

NATIONAL BEVERAGE CORP
Form 10-Q
September 10, 2015

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 August 1, 2015

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)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes () No ()

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

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

The number of shares of registrant's common stock outstanding as of September 4, 2015 was 46,407,675.

NATIONAL BEVERAGE CORP.

QUARTERLY REPORT ON FORM 10-Q

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**PART I -
FINANCIAL
INFORMATION**

**ITEM 1.
FINANCIAL
STATEMENTS
NATIONAL
BEVERAGE
CORP. AND
SUBSIDIARIES
CONSOLIDATED
BALANCE
SHEETS
(UNAUDITED)**

(In thousands,
except share data)

| | August 1, 2015 | May 2, 2015 |
|---|-------------------|----------------|
| Assets | | |
| Current assets: | | |
| Cash and equivalents | \$66,291 | \$52,456 |
| Trade receivables - net | 66,042 | 59,951 |
| Inventories | 46,571 | 42,924 |
| Deferred income taxes - net | 5,529 | 4,348 |
| Prepaid and other assets | 4,723 | 8,050 |
| Total current assets | 189,156 | 167,729 |
| Property, plant and equipment - net | 59,536 | 60,182 |
| Goodwill | 13,145 | 13,145 |
| Intangible assets | 1,615 | 1,615 |
| Other assets | 5,044 | 5,079 |
| Total assets | \$268,496 | \$247,750 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable | \$42,992 | \$44,896 |
| Accrued liabilities | 28,014 | 21,257 |
| Income taxes payable | 5,672 | 98 |
| Total current liabilities | 76,678 | 66,251 |
| Long-term debt | 5,000 | 10,000 |
| Deferred income taxes - net | 15,091 | 15,245 |
| Other liabilities | 8,786 | 8,472 |
| Shareholders' equity: | | |
| Preferred stock, \$1 par value - 1,000,000 shares authorized: | | |
| Series C - 150,000 shares issued | 150 | 150 |
| Series D - 120,000 shares issued, aggregate liquidation preference of \$6,000 | 120 | 120 |
| | 504 | 504 |

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Common stock, \$.01 par value - 75,000,000 shares authorized; 50,437,859 shares issued
(50,418,019 shares at May 2)

| | | |
|--|-----------|-----------|
| Additional paid-in capital | 38,094 | 37,759 |
| Retained earnings | 146,848 | 129,773 |
| Accumulated other comprehensive loss | (4,775) | (2,524) |
| 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 | 162,941 | 147,782 |
| Total liabilities and shareholders' equity | \$268,496 | \$247,750 |

See accompanying Notes to Consolidated Financial Statements.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(In thousands, except per share amounts)

| | Three Months Ended | |
|--|--------------------|-------------------|
| | August 1, 2015 | August 2, 2014 |
| Net sales | \$ 185,386 | \$ 174,637 |
| Cost of sales | 122,487 | 114,795 |
| Gross profit | 62,899 | 59,842 |
| Selling, general and administrative expenses | 36,806 | 37,638 |
| Interest expense | 51 | 124 |
| Other (expense) income - net | (35) | 1,197 |
| Income before income taxes | 26,007 | 23,277 |
| Provision for income taxes | 8,894 | 7,914 |
| Net income | 17,113 | 15,363 |
| Less preferred dividends and accretion | (38) | (163) |
| Earnings available to common shareholders | \$ 17,075 | \$ 15,200 |
| Earnings per common share: | | |
| Basic | \$.37 | \$.33 |
| Diluted | \$.37 | \$.33 |
| Weighted average common shares outstanding: | | |
| Basic | 46,397 | 46,336 |
| Diluted | 46,591 | 46,529 |

See accompanying Notes to Consolidated Financial Statements.

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

| | Three Months Ended | |
|--|-----------------------|----------------------|
| | August 1, 2015 | August 2, 2014 |
| Net income | \$ 17,113 | \$ 15,363 |
| Other comprehensive (loss) income, net of tax: | | |
| Cash flow hedges | (2,251) | 371 |
| Comprehensive income | \$ 14,862 | \$ 15,734 |

See accompanying Notes to Consolidated Financial Statements.

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

(In thousands)

| | Three Months Ended | |
|--|--------------------|-------------------|
| | August 1, 2015 | August 2, 2014 |
| Series C Preferred Stock | | |
| Beginning and end of period | \$ 150 | \$ 150 |
| Series D Preferred Stock | | |
| Beginning of period | 120 | 240 |
| Series D preferred redeemed | - | (120) |
| End of period | 120 | 120 |
| Common Stock | | |
| Beginning and end of period | 504 | 504 |
| Additional Paid-In Capital | | |
| Beginning of period | 37,759 | 42,775 |
| Series D preferred redeemed | - | (5,791) |
| Stock options exercised | 219 | 23 |
| Stock-based compensation | 63 | 51 |
| Stock-based tax benefits | 53 | 2 |
| End of period | 38,094 | 37,060 |
| Retained Earnings | | |
| Beginning of period | 129,773 | 80,737 |
| Net income | 17,113 | 15,363 |
| Preferred stock dividends and accretion | (38) | (163) |
| End of period | 146,848 | 95,937 |
| Accumulated Other Comprehensive (Loss) Income | | |
| Beginning of period | (2,524) | (205) |
| Cash flow hedges, net of tax | (2,251) | 371 |
| End of period | (4,775) | 166 |
| Treasury Stock - Series C Preferred | | |
| Beginning and end of period | (5,100) | (5,100) |
| Treasury Stock - Common | | |
| Beginning and end of period | (12,900) | (12,900) |
| Total Shareholders' Equity | \$ 162,941 | \$ 115,937 |

See accompanying Notes to Consolidated Financial Statements.

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

(In thousands)

| | Three Months Ended | |
|---|-----------------------|----------------------|
| | August 1, 2015 | August 2, 2014 |
| Operating Activities: | | |
| Net income | \$17,113 | \$15,363 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization | 3,020 | 3,048 |
| Deferred income tax (benefit) provision | (7) | 117 |
| Gain on sale of property, net | - | (1,255) |
| Stock-based compensation | 63 | 51 |
| Changes in assets and liabilities: | | |
| Trade receivables | (6,091) | (2,353) |
| Inventories | (3,647) | (3,552) |
| Prepaid and other assets | (254) | 941 |
| Accounts payable | (1,904) | (3,492) |
| Accrued and other liabilities | 12,305 | 9,332 |
| Net cash provided by operating activities | 20,598 | 18,200 |
| Investing Activities: | | |
| Additions to property, plant and equipment | (1,998) | (1,593) |
| Proceeds from sale of property, plant and equipment | - | 1,848 |
| Net cash (used in) provided by investing activities | (1,998) | 255 |
| Financing Activities: | | |
| Dividends paid on preferred stock | (37) | (125) |
| Repayments under credit facilities | (5,000) | (5,000) |
| Redemption of preferred stock | - | (6,000) |
| Proceeds from stock options exercised | 219 | 23 |
| Stock-based tax benefits | 53 | 2 |
| Net cash used in financing activities | (4,765) | (11,100) |
| Net Increase in Cash and Equivalents | 13,835 | 7,355 |
| Cash and Equivalents - Beginning of Period | 52,456 | 29,932 |
| Cash and Equivalents - End of Period | \$66,291 | \$37,287 |
| Other Cash Flow Information: | | |
| Interest paid | \$51 | \$117 |
| Income taxes paid | \$110 | \$132 |

See accompanying Notes to Consolidated Financial Statements.

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NATIONAL BEVERAGE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

National Beverage Corp. develops, manufactures, markets and sells a diverse portfolio of flavored beverage products primarily in North America. 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 include the accounts of National Beverage Corp. and its subsidiaries. Significant intercompany transactions and accounts have been eliminated.

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 for interim financial reporting. Accordingly, they do not include all information and notes presented in the annual consolidated financial statements. The consolidated financial statements should be read in conjunction with the annual consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the fiscal year ended May 2, 2015. The accounting policies used in these interim 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 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.

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. The estimated fair value of derivative financial instruments is calculated based on market rates to settle the instruments. 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 5.

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.

Inventories

Inventories are stated at the lower of first-in, first-out cost or market. Inventories at August 1, 2015 are comprised of finished goods of \$27.4 million and raw materials of \$19.2 million. Inventories at May 2, 2015 are comprised of finished goods of \$24.9 million and raw materials of \$18 million.

2. PROPERTY, PLANT AND EQUIPMENT

Property consists of the following:

| | (In thousands) | |
|-------------------------------------|----------------|-----------|
| | August 1, | May 2, |
| | 2015 | 2015 |
| Land | \$9,500 | \$9,500 |
| Buildings and improvements | 50,535 | 50,405 |
| Machinery and equipment | 158,540 | 156,702 |
| Total | 218,575 | 216,607 |
| Less accumulated depreciation | (159,039) | (156,425) |
| Property, plant and equipment – net | \$59,536 | \$60,182 |

Depreciation expense was \$2.6 million for the three months ended August 1, 2015 and \$2.7 million for the three months ended August 2, 2014.

3. DEBT

At August 1, 2015, a subsidiary of the Company maintained unsecured revolving credit facilities with banks aggregating \$100 million (the “Credit Facilities”). The Credit Facilities expire from October 10, 2017 to June 18, 2018 and current borrowings bear interest at .9% above one-month LIBOR (1.1% at August 1, 2015). Borrowings outstanding under the Credit Facilities were \$5 million at August 1, 2015 and \$10 million at May 2, 2015. At August 1, 2015, \$2.2 million of the Credit Facilities were reserved for standby letters of credit and \$92.8 million were available for borrowings.

The Credit Facilities require the subsidiary to maintain certain financial ratios, including debt to net worth and debt to EBITDA (as defined in the Credit Facilities), and contain other restrictions, none of which are expected to have a material effect on our operations or financial position. At August 1, 2015, we were in compliance with all loan covenants.

4. STOCK-BASED COMPENSATION

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During the three months ended August 1, 2015, options to purchase 2,200 shares of common stock were granted (weighted average exercise price of \$6.89 per share), options to purchase 19,840 shares were exercised (weighted average exercise price of \$11.03 per share) and options to purchase 7,940 shares were cancelled (weighted average exercise price of \$17.59 per share). At August 1, 2015, options to purchase 587,555 shares (weighted average exercise price of \$11.13 per share) were outstanding and stock-based awards to purchase 2,784,829 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 earnings through 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 cash flow hedges for the three months ended August 1, 2015 and August 2, 2014:

| | (In thousands) | |
|--|----------------|-------|
| | 2015 | 2014 |
| Recognized in AOCI: | | |
| (Loss) gain before income taxes | \$(4,970) | \$605 |
| Less income tax (benefit) provision | (1,844) | 224 |
| Net | (3,126) | 381 |
| Reclassified from AOCI to cost of sales: | | |
| (Loss) gain before income taxes | (1,391) | 15 |
| Less income tax (benefit) provision | (516) | 5 |
| Net | (875) | 10 |
| Net change to AOCI | \$(2,251) | \$371 |

As of August 1, 2015, the notional amount of our outstanding aluminum swap contracts was \$29.3 million and, assuming no change in the commodity prices, \$6.1 million of unrealized loss before tax will be reclassified from AOCI and recognized in earnings over the next twelve months. See Note 1.

As of August 1, 2015 and May 2, 2015, the fair value of the derivative liability was \$6.1 million and \$3 million and the fair value of the derivative long-term liability was \$1.2 million and \$751,000, which was included in 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.

6. NEW ACCOUNTING PRONOUNCEMENTS

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 30, 2018. We are currently evaluating the potential impact of adopting this guidance on our consolidated financial statements.

7. COMMITMENTS AND CONTINGENCIES

As of August 1, 2015, we guaranteed the residual value of certain leased equipment in the amount of \$4.8 million. If the proceeds from the sale of such equipment are less than the balance required by the lease when the lease terminates on August 1, 2017, the Company shall be required to pay the difference up to such guaranteed amount. The Company expects to have no loss on such guarantee.

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

Overview

National Beverage Corp. is an acknowledged leader in the development, manufacturing, marketing and sale of a diverse portfolio of flavored beverage products. Our primary market focus is the United States, but our products are also distributed in Canada, Mexico, the Caribbean, Latin America, the Pacific Rim, Asia and Europe. A holding company for various operating subsidiaries, National Beverage Corp. was incorporated in Delaware in 1985 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 brands consist of (i) beverages geared toward the active and health-conscious consumer ("Power+ Brands"), including sparkling waters, energy drinks and shots, juices, and enhanced beverages, and (ii) Carbonated Soft Drinks in a variety of flavors including regular, sugar-free and reduced-calorie options. In addition, we produce soft drinks for certain retailers ("Allied Brands") that endorse the "Strategic Alliance" concept of having our brands and Allied Brands marketed to effectuate enhanced growth of both. We employ a philosophy that emphasizes vertical integration; our manufacturing model integrates the procurement of raw materials and production of concentrates with the manufacture of finished products in our twelve manufacturing facilities. To service a diverse customer base that includes numerous national retailers as well as thousands of smaller "up-and-down-the-street" accounts, we have developed a hybrid distribution system that promotes and utilizes customer warehouse distribution facilities and our own direct-store delivery fleet plus the direct-store delivery systems of independent distributors and wholesalers.

We consider ourselves to be a leader in the development and sale of flavored beverage products. The National Beverage Corp. brand portfolio contains a wide variety of beverages to meet consumer needs in a multitude of market segments. Our portfolio of Power+ Brands is targeted to consumers seeking healthier and functional alternatives to complement their active lifestyles, and includes LaCroix®, LaCroix Cúrate™ and LaCroix NiCola™ sparkling water products; Rip It® energy drinks and shots; and Everfresh® and Everfresh Premier Varietals™, 100% juice and juice-based products. Our carbonated soft drink flavor development spans more than 125 years originating with our flagship brands, Shasta® and Faygo®.

Our strategy emphasizes the growth of our products by (i) expanding our focus on healthier and functional beverages tailored toward healthy, active lifestyles, (ii) offering a beverage portfolio of proprietary flavors with distinctive packaging and broad demographic appeal, (iii) supporting the franchise value of regional brands, (iv) appealing to the "quality-value" expectations of the family consumer, and (v) responding to demographic trends by developing innovative products designed to expand distribution.

The majority of our sales are seasonal with the highest volume typically realized during the summer months. As a result, our operating results from one fiscal quarter to the next may not be comparable. Additionally, our operating results are affected by numerous factors, including fluctuations in the costs of raw materials, changes in consumer preference for beverage products, competitive pricing in the marketplace and weather conditions.

RESULTS OF OPERATIONS

Three Months Ended August 1, 2015 (first quarter of fiscal 2016) compared to

Three Months Ended August 2, 2014 (first quarter of fiscal 2015)

Net sales for the first quarter of fiscal 2016 increased 6.2% to \$185.4 million compared to \$174.6 million for the first quarter of fiscal 2015. The higher sales resulted from a 3.9% increase in case volume and a 2.2% increase in average selling price. The volume increase includes 27.3% growth of our Power+ Brands, partially offset by a decline in carbonated soft drinks including Allied Brands. The increase in selling price per unit is related to changes in product mix.

Gross profit approximated 34% of net sales for the first quarter of fiscal 2016 and the first quarter of fiscal 2015. The increase in gross profit is primarily due to higher sales, partially offset by an increase in cost of sales per unit of 2.7%.

Selling, general and administrative expenses were \$36.8 million or 19.9% of net sales for the first quarter of fiscal 2016 compared to \$37.6 million or 21.6% of net sales for the first quarter of fiscal 2015. The decline in expenses was due to lower marketing costs, partially offset by higher selling costs.

Interest expense decreased to \$51,000 for the first quarter of fiscal 2016, primarily due to a decline in average borrowings outstanding under credit facilities. Other income includes a \$1.3 million gain on sale of property in the first quarter of fiscal 2015.

The Company's effective income tax rate, based upon estimated annual income tax rates, was 34.2% for the first quarter of fiscal 2016 and 34.0% for the first quarter of fiscal 2015. The difference between the effective rate and the federal statutory rate of 35% was primarily due to the effect of state income taxes and the manufacturing deduction.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources

Our principal source of funds is cash generated from operations and borrowings available under our credit facilities. At August 1, 2015, we maintained \$100 million unsecured revolving credit facilities, of which \$5 million of borrowings were outstanding and \$2.2 million were 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.

Cash Flows

The Company's cash position for the first quarter of fiscal 2016 increased \$13.8 million from May 2, 2015, which compares to an increase of \$7.4 million for the first quarter of fiscal 2015.

Net cash provided by operating activities for the first quarter of fiscal 2016 amounted to \$20.6 million compared to \$18.2 million for the first quarter of fiscal 2015. For the first quarter of fiscal 2016, cash flow was principally provided by net income of \$17.1 million and depreciation and amortization aggregating \$3 million, offset in part by seasonal increases in trade receivables and inventory.

Net cash used in investing activities for the first quarter of fiscal 2016 reflects capital expenditures of \$2 million, compared to capital expenditures of \$1.6 million for the first quarter of fiscal 2014. The first quarter of fiscal 2015 included proceeds from sale of property of \$1.8 million.

Net cash used in financing activities for the first quarter of fiscal 2016 amounted to \$4.8 million, which included \$5 million in principal repayments under credit facilities. In the first quarter of fiscal 2015, the Company redeemed 120,000 shares of Series D Preferred for an aggregate price of \$6 million and repaid \$5 million in principal under credit facilities.

Financial Position

During the first quarter of fiscal 2016, working capital increased \$11 million to \$112.5 million. The increase in working capital resulted primarily from higher cash, trade receivables and inventories. Trade receivables increased \$6.1 million due to higher sales. Days sales outstanding improved from 33.1 days at May 2, 2015 to 32.4 days at August 1, 2015. Inventories increased approximately \$3.6 million as a result of the Company maintaining higher stock levels to support seasonal increases in sales and new product introductions; inventory turns improved from 10.2 to 10.5 times. The current ratio was 2.5 to 1 at August 1, 2015 and May 2, 2015.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in market risks from those reported in our Annual Report on Form 10-K for the fiscal year ended May 2, 2015.

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 Exchange Act). 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 (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

Certain statements in this Quarterly Report on Form 10-Q (the "Form 10-Q") constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the 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 in acquiring other beverage businesses, success of new product and flavor introductions, fluctuations in the costs of raw materials, our ability to increase selling prices, continued retailer support for our products, changes in consumer preferences, success of implementing business strategies, changes in business strategy or development plans, government regulations, regional weather conditions and other factors referenced in this Form 10-Q. For a further list and description of various risks, relevant factors and uncertainties that could cause future results or events to differ materially from those expressed or implied in our forward-looking statements, see the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections contained in our Annual Report on Form 10-K for the fiscal year ended May 2, 2015 and other filings with the Securities and Exchange Commission. 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 2, 2015.

ITEM 6. EXHIBITS

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 10.1 | Credit Agreement, dated June 18, 2015, between NewBevCo, Inc. and lender therein |
| 10.2 | Second Amendment to Second Amended and Restated Credit Agreement, dated July 7, 2015, between NewBevCo, Inc. and lender therein |
| 31.1 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 31.2 | |

- Certification of
Principal
Financial
Officer pursuant
to Section 302
of the
Sarbanes-Oxley
Act of 2002
- 32.1 Certification of
Chief Executive
Officer pursuant
to Section 906
of the
Sarbanes-Oxley
Act of 2002
- 32.2 Certification of
Principal
Financial
Officer pursuant
to Section 906
of the
Sarbanes-Oxley
Act of 2002
- 101 The following
financial
information
from National
Beverage Corp.
Quarterly
Report on Form
10-Q for the
quarterly period
ended August 1,
2015, formatted
in XBRL
(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.

SIGNATURE

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

Date: September 10, 2015

National Beverage Corp.
(Registrant)

By: /s/ Gregory P. Cook
Gregory P. Cook

Vice President – Controller and

Chief Accounting Officer