

30th Annual ROTH Conference

March 12, 2018
Dana Point, CA



Crown Crafts, Inc.

Crown Crafts 2018
Investor Presentation



Cautionary Notice Regarding Forward-Looking Statements



This presentation contains forward-looking statements by Crown Crafts, Inc. (the “Company”) within the meaning of the Securities Act of 1933, the Securities Exchange Act of 1934, the Private Securities Litigation Reform Act of 1995, and all Rules and Regulations issued thereto. Such statements are based upon management’s current expectations, projections, estimates and assumptions. Words such as “expects,” “believes,” “anticipates” and variations of such words and similar expressions identify such forward-looking statements. Forward-looking statements involve known and unknown risks and uncertainties that may cause future results to differ materially from those suggested by the forward-looking statements. These risks include, but are not limited to, general economic conditions, including changes in interest rates, the overall level of consumer spending and the price of oil, cotton and other raw materials used in the Company’s products, changing competition, changes in federal and state governmental regulations with respect to the consumer products industry, changes in the retail environment, the level and pricing of future orders from the Company’s customers, the Company’s dependence upon third-party suppliers, including some located in foreign countries with unstable political climates, the Company’s ability to successfully implement new information technologies, customer acceptance of both new designs and newly-introduced product lines, actions of competitors that may impact the Company’s business, disruptions to transportation systems or shipping lanes used by the Company or its suppliers, and the Company’s dependence upon licenses from third parties. Reference is also made to the Company’s periodic filings with the Securities and Exchange Commission for additional risk factors that may impact the Company’s results of operations and financial condition. The Company does not undertake to update the forward-looking statements contained herein to conform to actual results or changes in our expectations, whether as a result of new information, future events or otherwise.



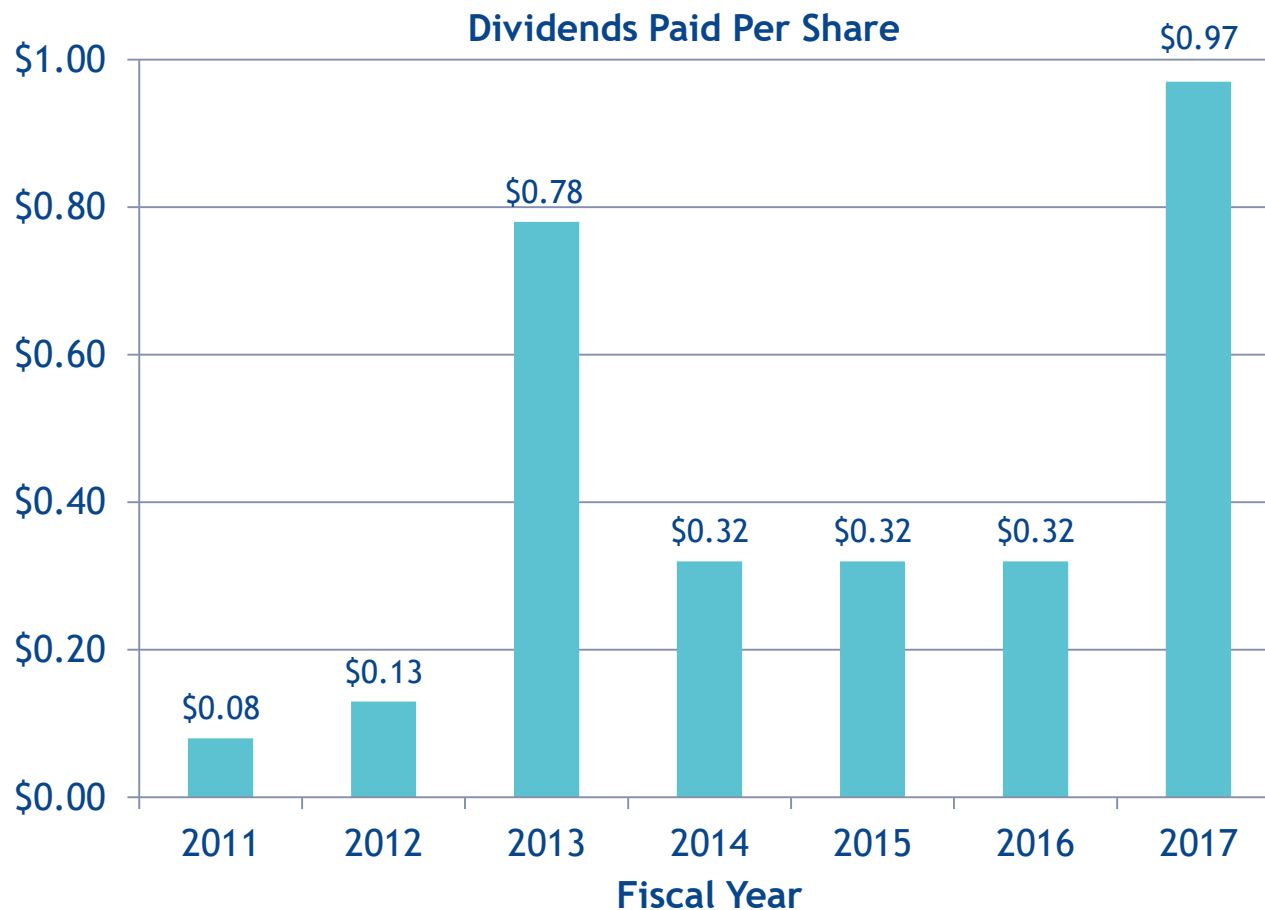
Crown Crafts - Who We Are



- One of America's largest producers of infant, toddler and juvenile consumer products
- Attractive lines of leading name-brand and private-label merchandise
- Steady profitability in a traditionally stable niche of the retail industry
- Sustained market leadership and product innovation
- Strong licensing and retail relationships
- Well-positioned for continued future growth
- "Doing the right thing"



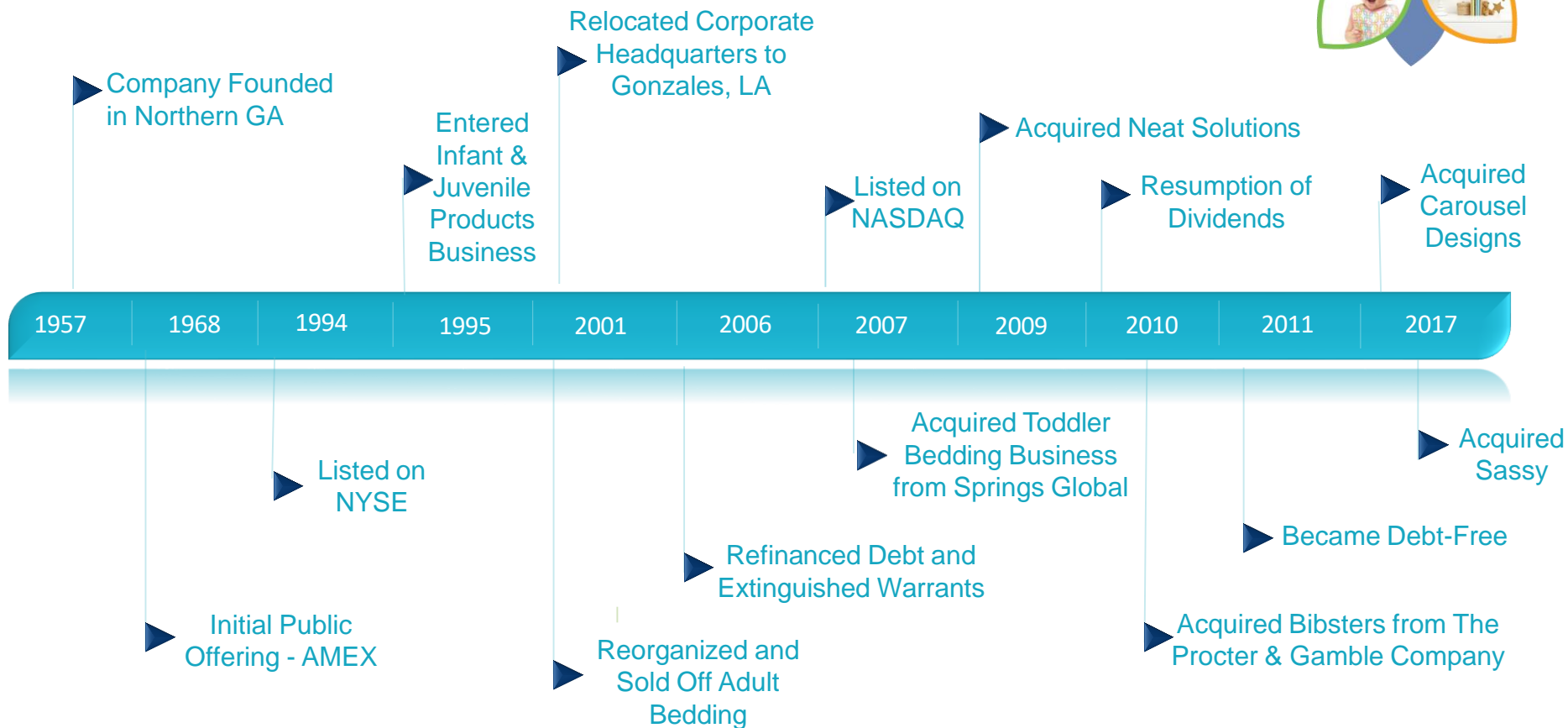
Returned More Than \$32 Million in Dividends to Stockholders Since 2010



Dividends paid during fiscal years 2013 and 2017 included special dividends of \$0.50 per share and \$0.65 per share, respectively.



Crown Crafts' Company History



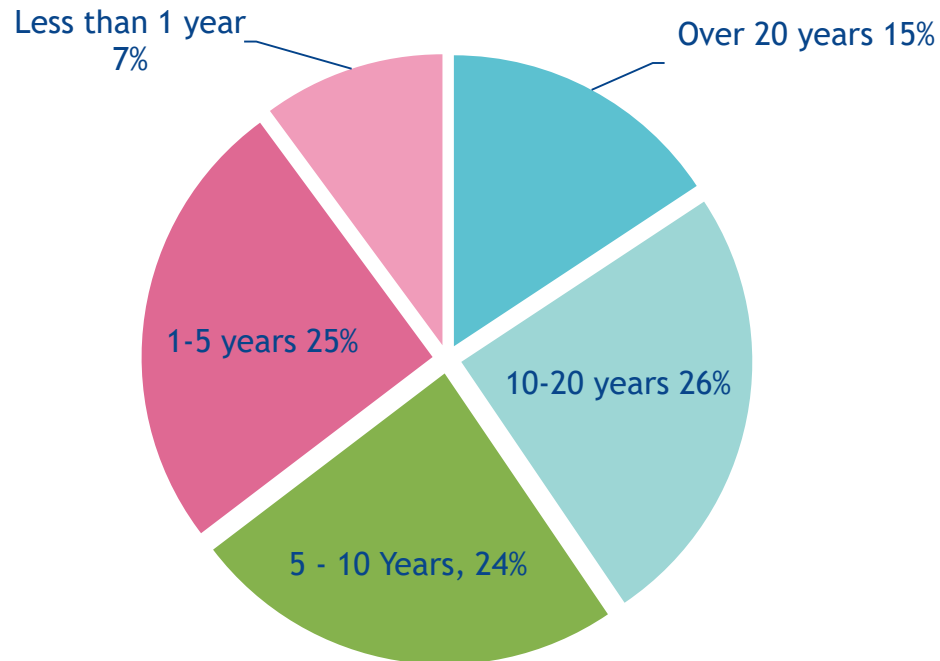
Six Company Locations Handle Distribution, Global Sourcing, Customer Service



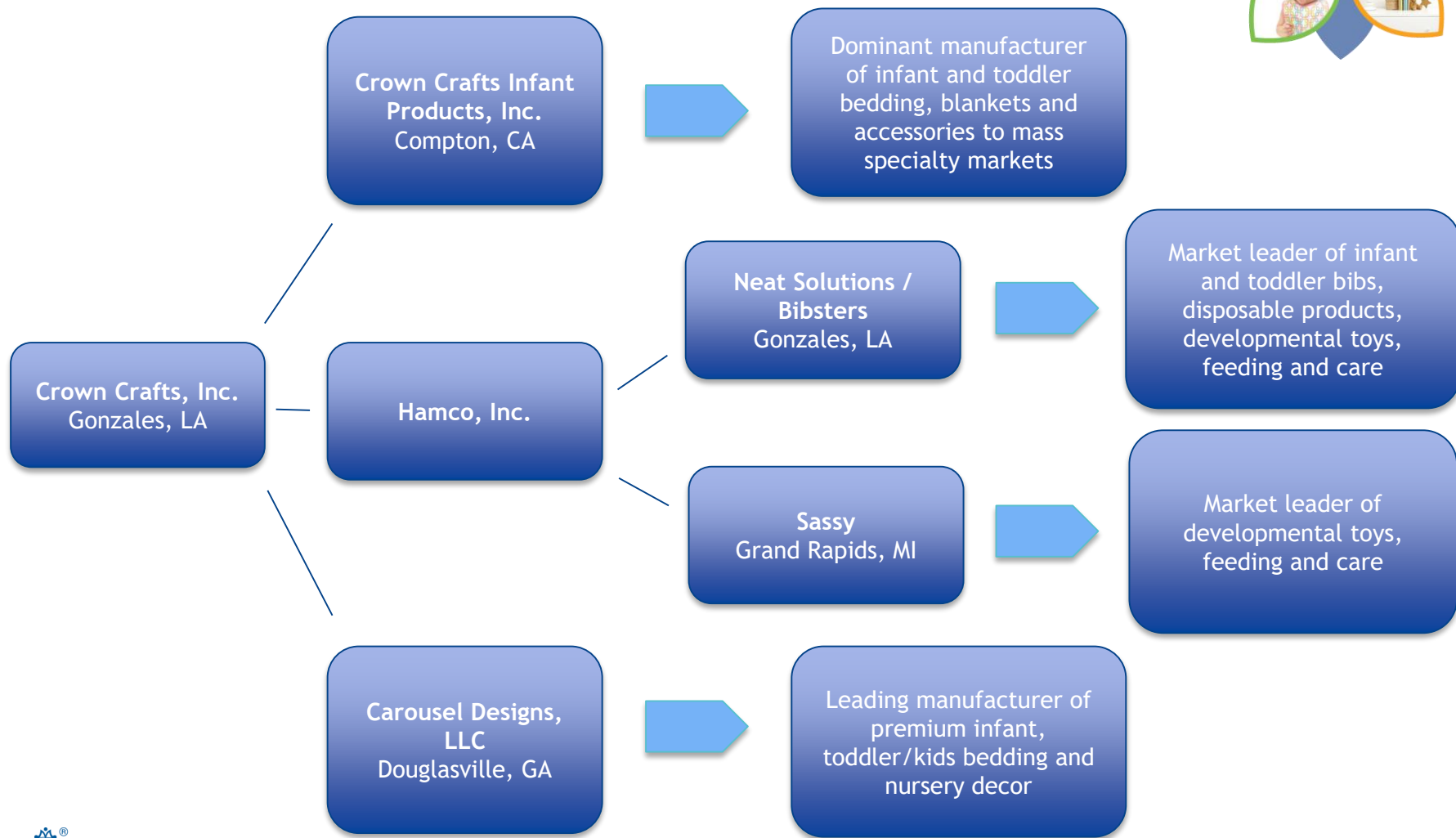
Length of Service Reflects the High Quality and Dedication of Our Workforce



- 65% of employees have over 5 years of service
- 41% of employees have over 10 years of service
- Average length of service is 10.4 years



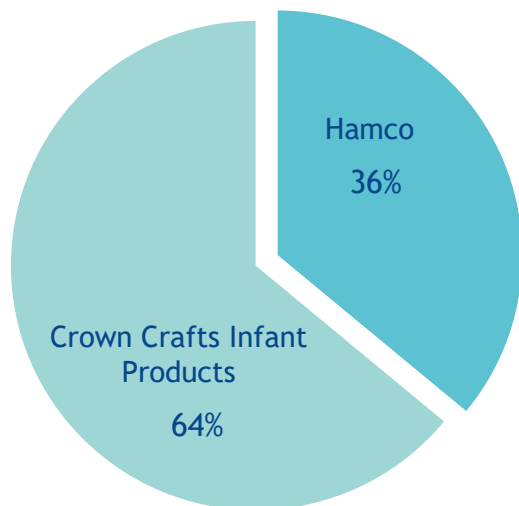
Three Wholly Owned, Market-Leading Subsidiaries



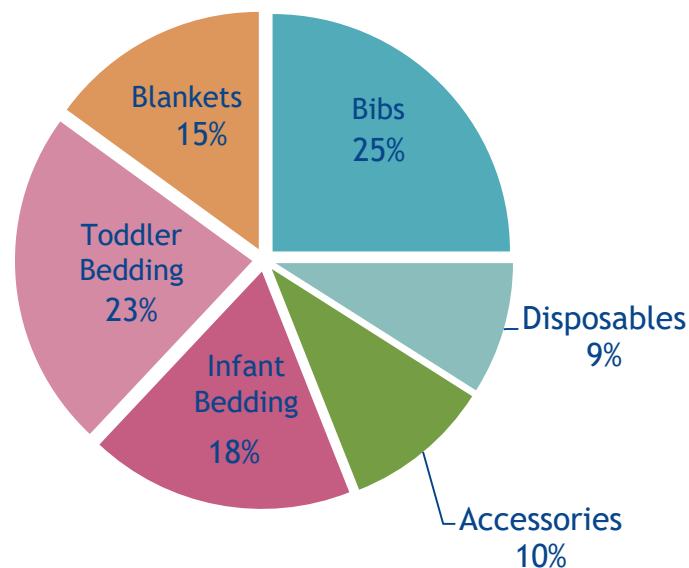
Serving a Wide Range of Infant, Toddler and Juvenile Product Categories



Net Sales by Operating Subsidiary ⁽¹⁾



Gross Sales by Product Category (Unaudited) ⁽¹⁾



Percentages based on operating results for the fiscal year ended April 2, 2017

⁽¹⁾ Excluding Carousel Designs, which was acquired on August 4, 2017, and Sassy, which was acquired on December 15, 2017



Crown Crafts Infant Products - Comfort and Quality Inside the Crib



Crib Bedding - Generally used until age 2

- Designs include traditional, contemporary, textured and whimsical patterns



Crown Crafts Infant Products - Licensed Characters Popular with Toddlers



Toddler Bedding - Generally used from ages 2-4

- Designs are almost entirely driven by licenses as children experience movies, TV, etc.



Crown Crafts Infant Products - Creative and Stylish Blanket Designs



Infant Blankets



Hamco / Neat Solutions® Products - Neat Solutions for Messy Occasions



Reusable Bibs



Disposable Bibs - Bibsters



Hamco / Neat Solutions® Products - Soft, Cozy and Fun at Bath Time



Bath Products



Hamco / Neat Solutions® Products - Convenience and Cleanliness at Home or Away



table topper®



Hamco / Neat Solutions® Products - Accessories and Disposables Make Life Easier



disposable
floor topper®



tidy topper®
multi-use pads



potty topper®



Carousel Designs - Mom Gets What Mom Wants



- Leading domestic manufacturer of premium baby bedding, fabric and home décor
- Direct-to-Consumer Sales Channel through www.babybedding.com
- Over 100 distinctive bedding collections

- Customers create their own bedding online using the exclusive Nursery Designer[®] tool
- Thousands of product customization and personalization options.





Carousel Designs - Mom Gets What Mom Wants



- Carousel Designs was founded in 1988
- Asset acquisition closed on August 4, 2017
- Senior management and over 70 employees were retained
- Includes lease of manufacturing facilities in Douglasville, Georgia
- Purchase price of \$8.8 million plus the assumption of certain liabilities
- Acquisition funded with cash on hand
- Attractive and scalable e-commerce platform
- Expected to be immediately accretive to earnings
- To be operated as a wholly owned subsidiary (LLC)
- Customer makes payment when the order is placed
- More than 200,000 unique visitors to the website each month
- Highly trusted premium brand that establishes customer loyalty
- Innovative production process results in minimal waste and downtime
- Serving customers directly and through Amazon, Etsy and other partners





- Asset acquisition closed on December 15, 2017
- Dominant player for more than 30 years
- Purchase price of \$6.5 million
- Opportunities for strategic growth



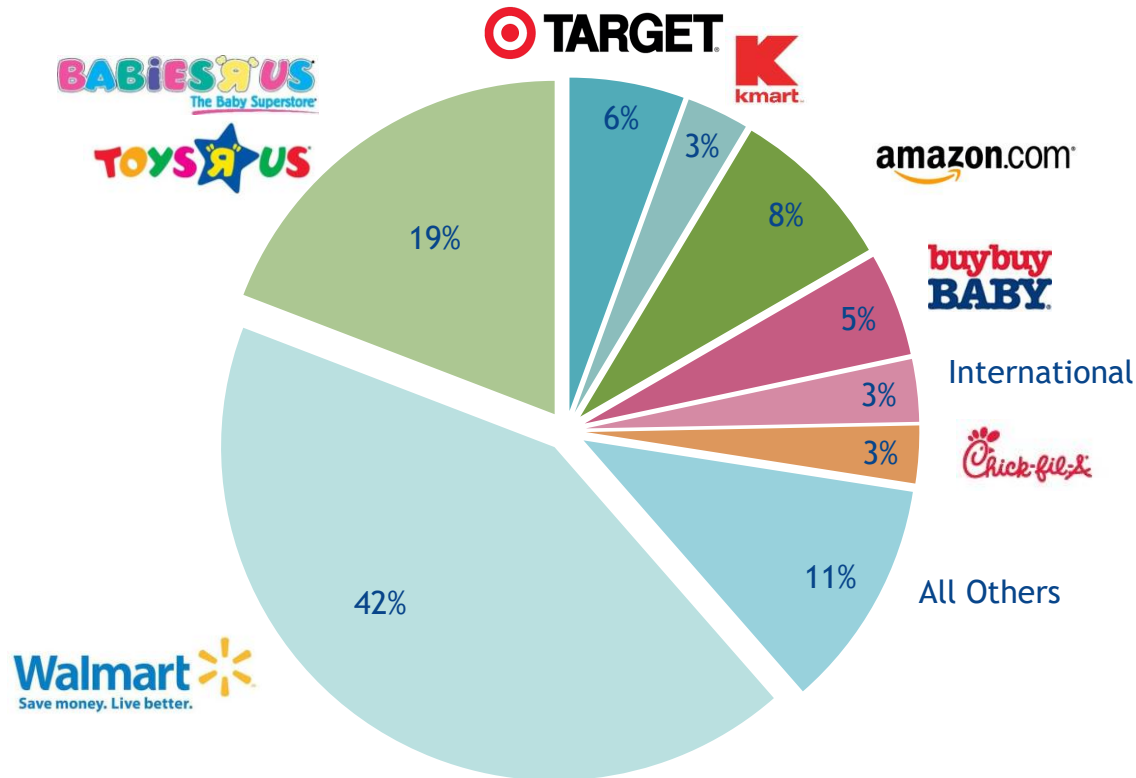
- Innovative products that align with babies' developmental milestones
- Products are sold worldwide in over 30 countries



Supplying Retailers Where Parents Shop



Gross Sales by Customer ⁽¹⁾
 For the Fiscal Year Ended April 2, 2017
 (Unaudited)



⁽¹⁾ Excluding Carousel Designs, which was acquired on August 4, 2017, and Sassy, which was acquired on December 15, 2017



Strong Line of Company-Owned Brands



World-Class Licensed Collections



petunia pickle bottom



Demand Factors - Birth Rates Remain at Historically Low Levels...



- Annual U.S. births have decreased by nearly 9% from 2007 to 2016
- The number of children born in 2007 was roughly the same as in 1957
- More prevalent contraception, unmarried women, childless couples, lower infant/child mortality
- Macro - depressive effect on the economy - fewer workers to pay in to Social Security
- Micro - fewer family members to care for parents / grandparents

Annual U.S. Births (in millions)



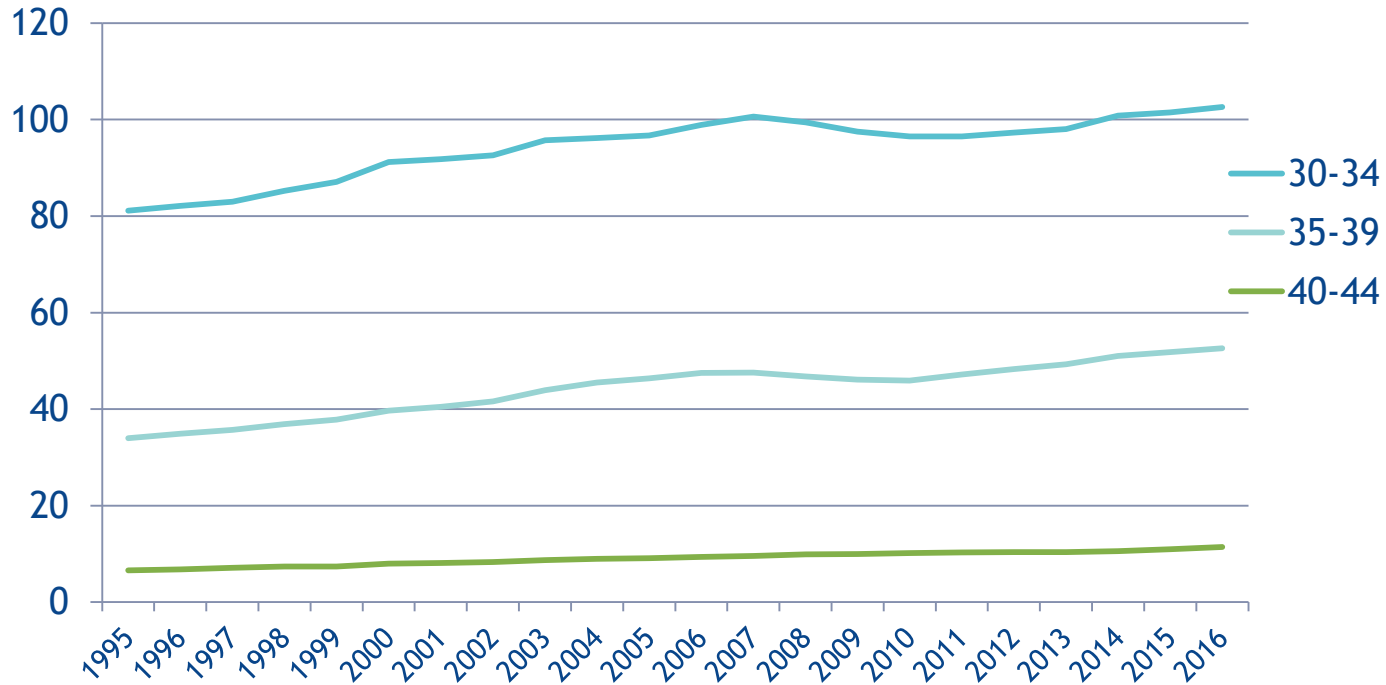
Source for Graph: U.S. Centers for Disease Control and Prevention, National Center for Health Statistics, National Vital Statistics System. Births: Final Data for 2016. National Vital Statistics Reports; Volume 67, Number 1. January 31, 2018. https://www.cdc.gov/nchs/data/nvsr/nvsr67_01.pdf



... But More Women in Their 30s and 40s Are Having Kids



U.S. Birth Rate per 1,000 Women by Age



Source for Graph: U.S. Centers for Disease Control and Prevention, National Center for Health Statistics. Births: Provisional Data for 2016. Vital Statistics Rapid Release. Report Number 002. June 2017. <https://www.cdc.gov/nchs/data/vsrr/report002.pdf>



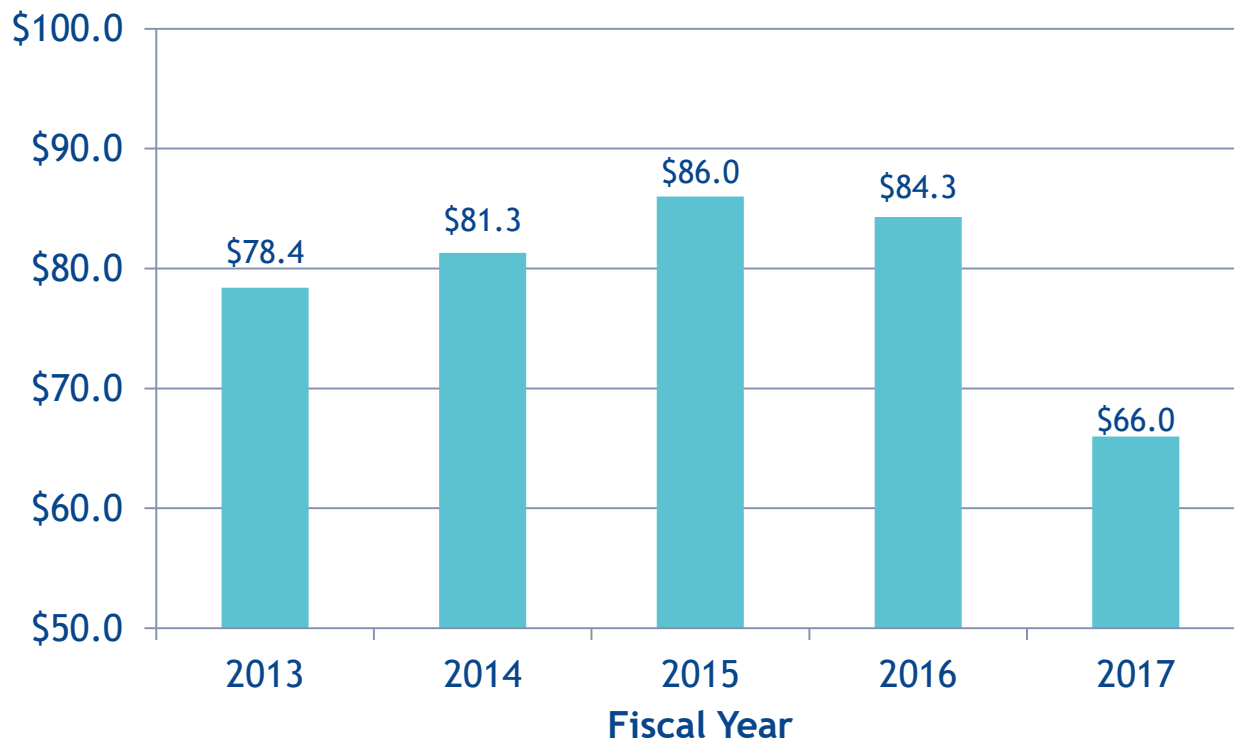
Financial Highlights



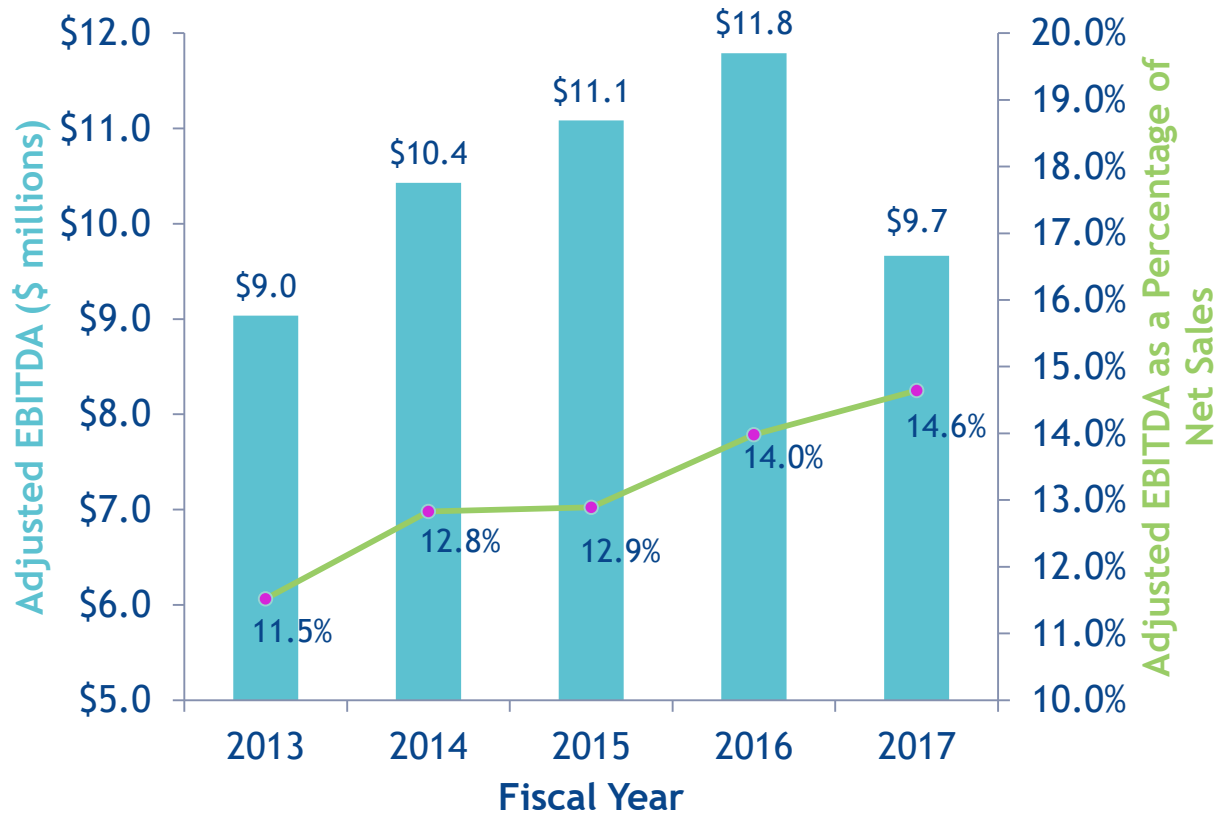
Operating Highlights



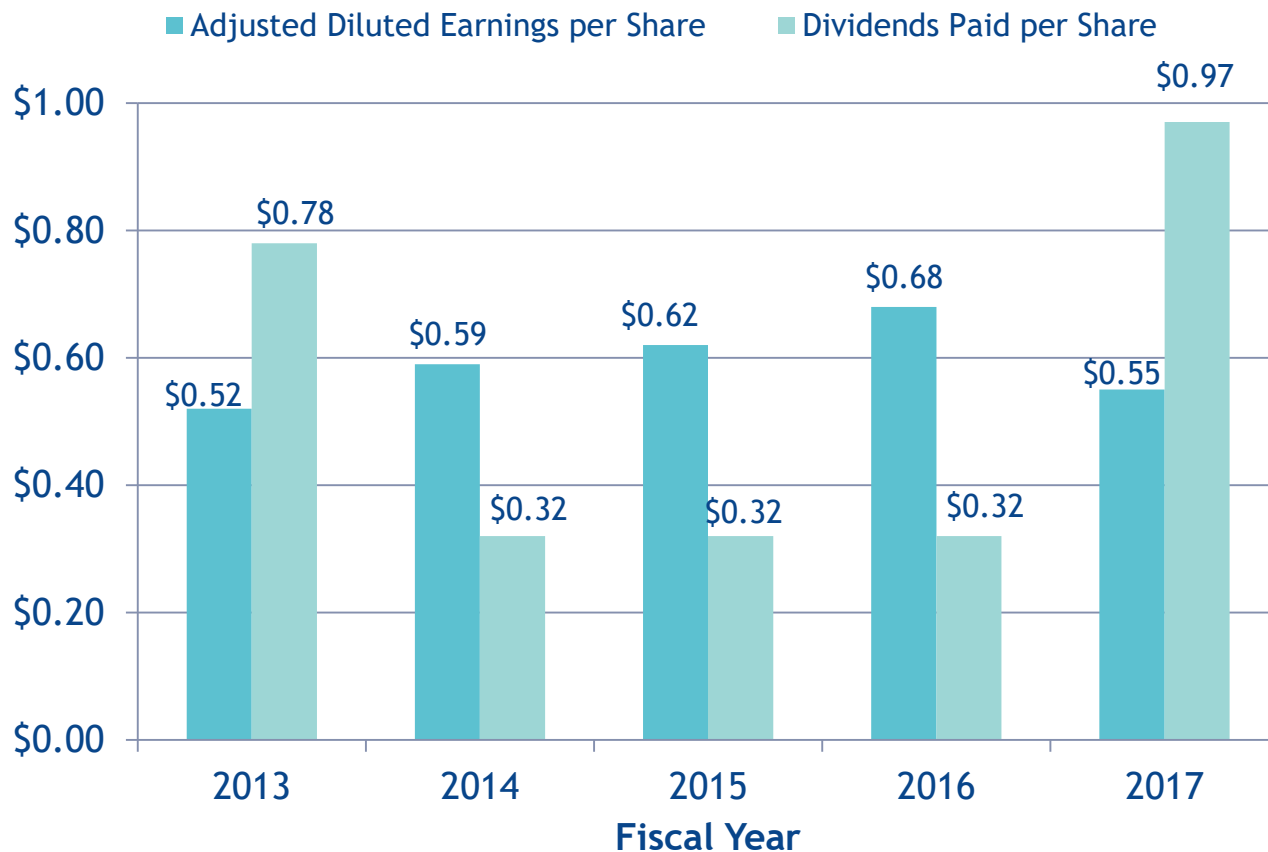
Net Sales (in millions)



Operating Highlights



Operating Highlights



- Dividends paid for fiscal year 2013 included a special dividend of \$0.50 per share
- Dividends paid for fiscal year 2017 included special dividends of \$0.25 and \$0.40 per share



Operating Highlights



(In thousands, except percentages - unaudited)

Non-GAAP Reconciliation of	Fiscal Year				
	2013	2014	2015	2016	2017
Net Income to EBITDA and Adjusted EBITDA:					
Net income	\$ 5,111	\$ 5,771	\$ 5,718	\$ 6,829	\$ 5,572
Interest expense	81	49	37	58	68
Interest income	(61)	(21)	(19)	(69)	(134)
Income tax expense	2,907	3,575	3,442	3,914	3,224
Depreciation	232	299	314	310	178
Amortization	766	758	741	748	754
EBITDA	\$ 9,036	\$ 10,431	\$ 10,233	\$ 11,790	\$ 9,662
Legal settlement	-	-	850	-	-
Adjusted EBITDA	\$ 9,036	\$ 10,431	\$ 11,083	\$ 11,790	\$ 9,662
Net sales	\$ 78,416	\$ 81,294	\$ 85,978	\$ 84,342	\$ 65,978
Adjusted EBITDA as a Percentage of Net Sales	11.5%	12.8%	12.9%	14.0%	14.6%



Operating Highlights



(In thousands, except percentages - unaudited)

Non-GAAP Reconciliation of	Fiscal Year				
	2013	2014	2015	2016	2017
Net Income to Adjusted Net Income:					
Net income	\$ 5,111	\$ 5,771	\$ 5,718	\$ 6,829	\$ 5,572
Legal settlement	-	-	850	-	-
Income tax benefit of legal settlement	-	-	(320)	-	-
Adjusted net income	\$ 5,111	\$ 5,771	\$ 6,248	\$ 6,829	\$ 5,572
Non-GAAP Reconciliation of Earnings per Share to Adjusted Earnings per Share:					
Weighted Average Shares Outstanding:					
Basic	9,786	9,848	10,047	10,017	10,013
Diluted	9,786	9,858	10,080	10,038	10,041
Earnings per Share as Reported:					
Basic	\$ 0.52	\$ 0.59	\$ 0.57	\$ 0.68	\$ 0.56
Diluted	\$ 0.52	\$ 0.59	\$ 0.57	\$ 0.68	\$ 0.55
Adjusted Earnings per Share:					
Basic	\$ 0.52	\$ 0.59	\$ 0.62	\$ 0.68	\$ 0.56
Diluted	\$ 0.52	\$ 0.59	\$ 0.62	\$ 0.68	\$ 0.55

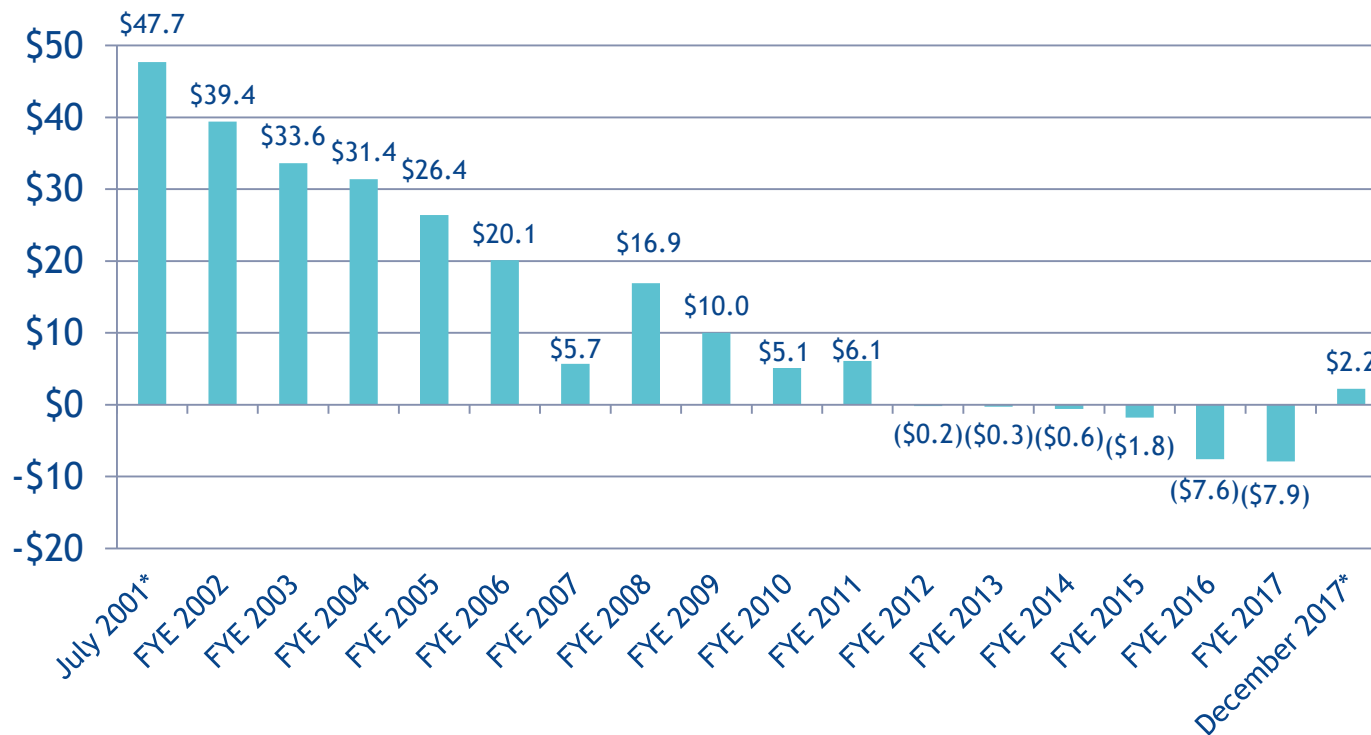


Operating Cash Flow Strengthens Balance Sheet



In addition to lowering its debt levels, the Company has, since December 2006, paid \$34.6 million for acquisitions, \$32.1 million in cash dividends and \$3.1 million for open-market stock repurchases.

Debt (Cash) Balances (in millions)
Amounts shown are Net of Cash



*Unaudited



For Additional Information



Attendees and other viewers of this presentation are advised to read all reports and other filings made by the Company with the Securities and Exchange Commission under the Securities Act of 1933 and the Securities Exchange Act of 1934. Copies of these filings may be obtained, without charge, by directing a request to Halliburton Investor Relations & Communications, 2140 Lake Park Boulevard, Suite 112, Richardson, TX 75080, or at www.sec.gov.



The Presentation of Non-GAAP Financial Measures



In addition to the Company's presentation of its financial position and results of operations in conformity with accounting principles generally accepted in the United States ("GAAP"), the Company has also presented measures of its financial position and results of operations which are not determined in accordance with GAAP. These non-GAAP financial measures include earnings before interest, taxes, depreciation and amortization ("EBITDA"). Additionally, with respect to the fiscal year ended March 29, 2015, the Company has presented what its net income, earnings per share and EBITDA would have been if the charge associated with the settlement of a lawsuit had not been recognized (to arrive at "Adjusted Net Income", "Adjusted Earnings per Share" and "Adjusted EBITDA", respectively). The Company has also presented its debt balances on a net-of-cash basis. Offsetting these amounts in this manner is permitted under GAAP only in limited circumstances. The charge excluded to calculate Adjusted Net Income, Adjusted Earnings per Share and Adjusted EBITDA is a significant component in an understanding and assessment of the Company's results of operations. The Company believes that the non-GAAP financial measures included in this presentation provide useful information and are important indicators of the Company's ability to generate cash sufficient to service its debt, declare and pay dividends, make strategic investments and capital expenditures and meet working capital requirements and other obligations as they become due. The Company uses these non-GAAP financial measures internally to monitor the Company's operating results and cash flow and to evaluate the performance of its businesses. These non-GAAP financial measures are provided as supplemental information and should be considered in addition to, and not as a substitute for, the Company's GAAP measures, including its cash and debt balances, net income, earnings per share, cash flow provided by or used in operating, investing or financing activities, and other measures of the Company's financial position or results of operations reported in accordance with GAAP. Because these non-GAAP financial measures are, by definition, not calculated in accordance with GAAP, another company using the same GAAP financial information could possibly arrive at a different calculation of these non-GAAP financial measures. Therefore, the non-GAAP financial measures as presented by the Company may not be comparable to similarly-titled measures that may be presented by another company.

