financial Statements.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources Our principal source of funds is cash generated from operations. At April 28, 2018, we maintained $100 million unsecured revolving credit facilities, under which no borrowings were outstanding and $2.1 million was reserved for standby letters of credit. We believe that existing capital resources will be sufficient to meet our liquidity and capital requirements for the next twelve months.

See Note 4 of Notes to Consolidated Financial Statements.

We continually evaluate capital projects to expand our production capacity, enhance packaging capabilities or improve efficiencies at our production facilities.

Expenditures for property, plant and equipment amounted to $32.0 million for Fiscal 2018 primarily to expand production capacity. The Company expects capital expenditures to increase in Fiscal 2019 to support volume growth.

The Company paid special cash dividends on Common Stock of $69.9 million ($1.50 per share) on both August 4, 2017 and January 27, 2017. The Company has announced it plans to develop a program to increase distribution to shareholders based on the length of time they have owned their shares.

Pursuant to a management agreement, we incurred a fee to Corporate Management Advisors, Inc. ("CMA") of $9.8 million for Fiscal 2018, $8.3 million for Fiscal 2017 and $7.0 million for Fiscal 2016. At April 28, 2018, management fees payable to CMA were $2.4 million. See Note 5 of Notes to Consolidated Financial Statements.

Cash Flows During Fiscal 2018, $154.7 million was provided by operating activities, $31.9 million was used in investing activities and $69.3 million was used in financing activities. Cash provided by operating activities increased $40.5 million primarily due to increased earnings offset in part by increased working capital. Cash used in investing activities increased due to increased capital expenditures. Spending on property, plant and equipment exceeded depreciation expense, our typical investment level, in order to support volume growth. Cash used in financing activities includes the $69.9 million ($1.50 per share) special cash dividend paid on August 4, 2017.

During Fiscal 2017, $114.3 million was provided by operating activities, $14.0 million was used in investing activities and $69.5 million was used in financing activities. Cash provided by operating activities increased $33.8 million primarily due to increased earnings and favorable changes in working capital. Cash used in investing activities increased $2.0 million reflecting higher capital expenditures and lower proceeds from the sale of property. Cash used in financing activities includes the $69.9 million ($1.50 per share) special cash dividend paid on January 27, 2017.

Financial Position During Fiscal 2018, our working capital increased to $248.3 million from $181.1 million at April 29, 2017. The increase in working capital resulted from higher cash, trade receivables and inventory, partially offset by higher accounts payable and accrued liabilities. Trade receivables increased $13.0 million or 18.3% due to increased sales, and days sales outstanding increased to 31.4 days from 30.6 days. Inventories increased $7.6 million or 14.2% as a result of increased finished goods and raw materials to support sales increases. Annual inventory turns remained unchanged at 9.5 times. As of April 28, 2018, the current ratio was 3.4 to 1 compared to 3.1 to 1 at April 29, 2017.

During Fiscal 2017, our working capital increased to $181.1 million from $143.6 million at April 30, 2016. The increase in working capital resulted from higher cash, trade receivables and inventory, partially offset by higher accounts payable and accrued liabilities. Trade receivables increased $10.3 million or 17% due to increased sales while days sales outstanding improved to 30.6 days from 31.0 days. Inventories increased $5.4 million as a result of higher finished goods levels to support sales increases. Annual inventory turns remained unchanged at 9.5 times. At April 29, 2017, the current ratio was 3.1 to 1 compared to 2.9 to 1 at April 30, 2016.

CONTRACTUAL OBLIGATIONS

Contractual obligations at April 28, 2018 are payable as follows:

(In thousands)	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More Than 5 Years
Operating leases	$ 28,448	$ 9,182	$ 12,856	$ 4,879	$ 1,531
Purchase commitments	15,875	11,287	3,540	1,048	—
Total	$ 44,323	$ 20,469	$ 16,396	$ 5,927	$ 1,531

We contribute to certain pension plans under collective bargaining agreements and to a discretionary profit sharing plan.

Annual contributions were $3.4 million for Fiscal 2018, $3.1 million for Fiscal 2017 and $2.9 million for Fiscal 2016. See Note 9 of Notes to Consolidated Financial Statements.

We maintain self-insured and deductible programs for certain liability, medical and workers' compensation exposures. Other long-term liabilities include known claims and estimated incurred but not reported claims not otherwise covered by insurance, based on actuarial assumptions and historical claims experience. Since the timing and amount of claim payments vary significantly, we are not able to reasonably estimate future payments for specific periods and therefore such payments have not been included in the table above. Standby letters of credit aggregating $2.1 million have been issued in connection with our self-insurance programs. These standby letters of credit expire through March 2019 and are expected to be renewed.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results. We believe that the critical accounting policies described in the following paragraphs comprise the most significant estimates and assumptions used in the preparation of our consolidated financial statements. For these policies, we caution that future events rarely develop exactly as estimated and the best estimates routinely require adjustment.

Credit Risk We sell products to a variety of customers and extend credit based on an evaluation of each customer's financial condition, generally without requiring collateral. Exposure to credit losses varies by customer principally due to the financial condition of each customer. We monitor our exposure to credit losses and maintain allowances for anticipated losses based on specific customer circumstances, credit conditions and historical write-offs.

Impairment of Long-Lived Assets All long-lived assets, excluding goodwill and intangible assets not subject to amortization, are evaluated for impairment on the basis of undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impaired asset is written down to its estimated fair value based on the best information available. Estimated fair value is generally measured by discounting future cash flows. Goodwill and intangible assets not subject to amortization are evaluated for impairment annually or sooner if we believe such assets may be impaired. An impairment loss is recognized if the carrying amount or, for goodwill, the carrying amount of its reporting unit, is greater than its fair value.

Income Taxes Our effective income tax rate is based on estimates of taxes which will ultimately be payable. Deferred taxes are recorded to give recognition to temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. Valuation allowances are established to reduce the carrying amounts of deferred tax assets when it is deemed, more likely than not, that the benefit of deferred tax assets will not be realized.

Insurance Programs We maintain self-insured and deductible programs for certain liability, medical and workers' compensation exposures. Accordingly, we accrue for known claims and estimated incurred but not reported claims not otherwise covered by insurance based on actuarial assumptions and historical claims experience.

Revenue Recognition We recognize revenue upon delivery to our customers, based on written sales terms that do not allow a right of return except in rare instances. Our products are typically sold on credit, however smaller direct-store delivery accounts may be sold on a cash basis. Our credit terms typically require payment within 30 days of delivery and may allow discounts for early payment. We estimate and reserve for bad debt exposure based on our experience with past due accounts, collectability and our analysis of customer data.

We offer various sales incentive arrangements to our customers that require customer performance or achievement of certain sales volume targets. Sales incentives are accrued over the period of benefit or expected sales. When the incentive is paid in advance, the aggregate incentive is recorded as a prepaid and amortized over the period of benefit. The recognition of these incentives involves the use of judgment related to performance and sales volume estimates that are made based on historical experience and other factors. Sales incentives are accounted for as a reduction of sales and actual amounts ultimately realized may vary from accrued amounts. Such differences are recorded once determined and have historically not been significant. We will adopt ASU 2014-09, Revenue from Contracts with Customers, and its amendments on April 29, 2018. See Note 1 to our consolidated financial statements for additional information on revenue recognition and the transition to the new revenue recognition guidance.

FORWARD-LOOKING STATEMENTS

National Beverage 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, 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 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 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.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Commodities We purchase various raw materials, including aluminum cans, plastic bottles, high fructose corn syrup, corrugated packaging and juice concentrates, the prices of which fluctuate based on commodity market conditions. Our ability to recover increased costs through higher pricing may be limited by the competitive environment in which we operate. At times, we manage our exposure to this risk through the use of supplier pricing agreements that enable us to establish all, or a portion of, the purchase prices for certain raw materials. Additionally, we use derivative financial instruments to partially mitigate our exposure to changes in certain raw material costs.

Interest Rates At April 28, 2018, the Company had no borrowings outstanding. We had no debt-related interest rate exposure during Fiscal 2018.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)	April 28, 2018	April 29, 2017
ASSETS		
Current assets:		
Cash and equivalents	$ 189,864	$ 136,372
Trade receivables - net	84,360	71,319
Inventories	60,920	53,355
Prepaid and other assets	17,823	7,275
Total current assets	352,967	268,321
Property, plant and equipment - net	85,807	65,150
Goodwill	13,145	13,145
Intangible assets	1,615	1,615
Other assets	5,298	5,752
Total assets	$ 458,832	$ 353,983
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 74,853	$ 58,100
Accrued liabilities	29,718	29,017
Income taxes payable	99	89
Total current liabilities	104,670	87,206
Deferred income taxes - net	14,502	12,087
Other liabilities	8,220	9,072
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 - 75,000,000 shares authorized;		
50,650,784 shares (2018) and 50,616,134 shares (2017) issued	507	506
Additional paid-in capital	36,358	35,638
Retained earnings	307,824	227,928
Accumulated other comprehensive income (loss)	4,601	(604)
Treasury stock - at cost:		
Series C preferred stock - 150,000 shares	(5,100)	(5,100)
Common stock - 4,032,784 shares	(12,900)	(12,900)
Total shareholders' equity	331,440	245,618
Total liabilities and shareholders' equity	$ 458,832	$ 353,983

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)	Fiscal Year Ended April 28, 2018	April 29, 2017	April 30, 2016
Net sales	$ 975,734	$ 826,918	$ 704,785
Cost of sales	584,599	500,841	463,348
Gross profit	391,135	326,077	241,437
Selling, general and administrative expenses	186,947	163,600	148,384
Interest expense	201	189	203
Other (income) expense - net	(1,502)	(537)	145
Income before income taxes	205,489	162,825	92,705
Provision for income taxes	55,715	55,780	31,507
Net income	$ 149,774	$ 107,045	$ 61,198
Less preferred dividends and accretion	-	-	(238)
Earnings available to common shareholders	$ 149,774	$ 107,045	$ 60,960
Earnings per common share:			
Basic	$ 3.21	$ 2.30	$ 1.31
Diluted	$ 3.19	$ 2.29	$ 1.31
Weighted average common shares outstanding:			
Basic	46,598	46,564	46,452
Diluted	46,921	46,770	46,671

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal Year Ended		
(In thousands)	April 28, 2018	April 29, 2017	April 30, 2016
Net income	$ 149,774	$ 107,045	$ 61,198
Other comprehensive income (loss), net of tax:			
Cash flow hedges	5,227	1,110	783
Other	(22)	93	(66)
Total	5,205	1,203	717
Comprehensive income	$ 154,979	$ 108,248	$ 61,915

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Fiscal Year Ended					
	April 28, 2018		April 29, 2017		April 30, 2016	
(In thousands)	Shares	Amount	Shares	Amount	Shares	Amount
SERIES C PREFERRED STOCK						
Beginning and end of year	150	$ 150	150	$ 150	150	$ 150
SERIES D PREFERRED STOCK						
Beginning of year	—	—	—	—	120	120
Series D preferred redeemed	—	—	—	—	(120)	(120)
End of year	—	—	—	—	-	-
COMMON STOCK						
Beginning of year	50,616	506	50,589	506	50,418	504
Stock options exercised	35	1	27	-	171	2
End of year	50,651	507	50,616	506	50,589	506
ADDITIONAL PAID-IN CAPITAL						
Beginning of year		35,638		34,570		37,759
Series D preferred redeemed		—		—		(5,791)
Stock options exercised		559		365		846
Stock-based compensation		161		208		228
Stock-based tax benefits		—		495		1,528
End of year		36,358		35,638		34,570
RETAINED EARNINGS						
Beginning of year		227,928		190,733		129,773
Net income		149,774		107,045		61,198
Common stock cash dividend		(69,878)		(69,850)		—
Preferred stock dividends & accretion		—		—		(238)
End of year		307,824		227,928		190,733
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)						
Beginning of year		(604)		(1,807)		(2,524)
Cash flow hedges		5,227		1,110		783
Other		(22)		93		(66)
End of year		4,601		(604)		(1,807)
TREASURY STOCK - SERIES C PREFERRED						
Beginning and end of year	150	(5,100)	150	(5,100)	150	(5,100)
TREASURY STOCK - COMMON						
Beginning and end of year	4,033	(12,900)	4,033	(12,900)	4,033	(12,900)
TOTAL SHAREHOLDERS' EQUITY		$ 331,440		$ 245,618		$ 206,152

See accompanying Notes to Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOW

(In thousands)	Fiscal Year Ended April 28, 2018	April 29, 2017	April 30, 2016
OPERATING ACTIVITIES			
Net income	$ 149,774	$ 107,045	$ 61,198
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	13,226	12,834	12,056
Deferred income tax provision (benefit)	676	1,358	(1,299)
Loss on disposal of property, net	149	72	129
Stock-based compensation	161	208	228
Stock-based tax benefits	–	495	1,528
Changes in assets and liabilities:			
Trade receivables	(13,041)	(10,273)	(1,095)
Inventories	(7,565)	(5,433)	(4,998)
Prepaid and other assets	(5,437)	(2,205)	(485)
Accounts payable	16,753	8,709	4,495
Accrued and other liabilities	25	1,457	8,726
Net cash provided by operating activities	154,721	114,267	80,483
INVESTING ACTIVITIES			
Additions to property, plant and equipment	(31,974)	(14,015)	(12,140)
Proceeds from sale of property, plant and equipment	63	28	116
Net cash used in investing activities	(31,911)	(13,987)	(12,024)
FINANCING ACTIVITIES			
Dividends paid on common stock	(69,878)	(69,850)	–
Dividends paid on preferred stock	–	–	(186)
Repayments under credit facilities, net	–	–	(10,000)
Redemption of preferred stock	–	–	(6,000)
Proceeds from stock options exercised	560	365	848
Net cash used in financing activities	(69,318)	(69,485)	(15,338)
NET INCREASE IN CASH AND EQUIVALENTS	53,492	30,795	53,121
CASH AND EQUIVALENTS - BEGINNING OF YEAR	136,372	105,577	52,456
CASH AND EQUIVALENTS - END OF YEAR	$ 189,864	$ 136,372	$ 105,577
OTHER CASH FLOW INFORMATION			
Interest paid	$ 101	$ 202	$ 116
Income taxes paid	$ 56,737	$ 55,901	$ 29,473

See accompanying Notes to Consolidated Financial Statements.

National Beverage Corp. innovatively 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

Basis of Presentation The 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. The consolidated financial statements include the accounts of National Beverage Corp. and all subsidiaries. All significant intercompany transactions and accounts have been eliminated. Our fiscal year ends the Saturday closest to April 30 and, as a result, an additional week is added every five or six years. All fiscal years presented consisted of 52 weeks.

Cash and Equivalents Cash and equivalents are comprised of cash and highly liquid securities (consisting primarily of short-term money-market investments) with an original maturity of three months or less.

Derivative Financial Instruments We use derivative financial instruments to partially mitigate our exposure to changes in raw material costs. All derivative financial instruments are recorded at fair value in our Consolidated Balance Sheets. We do not use derivative financial instruments for trading or speculative purposes. Credit risk related to derivative financial instruments is managed by requiring high credit standards for counterparties and frequent cash settlements. See Note 6.

Earnings Per Common Share Basic earnings per common share is computed by dividing earnings available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per common share is calculated in a similar manner, but includes the dilutive effect of stock options amounting to 323,000 shares in Fiscal 2018, 206,000 shares in Fiscal 2017 and 219,000 shares in Fiscal 2016.

Fair Value The estimated fair values of derivative financial instruments are calculated based on market rates to settle the instruments. These values represent the estimated amounts we would receive upon sale, taking into consideration current market prices and credit worthiness. See Note 6.

Impairment of Long-Lived Assets All long-lived assets, excluding goodwill and intangible assets not subject to amortization, are evaluated for impairment on the basis of undiscounted cash flows whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impaired asset is written down to its estimated fair market value based on the best information available. Estimated fair value is generally measured by discounting future cash flows. Goodwill and intangible assets not subject to amortization are evaluated for impairment annually or sooner if we believe such assets may be impaired. An impairment loss is recognized if the carrying amount or, for goodwill, the carrying amount of its reporting unit, is greater than its fair value.

Income Taxes Our effective income tax rate is based on estimates of taxes which will ultimately be payable. Deferred taxes are recorded to give recognition to temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. Valuation allowances are established to reduce the carrying amounts of deferred tax assets when it is deemed, more likely than not, that the benefit of deferred tax assets will not be realized.

Insurance Programs We maintain self-insured and deductible programs for certain liability, medical and workers' compensation exposures. Accordingly, we accrue for known claims and estimated incurred but not reported claims not otherwise covered by insurance based on actuarial assumptions and historical claims experience. At April 28, 2018 and April 29, 2017, other liabilities included accruals of $6.5 million and $6.9 million, respectively, for estimated non-current risk retention exposures, of which $5.0 million and $5.4 million were covered by insurance.

Intangible Assets Intangible assets as of April 28, 2018 and April 29, 2017 consisted of non-amortizable trademarks.

Inventories Inventories are stated at the lower of first-in, first-out cost or market. Inventories at April 28, 2018 were comprised of finished goods of $37.6 million and raw materials of $23.3 million. Inventories at April 29, 2017 were comprised of finished goods of $35.0 million and raw materials of $18.4 million.

Marketing Costs We are involved in 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 $49.7 million in Fiscal 2018, $44.9 million in Fiscal 2017 and $38.8 million in Fiscal 2016.

New Accounting Pronouncements - adopted
In March 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2016-09, "Compensation-Stock Compensation: Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"). The updated guidance simplifies and changes how companies account for certain aspects of share-based payment awards to employees, including accounting for income taxes and forfeitures, as well as classification of certain items in the statement of cash flows. The Company adopted ASU 2016-09 effective April 30, 2017 and elected to apply the cash flow guidance retrospectively; therefore, cash flow from operating activities increased and cash flow from financing activities decreased by $495 thousand and $1.5 million for the twelve months ended April 29, 2017 and April 30, 2016, respectively. The Company also elected to continue to estimate the number of awards that are expected to vest using the forfeiture option. The adoption of ASU 2016-09 reduced the Company's income tax expense by $886 thousand for the twelve months ended April 28, 2018.

In November 2015, the FASB issued Accounting Standards Update No. 2015-17, "Balance Sheet Classification of Deferred Taxes" ("ASU 2015-17"). ASU 2015-17 requires companies to classify all deferred tax liabilities and assets as noncurrent on the balance sheet. We adopted ASU 2015-17 effective for our fiscal year beginning April 30, 2017, electing to apply it retrospectively to all periods presented. As a result, $3.9 million of deferred taxes was reclassified from current to non-current on the consolidated balance sheet as of April 29, 2017.

In February 2018, the FASB issued Accounting Standards Update 2018-02, "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ("ASU 2018-02"). This update permits the impact of lower corporate income tax rates related to items classified in accumulated other comprehensive income to be reclassified directly to retained earnings. We adopted ASU 2018-02 effective for our third quarter ended January 27, 2018. We elected not to reclassify the income tax effects of the Tax Cuts and Jobs Act from accumulated other comprehensive income to retained earnings.

New Accounting Pronouncements - not yet adopted In May 2014, the FASB issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" ("ASU 2014-09"). ASU 2014-09 requires an entity to recognize revenue in an amount that reflects the consideration it expects to receive in exchange for goods or services. On August 12, 2015, the FASB issued ASU 2015-14 which deferred the effective date of ASU 2014-09 by one year and is effective for our fiscal year beginning April 29, 2018. Management has completed its evaluation and adoption is not expected to have a material impact on our financial position, results of operations or cash flows. Disclosure requirements under the new guidance have been significantly expanded.

In February 2016, the FASB issued Accounting Standards Update No. 2016-02, "Leases" ("ASU 2016-02"). ASU 2016-02 requires the lease rights and obligations arising from lease contracts, including existing and new arrangements, to be recognized as assets and liabilities on the balance sheet. ASU 2016-02 is effective for our fiscal year beginning April 28, 2019. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements.

In August 2017, the FASB issued Accounting Standards Update 2017-12, "Targeted Improvements to Accounting for Hedge Activities" ("ASU 2017-12"). This amendment simplifies the application of hedge accounting and enables companies to better portray the economics of risk management activities in their financial statements. ASU 2017-12 is effective for our fiscal year beginning April 28, 2019. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements.

Property, Plant and Equipment Property, plant and equipment are recorded at cost. Additions, replacements and betterments are capitalized, while maintenance and repairs that do not extend the useful life of an asset are expensed as incurred. Depreciation is recorded using the straight-line method over estimated useful lives of 5 to 30 years for buildings and improvements and 3 to 15 years for machinery and equipment. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease term or the estimated useful life of the improvement. When assets are retired or otherwise disposed, the cost and accumulated depreciation are removed from the respective accounts and any related gain or loss is recognized.

Revenue Recognition We recognize revenue upon delivery to our customers, based on written sales terms that do not allow a right of return except in rare instances. Our products are typically sold on credit, however smaller accounts are sold on a cash basis. Our credit terms typically require payment within 30 days of delivery and may allow discounts for early payment. We estimate and reserve for bad debt exposure based on our experience with past due accounts, collectability and our analysis of customer data.

We offer various sales incentive arrangements to our customers that require customer performance or achievement of certain sales volume targets. Sales incentives are accrued over the period of benefit or expected sales volume. When the incentive is paid in advance, the aggregate incentive is recorded as a prepaid and amortized over the period of benefit.

The recognition of these incentives involves the use of judgment related to performance and sales volume estimates that are made based on historical experience and other factors. Sales incentives are accounted for as a reduction of sales and actual amounts ultimately realized may vary from accrued amounts. Such differences are recorded once determined and have historically not been significant. We will adopt ASU 2014-09, Revenue from Contracts with Customers, and its amendments on April 29, 2018 using the modified retrospective approach, with no anticipated material impact to the consolidated financial statements.

Segment Reporting We operate as a single operating segment for purposes of presenting financial information and evaluating performance. As such, the accompanying consolidated financial statements present financial information in a format that is consistent with the internal financial information used by management. We do not accumulate revenues by product classification and, therefore, it is impractical to present such information.

Shipping and Handling Costs Shipping and handling costs are reported in selling, general and administrative expenses in the accompanying consolidated statements of income. Such costs aggregated $63.3 million in Fiscal 2018, $50.0 million in Fiscal 2017 and $44.6 million in Fiscal 2016. 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.

Stock-Based Compensation Compensation expense for stock-based compensation awards is recognized over the vesting period based on the grant-date fair value estimated using the Black-Scholes model. See Note 8.

Trade Receivables We record trade receivables at net realizable value, which includes an estimated allowance for doubtful accounts. We extend credit based on an evaluation of each customer's financial condition, generally without requiring collateral. Exposure to credit losses varies by customer principally due to the financial condition of each customer. We monitor our exposure to credit losses and maintain allowances for anticipated losses based on our experience with past due accounts, collectability and our analysis of customer data. Activity in the allowance for doubtful accounts was as follows:

(In thousands)	Fiscal 2018	Fiscal 2017	Fiscal 2016
Balance at beginning of year	$ 468	$ 484	$ 330
Net charge to expense	34	74	232
Net charge-off	(50)	(90)	(78)
Balance at end of year	$ 452	$ 468	$ 484

As of April 28, 2018 and April 29, 2017, we did not have any customer that comprised more than 10% of trade receivables. No one customer accounted for more than 10% of net sales during any of the last three fiscal years.

Use of Estimates The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and anticipated future actions, actual results may vary from reported amounts.

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of April 28, 2018 and April 29, 2017 consisted of the following:

(In thousands)	2018	2017
Land	$ 9,500	$ 9,500
Buildings and improvements	56,947	51,157
Machinery and equipment	194,241	172,257
Total	260,688	232,914
Less accumulated depreciation	(174,881)	(167,764)
Property, plant and equipment – net	$ 85,807	$ 65,150

Depreciation expense was $11.1 million for Fiscal 2018, $10.7 million for Fiscal 2017 and $10.1 million for Fiscal 2016.

3. ACCRUED LIABILITIES

Accrued liabilities as of April 28, 2018 and April 29, 2017 consisted of the following:

(In thousands)	2018	2017
Accrued compensation	$ 9,790	$ 9,967
Accrued promotions	7,011	8,403
Accrued freight	5,984	2,279
Other	6,933	8,368
Total	$ 29,718	$ 29,017

4. DEBT

At April 28, 2018, 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 April 28, 2018 or April 29, 2017. At April 28, 2018, $2.1 million of the Credit Facilities was reserved for standby letters of credit and $97.9 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 April 28, 2018, we were in compliance with all loan covenants.

5. CAPITAL STOCK AND TRANSACTIONS WITH RELATED PARTIES

The Company paid a special cash dividend on Common Stock of $69.9 million ($1.50 per share) on August 4, 2017 and January 27, 2017.

On January 25, 2013, the Company sold 400,000 shares of Special Series D Preferred Stock, par value $1 per share ("Series D Preferred") for an aggregate purchase price of $20 million. On April 29, 2016, the Company redeemed the final remaining 120,000 shares of Series D Preferred for an aggregate price of $6 million plus accrued dividends. In addition, the Company has 150,000 shares of Series C Preferred Stock, par value $1 per share, which are held as treasury stock.

The Company is authorized under its stock buyback program to repurchase 1.6 million shares of Common Stock. As of April 28, 2018, 502,060 shares were purchased under the program and 1,097,940 shares were available for purchase. No shares of Common Stock have been repurchased during the last three fiscal years.

The Company is a party to a management agreement with Corporate Management Advisors, Inc. ("CMA"), a corporation owned by our Chairman and Chief Executive Officer. This agreement was originated in 1991 for the efficient use of management of two public companies at the time. In 1994, one of those public entities, through a merger, no longer was managed in this manner. Under the terms of the agreement, CMA provides, subject to the direction and supervision of the Board of Directors of the Company, (i) senior corporate functions (including supervision of the Company's financial, legal, executive recruitment, internal audit and information systems departments) as well as the services of a Chief Executive Officer and Chief Financial Officer, and (ii) services in connection with acquisitions, dispositions and financings by the Company, including identifying and profiling acquisition candidates, negotiating and structuring potential transactions and arranging financing for any such transaction. CMA, through its personnel, also provides, to the extent possible, the stimulus and creativity to develop an innovative and dynamic persona for the Company, its products and corporate image. In order to fulfill its obligations under the management agreement, CMA employs numerous individuals, whom, acting as a unit, provide management, administrative and creative functions for the Company. The management agreement provides that the Company will pay CMA an annual base fee equal to one percent of the consolidated net sales of the Company, and further provides that the Compensation and Stock Option Committee and the Board of Directors may from time to time award additional incentive compensation to CMA or its personnel. The Board of Directors on numerous occasions contemplated incentive compensation and, while shareholder value has increased over $4.8 billion (or 11,000%) since the inception of this agreement, no incentive compensation has been paid. We incurred management fees to CMA of $9.8 million for Fiscal 2018, $8.3 million for Fiscal 2017 and $7.0 million for Fiscal 2016. Included in accounts payable were amounts due CMA of $2.4 million at April 28, 2018 and $2.1 million at April 29, 2017.

6. 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 a cash flow hedge. Accordingly, gains or losses attributable to the effective portion of the cash flow hedge 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 hedge was immaterial. The following summarizes the gains (losses) recognized in the Consolidated Statements of Income and AOCI relative to the cash flow hedge for Fiscal 2018, Fiscal 2017 and Fiscal 2016:

(In thousands)	Fiscal 2018	Fiscal 2017	Fiscal 2016
Recognized in AOCI-			
Gain (loss) before income taxes	$ 9,498	$ (984)	$ (5,743)
Less income tax provision (benefit)	3,085	(365)	(2,131)
Net	6,413	(619)	(3,612)
Reclassified from AOCI to cost of sales-			
Gain (loss) before income taxes	2,569	(2,749)	(6,987)
Less income tax provision (benefit)	1,383	(1,020)	(2,592)
Net	1,186	(1,729)	(4,395)
Net change to AOCI	$ 5,227	$ 1,110	$ 783

As of April 28, 2018, the notional amount of our outstanding aluminum swap contracts was $37.5 million and, assuming no change in the commodity prices, $6.2 million of unrealized gain before tax will be reclassified from AOCI and recognized in earnings over the next 12 months. See Note 1.

As of April 28, 2018, the fair value of the derivative asset was $6.2 million, which was included in prepaid and other assets. As of April 29, 2017, the fair value of the derivative asset, derivative liability and derivative long-term liability was $602 thousand, $848 thousand and $476 thousand, which was included in prepaid and other assets, accrued liabilities and other liabilities, respectively. 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.

7. INCOME TAXES

The provision (benefit) for income taxes consisted of the following:

(In thousands)	Fiscal 2018	Fiscal 2017	Fiscal 2016
Current	$ 55,039	$ 54,422	$ 32,806
Deferred	676	1,358	(1,299)
Total	$ 55,715	$ 55,780	$ 31,507

Deferred taxes are recorded to give recognition to temporary differences between the tax bases of assets or liabilities and their reported amounts in the financial statements. Valuation allowances are established to reduce the carrying amounts of deferred tax assets when it is deemed more likely than not that the benefit of deferred tax assets will not be realized. Deferred tax assets and liabilities as of April 28, 2018 and April 29, 2017 consisted of the following:

(In thousands)	2018	2017
Deferred tax assets:		
Accrued expenses and other	$ 2,900	$ 4,740
Inventory and amortizable assets	331	538
Total deferred tax assets	3,231	5,278
Deferred tax liabilities:		
Property	14,858	15,157
Intangibles and other	2,875	2,208
Total deferred tax liabilities	17,733	17,365
Net deferred tax liabilities	$ 14,502	$ 12,087

The reconciliation of the statutory federal income tax rate to our effective tax rate is as follows:

	Fiscal 2018	Fiscal 2017	Fiscal 2016
Statutory federal income tax rate	30.4%	35.0%	35.0%
State income taxes, net of federal benefit	2.4	2.2	2.2
Domestic manufacturing deduction benefit	(2.4)	(3.0)	(3.0)
Remeasurement of deferred taxes	(2.9)	-	-
Other differences	(.4)	.1	(.2)
Effective income tax rate	27.1%	34.3%	34.0%

As of April 28, 2018, the gross amount of unrecognized tax benefits was $1.7 million and $191 thousand was recognized as a tax expense in Fiscal 2018. If we were to prevail on all uncertain tax positions, the net effect would be to reduce our tax expense by approximately $1.4 million. A reconciliation of the changes in the gross amount of unrecognized tax benefits, which amounts are included in other liabilities in the accompanying consolidated balance sheets, is as follows:

(In thousands)	Fiscal 2018	Fiscal 2017	Fiscal 2016
Beginning balance	$ 1,743	$ 1,678	$ 1,801
Increases due to current period tax positions	204	150	145
Decreases due to lapse of statute of limitations and audit resolutions	(214)	(85)	(268)
Ending balance	$ 1,733	$ 1,743	$ 1,678

We recognize accrued interest and penalties related to unrecognized tax benefits in income tax expense. As of April 28, 2018, unrecognized tax benefits included accrued interest of $238 thousand.

On December 22, 2017, the Tax Cuts and Jobs Act (the "Tax Act") was enacted into law. The Tax Act makes changes to the U.S. tax code, including reducing the U.S. federal tax rate from 35% to 21% effective January 1, 2018. The phasing in of the lower corporate income tax rate results in a blended federal statutory rate of 30.4% for our fiscal 2018, compared with the previous 35% rate. The federal statutory tax rate will be reduced to 21% in subsequent fiscal years. Included in the effective tax rate for Fiscal 2018 is a one-time adjustment reducing income tax expense to remeasure previous deferred tax liabilities of $4.3 million.

We file annual income tax returns in the United States and in various state and local jurisdictions. A number of years may elapse before an uncertain tax position, for which we have unrecognized tax benefits, is resolved. While it is often difficult to predict the final outcome or the timing of resolution of any particular uncertain tax position, we believe that our unrecognized tax benefits reflect the most probable outcome. We adjust these unrecognized tax benefits, as well as the related interest, in light of changing facts and circumstances. The resolution of any particular uncertain tax position could require the use of cash and an adjustment to our provision for income taxes in the period of resolution.

Federal income tax returns for fiscal years subsequent to 2015 are subject to examination. Generally, the income tax returns for the various state jurisdictions are subject to examination for fiscal years ending after fiscal 2011.

8. STOCK-BASED COMPENSATION

Our stock-based compensation program is a broad-based program designed to attract and retain personnel while also aligning participants' interests with the interests of the shareholders.

The 1991 Omnibus Incentive Plan (the "Omnibus Plan") provides for compensatory awards consisting of (i) stock options or stock awards for up to 4,800,000 shares of common stock, (ii) stock appreciation rights, dividend equivalents, other stock-based awards in amounts up to 4,800,000 shares of common stock and (iii) performance awards consisting of any combination of the above. The Omnibus Plan is designed to provide an incentive to officers and certain other key employees and consultants by making available to them an opportunity to acquire a proprietary interest or to increase such interest in National Beverage. The number of shares or options which may be issued under stock-based awards to an individual is limited to 1,680,000 during any year. Awards may be granted for no cash consideration or such minimal cash consideration as may be required by law. Options generally have an exercise price equal to the fair market value of our common stock on the date of grant, vest over a five-year period and expire after ten years.

The Special Stock Option Plan provides for the issuance of stock options to purchase up to an aggregate of 1,800,000 shares of common stock. Options may be granted for such consideration as determined by the Board of Directors. The vesting schedule and exercise price of these options are tied to the recipient's ownership level of common stock and the terms generally allow for the reduction in exercise price upon each vesting period. Also, the Board of Directors authorized the issuance of options to purchase up to 50,000 shares of common stock to be issued at the direction of the Chairman.

The Key Employee Equity Partnership Program ("KEEP Program") provides for the granting of stock options to purchase up to 240,000 shares of common stock to key employees, consultants, directors and officers. Participants who purchase shares of stock in the open market receive grants of stock options equal to 50% of the number of shares purchased, up to a maximum of 6,000 shares in any two-year period. Options under the KEEP Program are forfeited in the event of the sale of shares used to acquire such options. Options are granted at an initial exercise price of 60% of the purchase price paid for the shares acquired and the exercise price reduces to the stock par value at the end of the six-year vesting period.

We account for stock options under the fair value method of accounting using a Black-Scholes valuation model to estimate the stock option fair value at date of grant. The fair value of stock options is amortized to expense over the vesting period. Stock options granted were 500 shares in Fiscal 2018, no shares in Fiscal 2017 and 3,500 shares in Fiscal 2016. The weighted average Black-Scholes fair value assumptions for stock options granted are as follows: weighted average expected life of 8.0 years for Fiscal 2018 and 8.0 years for Fiscal 2016; weighted average expected volatility of 23.8% for Fiscal 2018 and 29.0% for Fiscal 2016; weighted average risk free interest rates of 2.4% for Fiscal 2018 and 2.1% for Fiscal 2016; and expected dividend yield of 1.6% for Fiscal 2018 and 3.3% for Fiscal 2016. The expected life of stock options was estimated based on historical experience. The expected volatility was estimated based on historical stock prices for a period consistent with the expected life of stock options. The risk free interest rate was based on the U.S. Treasury constant maturity interest rate whose term is consistent with the expected life of stock options. There were no forfeitures estimated in Fiscal 2018 and Fiscal 2016.

The following is a summary of stock option activity for Fiscal 2018:

	Number of Shares	Price[(a)]
Options outstanding, beginning of year	$ 383,595	$ 11.47
Granted	500	29.61
Exercised	(34,650)	16.15
Canceled	(4,500)	17.59
Options outstanding, end of year	344,945	10.84
Options exercisable, end of year	209,579	8.49

(a) Weighted average exercise price.

Stock-based compensation expense was $161 thousand for Fiscal 2018, $208 thousand for Fiscal 2017 and $228 thousand for Fiscal 2016. The total fair value of shares vested was $140 thousand for Fiscal 2018, $362 thousand for Fiscal 2017 and $652 thousand for Fiscal 2016. The total intrinsic value for stock options exercised was $3.0 million for Fiscal 2018, $1.5 million for Fiscal 2017 and $5.2 million for Fiscal 2016. Net cash proceeds from the exercise of stock options were $560 thousand for Fiscal 2018, $365 thousand for Fiscal 2017 and $848 thousand for Fiscal 2016. Stock based income tax benefits aggregated $886 thousand for Fiscal 2018, $495 thousand for Fiscal 2017 and $1.5 million for Fiscal 2016. The weighted average fair value for stock options granted was $44.50 for Fiscal 2018.

As of April 28, 2018, unrecognized compensation expense related to the unvested portion of our stock options was $268 thousand, which is expected to be recognized over a weighted average period of 3.3 years. The weighted average remaining contractual term and the aggregate intrinsic value for options outstanding as of April 28, 2018 was 4.4 years and $27.3 million, respectively. The weighted average remaining contractual term and the aggregate intrinsic value for options exercisable as of April 28, 2018 was 3.5 years and $17 million, respectively.

We have a stock purchase plan which provides for the purchase of up to 1,536,000 shares of common stock by employees who (i) have been employed for at least two years, (ii) are not part-time employees and (iii) are not owners of five percent or more of our common stock. As of April 28, 2018, no shares have been issued under the plan.

9. PENSION PLANS

The Company contributes to certain pension plans under collective bargaining agreements and to a discretionary profit sharing plan. Annual contributions (including contributions to multi-employer plans reflected below) were $3.4 million for Fiscal 2018, $3.1 million for Fiscal 2017 and $2.9 million for Fiscal 2016.

The Company participates in three multi-employer defined benefit pension plans with respect to certain collective bargaining agreements. If the Company chooses to stop participating in the multi-employer plan or if other employers choose to withdraw to the extent that a mass withdrawal occurs, the Company could be required to pay the plan a withdrawal liability based on the underfunded status of the plan. During Fiscal 2017, a subsidiary of the Company reached a settlement with respect to a notification of withdrawal liability by one of the multi-employer pension plans not considered significant. The settlement did not have a material effect on its financial position or results of operations.

Summarized below is certain information regarding the Company's participation in significant multi-employer pension plans including the financial improvement plan or rehabilitation plan status ("FIP/RP Status") and the zone status under the Pension Protection Act ("PPA"). The most recent PPA zone status available in Fiscal 2018 and Fiscal 2017 is for the plans' years ending December 31, 2016 and 2015, respectively.

	PPA Zone Status			
Pension Fund	**Fiscal 2018**	Fiscal 2017	FIP/RP Status	Surcharge Imposed
Central States, Southeast and Southwest Areas Pension Plan (EIN no. 36-044243) (the "CSSS Fund")	**Red**	Red	Implemented	Yes
Western Conference of Teamsters Pension Trust Fund (EIN no. 91-6145047) (the "WCT Fund")	**Green**	Green	Not Applicable	No

For the plan years ended December 31, 2016 and December 31, 2015, the Company was not listed in the Form 5500 Annual Returns as providing more than 5% of the total contributions for the above plans. The collective bargaining agreements for employees in the CSSS Fund and the WCT Fund expire on October 18, 2021 and May 14, 2021, respectively.

The Company's contributions for all multi-employer pension plans for the last three fiscal years are as follow:

(In thousands) Pension Fund	Fiscal 2018	Fiscal 2017	Fiscal 2016
CSSS Fund	$ 1,370	$ 1,262	$ 1,172
WCT Fund	619	477	485
Other multi-employer pension funds	228	201	448
Total	$ 2,217	$ 1,940	$ 2,105

10. COMMITMENTS AND CONTINGENCIES

We lease buildings, machinery and equipment under various non-cancelable operating lease agreements expiring at various dates through 2029. Certain of these leases contain scheduled rent increases and/or renewal options. Contractual rent increases are taken into account when calculating the minimum lease payment and recognized on a straight-line basis over the lease term. Rent expense under operating lease agreements totaled $13.3 million for Fiscal 2018, $12.0 million for Fiscal 2017 and $9.2 million for Fiscal 2016.

Our minimum lease payments under non-cancelable operating leases as of April 28, 2018 were as follows:

(In thousands)	
Fiscal 2019	$ 9,182
Fiscal 2020	7,615
Fiscal 2021	5,241
Fiscal 2022	3,223
Fiscal 2023	1,656
Thereafter	1,531
Total minimum lease payments	$ 28,448

We enter into various agreements with suppliers for the purchase of raw materials, the terms of which may include variable or fixed pricing and minimum purchase quantities. As of April 28, 2018, we had purchase commitments for raw materials of $11.2 million through 2022.

As of April 28, 2018, we had purchase commitments for plant and equipment of $4.7 million for Fiscal 2019.

From time to time, we are a party to various litigation matters and claims arising in the ordinary course of business. We do not expect the ultimate disposition of such matters to have a material adverse effect on our consolidated financial position or results of operations.

11. QUARTERLY FINANCIAL DATA (UNAUDITED)

(In thousands, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
FISCAL 2018				
Net sales	$ 259,832	$ 244,119	$ 227,477	$ 244,306
Gross profit	104,503	96,080	91,193	99,359
Net income	38,272	33,980	41,080	36,442
Earnings per common share – basic	$ .82	$ .73	$ .88	$ .78
Earnings per common share – diluted	$ .82	$ .72	$ .88	$ .78
FISCAL 2017				
Net sales	$ 217,108	$ 203,180	$ 194,564	$ 212,066
Gross profit	85,494	78,717	75,920	85,946
Net income	28,995	24,604	24,285	29,161
Earnings per common share – basic	$ .62	$ .53	$ .52	$ .63
Earnings per common share – diluted	$ .62	$ .53	$ .52	$ .62

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of National Beverage Corp.

Opinions on the Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of National Beverage Corp. (the Company) as of April 28, 2018 and April 29, 2017, and the related consolidated statements of income, comprehensive income, stockholders' equity and cash flows for each of the three years in the period ended April 28, 2018, and the related notes (collectively, the financial statements). We also have audited the Company's internal control over financial reporting as of April 28, 2018, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of April 28, 2018 and April 29, 2017, and the results of their operations and their cash flows for each of the years in the three-year period ended April 28, 2018, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 28, 2018, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's financial statements and an opinion on the company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ RSM US LLP

We have served as the Company's auditor since 2006.

Fort Lauderdale, Florida
June 27, 2018

MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

The common stock of National Beverage Corp., par value $.01 per share, ("Common Stock") is listed on The NASDAQ Global Select Market under the symbol "FIZZ". The following table shows the range of high and low prices per share of the Common Stock for the fiscal quarters indicated:

	Fiscal Year Ended			
	April 28, 2018		April 29, 2017	
	High	Low	High	Low
First Quarter	$ 110.64	$ 81.65	$ 64.73	$ 46.50
Second Quarter	129.82	91.50	58.30	39.14
Third Quarter	113.70	93.01	54.65	44.21
Fourth Quarter	114.77	83.78	92.85	48.81

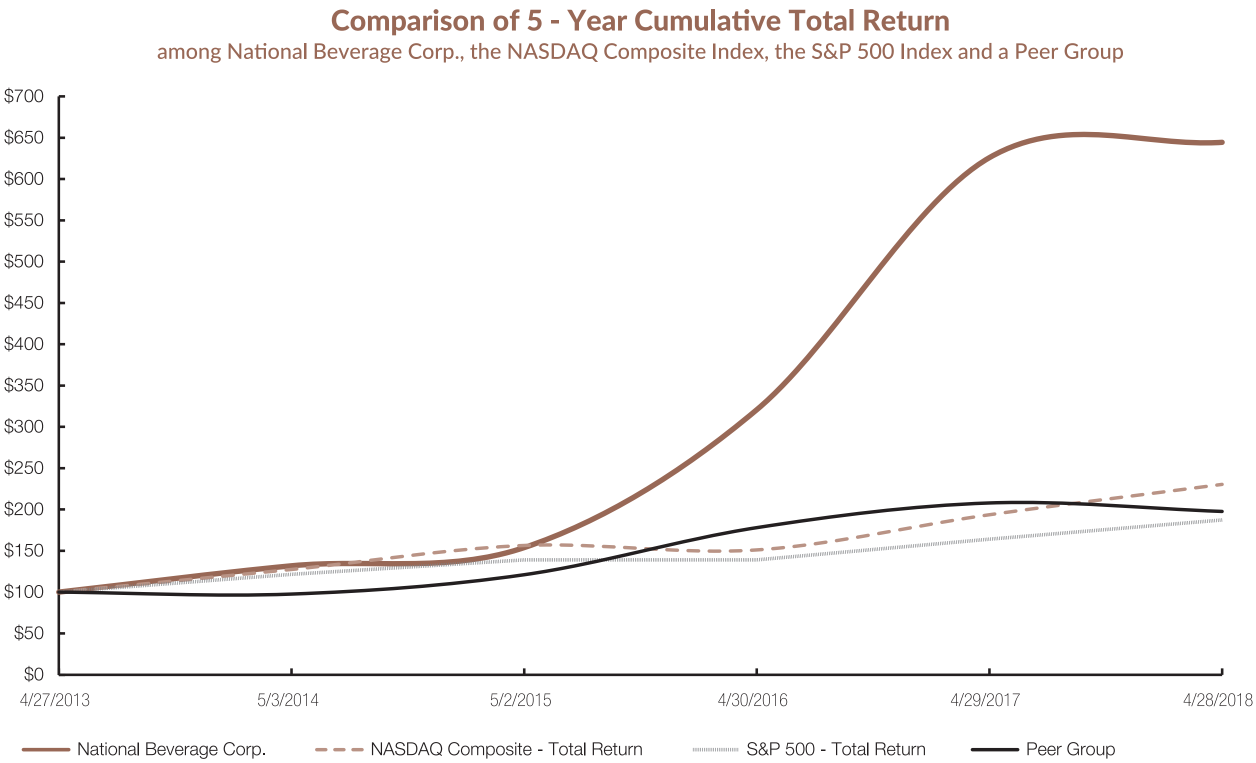
At June 6, 2018 there were approximately 28,000 holders of our Common Stock, the majority of which hold their shares in the names of various dealers and/or clearing agencies.

The Company paid special cash dividends on Common Stock of $69.9 million ($1.50 per share) on both August 4, 2017 (Fiscal 2018) and January 27, 2017 (Fiscal 2017).

The Company is authorized under its stock buyback program to repurchase 1.6 million shares of Common Stock. As of April 28, 2018, 502,060 shares were purchased under the program and 1,097,940 shares were available for purchase. No shares of Common Stock have been repurchased during the last three fiscal years.

PERFORMANCE GRAPH

The following graph shows a comparison of the five-year cumulative returns of an investment of $100 cash on April 27, 2013, assuming reinvestment of dividends, in (i) Common Stock, (ii) the NASDAQ Composite Index, (iii) the S&P 500 Index, and (iv) a Company-constructed peer group consisting of Coca-Cola Bottling Company Consolidated and Cott Corporation. Based on the cumulative total return below, an investment in our Common Stock on April 27, 2013 provided a compounded annual return of approximately 45% as of April 28, 2018.



	4/27/2013	5/3/2014	5/2/2015	4/30/2016	4/29/2017	4/28/2018
National Beverage Corp	$ 100.00	$ 131.85	$ 153.88	$ 320.80	$ 625.93	$ 644.46
NASDAQ Composite –Total Return	100.00	127.40	156.45	151.07	193.65	230.40
S&P 500 – Total Return	100.00	121.43	138.89	139.05	163.96	187.24
Peer Group	100.00	97.62	121.03	178.03	207.92	197.64

NOTICE

2018 ANNUAL MEETING &
PROXY STATEMENT

NATIONAL BEVERAGE CORP.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME: 2:00 p.m. (local time)

DATE: October 5, 2018

PLACE: Hyatt Regency Orlando International Airport Hotel
9300 Jeff Fuqua Boulevard
Orlando, FL 32827

At the Annual Meeting of Shareholders of National Beverage Corp. (the "Company") and any adjournments or postponements thereof (the "Meeting"), the following proposals are on the agenda for action by the shareholders:

1. **To elect two directors to serve as Class I directors for a term of three years;**
2. **To transact such other business as may properly come before the Meeting.**

Only holders of record of common stock, par value $.01 per share, of the Company, at the close of business on August 13, 2018 are entitled to notice of, and to vote at, the Meeting.

A complete list of the shareholders entitled to vote at the Meeting will be available for examination by any shareholder for any proper purpose at the Meeting and during ordinary business hours for a period of ten days prior to the Meeting at the principal executive offices of the Company at 8100 Southwest Tenth Street, Suite 4000, Fort Lauderdale, Florida 33324.

All shareholders are cordially invited to attend the Meeting in person and those who plan to attend are requested to so indicate by marking the appropriate space on the accompanying proxy card. Shareholders whose shares are held in "street name" (the name of a broker, trust, bank or other nominee) should bring with them a legal proxy, a recent brokerage statement or other documentation of their beneficial ownership. Admittance to the Meeting will be limited to shareholders and our invited guests.

Whether or not you plan to attend the Meeting, please complete and return the proxy in the accompanying envelope addressed to the Company or vote electronically by using the Internet or by telephone, since a majority of the outstanding shares entitled to vote at the Meeting must be represented at the Meeting in order to transact business. Shareholders have the power to revoke any such proxy at any time before it is voted at the Meeting and the giving of such proxy will not affect your right to vote in person at the Meeting. Your vote is very important.

By Order of the Board of Directors,

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

August 24, 2018
Fort Lauderdale, Florida

PROXY STATEMENT

This Proxy Statement is furnished to shareholders of National Beverage Corp., a Delaware corporation (the "Company", "NBC", "we", "us" or "our"), in connection with the solicitation, by order of the Board of Directors of the Company (the "Board of Directors" or the "Board"), of proxies to be voted at the Annual Meeting of Shareholders of the Company to be held at the Hyatt Regency Orlando International Airport Hotel, 9300 Jeff Fuqua Boulevard, Orlando, Florida 32827 on October 5, 2018, at 2:00 p.m., local time, or any adjournment or postponement thereof (the "Meeting"). The accompanying proxy is being solicited on behalf of the Board of Directors. The mailing address of the principal executive offices of the Company is P.O. Box 16720, Fort Lauderdale, Florida 33318. The approximate date on which this Proxy Statement and the accompanying form of proxy were first sent to shareholders is September 6, 2018.

Only holders of record of common stock, par value $.01 per share, of the Company (the "Common Stock") at the close of business on August 13, 2018 (the "Record Date") are entitled to notice of, and to vote at, the Meeting. Each holder of Common Stock is entitled to one vote for each share held at the close of business on the Record Date.

A shareholder who gives a proxy may revoke it at any time before it is exercised by sending a written notice to the Corporate Secretary, at the mailing address set forth above, by returning a later dated signed proxy, or by attending the Meeting and voting in person. Unless the proxy is revoked, the shares represented thereby will be voted as specified at the Meeting.

The Annual Report of the Company for the fiscal year ended April 28, 2018 (the "Annual Report") is being mailed with this Proxy Statement to all holders of record of Common Stock. Additional copies of the Annual Report will be furnished to any shareholder upon request.

SECURITY OWNERSHIP

Principal Shareholders

As of the Record Date, 46,625,240 shares of Common Stock were outstanding and, as of such date, the only persons known by the Company to beneficially own more than 5% of the outstanding Common Stock were the following:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Nick A. Caporella 8100 Southwest Tenth Street Fort Lauderdale, Florida 33324	34,244,585[1]	73.4%
IBS Partners Ltd. 1127 Eldridge Parkway Suite 300-0137 Houston, Texas 77077	33,302,246	71.4%

[1] Includes 33,302,246 shares owned by IBS Partners Ltd. ("IBS"). IBS is a Texas limited partnership whose sole general partner is IBS Management Partners, Inc., a Texas corporation. IBS Management Partners, Inc. is owned by Mr. Nick A. Caporella. By virtue of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), Mr. Caporella would be deemed to beneficially own the shares of Common Stock owned by IBS. Also includes 27,056 shares held by the wife of Mr. Caporella as to which Mr. Caporella disclaims beneficial ownership.

Directors and Executive Officers

The table below reflects, as of the Record Date, the number of shares of Common Stock beneficially owned by the directors and each of the executive officers named (the "Executive Officers") in the Summary Compensation Table that follows and the number of shares of Common Stock beneficially owned by all directors and Executive Officers as a group:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Nick A. Caporella	34,244,585 [1]	73.4%
Joseph G. Caporella	452,240 [2]	1.0%
Cecil D. Conlee	54,496 [3]	*
Samuel C. Hathorn, Jr.	98,006 [4]	*
Stanley M. Sheridan	44,008 [5]	*
George R. Bracken	147,148 [6]	*
All Executive Officers and Directors as a group (6 in number)	35,040,483 [7]	75.2%

*Less than 1%.

[1] Includes 33,302,246 shares held by IBS. Also includes 27,056 shares held by the wife of Mr. Caporella as to which Mr. Caporella disclaims beneficial ownership.

[2] Includes 44,640 shares issuable upon exercise of currently exercisable options.

[3] Includes 23,656 shares issuable upon exercise of currently exercisable options.

[4] Includes 25,618 shares issuable upon exercise of currently exercisable options.

[5] Includes 32,704 shares held by Stanley M. Sheridan Living Trust dated April 10, 1995 of which Mr. Sheridan is trustee and principal beneficiary and 11,304 shares issuable upon exercise of currently exercisable options.

[6] Includes 133,898 shares held by the George R. Bracken Trust dated February 6, 2015, a revocable trust of which Mr. Bracken is the grantor and trustee, and 13,250 shares issuable upon exercise of currently exercisable options.

[7] Includes 118,468 shares issuable upon exercise of currently exercisable options.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires the Company's Executive Officers, directors and persons who own more than ten percent (10%) of a registered class of the Company's equity securities to file reports of ownership and changes in ownership with the United States Securities and Exchange Commission (the "SEC" or "Commission"). Executive Officers, directors and greater than ten percent (10%) beneficial owners are required by regulation of the Commission to furnish the Company with copies of all Section 16(a) forms so filed.

To our knowledge, based solely on review of Form 3, 4 and 5 reports and amendments thereto and certain representations furnished to the Company, during the fiscal year ended April 28, 2018 ("Fiscal 2018"), the Company's Executive Officers, directors and greater than ten percent (10%) beneficial owners complied with all applicable filing requirements, except for 1,800 shares donated to a charity which was not reported on a timely basis.

MEMBERSHIP AND MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Company is managed under the direction of the Board of Directors. The Board meets to review significant developments affecting us and to act on matters requiring Board approval.

Current committee membership is shown in the table below.

Name	Board	Audit	Compensation and Stock Option	Nominating	Strategic Planning
Nick A. Caporella	Chairman	—	—	Chairman	Chairman
Joseph G. Caporella	Member	—	—	—	—
Cecil D. Conlee	Member	Member	Chairman	—	Member
Samuel C. Hathorn, Jr.	Member	Chairman	Deputy Chairman	Deputy Chairman	Member
Stanley M. Sheridan	Member	Deputy Chairman	Member	Member	—

INFORMATION REGARDING MEETINGS AND COMMITTEES OF THE BOARD

The Board of Directors held five meetings during Fiscal 2018. The Board of Directors has standing Audit, Compensation and Stock Option, Nominating and Strategic Planning committees.

The Audit Committee is currently comprised of three independent members – Messrs. Samuel C. Hathorn, Jr. (Chairman), Stanley M. Sheridan (Deputy Chairman) and Cecil D. Conlee. The Audit Committee held five meetings during Fiscal 2018. The principal functions of the Audit Committee are to appoint the independent auditors of the Company and to review with the independent auditors and the Company's internal audit department the scope and results of audits, the internal accounting controls of the Company, audit practices and the professional services furnished by the independent auditors. The Company's Board of Directors has determined that Messrs. Conlee, Hathorn and Sheridan satisfy the requirements for an audit committee financial expert under the rules and regulations of the Commission and that each member of the Audit Committee is "independent" as defined in the NASDAQ listing standards. The Audit Committee's charter is available on our website at www.nationalbeverage.com under "Investors – Corporate Governance".

The current members of the Company's Compensation and Stock Option Committee are Messrs. Cecil D. Conlee (Chairman), Samuel C. Hathorn, Jr. (Deputy Chairman) and Stanley M. Sheridan. During Fiscal 2018, the Compensation and Stock Option Committee held two meetings. The principal functions of the Compensation and Stock Option Committee are to consider, review and approve all compensation arrangements, including base salary, annual incentive awards and stock option grants, for officers and employees of the Company and to administer the Company's employee benefit programs. The Compensation and Stock Option Committee does not have a charter.

The current members of the Company's Nominating Committee are Messrs. Nick A. Caporella (Chairman), Samuel C. Hathorn, Jr. (Deputy Chairman) and Stanley M. Sheridan. During Fiscal 2018, the Nominating Committee held two meetings. The Nominating Committee recommends to the Board of Directors candidates for election to the Board. The Nominating Committee considers possible candidates from any source, including shareholders, for nominees for directors. In evaluating the qualifications of nominees, the Nominating Committee considers a variety of factors, such as education, work experience, knowledge of the Company and the beverage industry, membership on the board of directors of other corporations, civic involvement and diversity. The Nominating Committee does not have a specific policy with respect to diversity on the Board of Directors. Recommendations for director candidates, which shall include written materials with respect to the potential candidate, should be sent to Corporate Secretary, National Beverage Corp., P.O. Box 16720, Fort Lauderdale, Florida 33318. All shareholder nominees for director will be considered by the Nominating Committee in the same manner as any other nominee. All recommendations should be accompanied by a complete statement of such person's qualifications (including education, work experience, knowledge of the Company's industry, membership on the board of directors of another corporation and civic activity) and an indication of the person's willingness to serve. The Nominating Committee does not have a charter.

The current members of the Company's Strategic Planning Committee are Messrs. Nick A. Caporella (Chairman), Cecil D. Conlee and Samuel C. Hathorn, Jr. The Strategic Planning Committee did not meet separately during Fiscal 2018 as the advice and consultation of the committee members was obtained during regular meetings of the Board.

Each director attended all of the meetings of the Board and standing committees on which he serves. We have no formal policy regarding directors' attendance at annual meetings of shareholders but all directors have attended past annual shareholder meetings and we anticipate that all directors will attend the 2018 Meeting.

Mr. Nick A. Caporella currently beneficially owns 73.4% of the Company's outstanding Common Stock. As a result, the Company is a "controlled company" within the meaning of the NASDAQ listing standards and is therefore not currently required to have independent directors comprise a majority of its Board of Directors or to have independent directors comprise its Compensation and Stock Option Committee or its Nominating Committee. However, independent directors comprise the majority of the Nominating Committee and the Compensation and Stock Option Committee is comprised of only independent directors. Messrs. Cecil D. Conlee, Samuel C. Hathorn, Jr. and Stanley M. Sheridan qualify as independent directors under the NASDAQ listing standards.

In compliance with NASDAQ listing standards, the independent directors hold meetings at which only independent directors are present.

QUORUM AND VOTING PROCEDURE

The presence, in person or by proxy, of the holders of a majority of the outstanding shares of Common Stock entitled to vote at the Meeting is necessary to constitute a quorum. Votes cast by proxy or in person at the Meeting will be tabulated by the inspectors of election appointed for the Meeting and will be counted in determining whether or not a quorum is present. A proxy submitted by a shareholder may indicate that all or a portion of the shares represented by such proxy are not being voted by such shareholder with respect to a particular matter ("non-voted shares"). This could occur, for example, when a broker is not permitted to vote shares held in "street name" on certain matters in the absence of instructions from the beneficial owner of the shares. Non-voted shares with respect to a particular matter will not be considered shares present and entitled to vote on such matter, although such shares may be considered present and entitled to vote for other purposes and will be counted for purposes of determining the presence of a quorum. Shares voting to abstain as to a particular matter and directions to "withhold authority" to vote for directors will not be considered non-voted shares and will be considered present and entitled to vote with respect to such matter. Non-voted shares and abstentions will have no effect on the matters brought to a vote at the Meeting. As a result of Mr. Nick A. Caporella's beneficial ownership of 73.4% of the outstanding shares of Common Stock of the Company, the election of the Class I directors will be approved by vote of shareholders at the Meeting.

MATTERS TO BE CONSIDERED AT ANNUAL MEETING

Election of Directors

Currently, the Board is comprised of five directors elected in three classes (the "Classes"). Directors in each class hold office for three-year terms and the terms of the Classes are staggered so that the term of one Class terminates each year. The term of the current Class I directors expires at the 2018 Meeting.

The Board of Directors has nominated Joseph G. Caporella and Samuel C. Hathorn, Jr. for election as directors in Class I, with a term of office of three years expiring at the Annual Meeting of Shareholders to be held in 2021 and when their respective successors have been duly elected and qualified. In order to be elected as a director, a nominee must receive a plurality of affirmative votes cast by the shares present or represented at a duly convened meeting. Shareholders have no right to vote cumulatively.

THE BOARD OF DIRECTORS RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE NOMINEES FOR THE CLASS I DIRECTORS.

INFORMATION AS TO NOMINEES AND OTHER DIRECTORS

The following information concerning principal occupation or employment, including any directorships with public companies or registered investment companies during the past five years, and age has been furnished to the Company by the nominees for Class I directors and by the directors in Classes II and III whose terms expire at the Company's Annual Meeting of Shareholders in 2019 and 2020, respectively, and when their respective successors have been duly elected and qualified.

Nominees for Directors

CLASS I

Name	Age	Principal Occupation or Employment	Director Since	Term Expires
Joseph G. Caporella	58	President of National Beverage Corp.	1987	2018
Samuel C. Hathorn, Jr	75	Retired President and Chief Executive Officer of Trendmaker Homes, Inc., a former subsidiary of Weyerhaeuser Company	1997	2018

Directors Whose Term of Office Will Continue After the Annual Meeting

CLASS II

Name	Age	Principal Occupation or Employment	Director Since	Term Expires
Cecil D. Conlee	82	Founder and Chairman of The Conlee Company	2009	2019
Stanley M. Sheridan	75	Retired President of Faygo Beverages, Inc., a wholly-owned subsidiary of National Beverage Corp.	2009	2019

CLASS III

Name	Age	Principal Occupation or Employment	Director Since	Term Expires
Nick A. Caporella	82	Chairman of the Board and Chief Executive Officer of National Beverage Corp.	1985	2020

Additional information regarding the nominees for election as directors and the continuing directors of the Company, including a description of the specific experience, qualifications, attributes and skills that led the Board of Directors to conclude that each individual should serve as a director, is set forth below.

Nominees

Joseph G. Caporella has served as President of the Company since September 2002 and, prior to that date, served as Executive Vice President since January 1991. He is the son of Mr. Nick A. Caporella. Since joining the Company in 1988, he has been involved in all aspects of the Company's operations, including procurement, supply chain management, distribution and sales leadership. Mr. Caporella's more than 30 years of experience in the beverage industry coupled with his extensive knowledge of the day-to-day business operations of the Company qualify him to serve on our Board.

Samuel C. Hathorn, Jr. was employed by Trendmaker Homes, Inc. from 1981 until his retirement in September 2007. He served as President since 1983 and was appointed Chief Executive Officer in January 2007. Trendmaker Homes, Inc. was a Houston, Texas-based homebuilding and land development subsidiary of Weyerhaeuser Company. Mr. Hathorn has also held senior executive and financial positions with several public corporations and served as a director of Burnup & Sims Inc. (a former affiliate of the Company) from 1981 until 1997 and of Hartman Commercial Properties REIT, a publicly-traded real estate investment trust, from 2000 to 2005. Mr. Hathorn first served on the Company's Board of Directors from its inception in 1985 to September 1993 while also serving as a Burnup & Sims Inc. director and representative during the Company's formative years. He returned to our Board in June 1997 and has served as a director since that time. Mr. Hathorn's extensive expertise as a seasoned financial executive, his professional business acumen and his intimate knowledge of our business qualify him to serve on our Board.

Continuing Directors

Cecil D. Conlee is founder and Chairman of The Conlee Company, an Atlanta, Georgia based investment firm. From 1990 until 2018 he served as Chairman of CGR Advisors, a real estate investment advisory company. He served as a director of Oxford Industries, Inc., an international apparel design, sourcing and marketing company from 1985 until June 2011, and was a member of the Executive Committee and Chairman of the Audit Committee. He also served as a director of Central Parking Corp. from 1996 to 2006. Mr. Conlee has been a member of the Company's Strategic Planning Committee since 1995 and was a lead director of Burnup & Sims Inc. for more than 20 years. As a result, he gained unique knowledge and experience during the formative years of the Company. In addition, Mr. Conlee holds an MBA from Harvard University and is a Trustee Emeritus of Vanderbilt University. Mr. Conlee's education, business acumen, leadership skills, civic involvement and his knowledge and experience related to our Company qualify him to serve on our Board.

Stanley M. Sheridan was employed by Faygo Beverages, Inc., a wholly-owned subsidiary of National Beverage Corp., from 1974 until his retirement in 2004. He joined Faygo Beverages, Inc. as Chief Financial Officer in 1974 and was promoted to President in May 1987 when Faygo Beverages, Inc. was acquired by National Beverage Corp. He holds an MBA in Accounting and has served on the boards of various private companies and charitable organizations. Mr. Sheridan's retirement in 2004 and his absence from Faygo Beverages, Inc. qualify him as an independent director for the Company. Mr. Sheridan's more than 30 years of experience in the beverage industry and his professional management expertise as a chief executive in the soft drink industry make him extremely familiar with our business. These qualifications and his financial and accounting expertise qualify him to serve on our Board.

Nick A. Caporella has served as Chairman of the Board and Chief Executive Officer of the Company since the Company was founded in 1985. He also served as President until September 2002. Since January 1992, Mr. Caporella's services have been provided to the Company through a management company, Corporate Management Advisors, Inc. ("CMA"), an entity which he owns. (See "Management Services Agreement – Compensation" and "Certain Relationships and Related Party Transactions".) Mr. Caporella previously served as President and Chief Executive Officer (since 1976) and Chairman of the Board (since 1979) of Burnup &

Sims Inc. until March 1994. Throughout his more than 50-year business career, he has founded or managed as the Chief Executive Officer successful companies and has served as a public company Chairman, Chief Executive Officer or President since 1976. Mr. Caporella has achieved many awards as a businessman, including induction into the Institute of American Entrepreneurs and receipt of the Horatio Alger Award. He is involved in many research projects which endeavor to advance the cure of children's cancer and currently serves on the Professional Advisory Board of St. Jude Children's Hospital. The Company was founded as a result of Mr. Caporella's vision and innovation, and his extraordinary career, entrepreneurial spirit, business acumen and civic leadership qualify him to serve on the Board.

BOARD LEADERSHIP STRUCTURE

The Board of Directors does not have a policy addressing whether the same person should serve as both the Chief Executive Officer and Chairman of the Board or if the roles should be separate but believes that it should have the flexibility to make its determination based upon what it considers to be the appropriate leadership structure for the Company at the time. The Board further believes that having a single person serving as both Chief Executive Officer and Chairman of the Board, coupled with our use of individual chairmen for each of our Board committees, currently provides the best form of leadership for our Company. Accordingly, the Board has not deemed it necessary or appropriate to create the position of lead independent director, primarily because each Committee Chairman functions in the capacity akin to that of a lead director. Combining the Chairman and Chief Executive Officer roles fosters clear accountability, effective decision-making, alignment of our corporate strategies and has served the Company well for many years. As our Chief Executive Officer, Mr. Nick A. Caporella is and has been responsible for overseeing the operations of the Company and implementing the Company's corporate strategies. The Board believes that the breadth of Mr. Caporella's business experience, professional and successful track record in all of his undertakings in the Company, along with his position as founder and controlling shareholder of the Company, make him uniquely qualified to continue to preside over the entire Board, lead its strategies and discussions and set its agendas.

BOARD'S ROLE IN RISK OVERSIGHT

While management is primarily responsible for the day-to-day assessment and risk management programs, the Board of Directors is responsible for oversight of enterprise-wide exposures, including strategic, operational, financial, legal and regulatory risks. The Board performs its oversight function both directly and indirectly through Board committees that are chaired by professionals with varied and extensive business experience. The Audit Committee assists the Board in evaluating financial risks and risks related to the Company's financial reporting, internal controls and compliance with legal and regulatory requirements. The Compensation and Stock Option Committee assists the Board in evaluating risks associated with leadership assessment, management succession planning and our compensation philosophy and programs. In addition to committee reports, the Board receives regular presentations from senior management and senior department heads, which include presentations regarding the annual operating plan as well as long-term operational and strategic matters.

EXECUTIVE COMPENSATION AND OTHER INFORMATION

Compensation Discussion and Analysis

The following discussion and analysis is intended to provide an understanding of the Company's compensation philosophy and policies and the actual compensation earned by each of our Executive Officers. It should be noted that neither Mr. Nick A. Caporella nor Mr. Bracken receives cash compensation from the Company. The services of both are provided to the Company by CMA and their cash compensation is based solely on and included within the management fee paid to CMA. (See "Management Services Agreement – Compensation" and "Certain Relationships and Related Party Transactions".)

At the 2017 Annual Meeting, 89% of the shares voted by our shareholders were voted to approve, on an advisory basis, the compensation of our Executive Officers. We believe this vote supports our view that the Company's compensation decisions and compensation philosophy and policy discussed below appropriately align the interests of our Executive Officers with the short and long-term goals of the Company. Also at the 2017 Annual Meeting, 86% of the shares voted by our shareholders were voted to approve, on an advisory basis, to hold shareholder advisory votes on executive compensation every three years. The next shareholder advisory vote on executive compensation is scheduled to take place at the Annual Meeting of Shareholders to be held in 2020.

Compensation Philosophy

The objectives of the Company's compensation program are to (1) attract, motivate, develop and retain top quality executives who will increase long-term shareholder value and (2) deliver competitive total compensation packages based upon the achievement of both Company and individual performance goals. The Company expects its executives to balance the risks and related opportunities inherent in our industry and in the performance of his or her duties, and to adhere to the Company's philosophy and business principles in order to participate in any upside opportunity once actual performance is measured.

To achieve the above goals, the Compensation and Stock Option Committee has set forth a compensation program for its Executive Officers that includes the following elements:

- Base salary;
- Annual cash bonuses;
- Share-based compensation; and
- Retirement, health and other benefits.

In order to maintain a competitive compensation program for its Executive Officers, the Compensation and Stock Option Committee, on a semi-annual basis: (a) reviews compensation practices to assure fairness, relevance, support of the strategic goals of the Company and contribution of the executive to the creation of long-term shareholder value, (b) considers the relevant mix of compensation components and (c) implements a compensation plan that reasonably allocates a portion of each executive's total compensation to incentives and other forms of longer-term compensation linked to Company and individual performance, and the creation of shareholder value.

Factors Considered In Determining Compensation

The Compensation and Stock Option Committee reviews executive compensation levels for its Executive Officers on a semi-annual basis to ensure that they remain competitive within the beverage industry. The overall value of the compensation package for an Executive Officer is determined by the Compensation and Stock Option Committee in consultation with the Chief Executive Officer, other key officers and the Board. The factors considered by the Compensation and Stock Option Committee include those related to both the overall performance of the Company and the individual performance of the Executive Officer. Consideration is also given to comparable compensation data for individuals holding similarly responsible positions at other and peer group companies in determining appropriate compensation levels.

With respect to long-term incentive compensation to be awarded to Executive Officers, the Company maintains three equity-based plans: (a) the 1991 Omnibus Incentive Plan, (b) the Special Stock Option Plan and (c) the Key Employee Equity Partnership Program (each plan is discussed in more detail below).

The timing, amount and form of awards under these plans for each of the Executive Officers is made at the discretion of the Compensation and Stock Option Committee based on recommendations of the Chief Executive Officer. Any such awards are granted only upon the written approval of the Compensation and Stock Option Committee. No stock-based awards or other equity rights have been granted to Mr. Nick A. Caporella since the Company's inception.

Elements of Executive Compensation

Base Salary

Base salary is used to attract and retain Executive Officers and is determined using comparisons with industry competitors and other relevant factors including the seniority of the individual, the functional role of the position, the level of the individual's responsibility and the ability to replace the individual. Salaries for the Executive Officers are reviewed by the Compensation and Stock Option Committee, the Chief Executive Officer and the Board on a semi-annual basis. Changes to base salaries, if any, are affected primarily by individual performance.

Annual Cash Bonuses

Annual cash bonuses are intended to be a significant component of an Executive Officer's compensation package. The amount of annual bonus compensation to be awarded to the Executive Officers, if any, is determined by the Compensation and Stock Option Committee, upon recommendation by the Chief Executive Officer. While the Chief Executive Officer and the Compensation and Stock Option Committee consider the Company's overall performance and each individual's performance when determining the amount of bonus to award, there is no predefined written plan, acknowledged by the recipient, with respect to performance measures that obligates the Company to pay an annual cash bonus and the Compensation and Stock Option Committee retains absolute discretion to award bonuses and to determine the amount of such bonuses.

Share-Based Compensation (Long-Term Incentive Programs)

Share-based long-term incentive compensation is provided to Executive Officers through the award of stock options. The primary purpose of stock options is to provide Executive Officers and other employees with a personal and financial interest in the Company's success through stock ownership, thereby aligning their interests with those of our shareholders. The Compensation and Stock Option Committee believes that the value of stock options will reflect the Company's financial performance over the long-term. Because the Company's stock option programs require vesting periods before options may be exercised and an exercise price based on either the fair market value as of the date of grant or the amount of Common Stock held, the value of stock options and stock ownership increases when the market value of the Company's common shares increases over time.

Share-based awards made under the Company's 1991 Omnibus Incentive Plan (the "Omnibus Plan") typically consist of options to purchase Common Stock which vest over five years and have a term of ten years. Certain key executives of the Company also receive grants from time to time under the Company's Special Stock Option Plan (the "Special Option Plan"). The vesting schedule and exercise price of these options are tied to the executive's ownership levels of Common Stock. Generally, the terms of the Special Option Plan allow for the reduction in exercise price upon each vesting date of the option. The vesting schedule and exercise price reduction of such options may be accelerated at the discretion of the Compensation and Stock Option Committee. While the Compensation and Stock Option Committee considers the Company's overall financial performance during the respective vesting periods, there is no predefined written plan with respect to financial measures that obligates the Company to such acceleration, and the Compensation and Stock Option Committee has not elected to accelerate the vesting or price reduction of any options held by Executive Officers during the past three fiscal years. The Company issues share-based awards with long-term vesting schedules designed to increase the level of the executive's stock ownership, encourage long-term employment, promote adherence to the Company's principles and philosophy and create long-term value for shareholders, while inducing corporate compatibility within the management team.

In addition, share-based compensation is awarded under the Company's Key Employee Equity Partnership Program (the "KEEP Program"). The KEEP Program is designed to positively align interests between the Company's executives and its shareholders beyond traditional option programs while, at the same time, stimulating and rewarding management for "partnering-up" with the Company to create shareholder value. The KEEP Program provides for granting stock options to key employees, officers and directors of the Company who invest their personal funds in Common Stock. Participants who purchase shares of Common Stock in the open market receive grants of stock options equal to 50% of the number of shares purchased up to a maximum of 6,000 shares purchased in any two-year period. Options under the KEEP Program are automatically forfeited upon the sale of shares originally acquired by the participant. The options are granted at an initial exercise price of 60% of the purchase price paid for the shares acquired and reduce to the par value of Common Stock at the end of the six-year vesting period.

The Company's long-term incentive programs are generally intended to provide rewards to executives only if value is created for shareholders over time and the executive continues in the employ of the Company. The Compensation and Stock Option Committee believes that employees should have sufficient holdings of the Company's Common Stock so that their decisions will appropriately foster sound judgment in the exercise of their duties. The Compensation and Stock Option Committee reviews with the Chief Executive Officer the recommended individual awards and evaluates the scope of responsibility, strategic and operational goals and individual contributions in making final awards under the Omnibus Incentive Plan and the Special Option Plan, and determines participants in the KEEP Program.

Options issued pursuant to the Special Option Plan and the KEEP Program after December 31, 2004 are considered deferred compensation arrangements under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, option recipients must make a written election to exercise option grants on specified future dates to avoid being subject to additional income taxes, interest and withholding. The election is irrevocable, but may be subject to acceleration upon proper termination of employment, disability or in certain other limited circumstances, at the discretion of the Board of Directors. All Executive Officers holding options granted under these plans have made such an election.

With respect to share-based compensation, the Company recognizes stock compensation expense in accordance with FASB Accounting Standards Codification Topic 718 which requires public companies to measure the cost of employee services received in exchange for an award of equity instruments based on the grant date fair value of the award. The Company uses the Black-Scholes option-pricing model to determine the grant date fair value.

The Company ensures that stock option awards approved by the Compensation and Stock Option Committee will be granted subsequent to any planned release of material non-public information. The Company has not engaged in the backdating, cancellation or re-pricing of stock options awarded to its Executive Officers.

Retirement, Health and Other Benefits

The Company provides retirement, health and other benefits as an additional incentive to retain employees. The Company maintains a defined contribution 401(k) plan that allows employees to make plan contributions on a pre-tax basis and currently contributes an additional profit sharing contribution on behalf of each employee. Profit sharing contributions are allocated to all employees who meet certain minimum service requirements, based on a percentage of total compensation, which amount is subject to change from year to year. Although Executive Officers are eligible to participate in the 401(k) plan, they have been prevented from participating at the same level as non-executives, due to the rules under Section 401(a)(17) of the Code which dictate the application of an annual limitation on contributions.

We currently make available to our Executive Officers and all employees a comprehensive health, dental, life and disability insurance program. The health care insurance program offers a variety of coverage options, which may be selected at the employee's discretion. The Company currently provides a basic term-life insurance policy to all employees and makes additional coverage available at the employee's expense and discretion.

The Company does not provide any additional perquisites to Executive Officers, other than a car allowance, which is included in the Summary Compensation Table below. The total of all perquisites to any Executive Officer did not equal or exceed $10,000 for Fiscal 2018.

Employment, Change in Control and Severance Agreements

The Company does not typically enter into, and does not currently have, any formal employment, change in control, severance or other similar agreements with any Executive Officer. The Company's stock option plans, however, provide that unvested options held by all employees will fully vest if a change of control (as defined in the plans) occurs or if options of an equivalent value are not provided in the event the Company is not the surviving entity of a merger or consolidation. Based on the difference between the closing stock price of the Company's Common Stock on April 28, 2018 and the option exercise prices on that date, the values of unvested options held by our Executive Officers were: Joseph G. Caporella – $1,261,848; George R. Bracken – $923,676; and Gregory P. Cook – $274,248.

The Company may also, from time to time, pay severance to an employee, including an Executive Officer, based on, among other things, years of service, functional role or position and level of the individual's responsibility and reasons for terminating his or her services. The Company believes in trust, loyalty and commitment from both the Company and the Executive Officers and that employment agreements are not necessary to achieve its goals and meet the needs of the Executive Officers. The Company believes that the fact that most of the executives of the Company have been with the Company for a long period of time supports this belief.

REPORT OF THE COMPENSATION AND STOCK OPTION COMMITTEE

The Compensation and Stock Option Committee has reviewed and discussed the foregoing Compensation Discussion and Analysis, required by Item 402(b) of Regulation S-K, with management of the Company. Based on this review and discussion, we recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement for the Company's 2018 Annual Meeting of Shareholders.

THE COMPENSATION AND STOCK OPTION COMMITTEE

Cecil D. Conlee (Chairman)
Samuel C. Hathorn, Jr. (Deputy Chairman)
Stanley M. Sheridan

MANAGEMENT SERVICES AGREEMENT – COMPENSATION

CMA, pursuant to a management agreement, provides the services of and compensates the Company's Chief Executive Officer, Chief Financial Officer and senior and other corporate personnel who provide management, administrative and creative functions to the Company. Although management fees paid to CMA have been disclosed in "Certain Relationships and Related Party Transactions" since the inception of the management agreement in 1992, during 2009, the Commission requested that we modify the presentation of amounts paid to Mr. Nick A. Caporella and Mr. Bracken. In a comment letter dated February 9, 2009, the Commission staff requested that, due to Mr. Caporella's 100% ownership of CMA, the entire management fee paid to CMA be reflected as compensation to Mr. Caporella in the body of the Summary Compensation Table. As a result, we agreed (for reporting purposes) to include the management fee paid by the Company to CMA under the caption "All Other Compensation" with respect to Mr. Nick A. Caporella in the Summary Compensation Table. **We believe this method of reporting is misleading and could lead the reader to construe that these amounts are paid by the Company or CMA directly to Mr. Nick A. Caporella. The amounts paid by the Company to CMA, as reflected in the Summary Compensation Table, should not be interpreted as the actual amount of compensation paid to Mr. Nick A. Caporella by either the Company or CMA and are shown only to comply with the comment letter dated February 9, 2009.** The cash compensation of Mr. Bracken, who serves as Principal Financial Officer of National Beverage Corp., is also paid by CMA and is included under the "All Other Compensation" caption in the Summary Compensation Table. (See "Certain Relationships and Related Party Transactions".)

SUMMARY COMPENSATION TABLE

The following table sets forth information concerning compensation awarded to, earned by or paid to our Executive Officers, and payments made to CMA, for services rendered during the past three fiscal years:

Name and Principal Position	Year	Salary ($)	Bonus ($)	Total Salary and Bonus ($)	Grant Date Option Award Value ($)[2]	GAAP Option Expense ($)[3]	All Other Compensation ($)	Total ($)[4] SEC	Total ($)[4] GAAP
Nick A. Caporella[1] Chairman of the Board and Chief Executive Officer	2018	–	–	–	n/a	–	9,757,340[1]	9,757,340	[4]
	2017	–	–	–	n/a	–	8,269,181[1]	8,269,181	[4]
	2016	–	–	–	n/a	–	7,047,850[1]	7,047,850	[4]
Joseph G. Caporella President	2018	775,000	665,000	1,440,000	n/a	17,205	6,877	1,446,877	1,464,082
	2017	760,000	584,000	1,344,000	n/a	23,418	6,733	1,350,733	1,374,151
	2016	725,000	474,955	1,199,955	n/a	31,223	6,591	1,206,546	1,237,769
George R. Bracken[1] Executive Vice President-Finance	2018	–	–	–	n/a	10,663	590,400[1]	590,400	[4]
	2017	–	–	–	n/a	14,756	575,156[1]	560,400	[4]
	2016	–	–	–	n/a	19,070	489,470[1]	470,400	[4]
Gregory P. Cook[5] Vice President-Controller & Chief Accounting Officer	2018	220,000	55,000	275,000	n/a	3,591	1,297	276,297	279,888
	2017	205,000	45,000	250,000	n/a	4,377	1,153	251,153	255,530
	2016	185,000	35,000	220,000	n/a	5,738	1,011	221,011	226,749

SEC Required → ← NBC (GAAP)

[1] Mr. Nick A. Caporella, our Chairman of the Board and Chief Executive Officer, and Mr. George R. Bracken, our Executive Vice President-Finance, do not receive any cash compensation from the Company as their services are provided to us through CMA. As described above in “Compensation Discussion and Analysis” and “Management Services Agreement – Compensation”, we pay an annual base management fee equal to one percent of our consolidated net sales for the services that CMA provides, which include, among other things, the services of Mr. Nick A. Caporella and Mr. Bracken and other senior and corporate personnel who are not required to be included in the table above. (See “Certain Relationships and Related Party Transactions” below.). The amounts set forth with respect to Mr. Nick A. Caporella under the caption “All Other Compensation” represent the total management fees paid by us to CMA for the respective fiscal years and should not be interpreted as the actual compensation paid to Mr. Nick A. Caporella by either the Company or CMA and are shown only to comply with the Commission comment letter dated February 9, 2009. The amounts set forth with respect to Mr. Bracken under the caption “All Other Compensation” represent payments to him by CMA.

[2] As prescribed by SEC regulations, grant date option award value represent the grant date fair value for Special Option awards granted on August 27, 2014 computed in accordance with Accounting Standards Codification 718 based on the Black- Scholes option-pricing model. (See Note 8 to the Financial Statements included in the Company’s Annual Report on Form 10-K for additional information regarding the assumptions utilized.) Special Options generally vest over five to nine-year periods and accordingly the Company recognizes compensation expense with respect to these options over the projected vesting periods. Accordingly, the Company believes that this methodology does not fully reflect the periodic cost to the Company or the value to the recipient and therefore has provided additional Generally Accepted Accounting Principles (“GAAP”) based option expense information. (See footnote 3 below.)

[3] Amounts represent the annual compensation expense recognized for stock option awards computed in accordance with GAAP pursuant to Accounting Standards Codification 718 based on the Black-Scholes option-pricing model. (See Note 8 to the Financial Statements included in the Company's Annual Report on Form 10-K for additional information regarding the assumptions utilized.) Options held by our Executive Officers generally vest over five to nine-year periods and are expensed in accordance with GAAP. The Company believes that the annual compensation expense provides a more meaningful measure of the value of these options for any given fiscal year than the grant date fair value amount prescribed by SEC regulations and therefore has been included as supplementary information.

[4] Mr. Nick A. Caporella has not been awarded stock options, therefore, his total does not differ from the SEC recommended total. GAAP option expense for Mr. Bracken is included in "All Other Compensation", therefore his GAAP total is reflected in that column.

[5] Mr. Gregory P. Cook passed away on July 27, 2018.

GRANTS OF PLAN-BASED AWARDS IN FISCAL 2018

There were no equity or non-equity incentive plan based awards granted to Executive Officers during Fiscal 2018.

OUTSTANDING EQUITY AWARDS AT END OF FISCAL 2018

The following table sets forth information about the number of outstanding equity awards held by our Executive Officers at April 28, 2018. No equity awards have been granted to Nick A. Caporella since the inception of the Company.

	Option Awards			
Name	Number of Securities Underlying Unexercised Options (# Exercisable)	Number of Securities Underlying Unexercised Options (# Unexercisable)	Option Exercise Price ($)	Option Expiration Date
Joseph G. Caporella	36,040	1,960	5.68[1]	7/27/2020
	5,600	14,400	13.60[1]	8/26/2024
George R. Bracken	6,800	1,200	5.68[1]	7/27/2020
	4,200	10,800	13.60[1]	8/26/2024
Gregory P. Cook[2]	3,000	—	11.35	5/04/2020
	1,400	3,600	13.60[1]	8/26/2024

[1] Options granted under the Company's Special Option Plan are exercisable for a ten-year period and vest in relatively equal amounts at approximately 16-month intervals. The exercise price can be reduced and the vesting schedule can be accelerated if the optionee purchases and maintains ownership of shares of Common Stock and the Company achieves performance objectives as determined by the Board. Based upon these factors, full vesting can occur from 64 to 104 months after issuance and the exercise price can range from 50% to 7% of the initial grant price if the options are held until the final vesting date.

[2] Mr. Gregory P. Cook passed away on July 27, 2018.

OPTION EXERCISES AND STOCK VESTED IN FISCAL 2018

There were no stock options exercised by Executive Officers during Fiscal 2018.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information about shares of Common Stock that may be issued upon exercise of options and other stock-based awards under all of the Company's equity compensation plans as of April 28, 2018.

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights($)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in First Column)
Equity compensation plans approved by shareholders	331,200	11.13	2,700,946
Equity compensation plans not approved by shareholders[1]	13,745	3.97	115,967
Total	344,975	10.84	2,816,413

[1] Includes shares issuable for outstanding options and shares available for grant under the Company's KEEP Program.

DIRECTOR COMPENSATION

Officers of the Company who are also directors do not receive any fee or remuneration for services as members of the Board of Directors or of any Committee of the Board of Directors. Non-management directors receive a retainer fee of $40,000 per annum, a fee of $2,000 for each Board meeting attended, a fee of $1,500 for each Audit Committee meeting attended ($2,500 in the case of the Chairman) and a fee of $1,000 ($1,700 in the case of a committee Chairman) for each other committee meeting attended. Set forth below are the amounts paid to non-management Directors in Fiscal 2018.

Name	Fees Earned or Paid in Cash ($)	Grant Date Option Award Value ($)[1]	All Other Compensation ($)	Total ($)[2]
Cecil D. Conlee	60,900	—	—	60,900
Samuel C. Hathorn, Jr.	75,500	—	—	75,500
Stanley M. Sheridan	61,500	—	—	61,500

[1] There were no stock options granted to Directors during Fiscal 2018. Compensation expense recognized for accounting purposes with respect to stock options held by non-management Directors during Fiscal 2018, computed in accordance with Accounting Standards Codification 718, is as follows: Mr. Conlee $24,662, Mr. Hathorn, $13,201 and Mr. Sheridan $10,653.

[2] Total compensation expense recognized for each non-management Director, including compensation expense recognized for accounting purposes with respect to stock options held by Directors, is as follows: Mr. Conlee $85,562, Mr. Hathorn $88,701 and Mr. Sheridan $72,153.

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

None

PAY RATIO DISCLOSURE

Pursuant to Item 402(u) of Regulation S-K and Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the Company is required to provide the ratio of the annual total compensation of Mr. Nick A. Caporella, who has served as the Company's Chief Executive Officer since the Company was founded in 1985, to the annual total compensation of the median employee of the Company.

Mr. Nick A. Caporella, our Chairman of the Board and Chief Executive Officer, does not receive any direct compensation from the Company as his services, along with the services of other individuals, are provided to the Company through CMA. As noted under "Certain Relationships and Related Party Transactions," CMA employs numerous individuals, who, acting as a unit provide management, administrative and creative functions for the Company. As further noted in "Management Services Agreement – Compensation", the compensation for Mr. Caporella that is presented in the "Summary Compensation Table" reflects, pursuant to a Commission comment letter dated February 9, 2009, the entire amount of the CMA fee for Fiscal 2018. **We believe this method of reporting is misleading and could lead the reader to construe that these amounts are paid by the Company or CMA directly to Mr. Nick A. Caporella. The amounts paid by the Company to CMA, as reflected in the Summary Compensation Table, should not be interpreted as the actual amount of compensation paid to Mr. Nick A. Caporella by either the Company or CMA and are shown only to comply with the Commission comment letter.**

The pay of our median employee was $49,224. The resulting ratio of the net CMA fee to the pay of our Median Employee is 198 to 1. The median employee was identified using the gross annual compensation as of April 28, 2018 for all active employees on that date. The calculation of CEO's annual total compensation, used to determine the pay ratio, utilized the methodology outlined above.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee of the Board of Directors has furnished the following report:

Pursuant to its charter, the Audit Committee oversees the Company's financial reporting process on behalf of the Board of Directors. The Company's management has the primary responsibility for the financial statements and reporting process, including the Company's internal control systems. In fulfilling its oversight responsibilities, the Audit Committee reviewed and discussed with management the audited financial statements included in the Annual Report on Form 10-K for the fiscal year ended April 28, 2018. This review included a discussion of the quality and the acceptability of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

The Audit Committee discussed with the Company's independent auditors, who are responsible for expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles, all matters required to be discussed by Auditing Standards No. 16, "Communications with Audit Committees" issued by the Public Company Accounting Oversight Board ("PCAOB"). In addition, our independent auditors provided the Committee with the written disclosures and the letter required by the applicable requirements of the PCAOB relating to the independent auditor's communications with the Committee concerning independence.

The Audit Committee discussed with the independent auditors the overall plans for their audits, the results of their examinations, their evaluations of the Company's internal controls and the overall quality of the Company's financial reporting.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended April 28, 2018 for filing with the Commission.

THE AUDIT COMMITTEE

Samuel C. Hathorn, Jr. (Chairman)
Stanley M. Sheridan (Deputy Chairman)
Cecil D. Conlee

INDEPENDENT AUDITORS

The Company's financial statements for Fiscal 2018 and the year ended April 29, 2017 ("Fiscal 2017") were examined by RSM US LLP ("RSM"), independent registered public accountants. Representatives of RSM are expected to be present at the Meeting to make a statement if they so desire and they are expected to be available to respond to appropriate questions.

Audit and Other Fees

For professional services rendered for the annual audit of the Company's consolidated financial statements and internal controls, review of its interim financial statements included in the Company's Form 10-Q and services that are normally provided in connection with statutory and regulatory filings, the Company was billed $428,000 for Fiscal 2018 and $425,000 for Fiscal 2017. Included in such amounts are fees associated with Sarbanes-Oxley Section 404 requirements of $202,000 for Fiscal 2018 and $201,000 for Fiscal 2017.

During Fiscal 2018 and 2017, RSM did not bill the Company for any tax consulting or other products or services. The Audit Committee pre-approves all audit and permitted non-audit fees before such service is rendered.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Company is a party to a management agreement with CMA, a corporation owned by our Chairman and Chief Executive Officer. This agreement was originated in 1991 for the efficient use of management of two public companies at the time. In 1994, one of those public entities, through a merger, no longer was managed in this manner.

Under the terms of the management agreement, CMA provides, subject to the direction and supervision of the Board of Directors of the Company, (i) senior corporate functions (including supervision of the Company's financial, legal, executive recruitment, internal audit and management information systems departments) as well as the services of a Chief Executive Officer and Chief Financial Officer, and (ii) services in connection with acquisitions, dispositions and financings by the Company, including identifying and profiling acquisition candidates, negotiating and structuring potential transactions and arranging financing for any such transaction. CMA, through its personnel, also provides, to the extent possible, the stimulus and creativity to develop an innovative and dynamic persona for the Company, its products and corporate image. In order to fulfill its obligations under the management agreement, CMA employs numerous individuals, who, acting as a unit, provide management, administrative and creative functions for the Company. In connection with providing services under the management agreement, CMA is a twenty percent (20%) joint owner of an aircraft used by the Company. The management agreement provides that the Company will pay CMA an annual base fee equal to one percent of the consolidated net sales of the Company, and further provides that the Compensation and Stock Option Committee and the Board of Directors may from time to time award additional incentive compensation to CMA. The Board of Directors on numerous occasions contemplated incentive compensation and, while shareholder value increased to over $4.8 billion (or 11,000%) since the inception of this agreement, no incentive compensation has been paid. We incurred management fees to CMA of $9.8 million for Fiscal 2018, $8.3 million for Fiscal 2017, and $7.0 million for Fiscal 2016. The Company does not have written policies and procedures with respect to related party transactions, but the Company's practice has been that the services and performance of CMA are reviewed annually by the independent members of the Compensation and Stock Option Committee and the Board of Directors. During the course of such reviews, the independent directors on the Compensation and Stock Option Committee have, on numerous occasions, proposed that CMA be paid an incentive due to superior performance based on various criteria, including the favorable outcome of specific negotiations and the performance of the Company's Common Stock. During the April 20, 2018 Board meeting, the Chairman of the Compensation Committee initiated a broad discussion concerning expediting an incentive plan for CMA, especially considering the Company's exceptional performance over the past several years. However, no incentive compensation has been accepted by CMA and, as noted above, none has been paid since the inception of the management agreement.

PROXY SOLICITATION

The accompanying proxy is solicited by and on behalf of the Board of Directors of the Company. Proxies may be solicited by personal interview, mail, email, telephone or facsimile. The Company will also request banks, brokers and other custodian nominees and fiduciaries to supply proxy material to the beneficial owners of the Company's Common Stock of whom they have knowledge, and the Company will reimburse them for their expense in so doing. Certain directors, officers and other employees of the Company may solicit proxies without additional remuneration. The entire cost of the solicitation will be borne by the Company.

CONTACTING THE BOARD OF DIRECTORS

Shareholders who wish to communicate with the Board of Directors may do so by writing to Board of Directors, National Beverage Corp., P.O. Box 16720, Fort Lauderdale, Florida 33318. Such communications will be reviewed by the Secretary of the Company, who shall remove communications relating to solicitations, junk mail or correspondence relating to customer service issues. All other communications shall be forwarded to the Board of Directors or specific members of the Board as appropriate or as requested in the shareholder communication.

Any proposal of a shareholder intended to be presented at the Company's 2019 Annual Meeting of Shareholders must be received by the Company for inclusion in the Proxy Statement and form of proxy for that meeting no later than May 9, 2019. Additionally, the Company must receive notice of any shareholder proposal to be submitted at the 2019 Annual Meeting of Shareholders (but not required to be included in the Proxy Statement) not earlier than June 23, 2019 and not later than July 23, 2019, or such proposal will be considered untimely pursuant to Rule 14a-4 and 14a-5(e) of the Exchange Act and the persons named in the proxies solicited by management may exercise discretionary voting authority with respect to such proposal.

Our Amended and Restated Certificate of Incorporation contains an advance notice provision relating to shareholder nominations of directors at any meeting of the shareholders called for the election of directors. Under the Company's Amended and Restated Certificate of Incorporation, any nomination to be made at the 2019 Annual Meeting of Shareholders must (i) be received by our Secretary not earlier than June 23, 2019 and not later than July 23, 2019 and (ii) include certain information relevant to the shareholder and their nominee as required by our Amended and Restated Certificate of Incorporation.

DISCRETIONARY VOTING OF PROXIES ON OTHER MATTERS

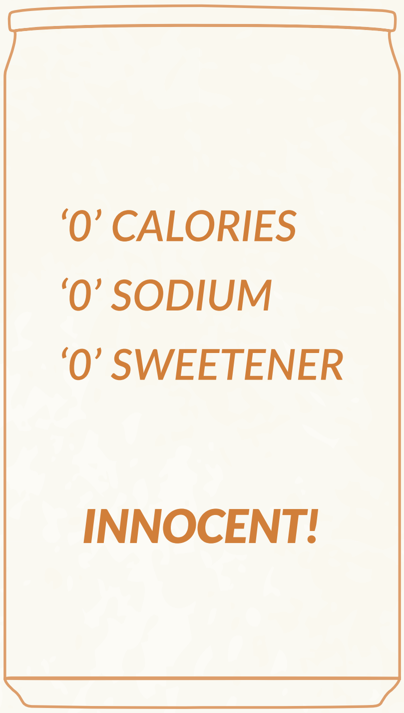
The Board of Directors does not now intend to bring before the Meeting any matters other than those disclosed in the Notice of Annual Meeting of Shareholders, and it does not know of any business which persons other than the Board of Directors intend to present at the Meeting. Should any other matter requiring a vote of the shareholders arise, the accompanying proxy form confers upon the person or persons entitled to vote the shares represented by any such proxy discretionary authority to vote the same in respect of any such other matter in accordance with their best judgment.

Please date, sign and return the proxy at your earliest convenience in the accompanying pre-addressed envelope (no postage is required for mailing in the United States) or vote electronically using the Internet or by telephone. A prompt return of your vote will be appreciated as it will save the expense of further mailings.

By Order of the Board of Directors,

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

August 24, 2018
Fort Lauderdale, Florida



UNANIMITY . . . !

CORPORATE DATA

DIRECTORS

Nick A. Caporella
Chairman of the Board &
Chief Executive Officer
National Beverage Corp.

Joseph G. Caporella
President
National Beverage Corp.

Cecil D. Conlee*
Founder & Chairman
The Conlee Company

Samuel C. Hathorn, Jr.*
Retired Chief Executive Officer
Trendmaker Development Co.

Stanley M. Sheridan*
Retired President
Faygo Beverages, Inc.

*Member Audit Committee

CORPORATE MANAGEMENT

Nick A. Caporella
Chairman of the Board &
Chief Executive Officer

Joseph G. Caporella
President

George R. Bracken
Executive Vice President-
Finance

Timothy C. Barker
Executive Director-
Strategic IT

Brent R. Bott
Executive Director-
Consumer Marketing

Gregory J. Kwederis
Executive Director-
Beverage Analyst

Dominic H. Angelina
Director-Internal Audit

Richard S. Berkes
Director-Risk Management

Glenn G. Bryan
Director-Tax

Michael M. King
Special Corporate Counsel

SUBSIDIARY MANAGEMENT

Alan A. Chittaro
President
Faygo Beverages

Michael J. Bahr
Executive Vice President
Shasta West

James C.T. Bolton
Executive Vice President
PACO

Alan D. Domzalski
Executive Vice President
Sundance Beverages

James H. Erwin III
Executive Vice President
LaCroix Beverages

Stephen E. Flis
Executive Vice President
Shasta Sweetener

Arthur D. Hanrehan
Executive Vice President
National BevPak

James M. Jones
Executive Vice President
Foodservice Division

Tammera K. Atkins
Vice President
Rip It Energy Fuel

John F. Hlebica
Vice President
International Division

SUBSIDIARIES

BevCo Sales, Inc.
Beverage Corporation Intl., Inc.
Big Shot Beverages, Inc.
Everfresh Beverages, Inc.
Faygo Beverages, Inc.
LaCroix Beverages, Inc.
National Beverage Vending Co.
National Retail Brands, Inc.
NewBevCo, Inc.
NutraFizz Products Corp.
PACO, Inc.
Shasta Beverages, Inc.
Shasta Beverages Intl., Inc.
Shasta Sales, Inc.
Shasta Sweetener Corp.
Shasta West, Inc.
Sundance Beverage Company

CORPORATE OFFICES

8100 Southwest Tenth Street
Fort Lauderdale, FL 33324
954-581-0922

ANNUAL MEETING

The Annual Meeting of Shareholders will be held on Friday, October 5, 2018 at 2:00 p.m. local time at the Hyatt Regency Orlando International Airport Hotel, 9300 Jeff Fuqua Boulevard, Orlando, FL 32827.

FINANCIAL AND OTHER INFORMATION

A copy of National Beverage Corp.'s Annual Report, Annual Report on Form 10-K, and other financial information can be found on the company's website (www.nationalbeverage.com) or may be obtained without charge by writing or calling:
National Beverage Corp.
Shareholder Relations,
8100 Southwest Tenth Street,
Fort Lauderdale, FL 33324.
Telephone: 877-NBC-FIZZ
(877-622-3499).

STOCK EXCHANGE LISTING

Common Stock is listed on The NASDAQ Global Select Market – symbol FIZZ.

TRANSFER AGENT AND REGISTRAR

Computershare
462 South 4th Street
Suite 1600
Louisville, KY 40202
888-313-1476
www.computershare.com/investor

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

RSM US LLP
Fort Lauderdale, FL

Remembering

Gregory P. Cook

June 7, 1957 – July 27, 2018

God saw you getting tired
And a cure was not to be,
So he put his arms around you,
And whispered, "Come to Me."
With tearful eyes we watched you,
And saw you pass away.
Although we loved you dearly,
We could not make you stay.
A golden heart stopped beating,
Hard working hands to rest,
God broke our hearts to prove to us,
He only takes the Best!

Greg was truly a one-of-a-kind character.
Not many have attained the pinnacle achieved by him.
His devoted sense of loyalty made him
"The Most Unforgettable Person to Come Our Way."

Team National

"Only when the mind wills itself beyond its human boundaries... does one's vision create the ultimate reality!"

NAC

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