

Rocky Brands, Inc. Announces 2020 First Quarter Results

NELSONVILLE, Ohio--(BUSINESS WIRE)-- Rocky Brands, Inc. (NASDAQ: RCKY) today announced financial results for its first guarter ended March 31, 2020.

First Quarter 2020 Sales and Income

First quarter net sales were \$55.7 million compared with \$65.9 million in the first quarter of 2019. The Company reported first quarter net income of \$1.2 million, or \$0.16 per diluted share compared to net income of \$3.6 million, or \$0.48 per diluted share in the first quarter of 2019. Adjusted net income for the first quarter of 2020, which excludes expenses related to the closure of the Company's manufacturing facilities due to COVID-19, was \$2.0 million, or \$0.27 per diluted share.

Jason Brooks, President and Chief Executive Officer, commented, "Our business is holding up well despite one of the most difficult operating environments in our company's long history. We entered 2020 with good momentum thanks to the multi-year execution of strategic initiatives that have enhanced our brands' positioning in the marketplace, strengthened our relationships with our consumers and retail customers, and fortified our balance sheet. While we face challenges due to the COVID-19 pandemic, particularly within our brick and mortar wholesale channel as much of the country continues to shelter-athome, we have taken decisive actions to capitalize on our digital and distribution center capabilities and increase liquidity. Over the past several weeks, we've experienced an acceleration in sales on our ecommerce sites as well as an uptick in new account growth for our online Lehigh CustomFit safety shoe business as many of our consumers work in critical industries that are keeping America running during this crisis. As Rocky Brands has done in the past, I am confident that we will weather this storm and emerge in a position to resume delivering sustained growth, increased profitability and enhanced value for our shareholders."

COVID-19 Update

Below is a summary of the current status of Rocky Brands' operations and the actions taken to mitigate the financial impact of COVID-19 and preserve liquidity to-date.

• The Company's 200,000 square-foot distribution center in Logan, Ohio has remained open and fully operational.

- The Company's manufacturing facilities in Puerto Rico and the Dominican Republic have reopened following temporary government mandated shutdowns and are currently operating at a reduced capacity.
- The Company has reduced operating expenses by approximately \$1.5 million for the year.
- The Company has delayed approximately \$15 million in planned inventory receipts from third party suppliers.
- The Company drew down \$20 million on its credit facility as a precautionary measure. As of March 31, 2020, the Company had \$44.2 million in cash and cash equivalents and \$40 million in available borrowings on its credit facility.
- The Company has suspended all share repurchases indefinitely.

First Quarter Review

Net sales for the first quarter were \$55.7 million compared to \$65.9 million a year ago. Wholesale sales for the first quarter were \$35.0 million compared to \$42.4 million for the same period in 2019. Retail sales for the first quarter increased 9.4% to \$16.9 million compared to \$15.4 million for the same period last year. Military segment sales for the first quarter were \$3.8 million compared to \$8.1 million in the first quarter of 2019.

Gross margin in the first quarter of 2020 was \$19.3 million, or 34.7% of sales, compared to \$23.0 million, or 34.9% of sales, for the same period last year. Adjusted gross margin, which excludes approximately \$1.0 million in expenses related to the closure of the Company's manufacturing facilities due to COVID-19, was \$20.3 million, or 36.4%. The 150 basis point increase in adjusted gross margin was driven primarily by higher percentage of retail sales, which carry higher gross margins than wholesale and military sales, partially offset by lower wholesale and military margins.

Operating expenses were \$17.8 million, or 32.0% of net sales, for the first quarter of 2020 compared to \$18.5 million, or 28.0% of net sales, a year ago. The decrease in operating expenses was driven primarily by lower variable expenses associated with the decrease in sales.

Income from operations was \$1.5 million, or 2.7% of net sales compared to income from operations of \$4.5 million, or 6.8% of net sales a year ago. Adjusted operating income for the first quarter of 2020 was \$2.5 million, or 4.5% of net sales.

Use of Non-GAAP Financial Measures

In addition to GAAP financial measures, the Company presents the following non-GAAP financial measures: "adjusted net income," "adjusted net income per share" and "adjusted gross margin." Adjusted results exclude the impact of items that management of the Company believes affect the comparability or underlying business trends in its consolidated financial statements in the periods presented. The Company believes that these non-GAAP measures are useful to investors and other users of our condensed consolidated financial statements as an additional tool for evaluating operating performance. The Company believes they also provide a useful baseline for analyzing trends in its operations. Investors should not consider these non-GAAP measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. See "Reconciliation of GAAP Measures to Non-GAAP Measures" accompanying this press release.

Conference Call Information

The Company's conference call to review first quarter 2020 results will be broadcast live over the internet today, Tuesday, April 28, 2020 at 4:30 pm Eastern Time. The broadcast will be hosted at http://www.rockybrands.com.

About Rocky Brands, Inc.

Rocky Brands, Inc. is a leading designer, manufacturer and marketer of premium quality footwear and apparel marketed under a portfolio of well recognized brand names including Rocky®, Georgia Boot®, Durango®, Lehigh®, and the licensed brand Michelin®.

Safe Harbor Language

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Those statements include, but may not be limited to, all statements regarding intent, beliefs, expectations, projections, forecasts, and plans of the Company and its management and include statements in this press release regarding the Company's ability to face near-term challenges related to the COVID-19 pandemic and the shelter-inplace orders currently in effect in many states (paragraph 3), the Company's ability to capitalize on digital and distribution center capabilities and increase liquidity (paragraph 3), and the Company's positioning to deliver sustained growth and increased profitability over the long-term (paragraph 3). These forward-looking statements involve numerous risks and uncertainties, including, without limitation, the various risks inherent in the Company's business as set forth in periodic reports filed with the Securities and Exchange Commission, including the Company's annual report on Form 10-K for the year ended December 31, 2019 (filed March 6, 2020). One or more of these factors have affected historical results, and could in the future affect the Company's businesses and financial results in future periods and could cause actual results to differ materially from plans and projections. Therefore there can be no assurance that the forward-looking statements included in this press release will prove to be accurate. In light of the significant uncertainties inherent in the forwardlooking statements included herein, the Company, or any other person should not regard the inclusion of such information as a representation that the objectives and plans of the Company will be achieved. All forward-looking statements made in this press release are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statements.

Rocky Brands, Inc. and Subsidiaries Condensed Consolidated Balance Sheets (In thousands, except share amounts)

ASSETS: CURRENT ASSETS: Cash and cash equivalents \$44,247		March 31, 2020	December 31, 2019	March 31, 2019
Cash and cash equivalents \$44,247\$ 15,181\$ 17,630 Trade receivables 33,277 45,658 41,161 Contract receivables 2,551 4,746 817 Other receivables 532 366 161 Inventories – net 77,214 66,731 69,905 Income tax receivable - 150 348 Prepaid expenses 3,522 30,30 3,383 Total current assets 161,343 146,126 133,405 LEASEO ASSETS 1,588 1,743 103,702 PROPERTY, PLANT & EQUIPMENT – net 28,434 27,423 23,438 IDENTIFIED INTANCIBLES – net 30,232 30,204 30,264 OTHER ASSETS \$233 250 \$25,858 TOTAL ASSETS \$251 4,746 817 Accounts payable \$1,793 \$1,771 271 Contract liabilities 2,551 4,746 817 Accused expenses: \$1,204 3,044 1,518 Salaries and wages	ASSETS:			2010
Trade receivables – net 33,277 45,585 41,161 Contract receivables 2,551 4,746 817 Other receivables 532 366 161 Inventories – net 177,214 76,731 69,955 Income tax receivable - 150 348 Prepaid expenses 3,522 3,030 3,383 Total current assets 161,343 146,126 13,405 LEASED ASSETS 1,588 1,743 1,037 PROPERTY, PLANT & EQUIPMENT – net 28,434 27,423 3,438 IDENTIFIED INTANCIBLES – net 30,222 30,240 30,248 OTHER ASSETS 333 294 262 TOTAL ASSETS \$21,303 15,768 17,271 CURRENT LIABILITIES \$1,576 17,271 2,551 4,746 817 Accounts payable \$1,793 15,776 17,271 2,551 4,746 817 Accounts payable \$1,204 3,44 1,518 1,576 1,271 2,512 <td>CURRENT ASSETS:</td> <td></td> <td></td> <td></td>	CURRENT ASSETS:			
Contract receivables 2,551 4,746 817 Other receivables 532 366 161 Income tax receivable	Cash and cash equivalents	\$ 44,247\$	15,518\$	17,630
Other receivables 532 366 1 1 Inventories – net 77,214 76,731 69,050 Income tax receivable - 150 348 Prepaid expenses 3,522 3,030 3,383 Total current assets 161,343 146,125 3,345 LEASED ASSETS 1,588 1,743 2,343 IDENTIFIED INTANGIBLES – net 30,232 30,202 30,264 OTHER ASSETS 333 294 262 TOTAL ASSETS 345 345 345 COTAL ASSETS 345	Trade receivables – net	33,277	45,585	41,161
Inventories - net	Contract receivables	2,551	4,746	817
Inventories - net 77,214 76,731 69,905 10come tax receivable - 150 348 176 160 348 176 160 348 176 161,343 36,205 36,305 36,20	Other receivables	532	366	161
Prepaid expenses 3,522 3,030 3,838 Total current assets 16,1343 14,626 13,045 LEASED ASSETS 1,588 1,743 1,037 PROPERTY, PLANT & EQUIPMENT - net 28,434 27,423 23,438 IDENTIFIED INTANGIBLES - net 30,232 30,240 30,264 OTHER ASSETS \$21,930* \$26,260* \$1,000 TOTAL ASSETS \$21,930* \$25,500 \$1,000 \$1,000 LIABILITIES AND SHAREHOLDERS' EQUITY: CURRENT LIABILITIES Accounts payable \$17,933 15,776* 17,271 Contract liabilities 2,551 4,76 817 Accrued expenses: 1,204 3,044 1,518 Salaries and wages 1,204 3,044 1,518 Taxes - other 58 96 456 Commissions 36 68 46 Accrued freight 2,00 1,00 1,00 1,00 1,00 1,00 1,00 1,00 1,00 <t< td=""><td>Inventories – net</td><td></td><td></td><td></td></t<>	Inventories – net			
Total current assets 161,343 146,126 13,405 LEASED ASSETS 1,588 1,743 1,037 PROPERTY, PLANT & EQUIPMENT – net 28,434 27,423 23,438 IDENTIFIED INTANGIBLES – net 30,232 30,240 30,264 OTHER ASSETS 333 294 262 TOTAL ASSETS 221,930s 205,826s 18,406 LIABILITIES AND SHAREHOLDERS' EQUITY: Variabilities 17,933 15,776s 17,271 Contract liabilities 2,551 4,746 817 Accounts payable \$ 17,933 15,776s 17,271 Contract liabilities 2,551 4,746 817 Accrued expenses: 3 1,204 3,044 1,518 Taxes - other 588 967 638 Accrued freight 282 867 455 Commissions 362 608 494 Accrued duty 4,041 3,824 2,124 Other 1,204 1,046 1,031 1,762	Income tax receivable	-	150	348
LEASED ASSETS 1,588 1,743 1,037 PROPERTY, PLANT & EQUIPMENT - net 28,434 27,423 23,438 DENTIFIED INTANGIBLES - net 30,232 30,249 26,26 TOTAL ASSETS \$221,930 \$20,502 1,806 LIABILITIES AND SHAREHOLDERS' EQUITY: CURRENT LIABILITIES Accounts payable \$17,933 15,776 17,71 Contract liabilities 2,551 4,74 18,77 Accounts payable \$17,933 15,776 18,77 Contract liabilities 2,551 4,74 18,77 Accrued expenses: 3 1,204 3,04 1,518 TAxers - other 588 967 638 Accrued freight 28 867 455 Commissions 362 868 456 Commissions 28 96 49 Accrued freight 28 36 456 Commissions 28 96 456 Commissions 28	Prepaid expenses	3,522	3,030	3,383
PROPERTY, PLANT & EQUIPMENT - net 28,434 27,423 23,438 IDENTIFIED INTANGIBLES - net 30,232 30,240 30,264 OTHER ASSETS 333 294 262 TOTAL ASSETS 21,303 204 828 LIABILITIES AND SHAREHOLDERS' EQUITY: CURRENT LIABILITIES: Accounts payable \$17,933 15,776 1,721 Accorued expenses: 325 4,746 817 Salaries and wages 1,204 3,044 1,518 Taxes - other 588 967 638 Accrued freight 28 667 455 Commissions 362 608 494 Accrued duty 4,041 3,824 2,124 Other 1,43 1,702 1,746 Total current liabilities 28,391 31,534 25,063 LONG-TERM DEBT 20,000 - - LONG-TERM LEASE 1,031 1,158 517 DEFERRED INCOME TAXES 5,194 <td< td=""><td>Total current assets</td><td>161,343</td><td>146,126</td><td>133,405</td></td<>	Total current assets	161,343	146,126	133,405
DENTIFIED INTANGIBLES - net 30,234 30,246 20,246	LEASED ASSETS	1,588	1,743	1,037
OTHER ASSETS 33 294 262 TOTAL ASSETS 221,930 205,262 18,406 LIABILITIES AND SHAREHOLDERS' EQUITY: CURRENT LIABILITIES: Accounts payable \$ 17,933 15,776 17,271 Contract liabilities 2,551 4,74 817 Accrued expenses: 1,204 3,04 1,518 Taxes - other 58 967 638 Accrued freight 282 868 456 Commissions 282 608 456 Accrued duty 4,041 3,824 21,24 Accrued duty 4,041 3,82 21,24 Other 1,33 1,70 1,70 Total current liabilities 28,391 31,53 25,63 LONG-TERM TAXES PAYABLE 169 169 169 LONG-TERM TAXES PAYABLE 169 169 169 169 DEFERRED INCOME TAXES 8,10 7,80 7,80 DEFERRED INCOME TAXES	PROPERTY, PLANT & EQUIPMENT – net	28,434	27,423	23,438
TOTAL ASSETS \$21,930\$ \$25,826\$ \$18,400 LIABILITIES Accounts payable \$17,933\$ 15,776\$ 17,271 Contract liabilities 2,551 4,746 817 Accrued expenses: 1,204 3,044 1,518 Taxes - other 588 967 455 Commissions 362 608 494 Accrued freight 28,20 607 455 Commissions 362 608 494 Accrued duty 4,041 3,824 2,124 Other 1,430 1,702 1,746 Total current liabilities 28,391 31,534 25,608 LONG TERM DEBT 20,000 - - LONG-TERM LEASE 169 169 169 LONG-TERM LEASE 1,031 1,158 517 DEFERRED LIABILITIES 215 201 121 TOTAL LIABILITIES 57,914 41,70 33,650	IDENTIFIED INTANGIBLES – net	30,232	30,240	30,264
LIABILITIES AND SHAREHOLDERS' EQUITY: CURRENT LIABILITIES: Accounts payable \$ 17,933 15,776\$ 17,271 Contract liabilities 2,551 4,746 817 Accrued expenses: 3 3,044 1,518 Taxes - other 588 967 638 Accrued freight 282 867 455 Commissions 362 608 494 Accrued duty 4,041 3,824 2,124 Other 1,430 1,702 1,746 Total current liabilities 28,391 31,534 25,063 LONG TERM DEBT 20,000 - - LONG-TERM TAXES PAYABLE 169 169 169 LONG-TERM LEASE 1,031 1,158 517 DEFERRED LIABILITIES 3,108 8,108 7,780 DEFFERRED LIABILITIES 215 201 121 TOTAL LIABILITIES 57,914 41,170 33,650 SHAREHOLDERS' EQUITY: Common stock, no par value; 25,000,000 shares authorized; issued and outstanding March 31, 2020 7,30	OTHER ASSETS	333	294	262
CURRENT LIABILITIES: Accounts payable \$ 17,933 15,776 17,271 Contract liabilities 2,551 4,746 817 Accrued expenses: 3 1,204 3,044 1,518 Taxes - other 588 967 638 Accrued freight 282 867 455 Commissions 362 608 494 Accrued duty 4,041 3,824 2,124 Other 1,430 1,702 1,746 Total current liabilities 28,391 31,534 25,063 LONG-TERM DEBT 20,000 - - LONG-TERM TAXES PAYABLE 169 169 169 LONG-TERM LEASE 1,031 1,158 519 DEFERRED LINCOME TAXES 8,108 8,108 7,780 DEFERRED LIABILITIES 57,914 41,170 33,650 SHAREHOLDERS' EQUITY: - - - - - - - - - - - - - - - - - - -	TOTAL ASSETS	\$ <u>221,930</u>	205,826	188,406
CURRENT LIABILITIES: Accounts payable \$ 17,933 15,776 17,271 Contract liabilities 2,551 4,746 817 Accrued expenses: 3 1,204 3,044 1,518 Taxes - other 588 967 638 Accrued freight 282 867 455 Commissions 362 608 494 Accrued duty 4,041 3,824 2,124 Other 1,430 1,702 1,746 Total current liabilities 28,391 31,534 25,063 LONG-TERM DEBT 20,000 - - LONG-TERM TAXES PAYABLE 169 169 169 LONG-TERM LEASE 1,031 1,158 519 DEFERRED LINCOME TAXES 8,108 8,108 7,780 DEFERRED LIABILITIES 57,914 41,170 33,650 SHAREHOLDERS' EQUITY: - - - - - - - - - - - - - - - - - - -	LIADILITIES AND SHADEHOLDEDS FOLLITY.			
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Salaries and wages 1,204 3,044 1,518 Taxes - other 588 967 638 Accrued freight 282 867 455 Commissions 362 608 494 Accrued duty 4,041 3,824 2,124 Other 1,430 1,702 1,746 Total current liabilities 28,391 31,534 25,063 LONG TERM DEBT 20,000 - - LONG-TERM TAXES PAYABLE 169 169 169 169 LONG-TERM LEASE 1,031 1,158 517 DEFERRED INCOME TAXES 8,108 8,108 7,780 DEFERRED LIABILITIES 215 201 121 TOTAL LIABILITIES 57,914 41,170 33,650 SHAREHOLDERS' EQUITY: 25,000,000 shares authorized; issued and outstanding March 31, 2020 7,309,121; December 31, 2019 - 7,354,970 and March 31, 2019 - 7,391,660 67,195 67,993 68,849 Retained earnings 96,821 96,663 85,007 Total shareholders' equity 164,016 164,016 164,016 164,016 <td></td> <td>2,331</td> <td>4,740</td> <td>017</td>		2,331	4,740	017
Taxes - other 588 967 638 Accrued freight 282 867 455 Commissions 362 608 494 Accrued duty 4,041 3,824 2,124 Other 1,430 1,702 1,746 Total current liabilities 28,391 31,534 25,063 LONG TERM DEBT 20,000 - - LONG-TERM TAXES PAYABLE 169 169 169 LONG-TERM LEASE 1,031 1,158 517 DEFERRED INCOME TAXES 8,108 8,108 7,780 DEFERRED LIABILITIES 215 201 121 TOTAL LIABILITIES 57,914 41,170 33,650 SHAREHOLDERS' EQUITY: 57,914 41,170 33,650 SHAREHOLDERS' EQUITY: 57,914 67,195 67,993 68,849 Retained earnings 67,195 67,993 68,849 Retained earnings 96,821 96,663 85,907 Total shareholders' equity 164,016 164,656 164,756		1 204	2 044	1 510
Accrued freight 282 867 455 Commissions 362 608 494 Accrued duty 4,041 3,824 2,124 Other 1,430 1,702 1,746 Total current liabilities 28,391 31,534 25,063 LONG TERM DEBT 20,000 - - LONG-TERM LEASE 169 169 169 LONG-TERM LEASE 1,031 1,158 517 DEFERRED INCOME TAXES 8,108 8,108 7,780 DEFERRED LIABILITIES 215 201 121 TOTAL LIABILITIES 57,914 41,170 33,650 SHAREHOLDERS' EQUITY: 25,000,000 shares authorized; issued and outstanding March 31, 2020 7,309,121; December 31, 2019 - 7,354,970 and March 31, 2019 - 7,391,660 67,195 67,993 68,849 Retained earnings 96,821 96,663 85,907 Total shareholders' equity 164,656 164,656 164,656 164,656		•	•	
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Other 1,430 1,702 1,746 Total current liabilities 28,391 31,534 25,063 LONG TERM DEBT 20,000 - - LONG-TERM TAXES PAYABLE 169 169 169 LONG-TERM LEASE 1,031 1,158 517 DEFERRED INCOME TAXES 8,108 8,780 7,780 DEFERRED LIABILITIES 215 201 121 TOTAL LIABILITIES 57,914 41,170 33,650 SHAREHOLDERS' EQUITY: Common stock, no par value; 25,000,000 shares authorized; issued and outstanding March 31, 2020 7,309,121; December 31, 2019 - 7,354,970 and March 31, 2019 - 7,391,660 67,195 67,993 68,849 Retained earnings 96,821 96,663 85,907 Total shareholders' equity 164,016 164,056 154,756				
Total current liabilities 28,391 31,534 25,063 LONG TERM DEBT 20,000 - - LONG-TERM TAXES PAYABLE 169 169 169 LONG-TERM LEASE 1,031 1,158 517 DEFERRED INCOME TAXES 8,108 8,108 7,780 DEFERRED LIABILITIES 215 201 121 TOTAL LIABILITIES 57,914 41,170 33,650 SHAREHOLDERS' EQUITY: Common stock, no par value; 25,000,000 shares authorized; issued and outstanding March 31, 2020 7,309,121; December 31, 2019 - 7,354,970 and March 31, 2019 - 7,391,660 67,195 67,993 68,849 Retained earnings 96,821 96,663 85,907 Total shareholders' equity 164,016 164,056 154,756	·	•	•	
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SHAREHOLDERS' EQUITY: Common stock, no par value; 25,000,000 shares authorized; issued and outstanding March 31, 2020 7,309,121; December 31, 2019 - 7,354,970 and March 31, 2019 - 7,391,660 67,195 67,993 68,849 Retained earnings 96,821 96,663 85,907 Total shareholders' equity 164,056 164,056 154,756		57.914	41.170	33.650
25,000,000 shares authorized; issued and outstanding March 31, 2020 7,309,121; December 31, 2019 - 7,354,970 and March 31, 2019 - 7,391,660 67,993 68,849 Retained earnings 96,821 96,663 85,907 Total shareholders' equity 164,016 164,056 154,756		,	,	
25,000,000 shares authorized; issued and outstanding March 31, 2020 7,309,121; December 31, 2019 - 7,354,970 and March 31, 2019 - 7,391,660 67,993 68,849 Retained earnings 96,821 96,663 85,907 Total shareholders' equity 164,016 164,056 154,756	Common stock, no par value;			
Total shareholders' equity 164,016 154,756		67,195	67,993	68,849
Total shareholders' equity 164,016 154,756		•		•
201 000 - 005 000 100 100				

Rocky Brands, Inc. and Subsidiaries Condensed Consolidated Statements of Operations (In thousands, except share amounts)

Three Months Ended

	March 31,			
	 2020		2019	
NET SALES	\$ 55,720	\$	65,929	
COST OF GOODS SOLD	36,400		42,951	
GROSS MARGIN	19,320		22,978	
OPERATING EXPENSES	 17,807		18,479	
INCOME FROM OPERATIONS	1,513		4,499	
OTHER INCOME (EXPENSES)	 (9)		65	
INCOME BEFORE INCOME TAXES	1,504		4,564	
INCOME TAX EXPENSE	 316		959	
NET INCOME	\$ 1,188	\$	3,605	
INCOME PER SHARE				
Basic	\$ 0.16	\$	0.49	
Diluted	\$ 0.16	\$	0.48	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	 7,351		7,382	
Diluted	7,386		7,434	

Rocky Brands, Inc. and Subsidiaries Reconciliation of GAAP Measures to Non-GAAP Measures (In thousands, except share amounts)

Three Months

		Ended		
	_	March	<u> </u>	
	_	2020	2019	
GROSS MARGIN				
GROSS MARGIN, AS REPORTED	\$	19,320 \$	22,978	
ADD: MANUFACTURING EXPENSES RELATED TO COVID-19 CLOSURES*		988		
ADJUSTED GROSS MARGIN	\$	20,308 \$	5 22,978	
OPERATING EXPENSES	\$_	17,807 \$	18,479	
INCOME FROM OPERATIONS, ADJUSTED	\$	2,501 \$	6 4,499	
	,	_,_,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
NET INCOME				
NET INCOME, AS REPORTED	\$	1,188 \$	3,605	
ADD: MANUFACTURING EXPENSES RELATED TO COVID-19 CLOSURES, AFTER TAX		781	-	
ADJUSTED NET INCOME	\$	1,969	3,605	
NET INCOME PER SHARE, AS REPORTED				
BASIC	\$	0.16 \$		
DILUTED	\$	0.16 \$	0.48	
ADJUSTED NET INCOME PER SHARE				
BASIC	\$	0.27 \$	0.49	
DILUTED	\$	0.27 \$	0.48	
WEIGHTED AVERAGE SHARES OUTSTANDING				
BASIC		7,351	7,382	
DILUTED	_	7,386	7,434	

^{*} Adjustment related to the overhead and payroll expenses incurred during the temporary closure of our manufacturing facilities due to COVID-19.

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Source: Rocky Brands, Inc.