

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): December 27, 2021

DELTA APPAREL, INC.
(Exact name of registrant as specified in its charter)

Georgia
(State or Other Jurisdiction of Incorporation)

1-15583
(Commission File Number)

58-2508794
(IRS Employer Identification No.)

2750 Premiere Pkwy., Suite 100
Duluth, Georgia
(Address of principal executive offices)

30097
(Zip Code)

(678) 775-6900
(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))

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company 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.

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	DLA	NYSE American

Item 1.01. Entry into a Material Definitive Agreement.

On December 27, 2021, Delta Apparel, Inc. (the "Company"), Parkdale Mills, Inc., a North Carolina corporation, and Parkdale America, LLC, a North Carolina limited liability company (collectively, "Parkdale") entered into a Sixth Amendment to Yarn Supply Agreement (the "Sixth Amendment"). The Sixth Amendment amended the terms of the Yarn Supply Agreement dated as of January 5, 2005, between the Company and Parkdale (the "Yarn Supply Agreement"), which was previously amended by the First Amendment to Yarn Supply Agreement dated as of June 26, 2009 (the "First Amendment"), the Second Amendment to Yarn Supply Agreement dated as of October 21, 2011 (the "Second Amendment"), the Third Amendment to Yarn Supply Agreement dated as of March 11, 2013 (the "Third Amendment"), the Fourth Amendment to Yarn Supply Agreement dated as of December 11, 2015 (the "Fourth Amendment") and the Fifth Amendment to Yarn Supply Agreement dated as of December 27, 2018 (the "Fifth Amendment"). Pursuant to the Yarn Supply Agreement, as amended, the Company purchases from Parkdale all yarn required by the Company and its wholly-owned subsidiaries for use in its manufacturing operations (excluding yarns that Parkdale did not manufacture as of the date of the Yarn Supply Agreement in the ordinary course of its business or due to temporary Parkdale capacity restraints).

Pursuant to the Sixth Amendment, the term of the Yarn Supply Agreement was extended until December 31, 2024. In addition, certain waste factors and conversion prices used to calculate the price of yarn purchased pursuant to the Yarn Supply Agreement were amended, with the new waste factors and pricing effective on January 1, 2022.

The foregoing description of the Sixth Amendment is not complete and is qualified in its entirety by the actual provisions of the Sixth Amendment, a copy of which is filed as an exhibit to this Current Report on Form 8-K and incorporated herein by reference.

The Yarn Supply Agreement was filed as Exhibit 10.29 to the Company's Form 10-Q filed on February 9, 2005, the First Amendment was filed as Exhibit 10.7.1 to the Company's Form 10-K filed on August 28, 2009, the Second Amendment was filed as Exhibit 10.1 to the Company's Form 8-K filed on October 25, 2011, the Third Amendment was filed as Exhibit 10.1 to the Company's Form 8-K filed on March 14, 2013, the Fourth Amendment was filed as Exhibit 10.6.4 to the Company's Form 10-K filed on December 15, 2015 and the Fifth Amendment was filed as Exhibit 10.1 to the Company's Form 8-K filed on December 27, 2018. The Yarn Supply Agreement, the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Sixth Amendment to Yarn Supply Agreement dated December 27, 2021, between Delta Apparel, Inc. and Parkdale Mills, Inc. and Parkdale America, LLC.</u> * * Portions of this exhibit (indicated therein by asterisk) have been omitted for confidential treatment.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

DELTA APPAREL, INC.

Date: January 3, 2022

/s/ Robert W. Humphreys
Robert W. Humphreys
Chief Executive Officer

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [*], HAS BEEN OMITTED BECAUSE IT IS NOT MATERIAL AND WOULD LIKELY CAUSE COMPETITIVE HARM TO DELTA APPAREL, INC. IF PUBLICLY DISCLOSED.

SIXTH AMENDMENT TO YARN SUPPLY AGREEMENT

This Sixth Amendment to Yarn Supply Agreement (the "Sixth Amendment") is made as of the 27th day of December 2021, by and between Parkdale Mills, Incorporated, a North Carolina corporation, and Parkdale America, LLC, a North Carolina limited liability company (collectively, "Parkdale"), and Delta Apparel, Inc., a Georgia corporation ("Delta").

WHEREAS, Parkdale and Delta entered into that certain Yarn Supply Agreement dated as of January 5, 2005, with respect to the supply of yarn by Parkdale to Delta (the "Yarn Supply Agreement"); and

WHEREAS, Parkdale and Delta entered into that First Amendment to Yarn Supply Agreement dated as of June 26, 2009 (the "First Amendment"), which amended the Yarn Supply Agreement in certain respects; and

WHEREAS, Parkdale and Delta entered into that Second Amendment to Yarn Supply Agreement dated as of October 21, 2011 (the "Second Amendment"), which further amended the Yarn Supply Agreement in certain respects; and

WHEREAS, Parkdale and Delta entered into that Third Amendment to Yarn Supply Agreement dated as of March 11, 2013 (the "Third Amendment"), which further amended the Yarn Supply Agreement in certain respects; and

WHEREAS, Parkdale and Delta entered into that Fourth Amendment to Yarn Supply Agreement dated as of December 11, 2015 (the "Fourth Amendment"), which further amended the Yarn Supply Agreement in certain respects; and

WHEREAS, Parkdale and Delta entered into that Fifth Amendment to Yarn Supply Agreement dated as of December 27, 2018 (the "Fifth Amendment"), which further amended the Yarn Supply Agreement in certain respects (the Yarn Supply Agreement, First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment are collectively referred to herein as the "Agreement"); and

WHEREAS, Parkdale and Delta desire to further amend the Agreement as set forth in this Sixth Amendment;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized terms not otherwise defined in this Sixth Amendment shall have the meanings ascribed thereto in the Agreement;
2. The Term of the Agreement is hereby extended until December 31, 2024.
3. Effective as of January 1, 2022, Exhibit 3B of the Agreement is hereby amended and replaced in its entirety by Exhibit 3B attached to this Sixth Amendment.
4. Exhibit C of the Agreement is hereby amended and replaced to revise the “Individuals Responsible for Fixation Orders/Execution” referenced therein as follows:

Delta

Robert W. Humphreys

Parkdale

Anderson D. Warlick
James A. Martin
Charles S. Heilig, III

5. Except as expressly set forth in this Sixth Amendment, all terms and conditions of the Agreement shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Sixth Amendment and any of the terms and conditions of the Agreement, the terms and conditions of this Sixth Amendment shall control.

6. This Sixth Amendment shall be governed and controlled as to validity, enforcement, interpretation, construction, and effect, and in all other respects, by the laws of the State of North Carolina, without regard to principles of conflict of law.

7. This Sixth Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original, and all such counterparts shall constitute but one instrument.

IN WITNESS WHEREOF, the parties have caused this Sixth Amendment to be duly executed by their respective duly authorized officers as of the day and year first above written.

PARKDALE MILLS, INC.

By: /s/ Charles S. Heilig, III
Name: Charles S. Heilig, III
Title: President and CEO, Textiles

PARKDALE AMERICA, LLC

By: /s/ Charles S. Heilig, III
Name: Charles S. Heilig, III
Title: President and CEO, Textiles

DELTA APPAREL, INC.

By: /s/ Robert W. Humphreys
Name: Robert W. Humphreys
Title: Chairman and Chief Executive Officer

Exhibit 3B
Effective January 1, 2022
Purchase Price of Yarn:

The purchase price for each pound of Yarn delivered shall be calculated in accordance with the following formula: **Purchase Price = [(A + B) ÷ C] + D**

- Where:
- A = Cost Price
 - B = Basis, as agreed upon by the parties from time to time
 - C = 1.00 - applicable waste factor set forth in the table below (in decimal format)
 - D = Applicable conversion price set forth in the table below

Waste Factors and Conversion Prices

OPEN END YARN			
	cotton waste	poly waste	CONV PER LB
14/1 100%cotton KPOE	[*]	[*]	[*]
16/1 100%cotton KPOE	[*]	[*]	[*]
18/1 100%cotton KPOE	[*]	[*]	[*]
20/1 100%cotton KPOE	[*]	[*]	[*]
22/1 100%cotton KPOE	[*]	[*]	[*]
26/1 100%cotton KPOE	[*]	[*]	[*]
30/1 100%cotton KPOE	[*]	[*]	[*]
30/1 100%cotton "softspun" KPOE	[*]	[*]	[*]
8/1 50% cotton / 50%poly KPOE	[*]	[*]	[*]
10/1 50% cotton / 50%poly KPOE	[*]	[*]	[*]
14/1 50% cotton / 50%poly KPOE	[*]	[*]	[*]
16/1 99% cotton / 1% blk poly KPOE	[*]	[*]	[*]
18/1 99% cotton / 1% blk poly KPOE	[*]	[*]	[*]
20/1 99% cotton / 1% blk poly KPOE	[*]	[*]	[*]
22/1 99% cotton / 1% blk poly KPOE	[*]	[*]	[*]
16/1 90% cotton / 10% blk poly KPOE	[*]	[*]	[*]
18/1 90% cotton / 10% blk poly KPOE	[*]	[*]	[*]
20/1 90% cotton / 10% blk poly KPOE	[*]	[*]	[*]
22/1 90% cotton / 10% blk poly KPOE	[*]	[*]	[*]
30/1 90% cotton / 10% blk poly KPOE	[*]	[*]	[*]
18/1 50% cotton / 49% poly / 1% blk poly KPOE	[*]	[*]	[*]
20/1 50% cotton / 49% poly / 1% blk poly KPOE	[*]	[*]	[*]

[*] Text omitted for confidential treatment. The redacted information has been excluded because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

26/1 50% cotton / 49% poly / 1% blk poly KPOE	[*]	[*]	[*]
14/1 50% cotton / 40% poly / 10% blk poly KPOE	[*]	[*]	[*]
18/1 50% cotton / 40% poly / 10% blk poly KPOE	[*]	[*]	[*]
20/1 50% cotton / 40% poly / 10% blk poly KPOE	[*]	[*]	[*]
26/1 50% cotton / 40% poly / 10% blk poly KPOE	[*]	[*]	[*]
16/1 50% cotton / 50% poly KPOE	[*]	[*]	[*]
18/1 50% cotton / 50% poly KPOE	[*]	[*]	[*]
20/1 50% cotton / 50% poly KPOE	[*]	[*]	[*]
22/1 50% cotton / 50% poly KPOE	[*]	[*]	[*]
26/1 50% cotton / 50% poly KPOE	[*]	[*]	[*]
30/1 50% cotton / 50% poly "softspun" KPOE	[*]	[*]	[*]

VORTEX YARN			
16/1 50% cotton / 50% polyester	[*]	[*]	[*]
27/1 50% cotton / 50% polyester	[*]	[*]	[*]
27/1 100% polyester	[*]	[*]	[*]

RING SPUN YARN			
16/1 50% cotton / 50%poly KPRS	[*]	[*]	[*]
20/1 50% cotton / 50%poly KPRS	[*]	[*]	[*]
20/1 60% cotton / 40%poly KPRS	[*]	[*]	[*]
30/1 60% cotton / 40%poly KPRS	[*]	[*]	[*]
18/1 100% cotton KPRS	[*]	[*]	[*]
20/1 100% cotton KPRS	[*]	[*]	[*]
24/1 100% cotton KPRS	[*]	[*]	[*]
30/1 100% cotton KPRS	[*]	[*]	[*]
20/1 90% cotton / 10% blk poly KPRS	[*]	[*]	[*]
22/1 90% cotton / 10% blk poly KPRS	[*]	[*]	[*]
30/1 90% cotton / 10% blk poly KPRS	[*]	[*]	[*]
18/1 50% cotton / 50%poly CPRS	[*]	[*]	[*]
20/1 50% cotton / 50%poly CPRS	[*]	[*]	[*]
24/1 50% cotton / 50%poly CPRS	[*]	[*]	[*]
30/1 50% cotton / 50%poly CPRS	[*]	[*]	[*]
40/1 50% cotton / 50%poly CPRS	[*]	[*]	[*]
30/1 60% cotton / 40%poly CPRS	[*]	[*]	[*]
32/1 60% cotton / 40%poly CPRS	[*]	[*]	[*]
40/1 60% cotton / 40%poly CPRS	[*]	[*]	[*]
16/1 100% cotton CPRS	[*]	[*]	[*]
18/1 100% cotton CPRS	[*]	[*]	[*]
20/1 100% cotton CPRS	[*]	[*]	[*]

[*] Text omitted for confidential treatment. The redacted information has been excluded because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

22/1 100% cotton CPRS	[*]	[*]	[*]
24/1 100% cotton CPRS	[*]	[*]	[*]
30/1 100% cotton CPRS	[*]	[*]	[*]
36/1 100% cotton CPRS	[*]	[*]	[*]
40/1 100% cotton CPRS	[*]	[*]	[*]
24/1 90% cotton / 10% blk poly CPRS	[*]	[*]	[*]
30/1 90% cotton / 10% blk poly CPRS	[*]	[*]	[*]

This **Exhibit 3B** shall be amended from time to time to add basis, waste factors and conversion prices per pound for Yarn Counts required by Delta or any of its Subsidiaries not set forth above, as agreed to by the parties in their reasonable discretion.

The Cost Price per pound shall be adjusted over the term of this Agreement as described on **Exhibit C** and shall be calculated for any given period based on the weighted average of cotton prices fixed for that period pursuant to **Exhibit C**. The Basis per pound shall be adjusted over the term of this Agreement on an annual basis on each anniversary date of the Agreement.

Cotton Prices:

Parkdale shall purchase cotton at prices determined by Delta in accordance with **Exhibit C** attached hereto.

Escalation Clause:

To cover wage, benefit, and power expectations, the annual escalation on prices shall be calculated as follows:

Year 2 (January 1, 2023 - December 31, 2023)

- Open End: \$[*] per lb applied to all products
- Vortex: \$[*] per lb applied to all products
- Ring Spun : \$[*] per lb applied to all products

Year 3 (January 1, 2024 - December 31, 2024)

- Open End: an additional \$[*] per lb applied to all products over 2023 conversions
- Vortex: an additional \$[*] per lb applied to all products over 2023 conversions
- Ring Spun: an additional \$[*] per lb applied to all products over 2023 conversions

[*] Text omitted for confidential treatment. The redacted information has been excluded because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.