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

FORM 10-Q

☑ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the Quarterly Period Ended October 30, 2021
or
☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Commission file number 1-14170

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

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

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

(954) 581-0922
(Registrant’s telephone number including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $.01 per share	FIZZ	The NASDAQ Global Select Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act. Large accelerated filer ☑ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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

The number of shares of registrant’s common stock outstanding as of December 6, 2021 was 93,322,246.

NATIONAL BEVERAGE CORP.
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PART I - FINANCIAL INFORMATION

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

	October 30, 2021	May 1, 2021
Assets		
Current assets:		
Cash and equivalents	$ 273,037	$ 193,589
Trade receivables - net	88,241	86,442
Inventories	78,789	71,480
Prepaid and other assets	10,417	13,431
Total current assets	450,484	364,942
Property, plant and equipment - net	129,852	131,027
Right-of-use assets	35,529	41,676
Goodwill	13,145	13,145
Intangible assets	1,615	1,615
Other assets	4,803	4,832
Total assets	$ 635,428	$ 557,237
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable	$ 90,347	$ 88,754
Accrued liabilities	35,966	43,551
Operating lease liabilities	13,149	14,800
Income taxes payable	296	89
Total current liabilities	139,758	147,194
Deferred income taxes - net	16,078	17,294
Non-current operating lease liabilities	24,526	28,837
Other liabilities	8,220	7,915
Total liabilities	188,582	201,240
Shareholders' equity:		
Preferred stock, $1 par value - 1,000,000 shares authorized: Series C - 150,000 shares issued	150	150
Common stock, $.01 par value - 200,000,000 shares authorized; 101,696,358 shares issued (101,675,858 shares at May 1)	1,017	1,016
Additional paid-in capital	38,836	38,375
Retained earnings	430,772	337,672
Accumulated other comprehensive income	304	3,017
Treasury stock - at cost:		
Series C preferred stock - 150,000 shares	(5,100)	(5,100)
Common stock - 8,374,112 shares	(19,133)	(19,133)
Total shareholders' equity	446,846	355,997
Total liabilities and shareholders' equity	$ 635,428	$ 557,237

See accompanying Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended		Six Months Ended	
	October 30, 2021	October 31, 2020	October 30, 2021	October 31, 2020
Net sales	$ 283,158	$ 271,809	$ 594,870	$ 565,176
Cost of sales	181,673	163,760	368,614	339,909
Gross profit	101,485	108,049	226,256	225,267
Selling, general and administrative expenses	49,924	46,459	104,367	97,006
Operating income	51,561	61,590	121,889	128,261
Other (expense) income - net	(7)	63	(22)	339
Income before income taxes	51,554	61,653	121,867	128,600
Provision for income taxes	12,270	14,489	28,767	30,272
Net income	$ 39,284	$ 47,164	$ 93,100	$ 98,328
Earnings per common share:				
Basic	$ .42	$ .51	$ 1.00	$ 1.05
Diluted	$ .42	$ .50	$ .99	$ 1.05
Weighted average common shares outstanding:				
Basic	93,321	93,276	93,310	93,262
Diluted	93,640	93,754	93,607	93,632

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(In thousands)

	Three Months Ended		Six Months Ended	
	October 30, 2021	October 31, 2020	October 30, 2021	October 31, 2020
Net income	$ 39,284	$ 47,164	$ 93,100	$ 98,328
Other comprehensive (loss) income, net of tax:				
Cash flow hedges	(960)	1,630	(2,713)	6,889
Comprehensive income	$ 38,324	$ 48,794	$ 90,387	$ 105,217

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
(In thousands)

	Three Months Ended				Six Months Ended			
	October 30, 2021		October 31, 2020		October 30, 2021		October 31, 2020	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Series C Preferred Stock								
Beginning and end of period	150	$ 150	150	$ 150	150	$ 150	150	$ 150
Common Stock								
Beginning of period	101,688	1,017	101,634	1,016	101,676	1,016	101,606	1,016
Stock options exercised	8	-	30	-	20	1	58	-
End of Period	101,696	1,017	101,664	1,016	101,696	1,017	101,664	1,016
Additional Paid-In Capital								
Beginning of period		38,604		37,602		38,375		37,422
Stock options exercised		53		251		111		403
Stock-based compensation		179		91		350		119
End of period		38,836		37,944		38,836		37,944
Retained Earnings								
Beginning of period		391,488		494,566		337,672		443,402
Net income		39,284		47,164		93,100		98,328
End of period		430,772		541,730		430,772		541,730
Accumulated Other Comprehensive Income								
Beginning of period		1,264		(161)		3,017		(5,420)
Cash flow hedges, net of tax		(960)		1,630		(2,713)		6,889
End of period		304		1,469		304		1,469
Treasury Stock - Series C Preferred								
Beginning and end of period	150	(5,100)	150	(5,100)	150	(5,100)	150	(5,100)
Treasury Stock - Common								
Beginning and end of period	8,374	(19,133)	8,374	(19,133)	8,374	(19,133)	8,374	(19,133)
Total Shareholders' Equity		$ 446,846		$ 558,076		$ 446,846		$ 558,076

See accompanying Notes to Condensed Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six Months Ended	
	October 30, 2021	October 31, 2020
Operating Activities:		
Net income	$ 93,100	$ 98,328
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,234	9,233
Deferred income tax provision	(363)	-
Gain on sale of property, net	8	-
Stock-based compensation	350	119
Amortization of operating right to use assets	6,872	6,636
Changes in assets and liabilities:		
Trade receivables	(1,799)	2,060
Inventories	(7,309)	(5,334)
Operating lease right to use assets	(1,594)	(4,322)
Prepaid and other assets	510	94
Accounts payable	1,593	6,175
Accrued and other liabilities	(9,545)	(93)
Operating lease obligation	(5,093)	(2,019)
Net cash provided by operating activities	85,964	110,877
Investing Activities:		
Additions to property, plant and equipment	(6,628)	(10,369)
Proceeds from sale of property, plant and equipment	1	15
Net cash used in investing activities	(6,627)	(10,354)
Financing Activities:		
Proceeds from stock options exercised	111	403
Net cash provided by financing activities	111	403
Net Increase in Cash and Equivalents	79,448	100,926
Cash and Equivalents - Beginning of Period	193,589	304,518
Cash and Equivalents - End of Period	$ 273,037	$ 405,444
Other Cash Flow Information:		
Interest paid	$ 93	$ 90
Income taxes paid	$ 31,386	$ 38,007

See accompanying Notes to Condensed Consolidated Financial Statements.

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

1. SIGNIFICANT ACCOUNTING POLICIES

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

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with United States generally accepted accounting principles (“GAAP”) and rules and regulations of the Securities and Exchange Commission for interim financial reporting. Accordingly, they do not include all information and notes presented in the annual consolidated financial statements. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended May 1, 2021. The accounting policies used in these interim unaudited condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements.

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

Reclassification
On February 5, 2021, the Company's board of directors declared a one-for-one stock split in the form of a stock dividend. This dividend was distributed on February 19, 2021 to shareholders of record on February 16, 2021. Share information and earnings per share have been retroactively adjusted to reflect the stock split.

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

Inventories
Inventories are stated at the lower of first-in, first-out cost or net realizable market. Inventories at October 30, 2021 were comprised of finished goods of $44.5 million and raw materials of $34.3 million. Inventories at May 1, 2021 were comprised of finished goods of $43.3 million and raw materials of $28.2 million.

Accrued Liabilities
Accrued liabilities includes accrued compensation of $9.5 million and accrued container deposits of $9.1 million at October 30, 2021.

Marketing Costs

The Company utilizes a variety of marketing programs, including cooperative advertising programs with customers, to advertise and promote its 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, were $10.8 million for the three months ended October 30, 2021 and $10.0 million for the three months ended October 31, 2020. Marketing costs were $23.2 million for the six months ended October 30, 2021, and $19.9 million for the six months ended October 31, 2020.

Shipping and Handling Costs

Shipping and handling costs are reported in selling, general and administrative expenses in the accompanying condensed consolidated statements of income. Such costs were $21.7 million for the three months ended October 30, 2021 and $18.5 million for the three months ended October 31, 2020. Shipping and handling costs were $44.4 million for the six months ended October 30, 2021 and $37.9 million for the six months ended October 31, 2020. 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

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	(In thousands)	
	October 30, 2021	May 1, 2021
Land	$ 9,835	$ 9,835
Buildings and improvements	62,856	62,346
Machinery and equipment	262,865	257,119
Total	335,556	329,300
Less accumulated depreciation	(205,704)	(198,273)
Property, plant and equipment – net	$ 129,852	$ 131,027

Depreciation expense was $3.9 million for the three months ended October 30, 2021 and $3.7 million for the three months ended October 31, 2020. Depreciation expense was $7.8 million for the six months ended October 30, 2021 and $7.5 million for the six months ended October 31, 2020.

3. DEBT

At October 30, 2021, a subsidiary of the Company maintained unsecured revolving credit facilities with banks aggregating $100 million (the "Credit Facilities"). The Credit Facilities expire from October 28, 2022 to April 30, 2023 and any borrowings would currently bear interest at 1.0% above one-month LIBOR. There were no borrowings outstanding under the Credit Facilities at October 30, 2021 or May 1, 2021. At October 30, 2021, $2.5 million of the Credit Facilities was reserved for standby letters of credit and $97.5 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 October 30, 2021, we were in compliance with all loan covenants.

4. STOCK-BASED COMPENSATION

During the six months ended October 30, 2021, options to purchase 30,000 shares were granted and options to purchase 20,500 shares were exercised at weighted average exercise prices of $44.73 and $5.90, respectively. At October 30, 2021, options to purchase 570,600 shares at a weighted average exercise price of $19.47 per share were outstanding and stock-based awards to purchase 5,369,004 shares of common stock were available for grant.

5. DERIVATIVE FINANCIAL INSTRUMENTS

From time to time, we enter into aluminum swap contracts to partially mitigate our exposure to changes in the cost of aluminum cans. Such financial instruments are designated and accounted for as 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 Condensed Consolidated Statements of Income and AOCI:

	(In thousands)			
	Three Months Ended		Six Months Ended	
	2021	2020	2021	2020
Recognized in AOCI:				
Gain before income taxes	$ 221	$ 2,131	$ 974	$ 7,211
Less income tax provision	53	510	233	1,725
Net	168	1,621	741	5,486
Reclassified from AOCI to cost of sales:				
Gain (loss) before income taxes	1,483	(12)	4,540	(1,844)
Less income tax provision (benefit)	355	(3)	1,086	(441)
Net	1,128	(9)	3,454	(1,403)
Net change to AOCI	$ (960)	$ 1,630	$ (2,713)	$ 6,889

At May 1, 2021, the fair value of the derivative asset was $3.6 million, which was included in prepaid and other assets. 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. There were no outstanding aluminum swap contracts at October 30, 2021.

6. LEASES

The Company has entered into various non-cancelable operating lease agreements for certain of our offices, buildings and machinery and equipment expiring at various dates through January 2029. The Company does not assume renewals in the determination of the lease term unless the renewals are deemed to be reasonably assured at lease commencement. Lease agreements generally do not contain material residual value guarantees or material restrictive covenants. Operating lease cost for the three months ended October 30, 2021 and October 31, 2020 was $3.6 million and $3.3 million, respectively. Operating lease cost was $7.3 million for the six months ended October 30, 2021 and $6.6 million for the six months ended October 31, 2020. As of October 30, 2021, the weighted-average remaining lease term and weighted average discount rate of operating leases was 4.25 years and 3.08%, respectively. As of May 1, 2021, the weighted-average remaining lease term and weighted average discount rate of operating leases was 3.06 years and 3.38%, respectively. Cash payments were $4.0 million and $3.5 million, respectively, for operating leases for the three months ended October 30, 2021 and October 31, 2020. Cash payments were $7.6 million for the six months ended October 30, 2021 and $7.0 million for the six months ended October 31, 2020.

The following is a summary of future minimum lease payments and related liabilities for all non-cancelable operating leases as of October 30, 2021:

	(In thousands)
Fiscal 2022 – Remaining 2 quarters	$ 7,962
Fiscal 2023	10,548
Fiscal 2024	8,230
Fiscal 2025	5,289
Fiscal 2026	3,339
Thereafter	4,720
Total minimum lease payments including interest	40,088
Less: Amounts representing interest	(2,413)
Present value of minimum lease payments	37,675
Less: Current portion of lease obligations	(13,149)
Non-current portion of lease obligations	$ 24,526

7. SUBSEQUENT EVENTS

On December 2, 2021, the Company's board of directors declared a cash dividend of $3.00 per share payable to shareholders of record on December 13, 2021. The cash dividend expected to approximate $280 million, will be paid on or before February 11, 2022.

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

OVERVIEW

National Beverage Corp. innovatively refreshes America with a distinctive portfolio of sparkling waters, juices, energy drinks (Power+ Brands) and, to a lesser extent, Carbonated Soft Drinks. We believe our creative product designs, innovative packaging and imaginative flavors, along with our corporate culture and philosophy, make National Beverage unique as a stand-alone entity in the beverage industry. Traditional and typical are not a part of an innovator's vocabulary.

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

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

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

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

RESULTS OF OPERATIONS

Three Months Ended October 30, 2021 (second quarter of fiscal 2022) compared to
Three Months Ended October 31, 2020 (second quarter of fiscal 2021)

Net sales for the second quarter of fiscal 2022 increased 4.2% to $283.2 million from $271.8 million for the second quarter of fiscal 2021. The increase in sales resulted primarily from a 4.0% increase in average selling price per case and a modest increase in case volume, primarily Power+ Brands.

Gross profit for the second quarter of fiscal 2022 decreased to $101.5 million from $108.0 million for the second quarter of fiscal 2021. The decrease in gross profit is due to increased packaging, ingredients and freight costs along with supply chain disruptions, which adversely affected manufacturing efficiencies. These cost increases were partially offset by the increase in average selling price. The cost of sales per case increased 10.9% and gross margin decreased to 35.8% from 39.8% for the second quarter of fiscal 2022.

Selling, general and administrative expenses for the second quarter of fiscal 2022 increased $3.5 million to $49.9 million from $46.5 million for the second quarter of fiscal 2021. The increase was primarily due to an increase in shipping and marketing costs partially offset by a decrease in administrative costs. As a percent of net sales, selling, general and administrative expenses increased to 17.6% for the second quarter of fiscal 2022 from 17.1% for the second quarter of fiscal 2021.

Other income (expense) includes interest income of $49,000 for the second quarter of fiscal 2022 and $112,000 for the second quarter of fiscal 2021. The decrease in interest income is due to changes in average invested balances and lower return on investments.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 23.8% for the second quarter of fiscal 2022 and 23.5% for the second quarter of fiscal 2021. The difference between the effective rate and the federal statutory rate of 21% was primarily due to the effects of state income taxes.

Six Months Ended October 30, 2021 (first six months of fiscal 2022) compared to
Six Months Ended October 31, 2020 (first six months of fiscal 2021)

Net sales for the first six months of fiscal 2022 increased 5.3% to $594.9 million from $565.2 million for the first six months of fiscal 2021. The increase in sales resulted primarily from a 4.3% increase in average selling price per case and a modest increase in case volume. The volume increase includes a 3.3% increase in Power+ Brands offset by a decline in carbonated soft drinks.

Gross profit for the first six months of fiscal 2022 increased to $226.3 million from $225.3 million for the first six months of fiscal 2021. The increase in gross profit is due to increased average selling price offset in part by increased packaging, ingredients and labor costs. The cost of sales per case increased 8.4% and gross margin decreased to 38% from 39.9% for the first six months of fiscal 2022.

Selling, general and administrative expenses for the first six months of fiscal 2022 increased $7.4 million to $104.4 million from $97.0 million for the first six months of fiscal 2021. The increase was primarily due to an increase in shipping and marketing costs partially offset by a decrease in administrative costs. As a percent of net sales, selling, general and administrative expenses increased to 17.5% from 17.2% for the first six months of fiscal 2022.

Other income includes interest income of $97,000 for the first six months of fiscal 2022 and $397,000 for the first six months of fiscal 2021. The decrease in interest income is due to changes in average invested balances and lower return on investments.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 23.6% for the first six months of fiscal 2022 and 23.5% for the first six months of fiscal 2021. The difference between the effective rate and the federal statutory rate of 21% was primarily due to the effects of state income taxes.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources

Our principal source of funds is cash generated from operations. At October 30, 2021, we maintained $100 million unsecured revolving credit facilities, under which no borrowings were outstanding and $2.5 million was reserved for standby letters of credit. We believe existing capital resources will be sufficient to meet our liquidity and capital requirements for the next twelve months.

On December 2, 2021, the Company's board of directors declared a cash dividend of $3.00 per share payable to shareholders of record on December 13, 2021. The cash dividend, expected to approximate $280 million, will be paid on or before February 11, 2022.

Cash Flows
The Company's cash position increased $79.4 million for the first six months of fiscal 2022; compared to an increase of $100.9 million for the first six months of fiscal 2021.

Net cash provided by operating activities for the first six months of fiscal 2022 was $86.0 million compared to $110.9 million for the six months of fiscal 2021. For the first six months of fiscal 2022, cash flow was principally provided by net income of $93.1 million, depreciation and amortization of $9.2 million, and amortization of operating right of use assets of $6.9 million, offset in part by increases in working capital other than cash.

Net cash used in investing activities for the first six months of fiscal 2022 reflects capital expenditures of $6.6 million, compared to capital expenditures of $10.4 million for the first six months of fiscal 2021. We intend to continue production capacity and efficiency improvement projects for the balance of fiscal 2022, and expect capital expenditures to be comparable to total fiscal 2021 levels.

Financial Position
At October 30, 2021, our working capital increased to $310.7 million from $217.7 million at May 1, 2021. The current ratio was 3.2 to 1 at October 30, 2021 compared to 2.5 to 1 at May 1, 2021. Trade receivables increased $1.8 million and days sales outstanding improved to 28.4 from 30.1. Inventories increased $7.3 million and inventory turns decreased to 9.2 times from 9.6 times.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risks from those reported in our Annual Report on Form 10-K for the fiscal year ended May 1, 2021.

ITEM 4. CONTROLS AND PROCEDURES

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

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

FORWARD-LOOKING STATEMENTS

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

PART II - OTHER INFORMATION

ITEM 1A. RISK FACTORS

There have been no material changes in risk factors from those reported in our Annual Report on Form 10-K for the fiscal year ended May 1, 2021.

ITEM 6. EXHIBITS

Exhibit No.	D1escription
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following financial information from National Beverage Corp. Quarterly Report on Form 10-Q for the quarterly period ended October 26, 2019, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets; (ii) Consolidated Statements of Income; (iii) Consolidated Statements of Comprehensive Income; (iv) Consolidated Statements of Shareholders' Equity; (v) Consolidated Statements of Cash Flows; and (vi) the Notes to Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: December 9, 2021

National Beverage Corp.
(Registrant)

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

EXHIBIT 31.1

CERTIFICATION

I, Nick A. Caporella, certify that:

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

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

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

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

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

Date: December 9, 2021

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

EXHIBIT 31.2

CERTIFICATION

I, George R. Bracken, certify that:

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

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

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

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

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

Date: December 9, 2021

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of National Beverage Corp. (the “Company”) on Form 10-Q for the period ended October 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Nick A. Caporella, Chairman of the Board and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

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

Date: December 9, 2021

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

EXHIBIT 32.2

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

In connection with the Quarterly Report of National Beverage Corp. (the "Company") on Form 10-Q for the period ended October 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George R. Bracken, Executive Vice President - Finance of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

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

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

Date: December 9, 2021

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