
**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 5, 2019

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))

Securities registered pursuant to Section 12(b) of the Act:

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

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).

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 5, 2019, we issued a press release reporting the financial results for our fiscal first quarter ended May 4, 2019. A copy of the press release relating to that announcement, dated June 5, 2019, 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 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

| <u>Exhibit No.</u> | <u>Exhibit</u> |
|------------------------|--|
| 99.1 | Press Release Dated June 5, 2019 |

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.

Dated: June 5, 2019

ASTRONOVA, INC.

By: /s/ David S. Smith

David S. Smith
Vice President, Treasurer and Chief
Financial Officer

**Contact:**

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**AstroNova Announces Financial Results for the
First Quarter of Fiscal 2020**

Board of Directors Declares Regular Quarterly Cash Dividend of \$0.07 Per Share

First-Quarter Fiscal 2020 Achievements (all comparisons with first-quarter fiscal 2019)

- Bookings of \$38.5 million, up 16%
- Revenue of \$36.2 million, up 15%
- Operating income of \$2.5 million, up 95%
- Earnings per diluted share of \$0.23, up 92%

West Warwick, R.I. – June 5, 2019 – AstroNova, Inc. (NASDAQ: ALOT), a global leader in data visualization technologies, today announced financial results for the fiscal 2020 first quarter ended May 4, 2019.

CEO Commentary

“We executed well in the first quarter, generating strong year-over-year gains in revenue, operating income and earnings per share,” said President and CEO Greg Woods. “Our financial and operational performance reflects the strategic investments we are making in new product development, technology enhancements and geographic expansion, all driven by our AstroNova Operating System (AOS). Through the AOS standard set of tools and processes, we are realizing increased efficiencies, enhancing operating leverage and driving growth to the bottom line.

“Both segments contributed to our positive results in Q1,” Woods said. “In Product Identification, key business drivers included demand for our new, five-color QL-300 tabletop printer, which allows commercial printers and other customers to expand their capability to produce high-quality, short-run specialty labels across a range of industries. In the Test & Measurement segment, our results reflected solid momentum in our key end markets.”

Business Outlook

“For fiscal 2020 we continue to expect modest revenue growth and increased operating leverage for the full year as we expand the application of the AstroNova Operating System across our business,” Woods said. “However while so far we have been largely unaffected by the grounding of the Boeing 737 MAX, we expect that the prolonged situation may result in a slight impact on our second-quarter operating margin. Whether or not this impact continues beyond the second quarter is dependent on when the aircraft is returned to service.”

Operating Segment Results

Product Identification segment revenue in the first quarter of fiscal 2020 was \$23.6 million, an 18.2% increase compared with \$20.0 million in the prior year, on higher sales of hardware, supplies and services. Segment operating income was \$2.9 million, or 12.2% of revenue, versus \$1.7 million, or 8.3% of revenue, in the prior year, primarily reflecting higher revenue and improved operating leverage.

Test & Measurement segment revenue in the first quarter of fiscal 2020 increased 9.2% to \$12.6 million from \$11.5 million in the same period of fiscal 2019. Segment operating income was \$2.6 million, or 20.5% of revenue, for the first quarter of fiscal 2020 compared with \$2.3 million, or 19.6% of revenue, in the comparable period of fiscal 2019.

Financial Summary

Revenue in the first quarter totaled \$36.2 million, an increase of 14.9% from \$31.5 million in the first quarter of fiscal 2019, reflecting higher sales in both the Product Identification and Test & Measurement segments.

Gross profit in the first quarter was \$14.2 million, or 39.4% of revenue, compared with \$12.1 million, or 38.5% of revenue, for Q1 fiscal 2019. The increase in gross profit dollars and margin reflected higher revenue in the 2020 period.

Operating expenses for the first quarter were \$11.8 million compared with \$10.8 million in the same period of fiscal 2019.

Operating income for the first quarter was \$2.5 million, or 6.8% of revenue, compared with \$1.3 million, or 4.0% of revenue, in the first quarter of fiscal 2019.

Net income for the first quarter was \$1.7 million, or \$0.23 per diluted share, versus \$814,000, or \$0.12 per diluted share, in the first quarter of fiscal 2019.

First-quarter 2020 bookings increased 16% to \$38.5 million from \$33.3 million in the first quarter of 2019, with increases in both the Product Identification and Test & Measurement segments.

Backlog at May 4, 2019 increased to a record \$27.0 million, up 13% from \$23.9 million at the end of the fiscal 2019 first quarter.

Board Declares Quarterly Dividend

On June 4, 2019, the Company's Board of Directors declared a regular quarterly cash dividend of \$0.07 per share. The dividend, which represents a cash dividend of \$0.28 per share on an annualized basis, is payable on June 26, 2019, to shareholders of record on June 19, 2019.

First-Quarter Fiscal 2020 Conference Call

AstroNova will conduct an investor conference call at 9:00 a.m. ET today. To participate on the conference call, please dial (877) 260-1479 (U.S. and Canada) or (334) 323-0522 (International) approximately 10 minutes prior to the start time and enter confirmation code 7303253

You can hear a replay of the conference call from 12:00 p.m. ET Wednesday, June 5 until 12:00 p.m. ET Wednesday, June 12 by dialing (888) 203-1112 (U.S. and Canada) or (719) 457-0820 (International). The passcode is 7303253. 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 variety of hardware and software products and associated supplies that allow customers to mark, track and enhance the appearance of their products. The segment's two business units are QuickLabel[®], the industry leader in tabletop digital color label printing and TrojanLabel[®], an innovative leader for professional label presses and specialty printers. The Test and Measurement segment includes the Test & Measurement business unit, which offers a suite of products and services that acquire, record and analyze electronic signal data from local and networked sensors. The segment also includes the AstroNova Aerospace business unit, which designs and manufactures avionics equipment and systems that serve the world's aerospace and defense industries with proven advanced airborne technology solutions for both the cockpit and the cabin. The key products include flight deck printers, networking hardware and related accessories. AstroNova is a member of 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 in fiscal 2020 and the effect of the grounding of the 737 MAX, 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, 2019 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.

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West Warwick, RI 02893
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NASDAQ: ALOT
www.astronovainc.com

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

| | Three-Months Ended | |
|--|--------------------|----------------|
| | May 4, 2019 | April 28, 2018 |
| Net Revenue | \$ 36,181 | \$ 31,487 |
| Cost of Revenue | 21,942 | 19,377 |
| Gross Profit | 14,239 | 12,110 |
| | 39.4% | 38.5% |
| Operating Expenses: | | |
| Selling & Marketing | 6,765 | 6,500 |
| Research & Development | 2,007 | 1,692 |
| General & Administrative | 2,999 | 2,653 |
| | 11,771 | 10,845 |
| Operating Income | 2,468 | 1,265 |
| | 6.8% | 4.0% |
| Other Income, Net | (368) | (270) |
| Income Before Taxes | 2,100 | 995 |
| Income Tax Provision | 400 | 181 |
| Net Income | \$ 1,700 | \$ 814 |
| Net Income per Common Share - Basic | \$ 0.24 | \$ 0.12 |
| Net Income per Common Share - Diluted | \$ 0.23 | \$ 0.12 |
| Weighted Average Number of Common Shares - Basic | 6,971 | 6,788 |
| Weighted Average Number of Common Shares - Diluted | 7,248 | 6,916 |

ASTRONOVA, INC.
Balance Sheet
In Thousands
(Unaudited)

| | <u>May 4, 2019</u> | <u>January 31, 2019</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash and Cash Equivalents | \$ 5,769 | \$ 7,534 |
| Accounts Receivable, net | 21,970 | 23,486 |
| Inventories, net | 32,043 | 30,161 |
| Prepaid Expenses and Other Current Assets | 1,198 | 1,427 |
| Total Current Assets | <u>60,980</u> | <u>62,608</u> |
| PROPERTY, PLANT AND EQUIPMENT | 45,850 | 45,327 |
| Less Accumulated Depreciation | <u>(35,388)</u> | <u>(34,947)</u> |
| Property, Plant and Equipment, net | 10,462 | 10,380 |
| OTHER ASSETS | | |
| Intangible Assets, net | 28,561 | 29,674 |
| Goodwill | 12,136 | 12,329 |
| Deferred Tax Assets | 2,927 | 2,928 |
| Right of Use Asset | 1,826 | — |
| Other Assets | 1,047 | 1,064 |
| TOTAL ASSETS | <u><u>\$ 117,939</u></u> | <u><u>\$ 118,983</u></u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| CURRENT LIABILITIES | | |
| Accounts Payable | \$ 5,818 | \$ 5,956 |
| Accrued Compensation | 2,767 | 5,023 |
| Other Liabilities and Accrued Expenses | 2,848 | 2,911 |
| Current Portion of Long-Term Debt | 4,932 | 5,208 |
| Current Portion of Royalty Obligation | 2,000 | 1,875 |
| Revolving Credit Facility | 1,500 | 1,500 |
| Current Liability – Excess Royalty Payment Due | 1,301 | 1,265 |
| Income Taxes Payable | 810 | 554 |
| Deferred Revenue | 350 | 373 |
| Total Current Liabilities | <u>22,326</u> | <u>24,665</u> |
| NON CURRENT LIABILITIES | | |
| Long-Term Debt, net of current portion | 11,583 | 12,870 |
| Royalty Obligation, net of current portion | 9,440 | 9,916 |
| Lease Liability | 1,472 | — |
| Deferred Tax Liabilities | 15 | 40 |
| Other Long Term Liabilities | 1,489 | 1,717 |
| TOTAL LIABILITIES | <u>46,325</u> | <u>49,208</u> |
| SHAREHOLDERS' EQUITY | | |
| Common Stock | 513 | 511 |
| Additional Paid-in Capital | 54,474 | 53,568 |
| Retained Earnings | 50,722 | 49,511 |
| Treasury Stock | (33,077) | (32,997) |
| Accumulated Other Comprehensive Loss, net of tax | (1,018) | (818) |
| TOTAL SHAREHOLDERS' EQUITY | <u>71,614</u> | <u>69,775</u> |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | <u><u>\$ 117,939</u></u> | <u><u>\$ 118,983</u></u> |

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

| | Three Months Ended | | | |
|----------------------------|--------------------|-----------------------|--------------------------|-----------------------|
| | Revenue | | Segment Operating Profit | |
| | <i>May 4, 2019</i> | <i>April 28, 2018</i> | <i>May 4, 2019</i> | <i>April 28, 2018</i> |
| Product Identification | \$ 23,591 | \$ 19,953 | \$ 2,886 | \$ 1,661 |
| T&M | 12,590 | 11,534 | 2,581 | 2,257 |
| Total | <u>\$ 36,181</u> | <u>\$ 31,487</u> | 5,467 | 3,918 |
| Corporate Expenses | | | 2,999 | 2,653 |
| Operating Income | | | 2,468 | 1,265 |
| Other Expense-Net | | | (368) | (270) |
| Income Before Income Taxes | | | 2,100 | 995 |
| Income Tax Provision | | | 400 | 181 |
| Net Income | | | <u>\$ 1,700</u> | <u>\$ 814</u> |