
**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): March 23, 2020



ROCKY BRANDS, INC.

(Exact name of registrant as specified in its charter)

Ohio
(State or other jurisdiction
of incorporation)

001-34382
(Commission
File Number)

31-1364046
(IRS Employer
Identification No.)

39 East Canal Street, Nelsonville, Ohio 45764
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (740) 753-1951

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))

| Title of class | Trading symbol | Name of exchange on which registered |
|-----------------------------|----------------|--------------------------------------|
| Common Stock – No Par Value | RCKY | Nasdaq |

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 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant

On March 23, 2020, Rocky Brands, Inc. (the “Company”) incurred indebtedness under its Revolving Credit, Guaranty, and Security Agreement, dated February 13, 2019 (the “Credit Agreement”), among the Company and certain of its subsidiaries (collectively, the “Borrowers”), the lenders party thereto, and The Huntington National Bank as administrative agent for the lenders, in an aggregate principal amount of \$20 million. The Company elected to draw the \$20 million from its Credit Agreement to preserve financial liquidity and flexibility in order to successfully manage its operations as a result of the current unprecedented period of uncertainty, including the unknown duration and overall impact of the COVID-19 coronavirus outbreak.

As previously disclosed, the Credit Agreement provides for a senior secured asset-based revolving credit facility up to a principal amount of \$75 million, which includes a sublimit for the issuance of letters of credit up to \$7.5 million (the “Credit Facility”). The Credit Facility may be increased up to an additional \$25 million at the Borrowers’ request and the lenders’ option, subject to customary conditions. After the draw, Rocky Brands expects to have approximately \$40 million in cash and cash equivalents. Prior to this draw down, the Company had no loans outstanding under the Credit Facility.

Item 7.01 Regulation FD Disclosure.

On March 23, 2020, the Company issued a press release announcing that its distribution center in Logan, Ohio would remain open as an essential business operation in Ohio, along with an announcement of the information that has been disclosed in Item 2.03 hereof, which is incorporated herein by reference, a copy of which is attached hereto as Exhibit 99 and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|----------------------------|---|
| Exhibit 99 | Press Release, dated March 23, 2020 entitled “Rocky Brands Deemed Essential Business; Continue to Ship Product from its Distribution Center.” |

SIGNATURES

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.

Date: March 23, 2020

Rocky Brands, Inc.

/s/ Thomas D. Robertson

Thomas D. Robertson

Executive Vice President, Chief Financial Officer, and Treasurer

**ROCKY BRANDS DEEMED ESSENTIAL BUSINESS;
CONTINUES TO SHIP PRODUCT FROM ITS OHIO DISTRIBUTION CENTER**

NELSONVILLE, Ohio, March 23, 2020 – Rocky Brands, Inc. (Nasdaq: RCKY) today announced it will continue operations and shipments from its distribution center in Logan, Ohio following Ohio Gov. Mike DeWine and the Ohio Department of Health issuing a "Stay at Home" order for all nonessential businesses from March 24 through April 6, 2020.

The Company's 200,000-square-foot distribution center, based on review of the order, has been deemed as an essential infrastructure business operation. The distribution center currently has approximately 1.3 million pairs of footwear in inventory and stands ready to ship the company's work, duty and outdoor footwear to customers throughout the country.

Rocky Brands' manufacturing facilities in Puerto Rico and the Dominican Republic are under government orders to not operate for the next 14 days. These plants produce approximately half of the Company's products, with the remainder being produced by contract manufacturers in other countries – primarily China – where manufacturing resumed at the end of February.

As a result of the current unprecedented period of uncertainty, including the unknown duration and overall impact of the COVID-19 coronavirus outbreak, Rocky Brands has acted to preserve financial liquidity and flexibility in order to successfully manage its operations during the crisis.

As previously disclosed, the Company maintains a secured asset-based revolving credit facility up to a principal amount of \$75 million and an additional \$25 million option. As a precautionary measure, Rocky Brands elected to draw down \$20 million from its credit facility, strengthening the Company's cash position and effectively funding working capital requirements during the first half of 2020. After the draw down, Rocky Brands expects to have approximately \$40 million in cash and cash equivalents. Prior to this, the Company had no debt.

"We understand and appreciate Gov. DeWine's efforts to flatten the COVID-19 curve and urge our fellow Ohioans to follow the order and take precautions for themselves and others around them," said Jason Brooks, Rocky Brands CEO. "However, we agree with Ohio's approach to permit distribution centers to continue to operate. This is especially important at this time for our distribution center to operate as our footwear products are utilized by our country's critical infrastructure businesses which need to be maintained during this crisis.

"This includes the military, police and fire and other first responders, farmers and ranchers, food and drug manufacturers, hospital workers, electric, gas and water utility companies, oil and gas producers, transportation and logistics businesses, and public works," he added. "The Ohio order recognizes we need workers in these types of businesses to remain on the job to enable us to fight the virus and protect our citizens at the same time."

Rocky Brands began having its corporate staff work remotely last week. The company will continue operations at the distribution center, while also taking steps to ensure the safety and wellbeing of its employees there. To that end, Rocky Brands has implemented several policies in accordance with CDC and Ohio Department of Health guidelines. This includes limiting contact among staff members, conducting daily health screenings, ongoing cleaning and sanitization of the entire facility and dividing employees into work teams who will work one week on and one week off.

"The health of our employees is paramount and we will do everything possible to protect them," said Brooks. "In these difficult times, we are proud to be able to continue to support our retail partners as they service the consumers who need our products to do their jobs."

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® and Lehigh®. More information can be found at RockyBrands.com.

ROCKY BRANDS, INC.

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