

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): April 13, 2020

Purple Innovation, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State of Incorporation)

001-37523
(Commission
File Number)

47-4078206
(IRS Employer
Identification No.)

123 East 200 North
Alpine, Utah
(Address of Principal Executive Offices)

84004
(Zip Code)

Registrant's telephone number, including area code: (801) 756-2600

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communication 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-commencements 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
Class A Common Stock, par value \$0.0001 per share	PRPL	The NASDAQ Stock Market LLC
Warrants to purchase one-half of one share of Class A Common Stock	PRPLW	OTC PINK

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 April 13, 2020, Purple Innovation, Inc. (the “Company”) announced that for the quarter ended March 31, 2020, sales in our direct to consumer channel increased in excess of 35% over the same period in the prior year and substantially offset declines in our wholesale channel. In addition, at March 31, 2020, the Company’s cash balance was more than \$26 million. A copy of the Company’s press release is attached as Exhibit 99.1 to this report and incorporated by reference.

The information furnished pursuant to this Item 2.02 and the exhibit hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act except as shall be expressly set forth by specific reference in such filing.

ITEM 7.01 REGULATION FD DISCLOSURE

On April 13, 2020, the Company issued a press release providing a business update in response to the continued impact from COVID-19 (“COVID-19”). A copy of the Company’s press release is attached as Exhibit 99.1 to this report and incorporated by reference.

The press release announced the Company’s continuing efforts to maintain liquidity during the uncertainty of the COVID-19 pandemic, and described the increase in demand it has experienced in its direct to consumer channel and for its pillows, sheets and seat cushions, which have partially offset the decline in the Company’s wholesale channel.

The information in this Item 7.01 and Exhibit 99.1 attached hereto are furnished to, but not “filed” with, the Securities and Exchange Commission (“SEC”) and shall not be deemed to be incorporated by reference into any of the Company’s filings with the SEC under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Safe Harbor Statement

Certain statements in this current report regarding future events and future financial performance are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve risks and uncertainties. Actual results may differ materially from those contemplated (expressed or implied) by such forward-looking statements, because of, among other things, the risks and uncertainties related to COVID-19 and the risk factors identified in the “Risk Factors” section of our Annual Report on Form 10-K filed with the SEC on March 9, 2020. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release dated April 13, 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.

Dated: April 13, 2020

PURPLE INNOVATION, INC.

By: /s/ Craig L. Phillips

Craig L. Phillips

Chief Financial Officer



Purple Innovation Provides COVID-19 Related Business Update Company Experiencing Acceleration in Digital Channel Demand

Lehi, Utah, April 13, 2020 – Purple Innovation, Inc. (NASDAQ: PRPL) (“Purple”), a comfort innovation company known for creating the “World’s First No Pressure™ Mattress,” today provided a business update in response to the continued impact from COVID-19.

“Our thoughts are with everyone affected by the Coronavirus and we salute all of the individuals on the front lines fighting the pandemic,” said Joe Megibow. “At Purple, our priority is ensuring the health and safety of our customers, employees and communities and I’m very proud of how our teams are responding to the challenges created by this unprecedented situation. Over the past few weeks since our withdrawal of 2020 guidance, we have seen the wholesale side of our business continue to recede with further temporary shutdowns of non-essential businesses and shelter-at-home directives in most states. Concurrently, consumer purchasing behavior has shifted quite meaningfully to e-commerce. In response, we have refocused our efforts back to our DTC core competencies resulting in an acceleration in digital channel sales across all of our product categories in the last half of March through early April. We are particularly encouraged with the increase in demand for our ancillary products including pillows, sheets, and especially seat cushions. This increase in online demand has produced online growth in excess of 35% over the prior year first quarter, allowing us to substantially offset declines in our wholesale channel. We are very pleased to be able to meet the needs of our customers during this difficult period.”

Megibow continued, “This increase in digital demand we’ve experienced has allowed us to work through a significant portion of our on-hand inventory. Given the difficulty in predicting how long this pandemic will persist and its full impact, we continue to look at all opportunities to preserve liquidity. This includes taking advantage of our vertically integrated business model to adjust production schedules to match current demand and tightly manage labor costs, including furloughing roughly 35% of our permanent workforce. We also have the ability to immediately adjust our significant discretionary online advertising spend in response to any changes in DTC trends as they develop. In addition to the previously announced cash compensation deferrals for senior executives and directors of the board and 5% paid-in-kind interest deferral for the first two quarters of 2020 under our Amended and Restated Credit Agreement, we are temporarily reducing our capital spend by delaying all non-maintenance related projects and investments in non-essential initiatives and headcount additions until we have better visibility into when conditions normalize. We believe the strength of our digital business, along with these cash-preserving efforts, combined with our cash balance of more than \$26 million at March 31, 2020, will set us up to weather this crisis.”

About Purple

Purple is a digitally-native vertical brand with a mission to help people feel and live better through innovative comfort solutions. We design and manufacture a variety of innovative, premium, branded comfort products, including mattresses, pillows, cushions, frames, sheets and more. Our products are the result of over 25 years of innovation and investment in proprietary and patented comfort technologies and the development of our own manufacturing processes. Our proprietary gel technology, Hyper-Elastic Polymer®, underpins many of our comfort products and provides a range of benefits that differentiate our offerings from other competitors' products. We market and sell our products through our direct-to-consumer online channels, traditional retail partners, third-party online retailers and our owned retail showrooms. For more information on Purple, visit purple.com.

Forward Looking Statements

Certain statements made in this release that are not historical facts are “forward looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking statements include but are not limited to statements about our outlook and expectations for our financial results for the fiscal year ended December 31, 2020, our ability to create sustained profitability and shareholder value, the performance of our digital channel, our ability to effectively adjust production to meet demand for our products and manage labor costs, our ability to manage cash and respond to changing circumstances, our expected cash flow and cash balance, and the effects of and our responses to the COVID-19 outbreak. Forward-looking statements provide current expectations or forecasts of future events or determinations. These forward-looking statements are not guarantees of future performance, conditions or results, and involve a number of known and unknown risks, uncertainties, assumptions and other important factors, many of which are outside the Company’s control, that could cause actual results or outcomes to differ materially from those discussed in the forward-looking statements. Factors that could influence the realization of forward-looking statements include the risk factors outlined in the “Risk Factors” section of our Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 9, 2020. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.