

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): June 12, 2024

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

1-15583

(Commission File Number)

Georgia

(State or Other Jurisdiction of Incorporation)

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)

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:

- 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))

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

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 2.05 Costs Associated with Exit or Disposal Activities.

On June 12, 2024, the board of directors (the “Board”) of Delta Apparel, Inc. (the “Company”) approved a plan (the “DTG2Go Exit Plan”) to exit the DTG2Go business unit (“DTG2Go”) of the Company’s Delta Group operating segment. As part of the DTG2Go Exit Plan, the Company ceased all production operations related to DTG2Go as of June 13, 2024.

The DTG2Go Exit Plan provides for a reduction of the Company’s workforce by approximately 115 employees. In connection with the DTG2Go Exit Plan, the Company expects to permanently close its DTG2Go facility in Storm Lake, Iowa in addition to printing facilities within certain distribution centers devoted to the Delta Group operating segment located in Cranbury, New Jersey; Fayetteville, North Carolina; Phoenix, Arizona; LaVergne, Tennessee; and Miami, Florida.

The Company expects implementation of the DTG2Go Exit Plan to be substantially complete within 120 days. The final costs and cash expenditures relating to the DTG2Go Exit Plan will not be known until all related activities have been completed. The Company expects to incur (i) restructuring charges attributable to net cash payments primarily for employee-related benefits, (ii) equipment decommission costs, and (iii) other restructuring costs and future cash expenditures, the amounts of which the Company is currently unable to estimate at the time of this Current Report on Form 8-K (“Report”). Such restructuring charges are expected to be incurred beginning in the third quarter of fiscal year 2024.

The costs and charges described above are subject to a number of assumptions and risks, and actual results may differ materially from such estimates. The Company may also incur other charges, costs, future cash expenditures or impairments not currently contemplated due to events that may occur as a result of, or in connection with, the above-referenced DTG2Go Exit Plan.

As previously disclosed in its Quarterly Report on Form 10-Q filed with the SEC on May 9, 2024, the Company has been keenly focused on evaluating its business strategies and managing its working capital and costs in light of significant market, operational and liquidity challenges, including, among others:

- the Company’s receipt of notice in May 2024 that the largest customer on DTG2Go’s digital first model no longer intends to source production from this platform;
- the Company’s deteriorating liquidity position, including its limited cash and cash equivalents and its inability to date to raise additional capital or otherwise obtain necessary liquidity to have sufficient resources to fund its operations, which continues to prevent it from purchasing all of the yarn, dyes, chemicals and other production inputs required to supply its manufacturing facilities and allow them to run at the levels required to meet its business plans;
- significant reductions in demand across certain of the Company’s business units during fiscal year 2023 and the beginning of fiscal year 2024, which has impacted the Company’s operating results and financial position; and
- the Company’s continued non-compliance with certain covenants in its U.S. asset-based revolving credit facility, which constitutes a breach of that agreement and an event of default that remains uncured at the time of this Report.

The DTG2Go Exit Plan was approved after evaluating the ongoing market, operational and liquidity challenges discussed above, including the expected impact of the loss of DTG2Go’s largest customer on forecasts of DTG2Go’s current and future years business performance. In addition, the Company’s deteriorating liquidity position and lack of funding has continued to prevent it from purchasing raw materials necessary to operate its manufacturing facilities and to pay compensation and benefits due to employees. As previously disclosed, the Company also continues to explore the potential sale of its Salt Life business and continues to evaluate all strategic options and alternatives.

Cautionary Note Regarding Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements including, but not limited to, statements related to the terms and conditions of the DTG2Go Exit Plan, the number of employees affected by the DTG2Go Exit Plan, the estimated amount of restructuring costs to be incurred in connection with the DTG2Go Exit Plan, the cash expenditures expected to be incurred in connection with the DTG2Go Exit Plan, and the expected timing of recognition of the charges associated with the DTG2Go Exit Plan. These forward-looking statements are based on management’s beliefs and assumptions and on information available to management as of the date they are made. However, investors should not place undue reliance on any such forward-looking statements because they speak only as of the date they are made. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events and developments to differ materially from the Company’s historical experience and its present expectations or projections. These risks and uncertainties include, but are not necessarily limited to, those described in the Company’s filings with the Securities and Exchange Commission.

<u>Exhibit Number</u>	<u>Description</u>
104	Cover Page Interactive Data File (formatted as Inline XBRL).

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: June 18, 2024

/s/ J. Tim Pruban
J. Tim Pruban
Chief Restructuring Officer