



# UNIFI, INC.

# Investor Presentation

September 2024



# Cautionary Statements



## 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 the Company that are based on management's beliefs, assumptions, and expectations about our future economic performance, considering the information currently available to management. An example of such forward-looking statements include, among others, guidance pertaining to our financial outlook. The words "believe," "may," "could," "will," "should," "would," "anticipate," "plan," "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, and they involve risks 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 global 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, including economic and political factors over which the Company has no control; changes in consumer spending, customer preferences, fashion trends, and end-uses for UNIFI's products; the financial condition of the Company's customers; the loss of a significant customer or brand partner; natural disasters, industrial accidents, power or water shortages; extreme weather conditions, and other disruptions at one of our facilities; the disruption of operations, global demand, or financial performance as a result of catastrophic or extraordinary events, including, but not limited to, epidemics or pandemics; the success of the Company's strategic business initiatives; the volatility of financial and credit markets, including the impacts of counterparty risk (e.g., deposit concentration and recent depositor sentiment and activity); the ability to service indebtedness and fund capital expenditures and strategic business initiatives; the availability of and access to credit on reasonable terms; changes in foreign currency exchange, interest, and inflation rates; fluctuations in production costs; the ability to protect intellectual property; the strength and reputation of our brands; employee relations; the ability to attract, retain, and motivate key employees; the impact of climate change or environmental, health, and safety regulations; and the impact of tax laws, the judicial or administrative interpretations of tax laws, and/or changes in such laws or interpretations.

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 laws. 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 are designed to complement the financial information presented in accordance with GAAP. These non-GAAP financial measures include Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA"), Adjusted EBITDA, Adjusted Net (Loss) Income, Adjusted EPS, Adjusted Working Capital, and Net Debt (collectively, the "non-GAAP financial measures").

The non-GAAP financial measures are not determined in accordance with GAAP and should not be considered a substitute for performance measures determined in accordance with GAAP. The calculations of the non-GAAP financial measures are subjective, based on management's belief as to which items should be included or excluded in order to provide the most reasonable and comparable view of the underlying operating performance of the business. The Company may, from time to time, modify the amounts used to determine its non-GAAP financial measures. We believe that these non-GAAP financial measures better reflect the Company's underlying operations and performance and that their use, 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. In evaluating non-GAAP financial measures, investors 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.

# UNIFI at a Glance (NYSE: UFI)



UNIFI is a global leader in fiber science and sustainable synthetic textiles. Using proprietary recycling technology, UNIFI is a pioneer in scaling the transformation of post-industrial and post-consumer waste into sustainable products.

## Key Facts

<b>1971</b> Founded	<b>Greensboro, NC</b> Headquarters	<b>~2,700</b> Global Employees
<b>\$124.0M</b> Approx. Market Cap	<b>\$565.6M</b> 2024 Revenue	<b>\$5.9M<sup>1</sup></b> 2024 Adj. EBITDA

## Q4'24 vs. Q3'24

Revenue	Adj. EPS	Adj. EBITDA	REPREVE Fiber % of Sales
<b>+5.7%</b>	<b>+61.3%</b>	<b>+100.0%<sup>1</sup></b>	<b>+300 bps</b>

Note: REPREVE Fiber represents UNIFI's collection of fiber products on its recycled platform, with or without added technologies.

<sup>1</sup> Adjusted EPS and Adjusted EBITDA are non-GAAP financial measures described on Slide 2 and reconciled within the Earnings Release dated August 21, 2024.

# UNIFI Investment Highlights



**Industry Leader:** Leading global textile manufacturer trusted by top brands to bring sustainable and innovative solutions to their products

**Accelerating Demand for Recycled Fibers:** Provider of premier sustainability brand, REPREVE®, which remains the industry's most technologically-advanced solution for recycled performance fibers

**Unique Manufacturing & Recycling Platform:** Textile expertise that supports global growth and a durable margin profile

**Product Innovation:** Focused on investing in innovation to expand the product portfolio and support the growing customer demand for sustainable solutions

**Disciplined Capital Allocation:** Reinvesting into areas of the business that will drive additional revenue and margin enhancing opportunities over the long-term

**Pivoting to Growth:** Proactive innovation and cost initiatives have positioned UNIFI for renewed, sustained growth in fiscal 2025 and beyond



# Experienced Management Team



**Al Carey**  
Executive Chairman  
Joined UFI: 2018



**Eddie Ingle**  
CEO & Director  
Joined UFI: 1986



**Meredith Boyd**  
EVP & CPO  
Joined UFI: 2007



**A.J. Eaker**  
EVP, CFO, and  
Treasurer  
Joined UFI: 2014



**Brian Moore**  
EVP & President of  
UNIFI Manufacturing, Inc.  
Joined UFI: 1993



**Hongjun Ning**  
EVP & President of UNIFI  
Asia Pacific  
Joined UFI: 2006



**Alison Jester**  
SVP of Human  
Resources  
Joined UFI: 1999



**Sohan Mangaldas**  
SVP of Strategy,  
Global Procurement,  
and Supply Chain  
Joined UFI: 1998



**Brad Nations**  
VP of Manufacturing  
Joined UFI: 1989



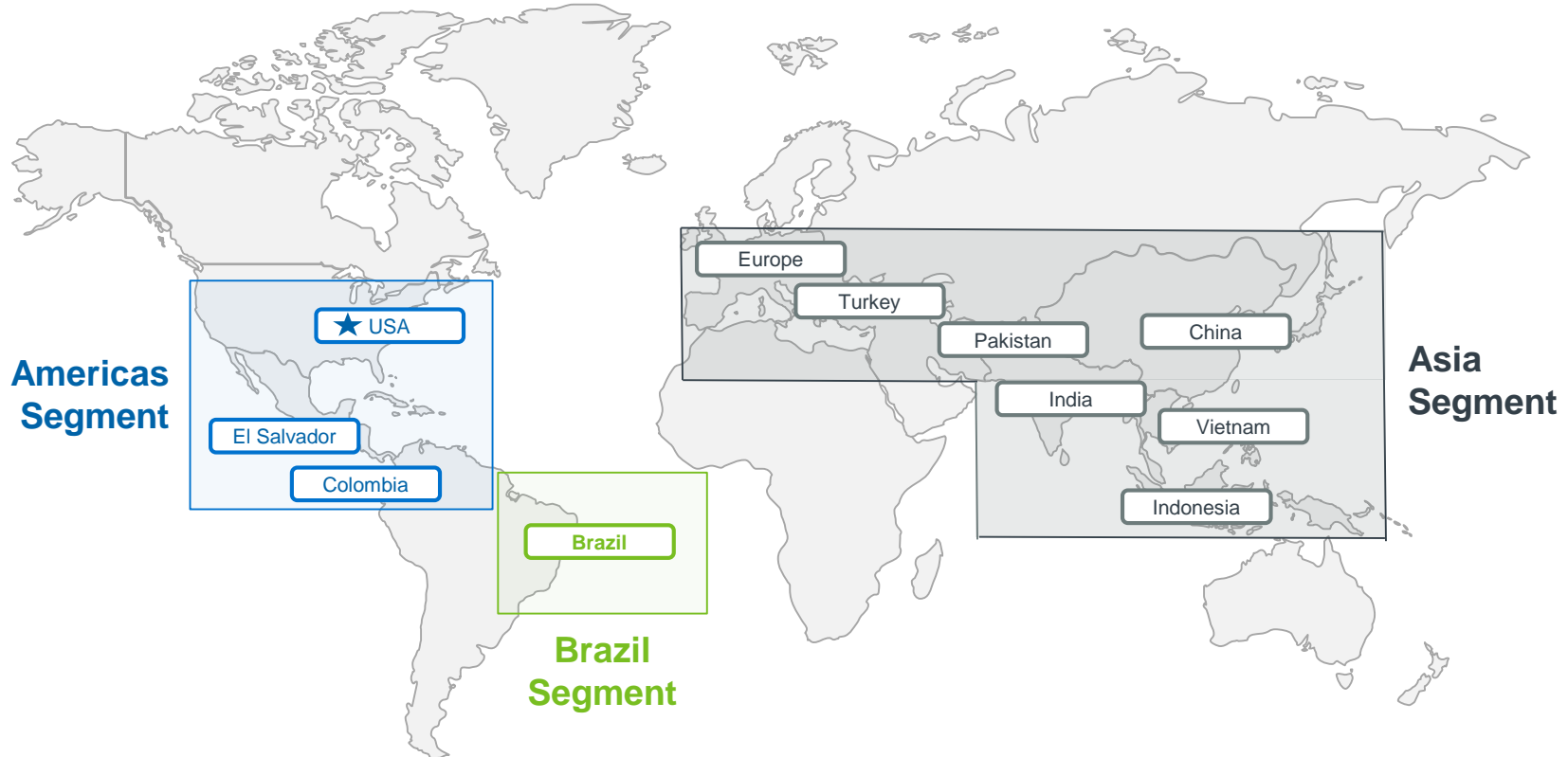
**Philip Peaslee**  
VP and CIO  
Joined UFI: 1999



**Jeff Vining**  
VP, General Counsel &  
Secretary  
Joined UFI: 2024

# Globally Competitive Footprint

UNIFI produces and distributes products across the Americas, Europe and Asia.



# Business Segments



**Americas**

- Manufactures and sells recycled and synthetic products to customers that produce yarn and fabric materials in North and Central America.

**59%** of FY24 Revenue

**~25% REPREVE**



**Brazil**

- Manufactures and sells recycled and synthetic products to customers that produce fabric materials in Brazil.

**20%** of FY24 Revenue

**<5% REPREVE**



**Asia**

- Sources recycled and synthetic products from third party suppliers and sells to customers that produce fabric materials in Asia and Europe.

**21%** of FY24 Revenue

**>85% REPREVE**

# Product Flow



## Material Inputs

## Finished Good



Recycled plastics,  
petroleum, or derivatives

Resin

Base yarn  
(POY)

Textured  
yarn

Value-added  
processes

Finished yarn  
sale  
(Virgin or  
REPREVE)

North Carolina, USA

Asset Driven

Asia

Asset Light

Alfenas, Brazil

Asset Driven

El Salvador, Central America

Asset Driven



# Primary End Markets



**APPAREL**



**FOOTWEAR**



**HOME**



**INDUSTRIAL**



**MEDICAL**



**MILITARY**

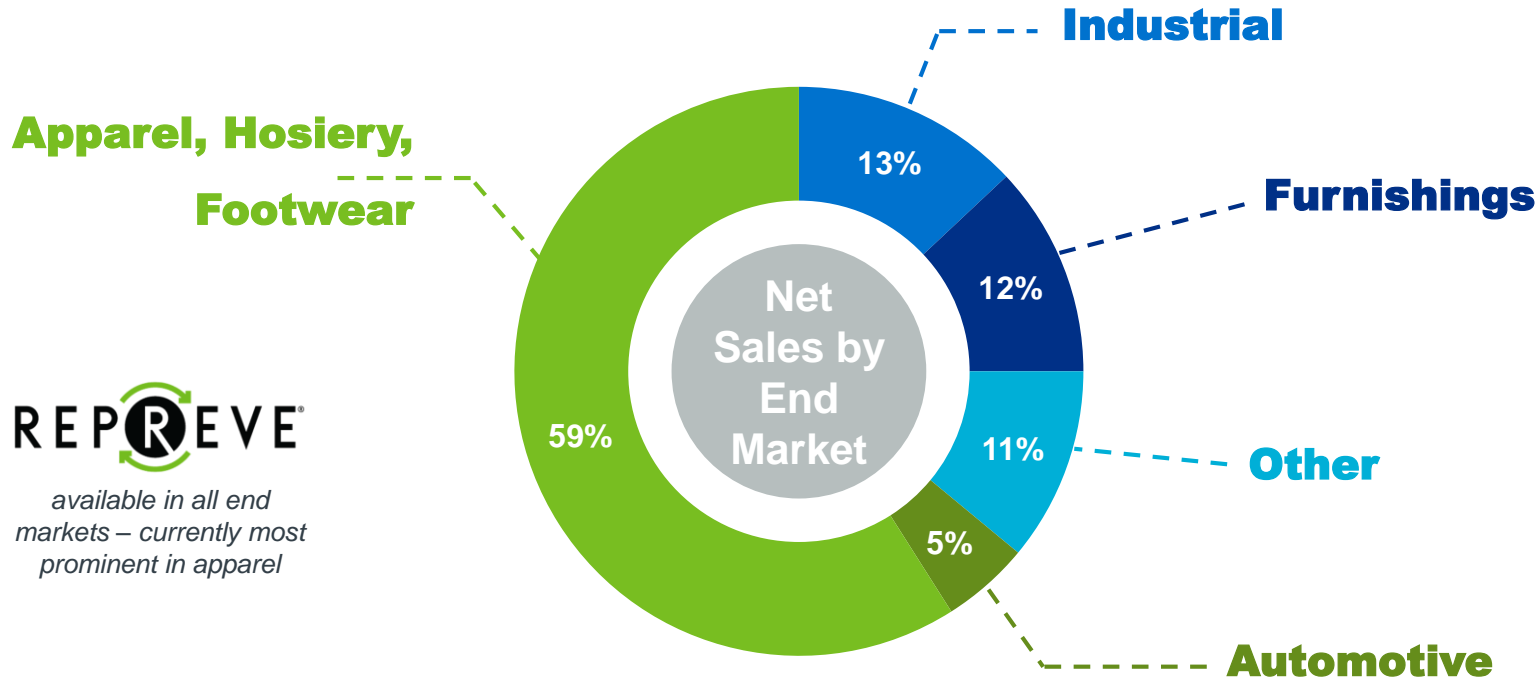


**MOBILITY**



**PACKAGING**

# Non-Apparel Sales Offer Margin Upside





REPREVE®

# The REPREVE® Advantage



## FiberPrint™ Technology

FiberPrint technology helps customers avoid false environmental claims. This proprietary technology validates the authenticity of REPREVE products and analyzes the fabric content and composition to support third-party certifications.



## U-Trust® Verification

The U-Trust verification program is a comprehensive certification program designed to provide REPREVE customers with a high level of transparency and confidence.



## Third-Party Certified

Products made with REPREVE recycled materials, including post-consumer plastic bottles and pre-consumer fiber waste, are certified by third parties.



## Sustainably Indexed

REPREVE's Higg Materials Sustainability Index (MSI) Scores demonstrate that REPREVE has a lower global warming potential score compared to virgin material and competitive recycled material by 42% and 21%, respectively.

- Physical Certification
- Paper Certification
- ▲ Benchmark Testing

**Transparent. Traceable. Trusted. Tested.**

# UNIFI's REPREEVE® Journey



50 Billion  
Bottles  
Recycled  
Goal

40  
Billion

40 Billion Bottles  
Recycled



REPREEVE Bottle  
Processing Center



REPREEVE  
Recycling Center  
Grand Opening



First Commercial  
Customers



Technical  
Development



Trademark  
Registered



Trademark  
Application



# REPREEVE® Production Process

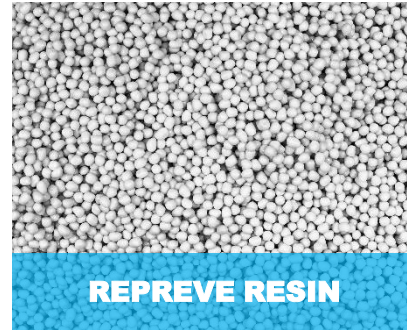
Post-consumer waste is transformed into REPREEVE®.



Post-consumer bottles are recycled



Bottles are washed and chopped into flake



Bottle flake is melted and formed into resin

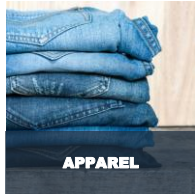


Resin is melted and made into polyester yarn

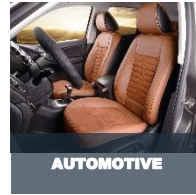
# REPREVE® Applications



**FILAMENT**



**APPAREL**



**AUTOMOTIVE**



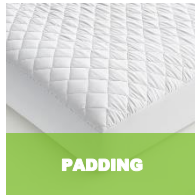
**SOCKS/  
HOSIERY**



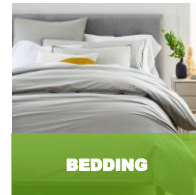
**FOOTWEAR**



**STAPLE**



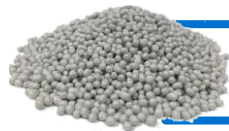
**PADDING**



**BEDDING**



**INSULATION**



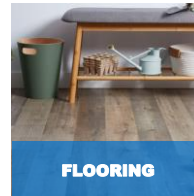
**CHIP**



**PACKAGING**



**BOTTLES**



**FLOORING**

# Apparel Brands Using REPREVE

belk COSTCO WHOLESALE Disney  
El Corte Inglés JCPenney KOHL'S  
macy's NORDSTROM TARGET Walmart\*

**Major Retailers**

BULA Columbia FREE COUNTRY  
Kathmandu NORDEN OBERMEYER  
ONEILL patagonia POLARTEC THE NORTH FACE

**Outdoor**

adidas DeFeet DIFECT GILDAN  
GOLDTOE HANES Brands Inc KIRKLAND MERRELL  
PETER MILLAR KREI UNDER ARMOUR

**Socks/Hosiery**

BOSS HUGO BOSS kate spade NEW YORK Lilly Pulitzer  
MARA HOFFMAN PETER MILLAR RALPH LAUREN  
TOMMY HILFINGER TORY BURCH

**Luxury**

GUESS H&M LANE BRYANT  
BEYOND YOGA OLD NAVY  
PRIMARK ZARA

**Fashion**

aramark ChefWorks Chick-fil-A CINTAS  
DICK'S Sporting Goods Disney ENGEL girl scouts  
OAK HALL pepsi WM WORKWEAR

**Uniform/Workwear**

Cat & Jack ELEMENT  
J.CREW patagonia QUIKSILVER  
ROXY VESPA VITAMIN X A VOLCOM

**Swim**



# Beyond Apparel Brands Using REPREVE®



DESIGNTEX    eclipse    ELLERY  
*Interactives*

FLEXSTEEL'    HON    KUKA  
HOME

L A Z B O Y'    LICHTENBERG  
EST. 1983 | NEW YORK

LOVESAC    NICE LINK    ROLLEASE  
ACMEDA

*Serta*    Serta    Steelcase    SUNPAN

▼ IOLINO    west elm    WILLIAMS-SONOMA, INC.

**Home and Contract**

AVIA    CONVERSE    Fly Ltd

BOSS    new balance    NIKE    ROTHY'S.

Teva    TOMS    UGG

**Footwear**

IGLOO'    LEGACY    NEW ERA

NIXON    RePatriot Flag  
THE MADE IN THE USA

SHIBUMI

fitbit.    EASYWAY  
PRODUCTS CO.

**Accessories**

Dickies    Ford

GENERAL MOTORS

Virgin  
GALACTIC

**Transportation**

# Corporate Sustainability Goals

Many leading global retailers and apparel companies have announced targets to switch to recycled materials, which will help drive REPREVE<sup>®</sup> sales.



100% recycled polyester  
by 2030



50% recycled polyester  
& nylon by 2025

HANES  
*Brands Inc*

100% recycled polyester  
by 2025



50% recycled polyester  
by 2025



100% recycled polyester  
by 2024



100 recycled polyester  
by 2025



75% recycled polyester  
by 2025

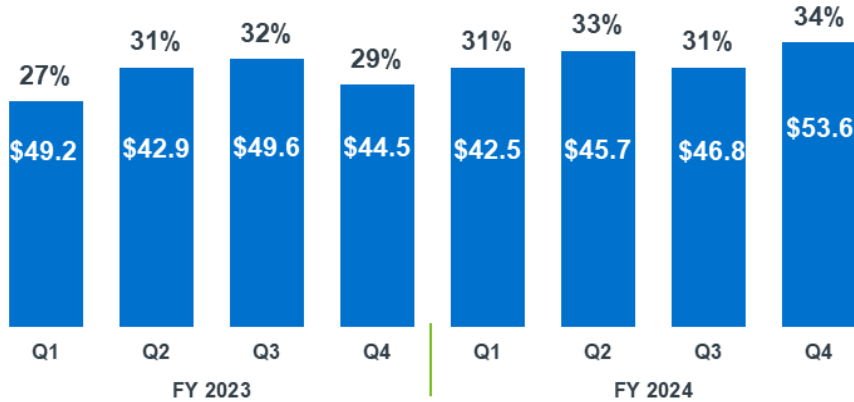
KOHL'S

50% recycled polyester  
by 2025

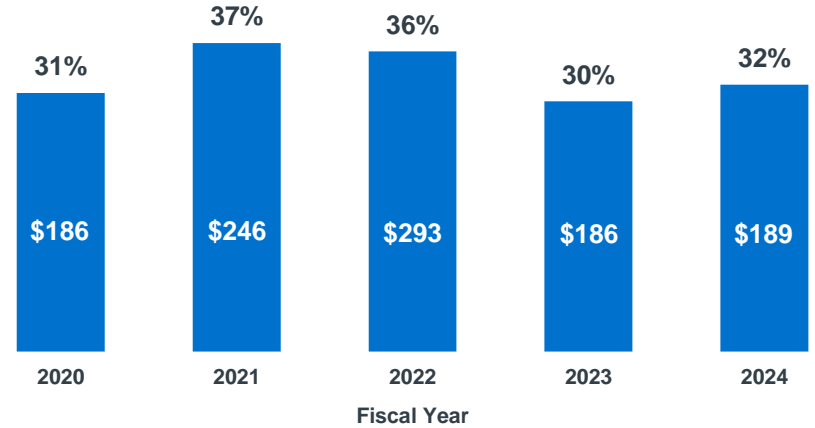
# REPREVE Sales

As a % of Net Sales

## Quarterly



## Annual

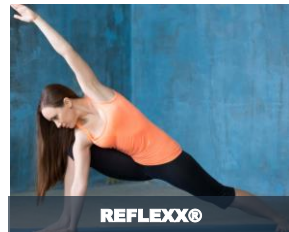
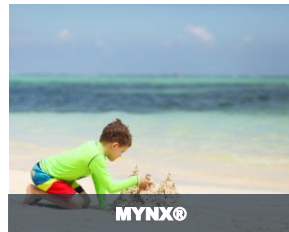


# Innovation



# Product Innovation Portfolio

UNIFI offers a comprehensive selection of innovative technologies



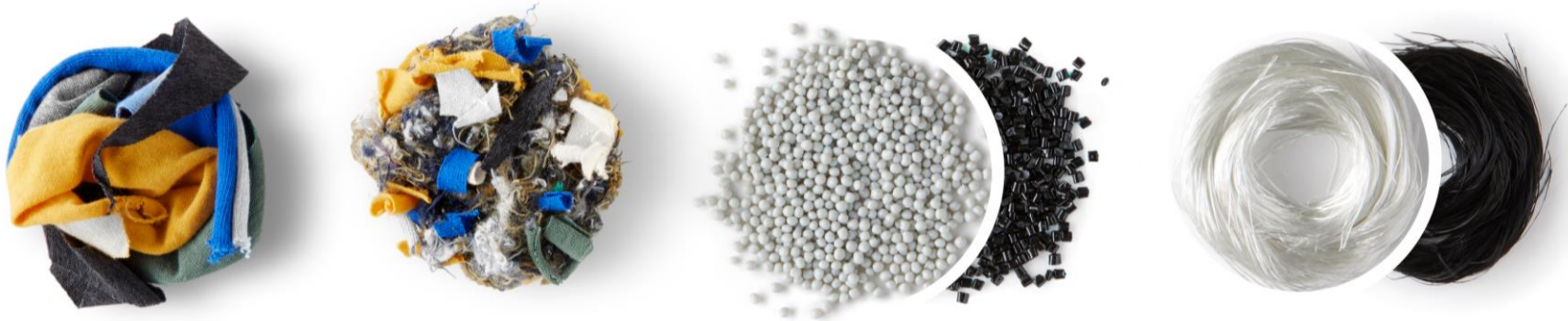
# REPREVE® Powered by Textile Takeback™



REPREVE® powered by Textile Takeback™ is the premiere, globally available, commercial-scale product platform leveraging textile waste into the most critical filament, fiber, and insulation products.

We are pleased to introduce our **new, white** offering in filament.

Revenue and volume benefits for the new filament yarn are expected to begin materializing in the second half of fiscal 2025.



# ThermaLoop™ Insulation

## Features & Benefits

- ThermaLoop™ down-like fiber and fiberball are made with 100%\* recycled materials, including at least 50% fabric waste.
- ThermaLoop™ padding is made with 100%\* recycled materials, including at least 50% fabric waste (exclusive of REPREVE® low melt polymer).
  - 100% recycled padding made possible with the new, REPREVE® low melt fiber.
- Revenue benefits from ThermaLoop™ are expected to begin materializing fiscal 2026.



\*100% recycled materials refers to the base polymer utilized but does not include additives and/or colorants.



# Sustainability



# Sustainability Pillars

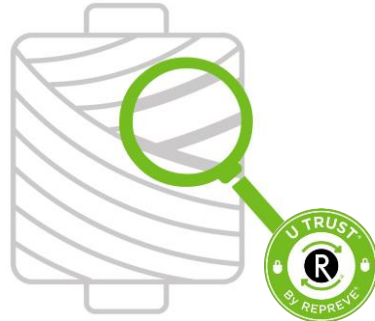


Our sustainability vision will be accomplished through industry collaboration and transparency along with the expansion of REPVEVE®.



## PLANET

Strategic investments to **reduce carbon footprint**  
Pursue **zero waste to-landfill** in all owned operations  
**Reduction** of plastic **pollution**  
**Reduce** the use of **water**



## PRODUCT

Transform **50 billion bottles** by Dec. 2025  
Expand the scale of **Textile Takeback**  
**Reduce impact** through product-focused innovation  
& **life cycle analysis**  
Transparency through **industry certifications** as well  
as **U Trust and FiberPrint**



## PEOPLE

Commitment to a **culture of safety**  
Prioritize **community engagement** and **philanthropy**  
**Empower employees** through opportunity, education  
and leadership  
Strengthen a culture that is **safe, fair, understanding**  
**and compassionate**

# 2025 Sustainability Targets + Progress



## Targets for 2025

**50 billion** recycled plastic bottles by December 2025

REPREEVE® Fiber comprises **over 50%** of FY25 revenue

## FY24 Progress

With over 40 **billion recycled plastic bottles**, we are on pace to meet this goal

REPREEVE fiber comprises **32%** of FY24 revenue

# Fiscal 2030 Sustainability Targets

A pioneering textile-to-textile recycling target, and two manufacturing objectives tackling greenhouse gas emissions and water discharge.

**1.** Transform the equivalent of 1.5 billion T-shirts worth of textile and yarn waste

**2.** 30% reduction in Scopes 1 & 2 greenhouse gas emission intensity

**3.** Zero non-compliant water discharges each year





# **Recent Financials & Outlook**

# Q4 2024 Consolidated Highlights



	Q4 FY24	Q3 FY24	QoQ Change	Q4 FY23	YoY Change
<b>Net Sales</b>	\$157.5	\$149.0	5.7%	\$151.1	4.2%
<b>Gross Profit</b>	\$10.8	\$4.8	126.5%	\$6.0	79.1%
<b>Gross Margin</b>	6.9%	3.2%	370 bps	4.0%	290 bps

## Highlights/Drivers

- Net sales and gross profit increased due to beneficial pricing actions, continued market share gains, and demand normalization, in conjunction with improvements from the Profitability Improvement Plan continuing to materialize.

# Profitability Improvement Plan Progress



## Fiscal 2024



### Announced Profitability Improvement Plan in January 2024

- Streamlined organization to lower cost by **\$10M - \$15M**
- Realigned leadership team to support more efficient and responsive go-to-market structure
- Initiated sales transformation to improve operational efficiencies and gross margins by **\$6M** annually



### Enhanced Financial & Operational Performance during Q2 – Q4

- Consistent top-line growth and gross profit improvement over past three quarters
- Lowered expenses and increased operational efficiencies
- Gained additional market share from competitors



### Invested in New Innovation to Help Support Growth

- Unveiled new white REPREVE® filament yarn and ThermoLoop™ products
- Revenue and volume benefits of two new products will be seen in the second half of FY25 and throughout FY26

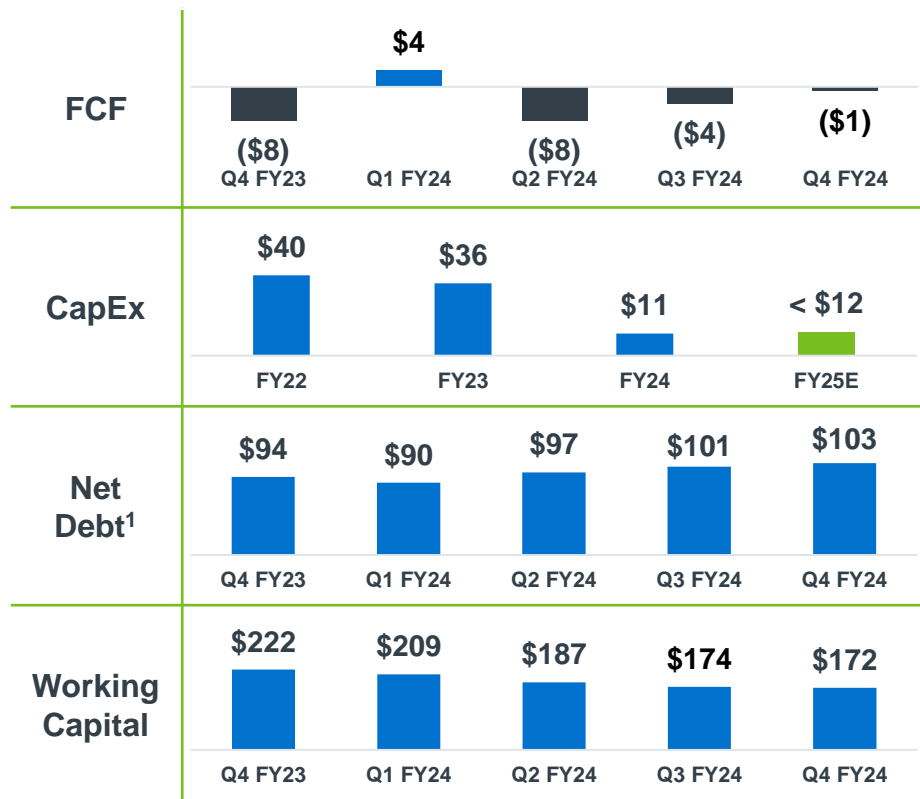
## Fiscal 2025 & Beyond



### Supports Pivot to Growth and Enhanced Profitability

- Year-over-year growth in gross profit, gross margin, and Adj. EBITDA in FY25
- Continued reinvestment into key areas of the business
- Improved free cash flow

# Balance Sheet



## Recent Capital Allocation Efforts (Q1 FY25)

- First Amendment to Credit Agreement, which includes:
  - Permitting the sale of a UNIFI owned warehouse to reduce the outstanding ABL Revolver
  - The reduction of the Maximum Revolver Amount from \$115M to \$80M
  - Modifying the Trigger Level
  - Increasing the range of the Applicable Margin
  - Updating nonsubstantive terms and conditions of the Credit Agreement

<sup>1</sup> Net Debt is a non-GAAP financial measure described on Slide 2 and reconciled within the Earnings Release dated August 21, 2024.

# Q1 2025 Financial Outlook



## *Continued Focused on Long-Term Growth*

	Q1 FY24 Results	Q1 FY25 Outlook
Net Sales	\$138.8	\$147.0 to \$153.0
Adjusted EBITDA <sup>1</sup>	(\$4.8)	\$1.0 to \$3.0
Effective Tax Rate	3.4%	Continued Volatility
Capital Expenditures	\$2.9	\$3.0 to \$4.0

<sup>1</sup> Adjusted EBITDA is a non-GAAP financial measure described on Slide 2 and reconciled within the Earnings Release dated August 21, 2024.





## *Well Positioned to Realize Profitable Growth Opportunities in Fiscal 2025*

- Net sales expected to increase more than 10% over fiscal 2024, as underlying portfolio and REPREVE® Fiber momentum continues while macroeconomic and inflationary uncertainties remain pronounced in the second half of the year.
- Gross profit, gross margin, and Adjusted EBITDA<sup>1</sup> expected to increase significantly from fiscal 2024 to fiscal 2025, benefiting from higher sales volumes, a leaner cost structure, and portfolio strength.
- Capital expenditures expected to range from \$10.0 million to \$12.0 million.

1. Adjusted EBITDA is a non-GAAP financial measure described on Slide 2 and reconciled within the Earnings Release dated August 21, 2024.



## Prepared to Pivot to Growth

1. Transforming the sales process, including pricing, to streamline operational efficiencies and drive margin improvement.
2. Scrutinizing working capital to reduce interest expense and improve cash flows.
3. Leveraging the realignment of resources and key talent across the organization to drive growth and innovation.
4. Increasing customer engagement in all business segments to grow our global market share of the demand for sustainable inputs.
5. Pursuing new yarn sales opportunities to grow the REPREVE® Fiber business, expand our value-added innovative product offerings, and build on our Beyond Apparel initiatives.



# APPENDIX

# Q4 2024 Americas Highlights



	Q4 FY24	Q3 FY24	QoQ Change	Q4 FY23	YoY Change
Net Sales	\$91.0	\$91.1	(0.1)%	\$94.8	(4.0)%
Gross Profit (Loss)	\$0.0	(\$3.5)	100.1%	\$0.1	(98.5)%
Gross Margin	0.0%	(3.9)%	390 bps	0.1%	(100) bps

## Highlights/Drivers

- Net sales were sequentially flat while gross profit increased, primarily due to improved productivity following holiday impacts on Q3 FY24.

# Q4 2024 Brazil Highlights



	Q4 FY24	Q3 FY24	QoQ Change	Q4 FY23	YoY Change
Net Sales	\$32.2	\$29.6	9.0%	\$27.1	18.9%
Gross Profit	\$5.6	\$3.8	46.3%	\$1.7	237.5%
Gross Margin	17.4%	13.0%	440 bps	6.1%	1,130 bps

## Highlights/Drivers

- Net sales and gross profit increased sequentially and seasonally, primarily due to market share gains together with favorable pricing and cost dynamics.

# Q4 2024 Asia Highlights



	Q4 FY24	Q3 FY24	QoQ Change	Q4 FY23	YoY Change
<b>Net Sales</b>	\$34.2	\$28.3	20.9%	\$29.1	17.5%
<b>Gross Profit</b>	\$5.2	\$4.4	16.6%	\$4.2	22.5%
<b>Gross Margin</b>	15.1%	15.7%	(60) bps	14.5%	60 bps

## Highlights/Drivers

- Net sales and gross profit increased sequentially and seasonally, primarily due to higher sales volumes.

# Adj. Net (Loss) Income & Adj. EPS



(dollars in thousands, except per share amounts)

Fiscal 2024				
	Pre-tax Loss	Tax Impact	Net Loss	Diluted EPS
GAAP results	\$ (45,537)	\$ (1,858)	\$ (47,395)	\$ (2.61)
Loss on joint venture dissolution <sup>(1)</sup>	2,750	—	2,750	0.15
Severance <sup>(2)</sup>	2,351	—	2,351	0.13
Adjusted results	\$ (40,436)	\$ (1,858)	\$ (42,294)	\$ (2.33)
Weighted average common shares outstanding				18,154
Fiscal 2023				
	Pre-tax Loss	Tax Impact	Net Loss	Diluted EPS
GAAP results	\$ (45,443)	\$ (901)	\$ (46,344)	\$ (2.57)
Asset abandonment <sup>(3)</sup>	8,247	—	8,247	0.46
Contract modification costs <sup>(4)</sup>	623	—	623	0.03
Recovery of income taxes <sup>(5)</sup>	—	(3,799)	(3,799)	(0.21)
Adjusted results	\$ (36,573)	\$ (4,700)	\$ (41,273)	\$ (2.29)
Weighted average common shares outstanding				18,037
Fiscal 2022				
	Pre-tax Income	Tax Impact	Net Income	Diluted EPS
GAAP results	\$ 26,828	\$ (11,657)	\$ 15,171	\$ 0.80
Recovery of non-income taxes, net <sup>(6)</sup>	815	(257)	558	0.03
Recovery of income taxes, net <sup>(7)</sup>	—	(1,446)	(1,446)	(0.07)
Adjusted results	\$ 27,643	\$ (13,360)	\$ 14,283	\$ 0.76
Weighted average common shares outstanding				18,868

(1) In the second quarter of fiscal 2024, UNIFI recorded a loss of \$2,750 related to the dissolution of a nylon joint venture.

(2) In the second quarter of fiscal 2024, UNIFI incurred severance costs in connection with the Profitability Improvement Plan in the U.S.

(3) In fiscal 2023, UNIFI abandoned certain specialized machinery in the Americas and recorded an impairment charge. The associated tax impact was estimated to be \$0 due to a valuation allowance against net operating losses in the U.S.

(4) In fiscal 2023, UNIFI amended certain existing contracts related to future purchases of texturing machinery by delaying the scheduled receipt and installation of such equipment in the U.S. and El Salvador for 18 months. UNIFI paid the associated vendor \$623 to establish the 18-month delay. The associated tax impact was estimated to be \$0 due to (i) a valuation allowance against net operating losses in the U.S. and (ii) UNIFI's effective tax rate in El Salvador.

(5) In fiscal 2023, UNIFI recorded a recovery of income taxes in connection with filing amended tax returns in Brazil relating to certain income taxes paid in prior fiscal years following favorable legal rulings in fiscal 2023.

(6) In fiscal 2022, UNIFI reduced an estimated benefit based on additional clarity and the review of the recovery process in Brazil.

(7) In fiscal 2022, UNIFI recorded a recovery of income taxes in Brazil regarding certain income taxes paid in prior fiscal years.

# Adj. EBITDA



(dollars in thousands)

	Fiscal 2024	Fiscal 2023	Fiscal 2022
Net (loss) income	\$ (47,395)	\$ (46,344)	\$ 15,171
Interest expense, net	7,726	5,468	1,561
Provision for income taxes	1,858	901	11,657
Depreciation and amortization expense <sup>(1)</sup>	27,513	27,020	25,986
EBITDA	(10,298)	(12,955)	54,375
Loss on joint venture dissolution <sup>(2)</sup>	2,750	—	—
Severance <sup>(3)</sup>	2,351	—	—
Asset abandonment <sup>(4)</sup>	—	8,247	—
Contract modification costs <sup>(5)</sup>	—	623	—
Recovery of non-income taxes, net <sup>(6)</sup>	—	—	815
Adjusted EBITDA	<u>\$ (5,197)</u>	<u>\$ (4,085)</u>	<u>\$ 55,190</u>

(1) Within this reconciliation, depreciation and amortization expense excludes the amortization of debt issuance costs, which are reflected in interest expense, net. Within the accompanying consolidated statements of cash flows, amortization of debt issuance costs is reflected in depreciation and amortization expense. In fiscal 2023, interest expense, net includes \$273 of loss on debt extinguishment.

(2) In the second quarter of fiscal 2024, UNIFI recorded a loss of \$2,750 related to the dissolution of a nylon joint venture.

(3) In the second quarter of fiscal 2024, UNIFI incurred severance costs in connection with the Profitability Improvement Plan in the U.S.

(4) In fiscal 2023, UNIFI abandoned certain specialized machinery in the Americas and recorded an impairment charge. The impairment charge was recorded to reflect the lack of future positive cash flows associated with the machinery, following multiple years of investment recovery since its fiscal 2017 installation.

(5) In fiscal 2023, UNIFI amended certain existing contracts related to future purchases of texturing machinery by delaying the scheduled receipt and installation of such equipment for approximately 18 months. UNIFI paid the associated vendor \$623 to establish the 18-month delay.

(6) In fiscal 2022, UNIFI reduced an estimated benefit based on additional clarity and the review of the recovery process in Brazil.



# Adj. Working Capital



(dollars in thousands)

	June 30, 2024	July 2, 2023
Cash and cash equivalents	\$ 26,805	\$ 46,960
Receivables, net	79,165	83,725
Inventories	131,181	150,810
Income taxes receivable	164	238
Other current assets	11,618	12,327
Accounts payable	(43,622)	(44,455)
Other current liabilities	(17,662)	(12,932)
Income taxes payable	(754)	(789)
Current operating lease liabilities	(2,251)	(1,813)
Current portion of long-term debt	(12,277)	(12,006)
Working capital	<u>\$ 172,367</u>	<u>\$ 222,065</u>
Less: Cash and cash equivalents	(26,805)	(46,960)
Less: Income taxes receivable	(164)	(238)
Less: Income taxes payable	754	789
Less: Current operating lease liabilities	2,251	1,813
Less: Current portion of long-term debt	12,277	12,006
Adjusted Working Capital	<u>\$ 160,680</u>	<u>\$ 189,475</u>

# Net Debt



(dollars in thousands)

	June 30, 2024	July 2, 2023
Long-term debt	\$ 117,793	\$ 128,604
Current portion of long-term debt	12,277	12,006
Unamortized debt issuance costs	229	289
Debt principal	130,299	140,899
Less: cash and cash equivalents	26,805	46,960
Net Debt	<u>\$ 103,494</u>	<u>\$ 93,939</u>



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