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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of report (Date of earliest event reported): June 11, 2020

ASTRONOVA, INC.
(Exact name of registrant as specified in its charter)

Rhode Island
(State or other jurisdiction
of incorporation)

0-13200
(Commission
File Number)

05-0318215
(I.R.S. Employer
Identification No.)

600 East Greenwich Avenue
West Warwick, RI 02893
(Address of principal executive offices) (Zip Code)

(401) 828-4000
Registrant's telephone number, including area code

Not applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on which Registered
Common Stock, \$0.05 Par Value	ALOT	NASDAQ Global Market

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On June 11, 2020, we issued a press release reporting the financial results for our fiscal first quarter ended May 2, 2020. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

The information contained in Item 2.02 of this report and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 8.01 Other Events.

We are providing the disclosure in this Item 8.01 pursuant to the Order of the Securities and Exchange Commission issued on March 4, 2020 and revised on March 25, 2020 granting exemptions from specified provisions of the Exchange Act and certain rules thereunder (Release No. 34-88465) (the “Order”). In reliance on the Order, we will delay the filing of our Quarterly Report on Form 10-Q for the quarterly period ended May 2, 2020 (the “Quarterly Report”), originally due on June 11, 2020. We anticipate filing the Quarterly Report during the week of June 22, 2020, but in any event on or before the 45th day following the original due date.

We require additional time to complete the Quarterly Report due to the significant disruptions to our business and operations as a result of the COVID-19 pandemic. Many of our key finance and accounting personnel, as well our accounting advisors, are working remotely as a result of social distancing measures put in place in response to COVID-19, and this has caused significant inefficiencies in the processes relating to the preparation of the Quarterly Report. The impact of COVID-19 on our business has also necessitated additional analysis in connection with the preparation and review of the Quarterly Report, including with regard to our available liquidity and capital resources and the impact of the COVID-19 crisis on goodwill and intangible asset impairment.

Risk Factor Disclosure

We expect to include the following risk factor in the Quarterly Report, as may be updated to reflect any further events impacting us:

The ongoing COVID-19 pandemic has adversely affected and will likely continue to adversely affect our revenues, results of operations and financial condition.

Our business has been and will likely continue to be materially adversely affected by the widespread outbreak of contagious disease, including the recent outbreak of respiratory illness caused by a novel coronavirus known as COVID-19. COVID-19 has been declared by the World Health Organization to be a “pandemic” and has spread to many of the countries in which we,

our customers, our suppliers and our other business partners do business. National, state and local governments in affected regions have implemented and may continue to implement safety precautions, including quarantines, travel restrictions, business closures, cancellations of public gatherings and other measures. Other organizations and individuals are taking additional steps to avoid or reduce infection, including limiting travel and staying home from work. These measures are disrupting normal business operations both in and outside of affected areas and have had significant negative impacts on businesses and financial markets worldwide.

We continue to monitor our operations and government recommendations and have made modifications to our normal operations because of the COVID-19 outbreak, including requiring most non-production related team members to work remotely. We have maintained a substantial portion of our manufacturing operational capacity at our manufacturing facilities located in West Warwick, Rhode Island, as well as our manufacturing facilities in Canada and Germany, at this time, and we have instituted heightened cleaning and sanitization standards and several health and safety protocols and procedures to safeguard our team members.

However, we have experienced a number of adverse impacts as a result of the COVID-19 outbreak, including reductions in demand for our products, delays and cancellations of orders for our products, difficulties in obtaining raw materials and components for our products, shortages of labor to manufacture our products, inefficiencies caused by remote worker's difficulties in performing their normal work outputs, closures of the facilities of some of our suppliers and customers, and delays in collecting accounts receivable.

While it is not possible at this time to estimate the entirety of the impact that COVID-19 will have on our business, customers, suppliers or other business partners, we expect that the continued spread of COVID-19, the measures taken by the governments of affected countries, actions taken to protect employees, and the impact of the pandemic on all business activities to further adversely impact our operational capacity and the efficiency of our team members and will continue to materially adversely affect our results of operations and financial condition.

The adverse effect of COVID-19 on our business has negatively impacted our ability to comply with the covenants governing our credit facility, and disruptions in the credit and capital markets as a result of COVID-19 have and may continue to adversely affect the terms on which we are able to obtain new financing.

The aerospace industry, which we serve through our aerospace product line, has been significantly disrupted by the COVID-19 outbreak, both inside and outside of the United States. The impact of the decline in air travel has had and will continue to have a material adverse impact on our financial results, the ultimate scope of which we cannot estimate at this time. Should one or more of our airplane OEM manufacturing customers or a significant number of airline customers fail to continue business as a going concern or declare bankruptcy, or otherwise reduce the demand for our products as a result of the impact of the COVID-19 pandemic crisis, it would have a material adverse impact on our business operations and financial results.

Forward-Looking Statements

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact, but rather reflect our current expectations concerning future events and results. These statements may include the use of the words “believes,” “expects,” “intends,” “plans,” “anticipates,” “likely,” “continues,” “may,” “will,” and similar expressions to identify forward-looking statements. Such forward-looking statements, including those concerning the anticipate timing of the filing of the Quarterly Report, involve risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These risks, uncertainties and factors include, but are not limited to those factors set forth our Annual Report on Form 10-K for the fiscal year ended January 31, 2020 and subsequent filings, including this report, we make with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The reader is cautioned not to unduly rely on such forward-looking statements.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
99.1	Press Release dated June 11, 2020

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 hereunto duly authorized.

ASTRONOVA, INC.

Dated: June 11, 2020

By: /s/ David S. Smith

David S. Smith

Vice President, Chief Financial Officer and Treasurer



News Release

Contact:

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AstroNova Announces Financial Results for the First Quarter of Fiscal 2021

First-Quarter Fiscal 2021 Summary

- Bookings of \$31.2 million
- Backlog of \$25.9 million
- Revenue of \$30.9 million
- Operating income of \$0.7 million
- Earnings per diluted share of \$0.06

West Warwick, R.I. – June 11, 2020 – AstroNova, Inc. (NASDAQ: ALOT), a global leader in data visualization technologies, today announced financial results for the fiscal 2021 first quarter ended May 2, 2020.

CEO Commentary

“Our performance improved from the fourth quarter of fiscal 2020 due to actions taken that reduced costs and realigned priorities. However, the broad economic disruption caused by the COVID-19 pandemic added additional constraints and weighed on our first-quarter financial performance,” said Greg Woods, AstroNova’s President and Chief Executive Officer. “The pandemic impact has been particularly acute in the Aerospace portion of our Test & Measurement segment. Despite the challenging conditions, our global team is doing an outstanding job supporting our customers throughout this pandemic. At AstroNova facilities around the world, we have maintained production while keeping the health and safety of our employees, customers, suppliers and communities at the forefront of our attention. The early actions we took to shift a significant number of our global team to working remotely while enhancing our cleaning and protection procedures at our production facilities have proven to be successful.

“In our Product Identification segment, which relies heavily on tradeshow participation, in-person sales calls and product demos, we’ve had to adapt, at least temporarily, to a new normal,” Woods said. “Our marketing team has done a good job on that front, enhancing our e-commerce and virtual demo initiatives with the creation of the recently launched new Product Identification website.

“In the first quarter, the Product Identification supplies portion of our business performed well and accounted for approximately 62% of total revenue compared with approximately 55% in the prior-year period,” Woods said. “In certain end markets, such as cleaning and sanitation, as well as chemical and medical supplies, demand was particularly strong from both new and existing customers. We expect a gradual improvement in printer sales beginning in the second half of the fiscal year as more businesses reopen and our sales teams can resume onsite customer visits.

“In our Test and Measurement segment, our Aerospace business remains heavily impacted by the 737 MAX production halt and the COVID-19 crisis, which has dramatically reduced air travel,” Woods said. “While airline travel appears to have bottomed, the pace and timing of recovery remains uncertain. One recent positive sign is the restart of the 737 MAX assembly line at the end of May. This bodes well for the longer-term and we still expect the 737 MAX to be highly successful, but current production plans call for what will likely be a prolonged recovery.

Business Outlook

“As disclosed last month, in order to better position the Company in these unprecedented times, we applied for and received a \$4.4 million Payroll Protection Program loan and suspended the Company’s dividend. In addition, we continue to take steps to mitigate the financial impact of COVID-19 on our business while preserving liquidity,” Woods said. “These include ongoing cost-reduction measures in response to lower demand forecasts, especially in aerospace markets. Based on the current environment, we expect our results in the second quarter of FY 2021 to be weaker than the first quarter. However, we see early evidence of improving business investment and travel trends that could lead to better results in the second half of the year.”

Q1 FY 2021 Operating Segment Results

Product Identification segment revenue in the first quarter of fiscal 2021 was \$22.4 million, compared with \$23.6 million in the prior-year period. Segment operating income improved to \$3.1 million, or 14.1% of revenue, from \$2.9 million, or 12.2% of revenue, in the prior year, primarily reflecting a higher percentage of supplies revenue in the fiscal 2021 period.

Test & Measurement segment revenue in the first quarter of fiscal 2021 was \$8.5 million, compared with \$12.6 million in the same period of fiscal 2020, primarily due to the continued grounding of the Boeing 737 MAX and demand weakness in the Aerospace industry related to COVID-19. The Test & Measurement segment recorded an operating loss of \$0.2 million, or negative 1.8% of revenue, compared with segment operating income of \$2.6 million, or 20.5% of revenue, in the comparable period of fiscal 2020.

Q1 FY 2021 Results Summary

Revenue totaled \$30.9 million in the first quarter of fiscal 2021, compared with \$36.2 million in the year-earlier period.

Gross profit in the first quarter of fiscal 2021 was \$10.9 million, or 35.1% of revenue, compared with \$14.2 million, or 39.4% of revenue, in the same period of fiscal 2020. The decrease reflected lower revenue and less favorable product mix in the 2021 period, primarily in the Test & Measurement segment.

Operating expenses for the fiscal 2021 first quarter totaled \$10.2 million, down approximately 13% compared with \$11.8 million in the first quarter fiscal 2020.

Net income for the first quarter was \$432,000, or \$0.06 per diluted share, compared with net income of \$1.7 million, or \$0.23 per diluted share, for the first quarter of fiscal 2020.

First-quarter fiscal 2021 bookings were \$31.2 million compared with \$38.5 million in the first quarter of fiscal 2020.

Backlog at May 2, 2020 was \$25.9 million versus \$27.0 million at the end of the fiscal 2020 first quarter.

First-Quarter Fiscal 2021 Conference Call

AstroNova will discuss its first-quarter fiscal 2021 financial results in an investor conference call at 9:00 a.m. ET today. To participate on the conference call, please dial (800) 353-6461 (U.S. and Canada) or (334) 323-0501 (International) approximately 10 minutes prior to the start time and enter confirmation code 3865003.

You can hear a replay of the conference call from 12:00 p.m. ET Thursday, June 11, 2020 until 12:00 p.m. ET on Thursday, June 18, 2020 by dialing (888) 203-1112 (U.S. and Canada) or (719) 457-0820 (International). The passcode is 3865003. A real-time and an archived audio webcast of the call will be available through the “Investors” section of the AstroNova website, <https://investors.astronovainc.com>.

About AstroNova

AstroNova, Inc. (NASDAQ: ALOT), a global leader in data visualization technologies since 1969, designs, manufactures, distributes, and services a broad range of products that acquire, store, analyze, and present data in multiple formats.

The Product Identification segment offers a complete line-up of labeling hardware and supplies allowing customers to mark, track, and enhance the appearance of their products. The segment is comprised of three business units: QuickLabel®, the industry leader in tabletop digital color label printing; TrojanLabel®, an innovative leader for professional label presses; and GetLabels™, the premier supplier of label materials, inks, toners, ribbons, and adhesives, all compatible with the major printer brands. Supported by AstroNova’s customer application experts and technology leadership in printing, material science, and high-speed data processing, customers benefit from an optimized, “total solution” approach.

The Test and Measurement segment includes the AstroNova Aerospace business unit, which designs and manufactures flight deck printers, networking hardware, and related accessories serving the world’s aerospace and defense industries with proven advanced airborne technology solutions for the cockpit and the cabin; and the Test and Measurement business unit, which offers a suite of products and services that acquire, record, and analyze electronic signal data from local and networked sensors.

AstroNova is a member of the Russell 3000® Index, the Russell 2000® Index, the Russell Microcap® Index, and the LD Micro Index (INDEXNYSEGIS: LDMICRO). Additional information is available by visiting www.astronovainc.com.

Forward-Looking Statements

Information included in this news release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact, but rather reflect our current expectations concerning future events and results. These statements may include the use of the words “believes,” “expects,” “intends,” “plans,” “anticipates,” “likely,” “continues,” “may,” “will,” and similar expressions to identify forward-looking statements. Such forward-looking statements, including those concerning the Company’s anticipated performance, the effect of the grounding of the 737 MAX, and the impact of the COVID-19 outbreak, involve risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These risks, uncertainties and factors include, but are not limited to, those factors set forth in the Company’s Annual Report on Form 10-K for the fiscal year ended January 31, 2020 and subsequent filings AstroNova makes with the Securities and Exchange Commission. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The reader is cautioned not to unduly rely on such forward-looking statements when evaluating the information presented in this news release.

ASTRONOVA, INC.
Condensed Consolidated Statements of Income
In Thousands Except for Per Share Data
(Unaudited)

	Three Months Ended	
	<u>May 2, 2020</u>	<u>May 4, 2019</u>
Net Revenue	\$ 30,919	\$ 36,181
Cost of Revenue	20,064	21,942
Gross Profit	10,855	14,239
	35.1%	39.4%
Operating Expenses:		
Selling & Marketing	5,925	6,765
Research & Development	1,940	2,007
General & Administrative	2,327	2,999
	<u>10,192</u>	<u>11,771</u>
Operating Income	663	2,468
	2.1%	6.8%
Other Income, Net	(349)	(368)
Income Before Taxes	314	2,100
Income Tax Provision	(118)	400
Net Income	<u>\$ 432</u>	<u>\$ 1,700</u>
Net Income per Common Share - Basic	<u>\$ 0.06</u>	<u>\$ 0.24</u>
Net Income per Common Share - Diluted	<u>\$ 0.06</u>	<u>\$ 0.23</u>
Weighted Average Number of Common Shares - Basic	7,073	6,971
Weighted Average Number of Common Shares - Diluted	7,105	7,248

ASTRONOVA, INC.
Balance Sheet
In Thousands
(Unaudited)

	<u>May 2, 2020</u>	<u>January 31, 2020</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 11,091	\$ 4,249
Accounts Receivable, net	18,473	19,784
Inventories, net	32,557	33,925
Prepaid Expenses and Other Current Assets	2,489	2,193
Total Current Assets	64,610	60,151
PROPERTY, PLANT AND EQUIPMENT	48,621	48,046
Less Accumulated Depreciation	(37,244)	(36,778)
Property, Plant and Equipment, net	11,377	11,268
OTHER ASSETS		
Intangible Assets, net	24,328	25,383
Goodwill	11,988	12,034
Deferred Tax Assets	5,073	5,079
Right of Use Asset	1,553	1,661
Other Assets	1,071	1,088
TOTAL ASSETS	\$ 120,000	\$ 116,664
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 4,282	\$ 4,409
Accrued Compensation	2,893	2,700
Other Liabilities and Accrued Expenses	3,697	4,711
Revolving Credit Facility	11,500	6,500
Current Portion of Long-Term Debt	6,602	5,208
Current Portion of Royalty Obligation	2,000	2,000
Current Liability – Excess Royalty Payment Due	586	773
Deferred Revenue	375	466
Total Current Liabilities	31,935	26,767
NON CURRENT LIABILITIES		
Long-Term Debt, net of current portion	6,334	7,715
Royalty Obligation, net of current portion	7,550	8,012
Lease Liability, net of current portion	1,199	1,279
Deferred Tax Liabilities	378	435
Other Long Term Liabilities	1,042	1,081
TOTAL LIABILITIES	48,438	45,289
SHAREHOLDERS' EQUITY		

Common Stock	518	517
Additional Paid-in Capital	56,656	56,130
Retained Earnings	49,233	49,298
Treasury Stock	(33,531)	(33,477)
Accumulated Other Comprehensive Loss, net of tax	(1,314)	(1,093)
TOTAL SHAREHOLDERS' EQUITY	<u>71,562</u>	<u>71,375</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 120,000</u>	<u>\$ 116,664</u>

ASTRONOVA, INC.
Revenue and Segment Operating Profit
In Thousands
(Unaudited)

	Three Months Ended			
	Revenue		Segment Operating Profit	
	<i>May 2, 2020</i>	<i>May 4, 2019</i>	<i>May 2, 2020</i>	<i>May 4, 2019</i>
Product Identification	\$ 22,380	\$ 23,591	\$ 3,146	\$ 2,886
T&M	8,539	12,590	(156)	2,581
Total	<u>\$ 30,919</u>	<u>\$ 36,181</u>	2,990	5,467
Corporate Expenses			2,327	2,999
Operating Income			663	2,468
Other Expense-Net			(349)	(368)
Income Before Income Taxes			314	2,100
Income Tax Provision			(118)	400
Net Income			<u>\$ 432</u>	<u>\$ 1,700</u>