

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, 2023

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 30097
(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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common	DLA	NYSE American

Item 1.01 Entry into a Material Definitive Agreement.

On March 23, 2023, Delta Apparel, Inc. and its subsidiaries, M.J. Soffe, LLC, Culver City Clothing Company, Salt Life, LLC, and DTG2Go, LLC (collectively, the "Company") entered into a Tenth Amendment to the Fifth Amended and Restated Credit Agreement (the "Agreement") with Wells Fargo Bank (the "Agent") and the other lenders set forth therein (the "Tenth Amendment") to account for specified costs and expenses in calculating EBITDA for purposes of the Agreement.

The foregoing summary of the Tenth Amendment and the transactions contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the text of the Tenth Amendment, which is filed herewith as Exhibit 10.1 to this Current Report on Form 8-K and which is incorporated herein by reference.

Cautionary Note Regarding Forward-Looking Statements

This Current Report on Form 8-K may contain "forward-looking" statements that involve risks and uncertainties. Any number of factors could cause actual results to differ materially from anticipated or forecasted results, including, but not limited to, the general U.S. and international economic conditions; the impact of the COVID-19 pandemic and government/social actions taken to contain its spread on our operations, financial condition, liquidity, and capital investments, including recent labor shortages, inventory constraints, and supply chain disruptions; significant interruptions or disruptions within our manufacturing, distribution or other operations; deterioration in the financial condition of our customers and suppliers and changes in the operations and strategies of our customers and suppliers; the volatility and uncertainty of cotton and other raw material prices and availability; the competitive conditions in the apparel industry; our ability to predict or react to changing consumer preferences or trends; our ability to successfully open and operate new retail stores in a timely and cost-effective manner; the ability to grow, achieve synergies and realize the expected profitability of acquisitions; changes in economic, political or social stability at our offshore locations or in areas in which we, or our suppliers or vendors, operate; our ability to attract and retain key management; the volatility and uncertainty of energy, fuel and related costs; material disruptions in our information systems related to our business operations; compromises of our data security; significant changes in our effective tax rate; significant litigation in either domestic or international jurisdictions; recalls, claims and negative publicity associated with product liability issues; the ability to protect our trademarks and other intellectual property; changes in international trade regulations; our ability to comply with trade regulations; changes in employment laws or regulations or our relationship with employees; negative publicity resulting from violations of manufacturing standards or labor laws or unethical business practices by our suppliers and independent contractors; the inability of suppliers or other third-parties, including those related to transportation, to fulfill the terms of their contracts with us; restrictions on our ability to borrow capital or service our indebtedness; interest rate fluctuations increasing our obligations under our variable rate indebtedness; the ability to raise additional capital; the impairment of acquired intangible assets; foreign currency exchange rate fluctuations; the illiquidity of our shares; price volatility in our shares and the general volatility of the stock market; and the other factors set forth in the "Risk Factors" contained in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission and as updated in our subsequently filed Quarterly Reports on Form 10-Q. Except as may be required by law, Delta Apparel, Inc. expressly disclaims any obligation to update these forward-looking statements to reflect events or circumstances after the date of this Current Report on Form 8-K or to reflect the occurrence of unanticipated events.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
10.1	<u>Tenth Amendment to Fifth Amended and Restated Credit Agreement, dated March 23, 2023, among Delta Apparel, Inc., M.J. Soffe, LLC, Culver City Clothing Company, Salt Life, LLC, and DTG2Go, LLC, and the financial institutions named therein as Lenders, and Wells Fargo Bank, National Association, as agent for Lenders.</u>
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: March 29, 2023

/s/ Justin Grow
Justin Grow
Executive Vice President and Chief Administrative Officer

**TENTH AMENDMENT
TO
FIFTH AMENDED AND RESTATED CREDIT AGREEMENT**

THIS TENTH AMENDMENT TO FIFTH AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is made and entered into on March 23, 2023, by and among **DELTA APPAREL, INC.**, a Georgia corporation ("Delta"), **M. J. SOFFE, LLC**, a North Carolina limited liability company ("Soffe"), **CULVER CITY CLOTHING COMPANY**, a Georgia corporation ("Culver City"), **SALT LIFE, LLC**, a Georgia limited liability company ("Salt Life"), **DTG2GO, LLC**, a Georgia limited liability company ("DTG2GO"; Delta, Soffe, Culver City, Salt Life, and DTG2GO, each individually, a "Borrower" and, collectively, "Borrowers"; the parties to the Credit Agreement (as defined below) from time to time as Lenders (each individually, a "Lender" and collectively, "Lenders"; and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association ("Wells Fargo"), in its capacity as agent for Lenders (together with its successors in such capacity, "Agent").

Recitals:

Borrowers, Agent and Lenders are parties to a certain Fifth Amended and Restated Credit Agreement dated as of May 10, 2016 (as at any time amended, restated, modified or supplemented, the "Credit Agreement"), pursuant to which Agent and Lenders have made certain loans and other financial accommodations available to Borrowers.

The parties desire to amend the Credit Agreement as hereinafter set forth.

NOW, THEREFORE, for TEN DOLLARS (\$10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby severally acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. Definitions. All capitalized terms used in this Amendment, unless otherwise defined herein, shall have the meaning ascribed to such terms in the Credit Agreement.

2. Amendments to Credit Agreement.

(a) Revolving Loans. Section 2.1(a)(ii)(A) and Section 2.1(a)(ii)(B) are each hereby amended and restated in their entirety to read as follows:

“(A) the amount equal to (1) the Maximum Revolver Amount *less* (2) the Availability Block *less* (3) less the sum of (y) the Letter of Credit Usage at such time, *plus* (z) the principal amount of Swing Loans outstanding at such time, and

“(B) the amount equal to the Borrowing Base as of such date (based upon the most recent Borrowing Base Certificate delivered by Borrowers to Agent) less (1) the Availability Block, *less* (2) the sum of (y) the Adjusted Letter of Credit Usage at such time, *plus* (z) the principal amount of Swing Loans outstanding at such time.”

(b) Borrowing Base. Clause (h) of the definition of Borrowing Base set forth in Schedule 1.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“(h) [intentionally omitted].”

(c) Fixed Charge Coverage Ratio. The definition of Fixed Charge Coverage Ratio set forth in Schedule 1.1 of the Credit Agreement is hereby amended and restated in its entirety to read as follows:

“Fixed Charge Coverage Ratio” means, with respect to Borrowers and their Subsidiaries, on a consolidated basis, for any period of determination, the ratio of (a) the sum of (x) EBITDA of Borrowers during such period (y) Restructuring Expenses actually recorded on Borrowers’ books during such period and (z) costs and expenses (including severance costs) incurred in connection with the reduction of Borrowers’ production capacity and realignment of its manufacturing facilities located in Mexico and Central America to the extent such costs and expenses are incurred on or prior to September 30, 2023, and Borrowers deliver to Agent a reconciliation and supporting details with respect to such items and such items are verified by Agent minus the sum of (i) the amount of any taxes paid in cash, cash dividends to the equity holders of such Person and other distributions to equity holders of such Person during the period in question (including all share repurchases and redemptions with respect to the Qualified Equity Interests of such Person other than those (A) made pursuant to Section 6.7(c) or (B) constituting Junkfood Sale Equity Interest Repurchases) plus (ii) all Unfinanced Capital Expenditures made during such period plus (iii) all regularly scheduled (as determined at the beginning of the respective period) principal payments of Indebtedness for borrowed money and Indebtedness with respect to the Capital Leases made during such period to (b) Fixed Charges of Borrowers and their Subsidiaries for the same period. In no event shall the amount of (x) all Restructuring Expenses added back to EBITDA during all periods exceed \$5,000,000 in the aggregate and (y) amounts added back to EBITDA pursuant to clause (a)(z) during all periods exceed \$5,000,000 in the aggregate.”

(d) EBITDA Performance to Plan. The following language is hereby added to the end of Section 7(b) of the Credit Agreement:

“For purposes of this Section 7(b) only, the costs and expenses (including severance costs) incurred in connection with the reduction of Borrowers’ production capacity and realignment of its manufacturing facilities located in Mexico and Central America in an amount up to \$5,000,000 that are referenced in the definition of Fixed Charge Coverage Ratio will be added back to EBITDA for purposes of its calculation for the fiscal month in which such costs and expenses are incurred, so long as Borrower delivers to Agent a reconciliation and supporting details with respect to such items added back to EBITDA and such items are verified by Agent.”

3. Amendment Fee. As consideration for Lenders to enter into this Amendment, Borrowers shall pay to Wells Fargo, for the account of each Lender (including Wells Fargo) that is a signatory to this Amendment, an amendment fee equal to \$25,000.00 (such fee, the “**Amendment Fee**”). The Amendment Fee Shall be fully earned, due and payable on the date hereof, and shall be allocated to each Lender based upon such Lender’s Commitment.

4. Ratification and Reaffirmation. Each Borrower hereby ratifies and reaffirms the Obligations, each of the Loan Documents and all of such Borrower's covenants, duties, indebtedness and liabilities under the Loan Documents.

5. Acknowledgments and Stipulations. Each Borrower acknowledges and stipulates that the Credit Agreement and the other Loan Documents executed by such Borrower are legal, valid and binding obligations of such Borrower that are enforceable against such Borrower in accordance with the terms thereof; all of the Obligations are owing and payable without defense, offset or counterclaim (and to the extent there exists any such defense, offset or counterclaim on the date hereof, the same is hereby waived by such Borrower); the security interests and Liens granted by such Borrower in favor of Agent are duly perfected, first priority security interests and Liens; and, as of the opening of business on March 23, 2023, the unpaid principal amount of the Revolver Loans totaled \$153,291,264.84, and the undrawn face amount of all Letters of Credit totaled \$425,000.00.

6. **Representations and Warranties.** Each Borrower represents and warrants to Agent and Lenders, to induce Agent and Lenders to enter into this Amendment, that no Default or Event of Default exists on the date hereof; the execution, delivery and performance of this Amendment have been duly authorized by all requisite corporate action on the part of such Borrower and this Amendment has been duly executed and delivered by such Borrower; and all of the representations and warranties made by such Borrower in the Credit Agreement are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date hereof, as though made on and as of the date hereof (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date).

7. **Reference to Credit Agreement.** Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement," "hereunder," or words of like import shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

8. **Breach of Amendment.** This Amendment shall be part of the Credit Agreement and a breach of any representation, warranty or covenant herein shall constitute an Event of Default.

9. **Conditions Precedent.** The effectiveness of the amendments contained in Section 2 hereof are subject to the satisfaction of each of the following conditions precedent, in form and substance satisfactory to Agent, unless satisfaction thereof is specifically waived in writing by Agent:

(a) Agent's receipt of duly executed counterparts of this Amendment and all instruments and documents to be entered into in connection herewith from the applicable Borrowers and Lenders;

(b) [intentionally omitted];

(c) no Default or Event of Default shall exist both before and after giving pro forma effect to this Amendment;

(d) the representations and warranties of each Borrower or its Subsidiaries contained in the Credit Agreement or in the other Loan Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of such extension of credit, as though made on and as of such date (except to the extent that such representations and warranties relate solely to an earlier date, in which case such representations and warranties shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) as of such earlier date); and

10. **Expenses of Agent.** Borrowers agree to pay, **on demand**, all costs and expenses incurred by Agent in connection with the preparation, negotiation and execution of this Amendment and any other Loan Documents executed pursuant hereto and any and all amendments, modifications, and supplements thereto, including, without limitation, the costs and fees of Agent's legal counsel and any taxes or expenses associated with or incurred in connection with any instrument or agreement referred to herein or contemplated hereby.

11. **Successors and Assigns.** This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
12. **No Novation, etc.** Except as otherwise expressly provided in this Amendment, nothing herein shall be deemed to amend or modify any provision of the Credit Agreement or any of the other Loan Documents, each of which shall remain in full force and effect. This Amendment is not intended to be, nor shall it be construed to create, a novation or accord and satisfaction, and the Credit Agreement as herein modified shall continue in full force and effect.
13. **Counterparts; Telecopied Signatures.** This Amendment may be executed in any number of counterparts and by different parties to this Amendment on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.
14. **Further Assurances.** Each Borrower agrees to take such further actions as Agent shall reasonably request from time to time in connection herewith to evidence or give effect to the amendments set forth herein or any of the transactions contemplated hereby.
15. **Section Titles.** Section titles and references used in this Amendment shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto.
16. **Release of Claims.** To induce Agent and Lenders to enter into this Amendment, each Borrower hereby releases, acquits and forever discharges Agent and Lenders, and all officers, directors, agents, employees, successors and assigns of Agent and Lenders, from any and all liabilities, claims, demands, actions or causes of action of any kind or nature (if there be any), whether absolute or contingent, disputed or undisputed, at law or in equity, or known or unknown, that such Borrower now has or ever had against Agent or any Lender arising under or in connection with any of the Loan Documents or otherwise. Each Borrower represents and warrants to Agent and Lenders that such Borrower has not transferred or assigned to any Person any claim that such Borrower ever had or claimed to have against Agent or any Lender.
17. **Waiver of Jury Trial.** To the fullest extent permitted by applicable law, the parties hereto each hereby waives the right to trial by jury in any action, suit, counterclaim or proceeding arising out of or related to this Amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed under seal and delivered by their respective duly authorized officers on the date first written above.

BORROWERS:

DELTA APPAREL, INC.

By: /s/ Nancy P. Bubanich
Name: **Nancy P. Bubanich**
Title: Chief Accounting Officer

M.J. SOFFE, LLC

By: /s/ Nancy P. Bubanich
Name: **Nancy P. Bubanich**
Title: Chief Accounting Officer

CULVER CITY CLOTHING COMPANY

By: /s/ Nancy P. Bubanich
Name: **Nancy P. Bubanich**
Title: Chief Accounting Officer

SALT LIFE, LLC

By: /s/ Nancy P. Bubanich
Name: **Nancy P. Bubanich**
Title: Chief Accounting Officer

DTG2GO, LLC

By: /s/ Nancy P. Bubanich
Name: **Nancy P. Bubanich**
Title: Chief Accounting Officer

[Signatures continue on the following page.]

AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Christopher Waterstreet
Name: **Christopher Waterstreet**
Title: Vice President

LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: /s/ Christopher Waterstreet
Name: **Christopher Waterstreet**
Title: Vice President

[Signatures continue on the following page.]

Tenth Amendment to Fifth Amended and Restated Credit Agreement (Delta Apparel)

REGIONS BANK

By: /s/ Scott Martin
Name: Scott Martin
Title: Managing Director

[Signatures continue on the following page.]

Tenth Amendment to Fifth Amended and Restated Credit Agreement (Delta Apparel)

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Mark Bradford

Name: Mark Bradford

Title: Sr. Vice President

Tenth Amendment to Fifth Amended and Restated Credit Agreement (Delta Apparel)