

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): October 31, 2022



Daktronics, Inc.
(Exact Name of Registrant as Specified in Charter)

South Dakota
(State or Other Jurisdiction of
Incorporation)

0-23246
(Commission
File Number)

46-0306862
(I.R.S. Employer
Identification No.)

201 Daktronics Drive
Brookings, SD 57006
(Address of Principal Executive Offices, and Zip Code)

(605) 692-0200
(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:

- 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	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, No Par Value	DAKT	Nasdaq Global Select Market
Preferred Stock Purchase Rights	DAKT	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

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 1.01 Entry into a Material Definitive Agreement.

On October 31, 2022, we entered into the Seventh Amendment (the "Amendment") to the Credit Agreement dated as of November 16, 2016, as amended (the "Credit Facility") with U.S. Bank National Association (the "Bank"). The Amendment temporarily increases the revolving commitment amount from \$35.0 million to \$45.0 million until January 31, 2023. In addition, the Agreement modifies certain pricing terms.

As of October 31, 2022, there were \$26.0 million borrowings outstanding under the Credit Facility, and the balance of letters of credit outstanding was approximately \$6.9 million.

The foregoing description of the Amendment is qualified in its entirety by reference to such document, a copy of which is filed as Exhibit 10.1 to this Report and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits:

(d) Exhibits. The following exhibit is furnished as part of this Report:

[10.1 Amendment to Credit Agreement, dated October 31, 2022, by and between Daktronics Inc., and U.S. Bank National Association](#)
104 Cover page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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.

DAKTRONICS, INC.

By: /s/ Sheila M. Anderson

Sheila M. Anderson, Chief Financial Officer

Date: November 1, 2022

EXHIBIT INDEX

Exhibit No.	Description
10.1	Amendment to Credit Agreement, dated October 31, 2022, by and between Daktronics Inc., and U.S. Bank National Association
104	Cover page Interactive Data File (embedded within the Inline XBRL document)

AMENDMENT TO CREDIT AGREEMENT AND REVOLVING NOTE

This amendment ("Amendment") dated October 31, 2022 is made between DAKTRONICS, INC., a South Dakota corporation ("Borrower") and U.S. BANK NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, the "Lender").

RECITALS:

- A. Borrower and Lender have executed a Credit Agreement dated November 15, 2016, as amended and/or restated from time to time (the "Agreement") and Borrower has executed a Revolving Note dated November 15, 2016, as amended and/or restated from time to time (the "Note"). The Agreement, the Note, and all collateral and/or other documents, which may or may not be identified in the Agreement and Note, which evidence, supplement, secure or otherwise relate to the credit facility which is evidenced by the Agreement and Note, as amended and/or restated from time to time, are collectively referred to as the "Loan Documents." The Loan Documents set forth the terms and conditions upon which Borrower obtained a loan from Lender in the original principal amount of \$35,000,000, as such amount has been or may be amended from time to time according to the terms of the Loan Documents.
- B. Borrower requested that Lender temporarily increase the Revolving Commitment Amount and permit certain modifications to the Agreement and Note as described below.
- C. Lender has agreed to such modifications, but only upon the terms and conditions outlined in the Amendment.

In consideration of the mutual covenants contained herein, and for other good and valuable consideration, Borrower and Lender agree as follows:

ADDITIONS, DELETIONS OR CHANGES IN TERMS

The following provisions are added to the Agreement and Note or, if so indicated below, specified provisions of the Agreement and Note are modified, in part, or deleted or performance thereof is waived to the extent provided below. If any provision or partial provision added below already exists in the Agreement or Note, such provision is restated in its entirety. Capitalized terms used in the Amendment and not otherwise defined herein will have the meanings ascribed to them in the Agreement and Note.

Temporary Revolving Commitment Amount. From and including the date of this Amendment to January 30, 2023, the Revolving Commitment Amount will be \$45,000,000. On January 31, 2023, the Revolving Commitment Amount will step down to \$35,000,000. Principal is payable on January 31, 2023 to pay down the principal balance of the Revolving Loans to \$35,000,000.

Definition. The following defined term in Section 1.1 of the Credit Agreement is amended and restated to read:

"Revolving Commitment Amount" means \$45,000,000 from October 31, 2022 to January 30, 2023 and \$35,000,000 from and after January 31, 2023, as such amount may be modified (a) pursuant to Section 2.4 or (b) otherwise from time to time pursuant to the terms hereof.

Revolving Commitment Fee. Section 2.3 of the Credit Agreement is amended and restated to read:

2.3 **Fees.** Borrower agrees to pay Lender a non-use fee (the “Revolving Commitment Fee”) on the average daily Available Revolving Commitment from the date of this Agreement to and including the Facility Termination Date, payable in arrears on the last day of each quarter hereafter and on the Facility Termination Date based on the pricing specified in the column in the table below that corresponds to the IBD/EBITDA ratio at the time in question.

The Revolving Commitment Fee will be determined in accordance with the tiered pricing table below with the applicable tier to be based on the most recent annual or quarterly financial statement of Borrower. Notwithstanding, Tier 1 shall be deemed applicable until determined by the receipt of Borrower’s October 2022 quarterly financial statement. Adjustments shall be effective on the first day of the fiscal month immediately following the date on which delivery of such financial statements of Borrower is required.

<u>IBD/EBITDA Ratio</u>	<u>Revolving Commitment Fee</u>	<u>Tier</u>
Less than 0.75 to 1.00	12.5 basis points	1
Greater than or equal to 0.75 to 1.00 but less than 1.50 to 1.00	15 basis points	2
Greater than or equal to 1.50 to 1.00	17.5 basis points	3

MISCELLANEOUS TERMS

Effectiveness of Prior Documents. Except as specifically modified by this Amendment, the Agreement, the Note, and the other Loan Documents will remain in full force and effect in accordance with their respective terms. Borrower acknowledges the Agreement, the Note, and the other Loan Documents remain the legal and binding obligations of Borrower, free of any claim, defense, or offset. All warranties and representations contained in the Agreement and Note and the other Loan Documents are hereby reconfirmed as of the date hereof. All collateral previously provided to secure the Agreement and/or Note continues as security, and all guaranties guaranteeing obligations under the Loan Documents remain in full force and effect. This is an amendment, not a novation.

No Waiver of Defaults. This Amendment will not be construed as or be deemed to be a waiver by Lender of existing defaults by Borrower, whether known or undiscovered.

Authorization. The officers signing on behalf of the Borrower represent and warrant that the execution and delivery of this Amendment has been fully authorized by all necessary company action.

Counterparts. The Amendment may be signed in any number of counterparts, each of which will be considered an original, but when taken together will constitute one document.

Further Assurances. Borrower will promptly correct any defect or error that may be discovered in any Loan Document or in the execution, acknowledgment or recordation of any Loan Document. Promptly upon request by Lender, Borrower will also do, execute, acknowledge,

deliver, record, re-record, file, re-file, register and re-register, any and all deeds, conveyances, mortgages, deeds of trust, trust deeds, assignments, estoppel certificates, financing statements and continuations thereof, notices of assignment, transfers, certificates, assurances and other instruments as Lender may reasonably require from time to time in order: (a) to carry out more effectively the purposes of the Loan Documents; (b) to perfect and maintain the validity, effectiveness and priority of any security interests intended to be created by the Loan Documents; and (c) to better assure, convey, grant, assign, transfer, preserve, protect and confirm unto Lender the rights granted now or hereafter intended to be granted to Lender under any Loan Document or under any other instrument executed in connection with any Loan Document or that Borrower may be or become bound to convey, mortgage or assign to Lender in order to carry out the intention or facilitate the performance of the provisions of any Loan Document. Borrower will furnish to Lender evidence satisfactory to Lender of every such recording, filing or registration.

Copies; Electronic Records. Borrower acknowledges the receipt of a copy of the Amendment and all other Loan Documents. Lender may, on behalf of Borrower, create a microfilm or optical disk or other electronic image of the Amendment, and any or all of the Loan Documents. Lender may store each such electronic image in its electronic form and then destroy the paper original as part of Lender's normal business practices, with the electronic image deemed to be an original and of the same legal effect, validity, and enforceability as the paper original. To the extent permitted by law, Borrower and Lender agree that Lender may convert the Note into a "transferable record" or the equivalent thereof as defined in applicable law and that such transferable record will be the authoritative copy of the Note. Lender, on its own behalf, may control and transfer such authoritative copy as permitted by such law.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**SIGNATURE PAGE TO
AMENDMENT TO CREDIT AGREEMENT AND REVOLVING NOTE**

BORROWER:

DAKTRONICS, INC.

By /s/ Reece A. Kurtenbach
Reece A. Kurtenbach
Chief Executive Officer

By /s/ Sheila M. Anderson
Sheila M. Anderson
Chief Financial Officer

LENDER:

U.S. BANK NATIONAL ASSOCIATION

By /s/ Marie Fredrickson
Marie Fredrickson
Senior Vice President