

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 15, 2023



THE DIXIE GROUP, INC.

(Exact name of registrant as specified in its charter)

Tennessee

(State or other jurisdiction of incorporation)

0-2585

(Commission File Number)

62-0183370

(I.R.S. Employer Identification No.)

475 Reed Road

Dalton

Georgia

30720

(Address of principal executive offices)

(Zip Code)

(706) 876-5800

(Registrant's telephone number, including area code)

(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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Common Stock, \$3 Par Value

Trading Symbol(s)

DXYN

Name of each exchange on which registered

NASDAQ Stock Market, LLC

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 8.01 Other Events**

On December 14, 2023, The Dixie Group, Inc. (the "Company"), acting by and through a wholly owned subsidiary, TDG Adairsville, LLC, completed the sale and lease back of its warehousing facility located at 400 Princeton Boulevard, Adairsville, Georgia. The Purchaser of the facility, Adairsville GA, LLC, is an affiliate of Cannon Commercial, Inc. The Facility consists of 17 acres with one building totaling approximately 294,000 square feet.

The sale price for the Facility was \$16,250,000. At closing, the Company's existing loan from RGA Insurance, having a principal balance of \$10,368,427, was assumed by the Purchaser.

Simultaneously with closing, a 10-year lease (including two options to extend for five years each) was entered into between the Purchaser and the Company's wholly owned operating subsidiary, TDG Operations, LLC. The lease is on a net basis with annual base rent for the first five years of \$1,495,660 and for the last five years of \$1,585,400 (with no rent for months 13 and 25). Performance of the lease is guaranteed by the Company. Included within the lease is a right of first refusal for the Company to purchase the property on the terms of any bona fide third- party offer.

Simultaneously with closing, the Company issued a press release announcing the sale/leaseback noting that the transaction was expected to result in an after- tax gain to the Company in excess of \$8 million, and that proceeds would be used to reduce debt.

**Item 9.01 Financial Statements and Exhibits.**

(c) Exhibits

(99.1) [Press Release dated December 15, 2023](#)

## **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: December 15, 2023

**THE DIXIE GROUP, INC.**

By: /s/ Allen L. Danzey

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Allen L. Danzey

Chief Financial Officer



**CONTACT:** Allen Danzey  
Chief Financial Officer  
706-876-5814  
[allen.danzey@dixiegroup.com](mailto:allen.danzey@dixiegroup.com)

**THE DIXIE GROUP REPORTS THE COMPLETION OF THE SALE AND LEASEBACK OF ITS FACILITY IN  
ADAIRSVILLE, GA**

**DALTON, GEORGIA (Dec 15, 2023)** (GLOBE NEWSWIRE) -- The Dixie Group, Inc. (NASDAQ: DXYN) reported the sale of its facility in Adairsville, Georgia, and approximately 17 acres of surrounding property to Adairsville GA, LLC, an affiliate of Cannon Commercial, Inc., for a sale price of approximately \$16.3 million. The sale resulted in a gain of over \$8 million and a reduction of the Company's existing debt of approximately \$16 million.

Concurrent with the sale of the Property, The Dixie Group and Adairsville GA, LLC entered into a ten-year lease agreement, whereby The Dixie Group will lease back the property at an annual rental rate of \$1.5 million over the first five years and \$1.6 million for the remaining five years. Under the lease, The Dixie Group has two (2) consecutive options to extend the term of the Lease by five (5) years for each such option.

Simultaneously with the sale, the Dixie Group paid down its existing loan with RGA in the amount of \$10.4 million and its credit facility by approximately \$5 million.

This press release contains forward-looking statements. Forward-looking statements are based on estimates, projections, beliefs and assumptions of management and the Company at the time of such statements and are not guarantees of performance. Forward-looking statements are subject to risk factors and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements. Such factors include the levels of demand for the products produced by the Company. Other factors that could affect the Company's results include, but are not limited to, availability of raw material and transportation costs related to petroleum prices, the cost and availability of capital, integration of acquisitions, ability to attract, develop and retain qualified personnel and general economic and competitive conditions related to the Company's business. Issues related to the availability and price of energy may adversely affect the Company's operations. Additional information regarding these and other risk factors and uncertainties may be found in the Company's filings with the Securities and Exchange Commission. The Company disclaims any obligation to update or revise any forward-looking statements based on the occurrence of future events, the receipt of new information, or otherwise.

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