

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K/A
(Amendment No. 1)**

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **April 29, 2020**

UNIFI, INC.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation)

1-10542
(Commission
File Number)

11-2165495
(IRS Employer
Identification No.)

**7201 West Friendly Avenue
Greensboro, North Carolina**
(Address of principal executive offices)

27410
(Zip Code)

Registrant's telephone number, including area code: **(336) 294-4410**

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, par value \$0.10 per share	UFI	New York Stock Exchange

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.

Explanatory Note

This Amendment No. 1 amends the Current Report on Form 8-K (the "Original 8-K") Unifi, Inc. (the "Company") filed with the Securities and Exchange Commission (the "SEC") on April 30, 2020, regarding, among other things, the Membership Interest Purchase Agreement (the "Purchase Agreement"), dated as of April 29, 2020, by and between Unifi Manufacturing, Inc., a wholly owned subsidiary of the Company ("UMI"), and Parkdale, Incorporated, a North Carolina corporation ("Buyer"), pursuant to which UMI agreed to sell to Buyer, and Buyer agreed to purchase from UMI, all of UMI's 34% equity ownership interest in Parkdale America, LLC ("PAL") in exchange for cash in the amount of \$60.0 million. The purpose of this Amendment No. 1 is to include the pro forma financial information required by Item 9.01 of Form 8-K. The disclosure included in the Original 8-K otherwise remains unchanged.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information.

The unaudited pro forma condensed consolidated financial statements (the "Pro Forma Financial Statements"), which are attached hereto as Exhibit 99.1 and incorporated herein by reference, have been prepared to reflect the sale of UMI's 34% equity ownership interest in PAL to Buyer that was completed on April 29, 2020 (the "sale transaction").

The unaudited pro forma condensed consolidated balance sheet is presented as if the sale transaction had occurred on March 29, 2020. The unaudited pro forma condensed consolidated statements of operations for the nine months ended March 29, 2020 and the fiscal year ended June 30, 2019, are presented as if the sale transaction had occurred on July 1, 2019 and June 25, 2018, respectively. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the sale transaction and, with respect to the statements of operations only, expected to have a continuing impact on the combined results.

The Pro Forma Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States. The Purchase Agreement contains customary representations and warranties which survive for 12 months following the closing of the sale transaction. Accordingly, the pro forma adjustments are preliminary, and have been made solely for the purpose of providing Pro Forma Financial Statements as required by the SEC rules. Differences between these preliminary estimates and the final sale accounting may be material.

The Pro Forma Financial Statements are provided for informational purposes only and do not purport to represent what the actual consolidated financial position or the actual consolidated results of operations of the Company would have been had the sale transaction occurred on the dates assumed, nor are they necessarily indicative of the future consolidated financial position or the future consolidated results of operations. The Pro Forma Financial Statements should be read in conjunction with (i) the accompanying notes to the Pro Forma Financial Statements, (ii) the unaudited condensed consolidated financial statements and accompanying notes of the Company contained in its Quarterly Report on Form 10-Q for the quarter ended March 29, 2020 and (iii) the audited consolidated financial statements and accompanying notes of the Company contained in its Annual Report on Form 10-K for the fiscal year ended June 30, 2019.

(d) Exhibits.

Exhibit No.	Description
99.1	<u>Unifi, Inc. Pro Forma Unaudited Condensed Consolidated Financial Statements.</u>

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.

UNIFI, INC.

Date: June 3, 2020

By: /s/ CRAIG A. CREATURO

Craig A. Creaturo

Executive Vice President & Chief Financial Officer

Unaudited Pro Forma Condensed Consolidated Financial Statements

On April 29, 2020, Unifi, Inc. (the "Company") sold its 34% interest in Parkdale America, LLC (the "PAL Investment") to the existing majority partner, Parkdale, Incorporated, and received \$60.0 million in cash (collectively, the transaction is referred to as the "PAL Disposition"). The accompanying pro forma condensed consolidated financial statements illustrate the effect of the PAL Disposition on the Company's financial position as of March 29, 2020 and its results of operations for the nine months ended March 29, 2020 and for the fiscal year ended June 30, 2019.

The unaudited pro forma condensed consolidated balance sheet as of March 29, 2020 gives effect to the PAL Disposition as if it had occurred at that date. The unaudited pro forma condensed consolidated statement of operations for the nine months ended March 29, 2020 give effect to the PAL Disposition as if it had occurred on July 1, 2019 (the first day of the interim period ended March 29, 2020). The unaudited pro forma condensed consolidated statement of operations for the fiscal year ended June 30, 2019 give effect to the PAL Disposition as if it had occurred on June 25, 2018 (the first day of the fiscal year ended June 30, 2019).

In accordance with SEC regulations, these unaudited pro forma condensed consolidated financial statements reflect adjustments to the extent they are directly attributable to the sale, are factually supportable and, for statement of operations purposes, are expected to have a continuing impact on the Company's results of operations. The "As Reported" column in the unaudited pro forma condensed consolidated financial statements reflects the Company's historical condensed consolidated financial statements for the periods presented and does not reflect any adjustments related to the PAL Disposition and related events.

These unaudited pro forma condensed consolidated financial statements have been prepared in accordance with Article 11 of Regulation S-X and are for informational purposes only. The unaudited pro forma condensed consolidated financial statements do not purport to indicate the results that would have been obtained had the PAL Disposition been completed on the assumed date, for the periods presented, or which may be realized in the future. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical financial statements of the Company included in its Annual Report on Form 10-K for the year ended June 30, 2019 and quarterly report on Form 10-Q for the quarter ended March 29, 2020.

UNIFI, INC.
UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEETS
AT MARCH 29, 2020
(In thousands)

	As Reported March 29, 2020	Pro Forma Adjustments	Pro Forma March 29, 2020
ASSETS			
Cash and cash equivalents	\$ 33,393	\$ 26,100 (1)	\$ 59,493
Receivables, net	86,376	—	86,376
Inventories	124,146	—	124,146
Income taxes receivable	589	—	589
Other current assets	18,477	—	18,477
Total current assets	<u>262,981</u>	<u>26,100</u>	<u>289,081</u>
Property, plant and equipment, net	206,993	—	206,993
Operating lease assets	6,084	—	6,084
Deferred income taxes	5,943	—	5,943
Investments in unconsolidated affiliates	58,854	(56,641) (2)	2,213
Other non-current assets	2,187	—	2,187
Total assets	<u>\$ 543,042</u>	<u>\$ (30,541)</u>	<u>\$ 512,501</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Accounts payable	\$ 40,862	\$ —	\$ 40,862
Accrued expenses	15,347	—	15,347
Income taxes payable	5,841	—	5,841
Current operating lease liabilities	1,709	—	1,709
Current portion of long-term debt	14,112	—	14,112
Total current liabilities	<u>77,871</u>	<u>—</u>	<u>77,871</u>
Long-term debt	118,827	(33,900) (3)	84,927
Non-current operating lease liabilities	4,481	—	4,481
Other long-term liabilities	8,029	—	8,029
Deferred income taxes	5	—	5
Total liabilities	<u>209,213</u>	<u>(33,900)</u>	<u>175,313</u>
Commitments and contingencies			
Common stock, \$0.10 par value	1,845	—	1,845
Capital in excess of par value	61,080	—	61,080
Retained earnings	335,971	—	335,971
Accumulated other comprehensive loss	(65,067)	3,359 (4)	(61,708)
Total shareholders' equity	<u>333,829</u>	<u>3,359</u>	<u>337,188</u>
Total liabilities and shareholders' equity	<u>\$ 543,042</u>	<u>(30,541)</u>	<u>\$ 512,501</u>

- (1) The adjustment of \$26,100 to the pro forma condensed consolidated balance sheet gives effect to the amount of cash from the \$60,000 cash proceeds received from the PAL Disposition after the application of the \$33,900 of cash proceeds against the Company's credit facility.
- (2) The adjustment of \$56,641 to the pro forma condensed consolidated balance sheet gives effect to the elimination of the PAL Investment.
- (3) The adjustment of \$33,900 to the pro forma condensed consolidated balance sheet gives effect to the application of cash proceeds received from the PAL Disposition against the Company's credit facility.
- (4) The adjustment of \$3,359 to the pro forma condensed consolidated balance sheet gives effect to the elimination of the cumulative translation adjustments within accumulated other comprehensive loss that are directly attributable to the PAL Investment.

UNIFI, INC.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE NINE MONTHS ENDED MARCH 29, 2020
(In thousands)

	As Reported For the Nine Months Ended March 29, 2020	Pro Forma Adjustments	Pro Forma For the Nine Months Ended March 29, 2020
Net sales	\$ 520,454	\$ —	\$ 520,454
Cost of sales	471,963	—	471,963
Gross profit	48,491	—	48,491
Selling, general and administrative expenses	35,208	—	35,208
Provision for bad debts	331	—	331
Other operating expense, net	900	—	900
Operating income	12,052	—	12,052
Interest income	(595)	—	(595)
Interest expense	3,589	(1,125) (1)	2,464
Equity in earnings of unconsolidated affiliates	(1,904)	1,324 (2)	(580)
Impairment of investment in unconsolidated affiliate	45,194	(45,194) (3)	—
(Loss) income before income taxes	(34,232)	44,995	10,763
Provision for income taxes	2,758	530 (4)	3,288
Net (loss) income	\$ (36,990)	\$ 44,465	\$ 7,475
Net (loss) income per common share:			
Basic	\$ (2.00)		\$ 0.40
Diluted	\$ (2.00)		\$ 0.40
Weighted average common shares outstanding:			
Basic	18,485		18,485
Diluted	18,485		18,738

- (1) The adjustment of \$1,125 to the pro forma condensed consolidated statement of operations gives effect to the associated decline in interest expense resulting from the net reduction in long-term debt of \$33,900. In calculating the adjustment to interest expense, the Company utilized the weighted average interest rate of its credit facility for the nine-month period ended March 29, 2020.
- (2) The adjustment of \$1,324 to the pro forma condensed consolidated statement of operations gives effect to the elimination of the Company's equity in earnings of Parkdale America, LLC during the nine-month period ended March 29, 2020.
- (3) The adjustment of \$45,194 to the pro forma condensed consolidated statement of operations gives effect to the elimination of the impairment charge that was recorded during the nine-month period ended March 29, 2020 because such impairment charge relates to the facts and circumstances that were involved in selling the PAL Investment for \$60,000.
- (4) The adjustment of \$530 to the pro forma condensed consolidated statement of operations gives effect to the elimination of the tax impact associated with the Company's equity in earnings of Parkdale America, LLC during the nine month period ended March 29, 2020. The Company has reflected no tax adjustment associated with lower interest expense due to the applicable deductibility limits on interest expense.

UNIFI, INC.
UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(In thousands)

	As Reported Fiscal 2019	Pro Forma Adjustments	Pro Forma Fiscal 2019
Net sales	\$ 708,804	\$ —	\$ 708,804
Cost of sales	642,496	—	642,496
Gross profit	66,308	—	66,308
Selling, general and administrative expenses	52,690	—	52,690
Provision for bad debts	308	—	308
Other operating expense, net	2,350	—	2,350
Operating income	10,960	—	10,960
Interest income	(628)	—	(628)
Interest expense	5,414	(1,237) (1)	4,177
Loss on extinguishment of debt	131	—	131
Equity in earnings of unconsolidated affiliates	(3,968)	2,561 (2)	(1,407)
Income before income taxes	10,011	(1,324)	8,687
Provision for income taxes	7,555	(721) (3)	6,834
Net income	\$ 2,456	\$ (603)	\$ 1,853
Net income per common share:			
Basic	\$ 0.13		\$ 0.10
Diluted	0.13		0.10
Weighted average common shares outstanding:			
Basic	18,395		18,395
Diluted	18,695		18,695

- (1) The adjustment of \$1,237 to the pro forma condensed consolidated statement of operations gives effect to the associated decline in interest expense resulting from the net reduction in long-term debt of \$33,900. In calculating the adjustment to interest expense, the Company utilized the weighted average interest rate of its credit facility for the fiscal year ended June 30, 2019.
- (2) The adjustment of \$2,561 to the pro forma condensed consolidated statement of operations gives effect to the elimination of the Company's equity in earnings of Parkdale America, LLC for the fiscal year ended June 30, 2019.
- (3) The adjustment of \$721 to the pro forma condensed consolidated statement of operations gives effect to the elimination of the tax impact associated with the Company's equity in earnings of Parkdale America, LLC during the fiscal year ended June 30, 2019. The Company has reflected no tax adjustment associated with lower interest expense due to the applicable deductibility limits on interest expense.