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Fourth Quarter and  
Fiscal Year Ended June 26, 2016

Conference Call  
Slide Presentation

(Unaudited Results)

## **Cautionary Statement on Forward-Looking Statements**

Certain statements included herein contain forward-looking statements within the meaning of federal securities laws about the financial condition and results of operations of Unifi, Inc. (the "Company") that are based on management's beliefs, assumptions and expectations about our future economic performance, considering the information currently available to management. The words "believe," "may," "could," "will," "should," "would," "anticipate," "estimate," "project," "expect," "intend," "seek," "strive" and words of similar import, or the negative of such words, identify or signal the presence of forward-looking statements. These statements are not statements of historical fact; they involve risk and uncertainties that may cause our actual results, performance or financial condition to differ materially from the expectations of future results, performance or financial condition that we express or imply in any forward-looking statement.

Factors that could contribute to such differences include, but are not limited to: the competitive nature of the textile industry and the impact of worldwide competition; changes in the trade regulatory environment and governmental policies and legislation; the availability, sourcing and pricing of raw materials; general domestic and international economic and industry conditions in markets where the Company competes, such as recession and other economic and political factors over which the Company has no control; changes in consumer spending, customer preferences, fashion trends and end-uses; the financial condition of the Company's customers; the loss of a significant customer; the success of the Company's strategic business initiatives; the continuity of the Company's leadership; volatility of financial and credit markets; the ability to service indebtedness and fund capital expenditures and strategic initiatives; availability of and access to credit on reasonable terms; changes in currency exchange, interest and inflation rates; the ability to reduce production costs; the ability to protect intellectual property; employee relations; the impact of environmental, health and safety regulations; the operating performance of joint ventures and other equity investments; and the accurate financial reporting of information from equity method investees.

All such factors are difficult to predict, contain uncertainties that may materially affect actual results and may be beyond our control. New factors emerge from time to time, and it is not possible for management to predict all such factors or to assess the impact of each such factor on the Company. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, except as may be required by federal securities law. The above and other risks and uncertainties are described in the Company's most recent annual report on Form 10-K, and additional risks or uncertainties may be described from time to time in other reports filed by the Company with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

## **Non-GAAP Financial Measures**

Certain non-GAAP financial measures included herein are designed to complement the financial information presented in accordance with generally accepted accounting principles in the United States of America ("GAAP") because management believes such measures are useful to investors and better reflect the Company's underlying operations and performance. These non-GAAP financial measures include, Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Adjusted Working Capital.

The Company may, from time to time, change the items included within its non-GAAP financial measures. In the fourth quarter of fiscal 2016, the Company simplified the calculation of Adjusted EBITDA by eliminating certain adjustments. This simplification is intended to improve the transparency and consistency of management's primary non-GAAP performance metric. Similarly in the fourth quarter of fiscal 2016, the Company updated the calculation of Adjusted Net Income, similar to that of Adjusted EBITDA. Such change is intended to simplify the metric.

- EBITDA represents Net income attributable to Unifi, Inc. before net interest expense, income tax expense, and depreciation and amortization expense.
- Adjusted EBITDA represents EBITDA adjusted to exclude equity in earnings of Parkdale America, LLC and certain other adjustments necessary to understand and compare the underlying results of the Company. Such other adjustments include, but are not limited to, losses on extinguishment of debt and key employee transition costs.
- Adjusted Net Income excludes certain amounts which management believes do not reflect the ongoing operations and performance of the Company. Adjusted Net Income represents Net income attributable to Unifi, Inc. calculated under GAAP, adjusted to exclude the approximate after-tax impact of certain income or expense items (as well as specific impacts to the provision for income taxes) necessary to understand and compare the underlying results of the Company.
- Adjusted EPS represents Adjusted Net Income divided by the Company's basic weighted average common shares outstanding.
- Adjusted Working Capital represents receivables plus inventory, less accounts payable and accrued expenses.

These non-GAAP financial measures are alternative views of performance used by management, and we believe that investors' understanding of our performance is enhanced by disclosing these performance measures. We believe that the use of these non-GAAP financial measures as operating performance measures provides investors and analysts with a measure of operating results unaffected by differences in capital structures, capital investment cycles, and ages of related assets, among otherwise comparable companies. Management uses Adjusted EBITDA: (i) as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis, as it removes the impact of (a) items directly related to our asset base (primarily depreciation and amortization) and (b) items that we would not expect to occur as a part of our normal business on a regular basis; (ii) for planning purposes, including the preparation of our annual operating budget; (iii) as a valuation measure for evaluating our operating performance and our capacity to incur and service debt, fund capital expenditures and expand our business; and (iv) as one measure in determining the value of other acquisitions and dispositions. Adjusted EBITDA is a key performance metric utilized in the determination of variable compensation. We also believe Adjusted EBITDA is an appropriate supplemental measure of debt service capacity, because cash expenditures on interest are, by definition, available to pay interest, and tax expense is inversely correlated to interest expense because tax expense decreases as deductible interest expense increases; and depreciation and amortization are non-cash charges. Equity in earnings of Parkdale America, LLC is excluded because such earnings do not reflect our operating performance. The other items excluded from these non-GAAP financial measures are excluded in order to better reflect the performance of our continuing operations.

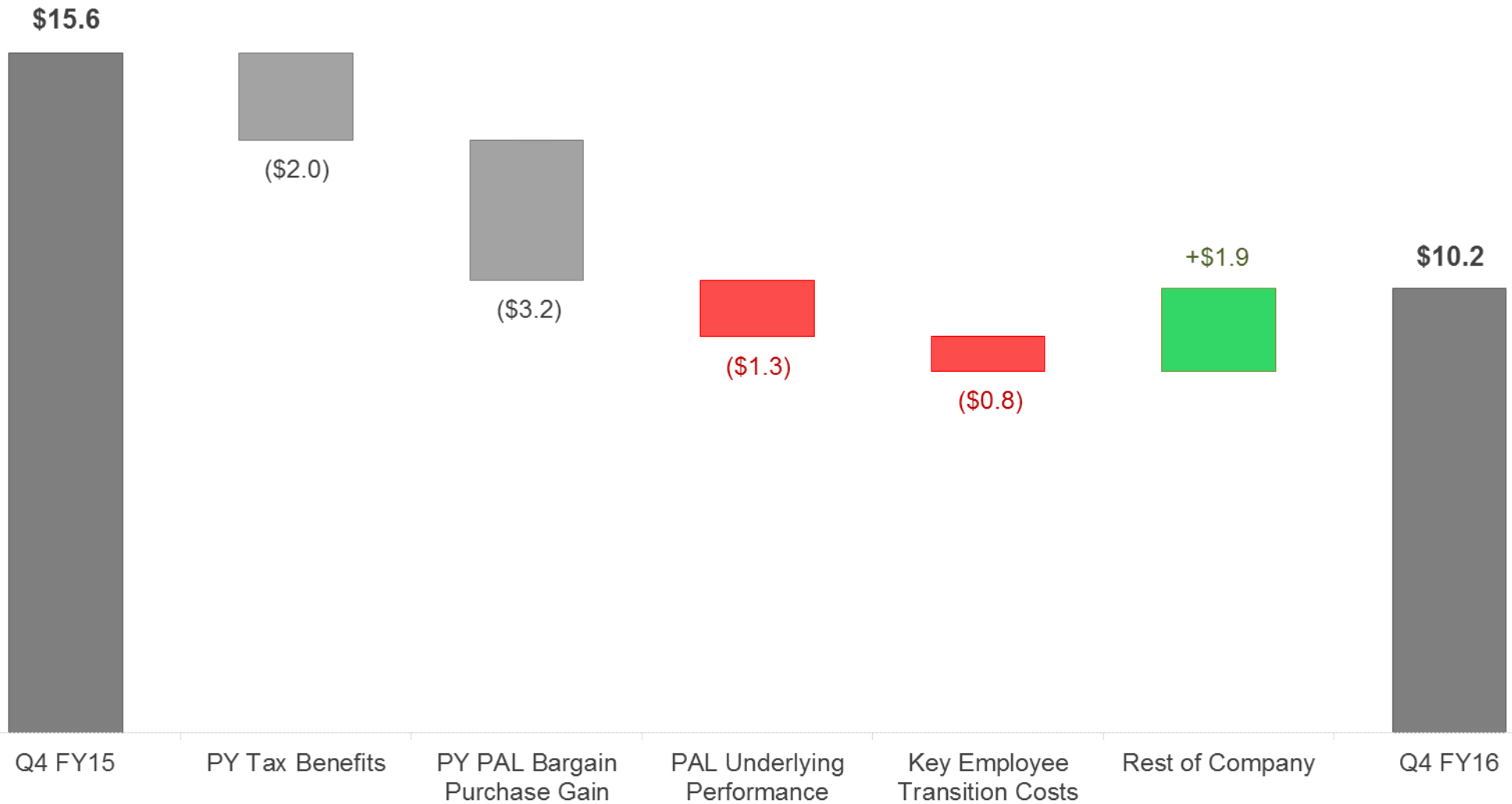
In evaluating non-GAAP financial measures, you should be aware that, in the future, we may incur expenses similar to the adjustments included herein. Our presentation of non-GAAP financial measures should not be construed as indicating that our future results will be unaffected by unusual or non-recurring items. Each of our non-GAAP financial measures has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results or liquidity measures as reported under GAAP. Some of these limitations are (i) it is not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows; (ii) it does not reflect the impact of earnings or charges resulting from matters we consider not indicative of our ongoing operations; (iii) it does not reflect changes in, or cash requirements for, our working capital needs; (iv) it does not reflect the cash requirements necessary to make payments on our debt; (v) it does not reflect our future requirements for capital expenditures or contractual commitments; (vi) it does not reflect limitations on or costs related to transferring earnings from our subsidiaries to us; and (vii) other companies in our industry may calculate this measure differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, these non-GAAP financial measures should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or as a measure of cash that will be available to us to meet our obligations, including those under our outstanding debt obligations. You should compensate for these limitations by relying primarily on our GAAP results and using these measures only as supplemental information.

Non-GAAP reconciliations are included in the Appendix of this presentation.

# Q4 – Net Income

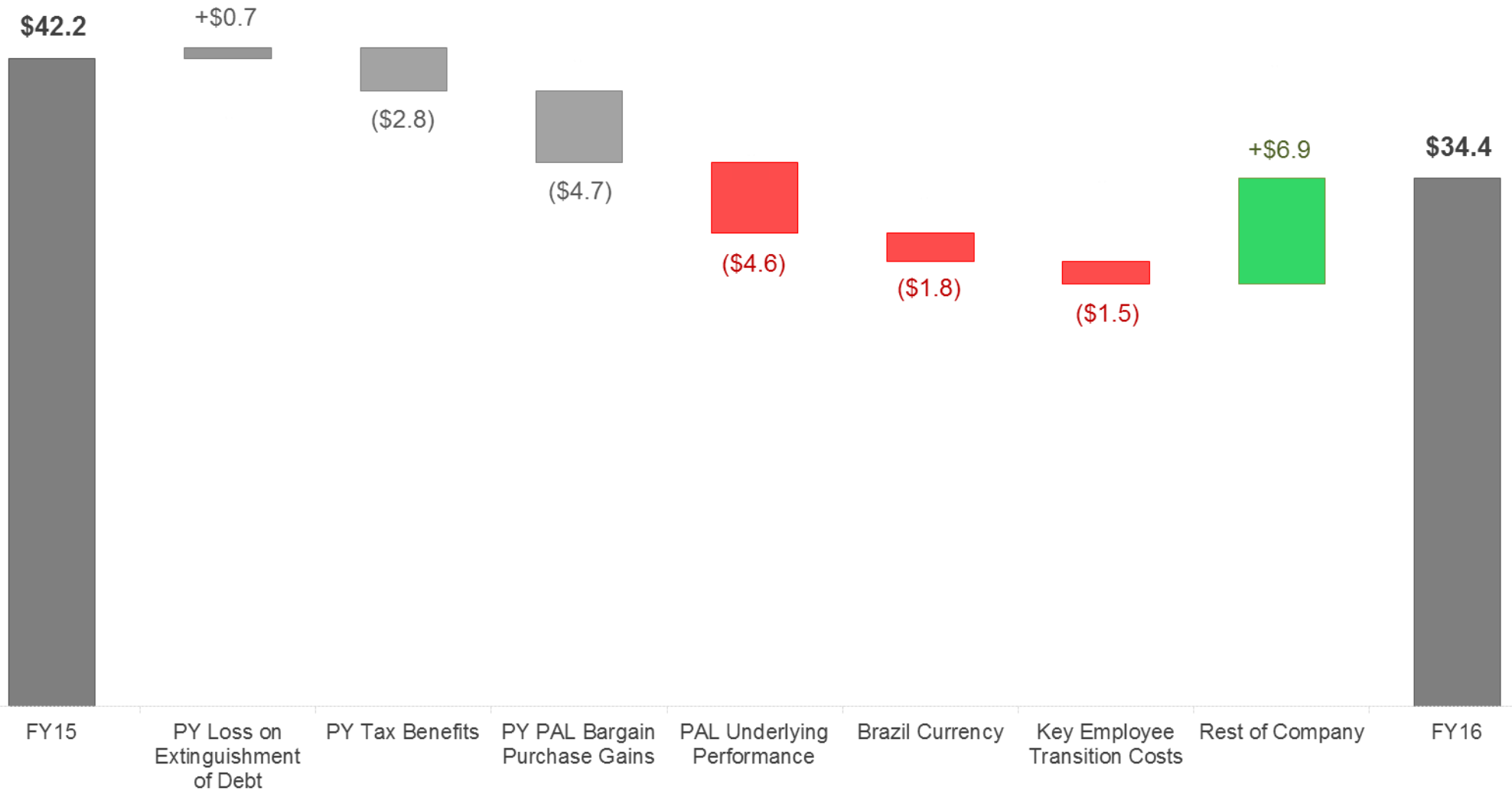
(dollars in millions)



Note: The above graphic is intended to depict the approximate impact on net income attributable to Unifi, Inc. of certain items identified by management. This representation is not intended to represent amounts calculated under GAAP.

# Fiscal Year – Net Income

(dollars in millions)



Note: The above graphic is intended to depict the approximate impact on net income attributable to Unifi, Inc. of certain items identified by management. This representation is not intended to represent amounts calculated under GAAP.

# Net Sales and Gross Profit Highlights <sup>1,2</sup>

(dollars in thousands)

## Three-Month Comparison (Q4 2015 vs. Q4 2016)

<u>Net Sales</u>	<u>Polyester</u>	<u>Nylon</u>	<u>International</u>	<u>Subtotal</u>
Prior Period	\$ 99,979	\$ 39,028	\$ 33,975	\$ 172,982
Volume Change	(2.6%)	(19.8%)	18.3%	1.7%
Price Change	(2.2%)	(3.9%)	(8.6%)	(7.9%)
Current Period	\$ 95,150	\$ 29,778	\$ 37,279	\$ 162,207
<u>Gross Profit</u>				
Prior Period	\$ 13,745	\$ 5,586	\$ 6,032	\$ 25,363
<i>Margin Rate</i>	13.7%	14.3%	17.8%	14.7%
Current Period	\$ 14,352	\$ 3,144	\$ 10,267	\$ 27,763
<i>Margin Rate</i>	15.1%	10.6%	27.5%	17.1%

<sup>1</sup> Excluding the 'All Other' category; see non-GAAP reconciliation on slide 13.

<sup>2</sup> As of the fourth quarter of fiscal 2016, the Company updated the composition of its Polyester and Nylon Segments for both the current and comparative prior periods, intending to better reflect downstream sales for the respective product lines.

Note: The "Prior Period" ended on June 28, 2015. The "Current Period" ended on June 26, 2016.

# Net Sales and Gross Profit Highlights <sup>1,2</sup>

(dollars in thousands)

## Twelve-Month Comparison (Fiscal 2015 vs. Fiscal 2016)

<u>Net Sales</u>	<u>Polyester</u>	<u>Nylon</u>	<u>International</u>	<u>Subtotal</u>
Prior Period	\$ 396,239	\$ 149,612	\$ 134,992	\$ 680,843
Volume Change	(1.2%)	(9.0%)	2.9%	(0.7%)
Price Change	(2.1%)	(3.0%)	(12.1%)	(5.7%)
Current Period	<u>\$ 383,167</u>	<u>\$ 131,715</u>	<u>\$ 122,554</u>	<u>\$ 637,436</u>

## Gross Profit

Prior Period	\$ 50,777	\$ 18,968	\$ 21,436	\$ 91,181
<i>Margin Rate</i>	12.8%	12.7%	15.9%	13.4%
Current Period	\$ 49,529	\$ 17,809	\$ 26,888	\$ 94,226
<i>Margin Rate</i>	12.9%	13.5%	21.9%	14.8%

<sup>1</sup> Excluding the 'All Other' category; see non-GAAP reconciliation on slide 13.

<sup>2</sup> As of the fourth quarter of fiscal 2016, the Company updated the composition of its Polyester and Nylon Segments for both the current and comparative prior periods, intending to better reflect downstream sales for the respective product lines.

Note: The "Prior Period" ended on June 28, 2015. The "Current Period" ended on June 26, 2016.

# Equity Affiliates Highlights

(dollars in thousands)

	For the Three Months Ended		For the Fiscal Year Ended	
	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015
<b>Earnings:</b>				
Parkdale America, LLC	\$ 860	\$ 5,976	\$ 6,074	\$ 17,403
Nylon joint ventures	773	1,038	2,889	2,072
Total	<u>\$ 1,633</u>	<u>\$ 7,014</u>	<u>\$ 8,963</u>	<u>\$ 19,475</u>
<i>Bargain purchase gains</i>				
<i>recorded by Parkdale America</i>	\$ -	\$ 9,382	\$ -	\$ 13,812
<i>Unifi's portion of respective</i>				
<i>bargain purchase gains</i>	\$ -	\$ 3,190	\$ -	\$ 4,696
<b>Distributions:</b>				
Parkdale America, LLC	\$ 785	\$ 1,870	\$ 1,732	\$ 2,468
Nylon joint ventures	1,000	1,250	3,000	1,250
Total	<u>\$ 1,785</u>	<u>\$ 3,120</u>	<u>\$ 4,732</u>	<u>\$ 3,718</u>

# Balance Sheet Highlights

(dollars in thousands)

## Working Capital and Adjusted Working Capital

	<u>June 26, 2016</u>	<u>March 27, 2016</u>	<u>June 28, 2015</u>
Cash	\$ 16,646	\$ 15,287	\$ 10,013
Receivables, net	83,422	82,454	83,863
Inventories	103,532	105,944	111,615
Other current assets	8,292	6,864	7,473
Accounts payable	(41,593)	(42,143)	(45,023)
Accrued expenses	(18,474)	(15,053)	(16,640)
Other current liabilities	(15,241)	(16,462)	(13,061)
<b>Working Capital</b>	<b>136,584</b>	<b>136,891</b>	<b>138,240</b>
Less Cash	(16,646)	(15,287)	(10,013)
Less Other current assets	(8,292)	(6,864)	(7,473)
Less Other current liabilities	15,241	16,462	13,061
<b>Adjusted Working Capital</b>	<b>\$ 126,887</b>	<b>\$ 131,202</b>	<b>\$ 133,815</b>

## Net Debt and Total Liquidity

	<u>June 26, 2016</u>	<u>March 27, 2016</u>	<u>June 28, 2015</u>
ABL Revolver	\$ 6,200	\$ 3,000	\$ 5,000
ABL Term Loan	90,250	92,625	82,125
Other debt	26,562	26,136	16,985
<b>Total debt</b>	<b>\$ 123,012</b>	<b>\$ 121,761</b>	<b>\$ 104,110</b>
Cash	16,646	15,287	10,013
<b>Net Debt</b>	<b>\$ 106,366</b>	<b>\$ 106,474</b>	<b>\$ 94,097</b>
Cash	\$ 16,646	\$ 15,287	\$ 10,013
Revolver availability, net	68,612	78,049	75,933
<b>Total Liquidity</b>	<b>\$ 85,258</b>	<b>\$ 93,336</b>	<b>\$ 85,946</b>



# Adjusted EBITDA <sup>1</sup>

(dollars in thousands)

## Historical Calculation

	For the Fiscal Year Ended	
	June 26, 2016	June 28, 2015
<b>EBITDA</b>	\$ 69,265	\$ 75,973
Equity in earnings of Parkdale America, LLC	(6,074)	(17,403)
<b>EBITDA Excluding Parkdale America, LLC</b>	63,191	58,570
Key employee transition costs	2,166	-
Loss on extinguishment of debt	-	1,040
<b><u>Non-cash compensation expense</u></b>	<b>2,501</b>	<b>3,148</b>
<b><u>Other</u></b>	<b>783</b>	<b>1,564</b>
<b>Adjusted EBITDA</b>	<b>\$ 68,641</b>	<b>\$ 64,322</b>

## Future Calculation

	For the Fiscal Year Ended	
	June 26, 2016	June 28, 2015
<b>EBITDA</b>	\$ 69,265	\$ 75,973
Equity in earnings of Parkdale America, LLC	(6,074)	(17,403)
<b>EBITDA Excluding Parkdale America, LLC</b>	63,191	58,570
Key employee transition costs	2,166	-
Loss on extinguishment of debt	-	1,040
<b><u>Non-cash compensation expense</u></b>	<b>-</b>	<b>-</b>
<b><u>Other</u></b>	<b>-</b>	<b>-</b>
<b>Adjusted EBITDA</b>	<b>\$ 65,357</b>	<b>\$ 59,610</b>

<sup>1</sup> See Non-GAAP reconciliations on slide 11.

# APPENDIX

# Non-GAAP Reconciliations

(dollars in thousands)

## Adjusted EBITDA

	For the Three Months Ended		For the Fiscal Year Ended	
	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015
Net income attributable to Unifi, Inc.	\$ 10,237	\$ 15,640	\$ 34,415	\$ 42,151
Interest expense, net	713	745	2,884	3,109
Provision for income taxes	4,879	3,263	15,073	13,346
Depreciation and amortization expense	4,309	4,564	16,893	17,367
<b>EBITDA</b>	<b>20,138</b>	<b>24,212</b>	<b>69,265</b>	<b>75,973</b>
Equity in earnings of Parkdale America, LLC	(860)	(5,976)	(6,074)	(17,403)
<b>EBITDA Excluding Parkdale America, LLC</b>	<b>19,278</b>	<b>18,236</b>	<b>63,191</b>	<b>58,570</b>
Key employee transition costs	1,293	-	2,166	-
Loss on extinguishment of debt	-	-	-	1,040
<b>Adjusted EBITDA, as newly defined <sup>(1)</sup></b>	<b>\$ 20,571</b>	<b>\$ 18,236</b>	<b>\$ 65,357</b>	<b>\$ 59,610</b>
Adjusted EBITDA, as newly defined <sup>(1)</sup>	\$ 20,571	\$ 18,236	\$ 65,357	\$ 59,610
Non-cash compensation expense	312	686	2,501	3,148
Other	176	293	783	1,564
<b>Adjusted EBITDA, as previously defined <sup>(2)</sup></b>	<b>\$ 21,059</b>	<b>\$ 19,215</b>	<b>\$ 68,641</b>	<b>\$ 64,322</b>

(1) Represents Adjusted EBITDA calculated under the Company's new definition, which reflects a reduction in the volume and range of adjustments.

(2) Represents Adjusted EBITDA calculated under the Company's previous definition, presented here to provide for a comparison to historical Adjusted EBITDA amounts discussed and disclosed in prior periods.

# Non-GAAP Reconciliations

(dollars in thousands, except per share amounts)

## Adjusted Net Income and Adjusted EPS

The reconciliations of Income before income taxes, Net income attributable to Unifi, Inc. ("Net Income") and Basic Earnings Per Share ("EPS") to Adjusted Net Income and Adjusted EPS are as follows:

	For the Three Months Ended June 26, 2016				For the Three Months Ended June 28, 2015			
	Income Before Income Taxes	Tax Impact	Net Income	Basic EPS	Income Before Income Taxes	Tax Impact	Net Income	Basic EPS
GAAP results	\$ 14,794	\$ -	\$ 10,237	\$ 0.57	\$ 18,173	\$ -	\$ 15,640	\$ 0.86
Key employee transition costs	1,293	(453)	840	0.05	-	-	-	-
Change in deferred tax liability for unremitted foreign earnings assertion	-	-	-	-	-	(7,822)	(7,822)	(0.43)
Change in deferred tax asset for certain foreign currency transactions	-	-	-	-	-	3,008	3,008	0.17
Change in uncertain tax positions	-	-	-	-	-	3,046	3,046	0.17
Renewable energy tax credits	-	-	-	-	-	(254)	(254)	(0.02)
Bargain purchase gain for an equity affiliate	-	-	-	-	(3,190)	-	(3,190)	(0.18)
<b>Adjusted results, as newly defined</b>	<b>\$ 16,087</b>	<b>\$ (453)</b>	<b>\$ 11,077</b>	<b>\$ 0.62</b>	<b>\$ 14,983</b>	<b>\$ (2,022)</b>	<b>\$ 10,428</b>	<b>\$ 0.57</b>
Adjusted results, as newly defined	\$ 16,087	\$ (453)	\$ 11,077	\$ 0.62	\$ 14,983	\$ (2,022)	\$ 10,428	\$ 0.57
Change in certain valuation allowances	nm	nm	nm	nm	-	(794)	(794)	(0.04)
Net loss on sale or disposal of assets	nm	nm	nm	nm	650	185	363	0.02
<b>Adjusted results, as previously defined</b>	<b>\$ 16,087</b>	<b>\$ (453)</b>	<b>\$ 11,077</b>	<b>\$ 0.62</b>	<b>\$ 15,633</b>	<b>\$ (2,631)</b>	<b>\$ 9,997</b>	<b>\$ 0.55</b>

	For the Fiscal Year Ended June 26, 2016				For the Fiscal Year Ended June 28, 2015			
	Income Before Income Taxes	Tax Impact	Net Income	Basic EPS	Income Before Income Taxes	Tax Impact	Net Income	Basic EPS
GAAP results	\$ 48,243	\$ -	\$ 34,415	\$ 1.93	\$ 53,812	\$ -	\$ 42,151	\$ 2.32
Key employee transition costs	2,330	(673)	1,493	0.08	-	-	-	-
Change in deferred tax liability for unremitted foreign earnings assertion	-	-	-	-	-	(7,639)	(7,639)	(0.42)
Change in deferred tax asset for certain foreign currency transactions	-	-	-	-	-	3,008	3,008	0.17
Change in uncertain tax positions	-	-	-	-	-	2,879	2,879	0.16
Renewable energy tax credits	-	-	-	-	-	(1,036)	(1,036)	(0.06)
Bargain purchase gains for an equity affiliate	-	-	-	-	(4,696)	-	(4,696)	(0.26)
Loss on extinguishment of debt	-	-	-	-	1,040	(364)	676	0.03
<b>Adjusted results, as newly defined</b>	<b>\$ 50,573</b>	<b>\$ (673)</b>	<b>\$ 35,908</b>	<b>\$ 2.01</b>	<b>\$ 50,156</b>	<b>\$ (3,152)</b>	<b>\$ 35,343</b>	<b>\$ 1.94</b>
Adjusted results, as newly defined	\$ 50,573	\$ (673)	\$ 35,908	\$ 2.01	\$ 50,156	\$ (3,152)	\$ 35,343	\$ 1.94
Change in certain valuation allowances	-	(461)	(461)	(0.02)	-	(1,506)	(1,506)	(0.08)
Net loss on sale or disposal of assets	nm	nm	nm	nm	778	190	439	0.02
<b>Adjusted results, as previously defined</b>	<b>\$ 50,573</b>	<b>\$ (1,134)</b>	<b>\$ 35,447</b>	<b>\$ 1.99</b>	<b>\$ 50,934</b>	<b>\$ (4,468)</b>	<b>\$ 34,276</b>	<b>\$ 1.88</b>

nm - Not meaningful.

# Non-GAAP Reconciliations

(dollars in thousands)

## Consolidated Net Sales

	For the Three Months Ended		For the Fiscal Year Ended	
	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015
Subtotal of Net Sales by Segment <sup>1</sup>	\$ 162,207	\$ 172,982	\$ 637,436	\$ 680,843
Net Sales for All Other Category	1,651	1,969	6,201	6,278
Consolidated Net Sales	<u>\$ 163,858</u>	<u>\$ 174,951</u>	<u>\$ 643,637</u>	<u>\$ 687,121</u>

## Consolidated Gross Profit

	For the Three Months Ended		For the Fiscal Year Ended	
	June 26, 2016	June 28, 2015	June 26, 2016	June 28, 2015
Subtotal of Gross Profit by Segment <sup>1</sup>	\$ 27,763	\$ 25,363	\$ 94,226	\$ 91,181
Gross Loss for All Other Category	(292)	(44)	(594)	(476)
Consolidated Gross Profit	<u>\$ 27,471</u>	<u>\$ 25,319</u>	<u>\$ 93,632</u>	<u>\$ 90,705</u>

<sup>1</sup> As presented on slides 5 and 6.

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