

NiCola®

ESSENCE OF
SUMATRA COFFEE & COLA
NATURALLY ESSENCED
SPARKLING WATER

La
Croix®



COFFEEA
EXOTICA™

0 SODIUM = INNOCENT!

Chairman's Communique

Over the past five years...

U.S. sparkling water sales grew by

\$1.4B ↑

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

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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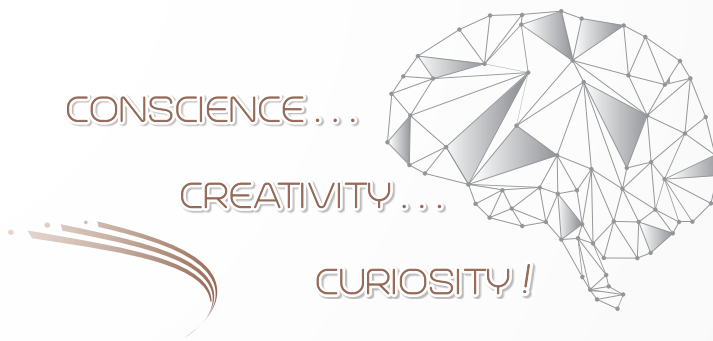
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“Wonder is the Beginning of . . . Wisdom!”

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 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 –
You 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

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

(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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

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

(In thousands)	Fiscal Year Ended		
	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

(In thousands)	Fiscal Year Ended					
	April 28, 2018		April 29, 2017		April 30, 2016	
	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. AND SUBSIDIARIES

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

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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:

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(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

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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.

Pension Fund	PPA Zone Status			
	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.

NATIONAL BEVERAGE CORP. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. QUARTERLY FINANCIAL DATA (UNAUDITED)

(In thousands, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
<i>FISCAL 2018</i>				
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
<i>FISCAL 2017</i>				
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.

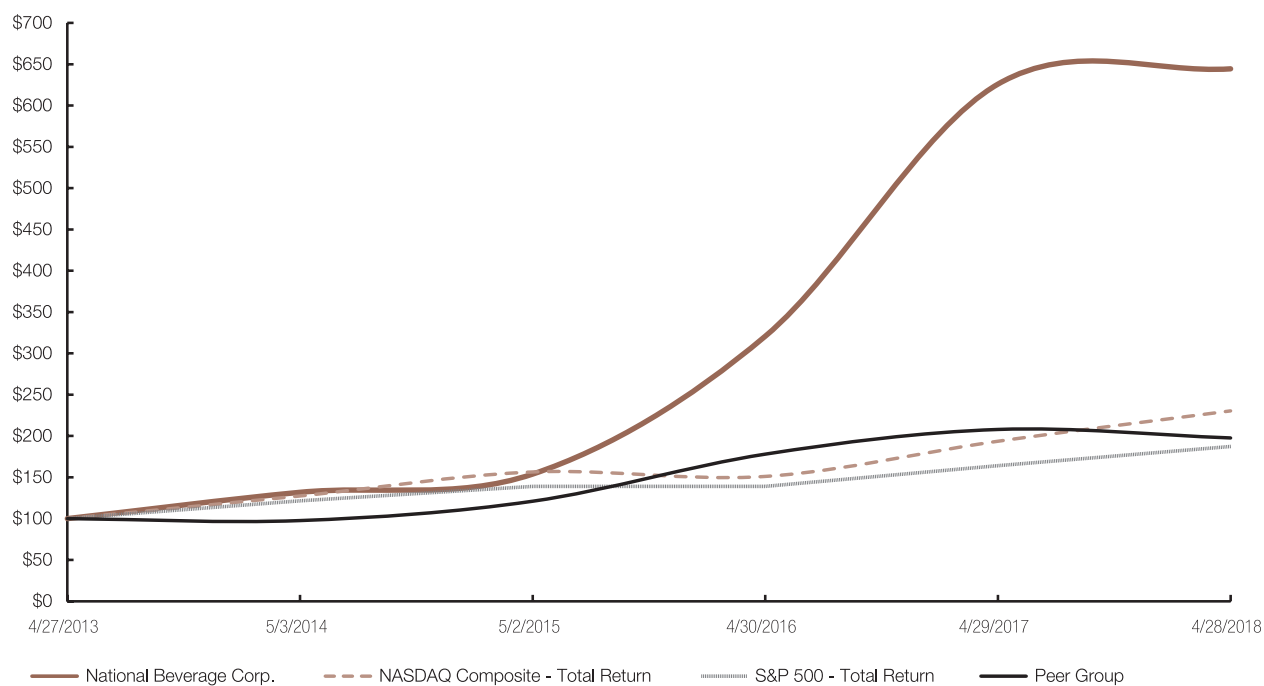
The Company paid special cash dividends on Common Stock of \$69.9 million (\$1.50 per share) on both August 4, 2017 (Fiscal 2018) and January 27, 2017 (Fiscal 2017).

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.

Comparison of 5 - Year Cumulative Total Return
among National Beverage Corp., the NASDAQ Composite Index, the S&P 500 Index and a Peer Group



	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

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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