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

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 27, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 1-10542

UNIFI, INC.

(Exact name of registrant as specified in its charter)

New York	**11-2165495**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
7201 West Friendly Avenue Greensboro, North Carolina	**27410**
(Address of principal executive offices)	**(Zip Code)**

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

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 (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 30, 2026, there were 18,588,837 shares of the registrant's common stock, par value $0.10 per share, outstanding.

FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that relate to our plans, objectives, estimates, and goals. Statements expressing expectations regarding our future, or projections or estimates relating to products, sales, revenues, expenditures, costs, strategies, initiatives, or earnings, are typical of such statements and are made under the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on management's beliefs, assumptions, and expectations about our future performance, considering the information currently available to management. 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; 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, governmental policies and legislation (e.g., tariffs) and sustained disruption of government operations;
- 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 the Company'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 the Company's 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 the Company's brands;
- employee relations;
- the ability to attract, retain, and motivate key employees;
- the impact of climate change or environmental, health, and safety regulations;
- the impact of tax laws, the judicial or administrative interpretations of tax laws, and/or changes in such laws or interpretations; and
- other factors discussed in "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended June 28, 2026 or in the Company's other periodic reports and information filed with the Securities and Exchange Commission (the "SEC").

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.

In light of all of the above considerations, we reiterate that forward-looking statements are not guarantees of future performance, and we caution you not to rely on them as such.

UNIFI, INC.

QUARTERLY REPORT ON FORM 10-Q
FOR THE THREE MONTHS ENDED SEPTEMBER 27, 2026

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and per share amounts)

	September 27, 2026	June 28, 2026
ASSETS		
Cash and cash equivalents	$ 26,091	$ 25,072
Receivables, net	73,543	76,666
Inventories	109,245	101,067
Income taxes receivable	753	905
Other current assets	9,052	7,743
Total current assets	218,684	211,453
Property, plant and equipment, net	153,534	158,325
Operating lease assets	5,960	6,532
Deferred income taxes	5,287	5,316
Other non-current assets	4,907	4,807
Total assets	$ 388,372	$ 386,433
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 37,500	$ 31,151
Income taxes payable	1,295	656
Current operating lease liabilities	1,879	2,128
Current portion of long-term debt	12,087	12,371
Other current liabilities	15,169	17,249
Total current liabilities	67,930	63,555
Long-term debt	78,756	79,998
Non-current operating lease liabilities	4,132	4,458
Deferred income taxes	1,004	997
Other long-term liabilities	5,333	5,203
Total liabilities	157,155	154,211
Commitments and contingencies		
Common stock, $0.10 par value (500,000,000 shares authorized; 18,588,837 and 18,587,254 shares issued and outstanding as of September 27, 2026 and June 28, 2026, respectively)	1,859	1,859
Capital in excess of par value	77,954	77,174
Retained earnings	212,467	214,487
Accumulated other comprehensive loss	(61,063)	(61,298)
Total shareholders' equity	231,217	232,222
Total liabilities and shareholders' equity	$ 388,372	$ 386,433

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Unaudited)
(In thousands, except per share amounts)

	For the Three Months Ended	
	September 27, 2026	**September 28, 2025**
Net sales	$ 127,920	$ 135,674
Cost of sales	115,439	132,287
Gross profit	12,481	3,387
Selling, general and administrative expenses	11,462	11,948
Provision (benefit) for bad debts	568	(69)
Restructuring costs, net	—	1,068
Other operating expense, net	475	70
Operating loss	(24)	(9,630)
Interest income	(470)	(375)
Interest expense	1,449	2,003
Equity in earnings of unconsolidated affiliate	(20)	(97)
Loss before income taxes	(983)	(11,161)
Provision for income taxes	1,037	196
Net loss	$ (2,020)	$ (11,357)
Net loss per common share:		
Basic	$ (0.11)	$ (0.62)
Diluted	$ (0.11)	$ (0.62)

Comprehensive loss:

	For the Three Months Ended	
	September 27, 2026	**September 28, 2025**
Net loss	$ (2,020)	$ (11,357)
Other comprehensive income:		
Foreign currency translation adjustments	235	2,179
Other comprehensive income	235	2,179
Comprehensive loss	$ (1,785)	$ (9,178)

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Unaudited)
(In thousands)

	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at June 28, 2026	18,587	$ 1,859	$ 77,174	$ 214,487	$ (61,298)	$ 232,222
Conversion of equity units	2	—	—	—	—	—
Stock-based compensation	—	—	780	—	—	780
Other comprehensive income, net of tax	—	—	—	—	235	235
Net loss	—	—	—	(2,020)	—	(2,020)
Balance at September 27, 2026	18,589	$ 1,859	$ 77,954	$ 212,467	$ (61,063)	$ 231,217

	Shares	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at June 29, 2025	18,361	$ 1,836	$ 74,095	$ 239,049	$ (65,509)	$ 249,471
Stock-based compensation	—	—	801	—	—	801
Other comprehensive income, net of tax	—	—	—	—	2,179	2,179
Net loss	—	—	—	(11,357)	—	(11,357)
Balance at September 28, 2025	18,361	$ 1,836	$ 74,896	$ 227,692	$ (63,330)	$ 241,094

See accompanying notes to condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	For the Three Months Ended	
	September 27, 2026	**September 28, 2025**
Cash and cash equivalents at beginning of period	$ 25,072	$ 22,664
Operating activities:		
Net loss	(2,020)	(11,357)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Equity in earnings of unconsolidated affiliate	(20)	(97)
Depreciation and amortization expense	5,759	5,977
Non-cash compensation expense	780	801
Loss on foreign currency transaction, net	91	—
Deferred income taxes	29	(372)
Other, net	2	182
Changes in assets and liabilities:		
Receivables, net	3,211	(900)
Inventories	(8,250)	(678)
Other current assets	(1,262)	1,835
Income taxes	802	1,767
Accounts payable and other current liabilities	4,516	(6,184)
Other, net	39	106
Net cash provided (used) by operating activities	3,677	(8,920)
Investing activities:		
Capital expenditures	(1,198)	(2,029)
Proceeds from the sale of assets	40	23
Net cash used by investing activities	(1,158)	(2,006)
Financing activities:		
Proceeds from ABL Revolver	27,200	51,900
Payments on ABL Revolver	(25,500)	(40,300)
Payments on ABL Term Loan	(2,300)	(2,300)
Payments on finance lease obligations	(939)	(668)
Other, net	—	—
Net cash (used) provided by financing activities	(1,539)	8,632
Effect of exchange rate changes on cash and cash equivalents	39	185
Net increase (decrease) in cash and cash equivalents	1,019	(2,109)
Cash and cash equivalents at end of period	$ 26,091	$ 20,555

See accompanying notes to condensed consolidated financial statements.

Unifi, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Background

Unifi, Inc., a New York corporation formed in 1969 (together with its subsidiaries, "UNIFI," the "Company," "we," "us," or "our"), is a multinational company that manufactures and sells innovative recycled and synthetic products, made from polyester and nylon, primarily to other yarn manufacturers and knitters and weavers (UNIFI's "direct customers") that produce yarn and/or fabric for the apparel, hosiery, home furnishings, automotive, industrial, medical, and other end-use markets (UNIFI's "indirect customers"). We sometimes refer to these indirect customers as "brand partners." Polyester products include partially oriented yarn ("POY") and textured, solution and package dyed, twisted, beamed, and draw wound yarns, and each is available in virgin or recycled varieties. Recycled solutions, made from both pre-consumer and post-consumer waste, include plastic bottle flake ("Flake"), polyester polymer beads ("Chip"), and staple fiber. Nylon products include virgin or recycled textured, solution dyed, and spandex covered yarns.

UNIFI maintains one of the textile industry's most comprehensive product offerings that includes a range of specialized, value-added, and commodity solutions, with principal geographic markets in North America, Central America, South America, Asia, and Europe. UNIFI has direct manufacturing operations in four countries and participates in a joint venture with operations in the United States (the "U.S.").

2. Basis of Presentation; Condensed Notes

The accompanying condensed consolidated financial statements are unaudited and have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. As contemplated by the instructions of the SEC to Form 10-Q, the following notes have been condensed and, therefore, do not contain all disclosures required in connection with annual financial statements. Reference should be made to UNIFI's year-end audited consolidated financial statements and related notes thereto contained in its Annual Report on Form 10-K for the fiscal year ended June 28, 2026 (the "2026 Form 10-K").

The financial information included in this report has been prepared by UNIFI, without audit. In the opinion of management, all adjustments, which consist of normal, recurring adjustments, considered necessary for a fair statement of the results for interim periods have been included. Nevertheless, the results shown for interim periods are not necessarily indicative of results to be expected for the full year. The preparation of financial statements in conformity with GAAP requires management to make use of estimates and assumptions that affect the amounts reported and certain financial statement disclosures. Actual results may vary from these estimates.

All amounts, except per share amounts, are presented in thousands (000s), except as otherwise noted.

The fiscal quarter for each of Unifi, Inc., its primary domestic operating subsidiaries and its subsidiary in El Salvador ended on September 27, 2026. Unifi, Inc.'s remaining material operating subsidiaries' fiscal quarters ended on September 30, 2026. There were no significant transactions or events that occurred between Unifi, Inc.'s fiscal quarter end and such wholly owned subsidiaries' fiscal quarters end. The three-month periods ended September 27, 2026 and September 28, 2025 both consisted of 13 weeks.

3. Recent Accounting Pronouncements

Issued and Pending Adoption

In November 2024, the FASB issued Accounting Standards Update ("ASU") 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. ASU No. 2024-03 does not change or remove existing expense disclosure requirements but requires disaggregated disclosures about certain expense categories and captions, including but not limited to, purchases of inventory, employee compensation, depreciation, amortization and selling expenses. This ASU will become effective for UNIFI's fiscal 2028 and in the first quarter of fiscal 2029 for interim reporting, with retrospective application permitted. UNIFI is currently evaluating the impact on the Company's disclosures on its consolidated financial statements.

Based on UNIFI's review of ASUs issued since the filing of the 2026 Form 10-K, there have been no other newly issued or newly applicable accounting pronouncements that have had, or are expected to have, a material impact on UNIFI's consolidated financial statements.

4. Revenue

The following tables present net sales disaggregated by (i) classification of customer type and (ii) REPREVE® Fiber sales:

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
Third-party manufacturer	$ 127,043	$ 134,735
Service	877	939
Net sales	$ 127,920	$ 135,674

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
REPREVE® Fiber	$ 36,448	$ 39,272
All other products and services	91,472	96,402
Net sales	$ 127,920	$ 135,674

Third-Party Manufacturer

Third-party manufacturer revenue is primarily generated through sales to direct customers. Such sales represent satisfaction of UNIFI's performance obligations required by the associated revenue contracts. Each of UNIFI's reportable segments derives revenue from sales to third-party manufacturers.

Service Revenue

Service revenue is primarily generated, as services are rendered, through fulfillment of toll manufacturing of textile products or transportation services governed by written agreements. Such toll manufacturing and transportation services represent satisfaction of UNIFI's performance obligations required by the associated revenue contracts.

REPREVE® Fiber

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

5. Long-Term Debt

Debt Obligations

The following table and narrative presents the detail of UNIFI's debt obligations. Capitalized terms not otherwise defined within this Note shall have the meanings attributed to them in the Second Amended and Restated Credit Agreement, dated as of October 28, 2022 (the "2022 Credit Agreement") as amended.

	Scheduled Maturity Date	Weighted Average Interest Rate as of September 27, 2026	Principal Amounts as of	
			September 27, 2026	June 28, 2026
ABL Revolver	October 2027	8.0%	$ 5,600	$ 3,900
2024 Facility	October 2027	4.5%	22,000	22,000
ABL Term Loan	October 2027	5.9%	55,500	57,800
Finance lease obligations	(1)	4.8%	7,800	8,739
Total debt			90,900	92,439
Current portion of ABL Term Loan			(9,200)	(9,200)
Current portion of finance lease obligations			(2,887)	(3,171)
Unamortized debt issuance costs			(57)	(70)
Total long-term debt			$ 78,756	$ 79,998

(1) Scheduled maturity dates for finance lease obligations range from November 2026 to October 2032.

ABL Facility and Amendments

On September 5, 2024, UNIFI, Inc. and certain of its subsidiaries entered into a First Amendment to the 2022 Credit Agreement (the "First Amendment") with a syndicate of lenders. The First Amendment primarily (i) permits the sale of a Company-owned real estate asset (consisting of an industrial warehouse building and land acreage) located in Yadkinville, North Carolina with application of the net proceeds to reduce the outstanding ABL Revolver balance, in lieu of the prescribed mandatory prepayment to the ABL Term Loan; (ii) reduces the Maximum Revolver Amount from $115,000 to $80,000; (iii) modifies the definition of the Trigger Level as of any date of determination to the greater of (a) $16,500 and (b) 10% of the sum of (i) the Maximum Revolver Amount plus (ii) the outstanding principal amount of the ABL Term Loan on such date of determination; (iv) increases the range of the Applicable Margin on (a) SOFR-based loans to a new range of 1.50% to 2.00% and (b) Base Rate-based loans to a new range of 0.50% to 1.00%, with such new ranges of Applicable Margin rates becoming immediately effective and continuing until the Company achieves a Fixed Charge Coverage Ratio of 1.05 to 1.00 or better; (v) for a Term Loan Reset, establishes an additional requirement to obtain lender approval; and (vi) modifies certain terms and conditions of the 2022 Credit Agreement including, but not limited to, Swing Loans, Letter of Credit sublimits, and costs related to normal course collateral valuations for the ABL Facility.

On October 25, 2024, UNIFI entered into a new credit agreement with Wells Fargo Bank, National Association for a $25,000 revolving credit facility (the "2024 Facility"). The maturity date of the 2024 Facility is the earlier of (i) October 28, 2027 and (ii) the termination or refinancing of the 2022 Credit Agreement. The 2024 Facility is deemed unsecured financing for UNIFI, but is collateralized by certain assets pledged by related party Kenneth G. Langone, one of the members of UNIFI's Board of Directors. Borrowings under the 2024 Facility bear interest at a rate of SOFR plus 0.90%. The 2024 Facility contains no additional financial covenants beyond those already in effect for the 2022 Credit Agreement and is subject to a monthly unused line fee of 0.25% on available borrowing capacity. On January 2, 2025, UNIFI borrowed $22,000 against the 2024 Facility and used the proceeds to reduce the outstanding ABL Revolver balance. There was no impact to debt principal from these transactions.

On April 10, 2025, UNIFI entered into a Second Amendment to the 2022 Credit Agreement (the "Second Amendment"). The Second Amendment primarily (i) permits the Company to enter into the purchase agreement related to, and consummate the sale of, the Company's Madison, North Carolina property, (ii) permits the Company to allocate a portion of the net proceeds from the sale to repay outstanding revolving loans under the 2022 Credit Agreement, after the application of the greater of $25,000 or 50% of such net proceeds toward outstanding term loans, and (iii) requires the consent of all lenders, rather than the Required Lenders (as defined in the 2022 Credit Agreement), in order to reset the maximum amount of the term loans available under the 2022 Credit Agreement.

6. Income Taxes

The provision for income taxes and effective tax rate were as follows:

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
Provision for income taxes	$ 1,037	$ 196
Effective tax rate	(105.5)%	(1.8)%

Income Tax Expense

UNIFI's provision for income taxes for the three months ended September 27, 2026 and September 28, 2025 was calculated by applying the estimated annual effective tax rate to year-to-date pre-tax book income and adjusting for discrete items that occurred during the period.

The effective tax rate for the three months ended September 27, 2026 varied from the U.S. federal statutory rate primarily due to (i) U.S. tax on Net CFC Tested Income ("NCTI") and (ii) taxes associated with the repatriation of foreign earnings, including withholding taxes. The impact of these items on the effective tax rate was amplified by UNIFI's relatively low level of consolidated pre-tax loss.

The effective tax rate for the three months ended September 28, 2025 varied from the U.S. federal statutory rate primarily due to the U.S. generated losses for which UNIFI does not expect to realize a future tax benefit.

Certain returns that remain open to examination have utilized carryforward tax attributes generated in prior tax years, including net operating losses, which could potentially be revised upon examination. UNIFI regularly assesses the outcomes of both completed and ongoing examinations to ensure that its provision for income taxes is sufficient.

In July 2026, UNIFI received a notice from the Department of the Treasury, Internal Revenue Service ("IRS") that its federal income tax return for the fiscal 2024 tax year had been selected for a routine examination by the Large Business and International ("LB&I") Division. There have been no changes to reserves as a result of this examination notice.

7. Shareholders' Equity

On October 31, 2018, UNIFI announced that the Company's Board of Directors approved a share repurchase program (the "2018 SRP") under which UNIFI is authorized to acquire up to $50,000 of its common stock. The share repurchase authorization is discretionary and has no expiration date. No shares have been repurchased in fiscal 2026 and 2027 and $38,859 remains available for repurchase.

8. Stock-Based Compensation

On October 28, 2025, UNIFI's shareholders approved a Second Amendment (the "Second Amendment") to the Unifi, Inc. Second Amended and Restated 2013 Incentive Compensation Plan (the "2020 Plan"). The 2020 Plan set the initial number of shares available for future issuance (the "share reserve") pursuant to awards granted under the 2020 Plan to 850. In October 2023, the 2020 Plan was amended to increase the share reserve by 1,100 shares and the Second Amendment added an additional 1,240 shares to the share reserve. No additional awards can be granted under prior plans; however, awards outstanding under a respective prior plan remain subject to that plan's provisions. There have been no material changes to awards since the 2026 Form 10-K.

9. Earnings Per Share

The components of the calculation of earnings per share ("EPS") are as follows:

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
Net loss	$ (2,020)	$ (11,357)
Basic weighted average shares	18,588	18,361
Net potential common share equivalents	—	—
Diluted weighted average shares	18,588	18,361
Excluded from the calculation of common share equivalents:		
Anti-dilutive common share equivalents	453	651
Excluded from the calculation of diluted shares:		
Unvested stock options that vest upon achievement of certain market conditions	—	—

The calculation of EPS is based on the weighted average number of Unifi, Inc.'s common shares outstanding for the applicable period. The calculation of diluted EPS presents the effect of all potential dilutive common shares that were outstanding during the respective period, unless the effect of doing so is anti-dilutive.

10. Commitments and Contingencies

Collective Bargaining Agreements

While employees of UNIFI's Brazilian operations are unionized, none of the labor force employed by UNIFI's domestic or other foreign subsidiaries is currently covered by a collective bargaining agreement.

11. Related Party Transactions

Related party balances and transactions are not material to the condensed consolidated financial statements and, accordingly, are not presented separately from other financial statement captions.

There were no related party receivables as of September 27, 2026 and June 28, 2026.

Related party payables for Salem Leasing Corporation consisted of the following:

	September 27, 2026	June 28, 2026
Accounts payable	$ 523	$ 358
Finance lease obligations	4,896	5,279
Total related party payables	$ 5,419	$ 5,637

The following were the Company's significant related party transactions:

		For the Three Months Ended	
Affiliated Entity	Transaction Type	September 27, 2026	September 28, 2025
Salem Leasing Corporation	Payments for transportation equipment costs and finance lease debt service	$ 1,105	$ 1,135

As discussed in Note 5, "Long-Term Debt," UNIFI entered into the 2024 Facility in October 2024 which was collateralized by personal assets of a board member. As of September 27, 2026, $22,000 was outstanding on the 2024 Facility.

12. Business Segment Information

UNIFI defines operating segments as components of the organization for which discrete financial information is available and operating results are evaluated on a regular basis by UNIFI's chief executive officer, who is the chief operating decision maker (the "CODM"), in order to assess performance and allocate resources. Characteristics of UNIFI which were relied upon in making the determination of reportable segments include the nature of the products sold, the internal organizational structure, the trade policies in the geographic regions in which UNIFI operates, and the information that is regularly reviewed by the CODM for the purpose of assessing performance and allocating resources.

UNIFI's three reportable segments are organized as follows:

- The operations within the Americas Segment exhibit similar long-term economic characteristics and primarily sell into an economic trading zone covered by the United States-Mexico-Canada Agreement and the Dominican Republic-Central America Free Trade Agreement to similar customers utilizing similar methods of distribution. These operations derive revenues primarily from manufacturing synthetic and recycled textile products with sales primarily to yarn manufacturers, knitters, and weavers that produce yarn and/or fabric for the apparel, hosiery, automotive, home furnishings, industrial, medical, and other end-use markets principally in North and Central America. The Americas Segment consists of sales and manufacturing operations in the U.S., El Salvador, and Colombia.
- The Brazil Segment primarily manufactures and sells polyester-based products to knitters and weavers that produce fabric for the apparel, automotive, home furnishings, industrial, and other end-use markets principally in Brazil. The Brazil Segment includes a manufacturing location and sales offices in Brazil.
- The operations within the Asia Segment exhibit similar long-term economic characteristics and sell to similar customers utilizing similar methods of distribution primarily in Asia and Europe. The Asia Segment primarily sources synthetic and recycled textile products from third-party suppliers and sells to yarn manufacturers, knitters, and weavers that produce fabric for the apparel, automotive, home furnishings, industrial, and other end-use markets principally in Asia and Europe. The Asia Segment includes sales offices in China, Turkey, Hong Kong, and India.

UNIFI evaluates the operating performance of its segments based upon Segment (Loss) Profit, which represents segment gross (loss) profit plus segment depreciation expense. This measurement of segment profit or loss best aligns segment reporting with the current assessments and evaluations performed by, and information provided to, the CODM.

The accounting policies for the segments are consistent with UNIFI's accounting policies. Intersegment sales are omitted from segment disclosures, as they are (i) insignificant to UNIFI's segments and eliminated from consolidated reporting and (ii) excluded from segment evaluations performed by the CODM.

Selected financial information is presented below:

	For the Three Months Ended September 27, 2026			
	Americas	**Brazil**	**Asia**	**Total**
Net sales	$ 76,962	$ 32,912	$ 18,046	$ 127,920
Cost of sales	72,230	27,776	15,433	115,439
Gross profit	4,732	5,136	2,613	12,481
Segment depreciation expense	4,595	869	18	5,482
Segment Profit	$ 9,327	$ 6,005	$ 2,631	$ 17,963

	For the Three Months Ended September 28, 2025			
	Americas	**Brazil**	**Asia**	**Total**
Net sales	$ 85,196	$ 28,761	$ 21,717	$ 135,674
Cost of sales	86,908	26,100	19,279	132,287
Gross (loss) profit	(1,712)	2,661	2,438	3,387
Segment depreciation expense	4,877	783	14	5,674
Segment Profit	$ 3,165	$ 3,444	$ 2,452	$ 9,061

The reconciliations of segment gross profit to consolidated loss before income taxes are as follows:

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
Americas	$ 4,732	$ (1,712)
Brazil	5,136	2,661
Asia	2,613	2,438
Segment gross profit	12,481	3,387
Selling, general and administrative expenses	11,462	11,948
Provision (benefit) for bad debts	568	(69)
Restructuring costs, net	—	1,068
Other operating expense, net	475	70
Operating loss	(24)	(9,630)
Interest income	(470)	(375)
Interest expense	1,449	2,003
Equity in earnings of unconsolidated affiliate	(20)	(97)
Loss before income taxes	$ (983)	$ (11,161)

The reconciliations of segment depreciation and amortization expense to consolidated depreciation and amortization expense are as follows:

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
Americas	$ 4,595	$ 4,877
Brazil	869	783
Asia	18	14
Segment depreciation expense	5,482	5,674
Other depreciation and amortization expense	277	303
Depreciation and amortization expense	$ 5,759	$ 5,977

The reconciliations of segment capital expenditures to consolidated capital expenditures are as follows:

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
Americas	$ 793	$ 1,325
Brazil	340	677
Asia	50	4
Segment capital expenditures	1,183	2,006
Other capital expenditures	15	23
Capital expenditures	$ 1,198	$ 2,029

The reconciliations of segment total assets to consolidated total assets are as follows:

	September 27, 2026	June 28, 2026
Americas	$ 235,206	$ 232,671
Brazil	100,750	99,435
Asia	32,249	34,470
Segment total assets	368,205	366,576
Other current assets	2,907	2,524
Other PP&E	12,265	12,821
Other operating lease assets	211	282
Other non-current assets	3,710	3,305
Investment in unconsolidated affiliate	1,074	925
Total assets	$ 388,372	$ 386,433

Geographic Data

	For the Three Months Ended	
Net Sales	**September 27, 2026**	**September 28, 2025**
U.S.	$ 65,580	$ 75,906
Brazil	32,912	28,761
China	17,589	21,640
Remaining Foreign Countries	11,839	9,367
Total	$ 127,920	$ 135,674
Export sales from UNIFI's U.S. operations to external customers	$ 9,972	$ 12,644

The net sales amounts are based on the operating locations from where the items were produced or distributed.

Long-Lived Assets	**September 27, 2026**	**June 28, 2026**
U.S.	$ 127,979	$ 132,160
Brazil	23,547	24,203
China	726	905
Remaining Foreign Countries	12,149	12,396
Total	$ 164,401	$ 169,664

Long-lived assets are comprised of PP&E, net; operating lease assets; intangible assets, net; investment in unconsolidated affiliate; and other non-current assets.

13. Investment in Unconsolidated Affiliate

Included within Other non-current assets is UNIFI's investment in unconsolidated affiliate: UNF America LLC ("UNFA").

UNIFI's raw material purchases under its supply agreement with UNFA consisted of the following:

	For the Three Months Ended	
	September 27, 2026	**September 28, 2025**
UNFA	$ 4,696	$ 4,421

As of September 27, 2026, UNIFI's open purchase orders related to this supply agreement were $2,751. As of September 27, 2026 and June 28, 2026, UNIFI had accounts payable due to UNFA of $1,815 and $2,010, respectively.

Other than the supply agreement discussed above, UNIFI does not provide any other commitments or guarantees related to UNFA. As of September 27, 2026 and June 28, 2026, UNIFI's investment in UNFA was $1,074 and $925, respectively. There have been no significant changes in the condensed balance sheet and income statement information for UNFA as previously disclosed in the 2026 Form 10-K.

14. Supplemental Cash Flow Information

Cash payments for interest and taxes consist of the following:

	For the Three Months Ended	
	September 27, 2026	**September 28, 2025**
Interest, net of capitalized interest of $7 and $4, respectively	$ 1,321	$ 1,845
Income tax payments, net	744	570

Cash payments for taxes shown above consist primarily of income and withholding tax payments made by UNIFI in both U.S. and foreign jurisdictions, net of refunds.

Non-Cash Investing and Financing Activities

As of September 27, 2026 and June 28, 2026, $236 and $330, respectively, were included in accounts payable for unpaid capital expenditures. As of September 28, 2025 and June 29, 2025, $417 and $676, respectively, were included in accounts payable for unpaid capital expenditures.

During the three months ended September 27, 2026 and September 28, 2025, UNIFI recorded non-cash activity relating to finance leases of $0 and $3,705, respectively.

15. Restructuring Costs, Net

During fiscal 2025, the Madison, North Carolina facility was sold as part of the plan to consolidate the Americas yarn manufacturing operations. The Company entered into an amendment to the purchase agreement for the potential payment of deferred compensation to UNIFI in the amount of (i) $8,000, if certain energy supply conditions are met within two years of closing, (ii) $5,000, if the same conditions are not met within two years of closing but are met within three years of closing, and (iii) up to $5,000, if certain additional energy conditions beyond those referred to in (i) and (ii) are met within four years of closing. The maximum potential future payments to UNIFI are $13,000. No amounts related to such future payments have been recorded in the Condensed Consolidated Financial Statements as of September 27, 2026.

In fiscal 2026, UNIFI incurred transition costs related to the consolidation of Americas yarn manufacturing operations for facility closure and equipment relocation costs including asset impairments and disposals net of any salvage proceeds and employee separation costs that were recorded within Restructuring costs, net in the Condensed Consolidated Statements of Operations.

During October 2025, UNIFI implemented additional cost-saving initiatives that included reducing variable manufacturing costs across labor, spend, and support functions, while also eliminating salaried positions in the U.S. (the “Fiscal 2026 Profit Improvement Plan”). However, no costs were incurred during the prior year quarter related to the Fiscal 2026 Profit Improvement Plan.

The restructuring expenses (benefits) incurred in all periods primarily impacted the Americas Segment.

A summary of the restructuring activities consists of the following:

	For the Three Months Ended	
	September 27, 2026	**September 28, 2025**
Facility closure and equipment relocation costs	$ —	$ 1,021
Employee separation costs	—	47
Restructuring costs, net	—	1,068
Beginning Liability	—	289
Restructuring costs, net	—	1,068
Cash payments	—	(942)
Loss on disposals of assets	—	(193)
Ending Liability	$ —	$ 222

Transition Costs

On August 16, 2026, UNIFI entered into a purchase agreement for the sale of two non-strategic real estate assets in Yadkinville, North Carolina. During the three months ended September 27, 2026, UNIFI incurred various transition costs totaling $265 in connection with the pending sale of these two real estate assets. These transition costs were recorded in Other operating expense, net in the Condensed Consolidated Statements of Operations.

16. Other Financial Data

Select balance sheet information is presented in the following table.

	September 27, 2026	June 28, 2026
Receivables, net:		
Customer receivables	$ 74,178	$ 77,558
Allowance for uncollectible accounts	(2,119)	(1,543)
Reserves for quality claims	(746)	(716)
Net customer receivables	71,313	75,299
Banker's acceptance notes	870	810
Other receivables	1,360	557
Total receivables, net	$ 73,543	$ 76,666
Inventories:		
Raw materials	$ 42,807	$ 39,678
Supplies	12,868	12,581
Work in process	4,549	3,670
Finished goods	52,553	48,917
Gross inventories	112,777	104,846
Net realizable value adjustment	(3,532)	(3,779)
Total inventories	$ 109,245	$ 101,067
Other current assets:		
Vendor deposits	$ 3,624	$ 1,890
Prepaid expenses and other	2,794	3,120
Value-added taxes receivable	2,265	2,174
Contract assets	369	559
Total other current assets	$ 9,052	$ 7,743
Property, plant and equipment, net:		
Land	$ 1,068	$ 1,067
Land improvements	10,468	10,425
Buildings and improvements	127,464	127,232
Assets under finance leases	20,555	20,555
Machinery and equipment	563,906	589,128
Computers, software and office equipment	25,764	25,602
Transportation equipment	10,565	10,617
Construction in progress	1,012	1,034
Gross property, plant and equipment	760,802	785,660
Less: accumulated depreciation	(598,885)	(619,513)
Less: accumulated amortization – finance leases	(8,383)	(7,822)
Total property, plant and equipment, net	$ 153,534	$ 158,325
Other non-current assets:		
Grantor trust	$ 2,859	$ 2,830
Investment in unconsolidated affiliate	1,074	925
Intangible assets, net	438	465
Other	536	587
Total other non-current assets	$ 4,907	$ 4,807
Other current liabilities:		
Payroll and fringe benefits	$ 8,107	$ 6,408
Utilities	1,956	1,872
Incentive compensation	1,741	5,822
Deferred revenue	1,025	1,167
Property taxes, interest and other	2,340	1,980
Total other current liabilities	$ 15,169	$ 17,249
Other long-term liabilities:		
Nonqualified deferred compensation plan obligation	$ 3,048	$ 2,943
Uncertain tax positions	2,038	1,996
Other	247	264
Total other long-term liabilities	$ 5,333	$ 5,203

17. Subsequent Event

UNIFI previously announced it had entered into an agreement to sell two non-strategic real estate assets in Yadkinville, North Carolina for a cash purchase price of $60,000. On October 28, 2026, UNIFI completed the sale and the net proceeds from the transaction were used to repay all of the $55,500 ABL Term Loan outstanding under UNIFI's 2022 Credit Agreement. The total net book value associated with the sold properties was approximately $5,000 as of September 27, 2026. This transaction impacted the Americas Segment.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following is management's discussion and analysis of certain significant factors that have affected UNIFI's operations, along with material changes in financial condition, during the periods included in the accompanying condensed consolidated financial statements. A reference to a "note" in this section refers to the accompanying notes to condensed consolidated financial statements. A reference to the "current period" refers to the three-month period ended September 27, 2026, while a reference to the "prior period" refers to the three-month period ended September 28, 2025. Such references may be accompanied by certain phrases for added clarity. The current period and the prior period each consisted of 13 weeks.

Our discussions in this Item 2 focus on our results during, or as of, the three months ended September 27, 2026 and September 28, 2025, and, to the extent applicable, any material changes from the information discussed in the 2026 Form 10-K or other important intervening developments or information. These discussions should be read in conjunction with the 2026 Form 10-K for more detailed and background information about our business, operations, and financial condition.

Discussion of foreign currency translation is primarily associated with changes in the Brazilian Real ("BRL") and changes in the Chinese Renminbi ("RMB") versus the U.S. Dollar ("USD"). Weighted average exchange rates were as follows:

	For the Three Months Ended	
	September 27, 2026	**September 28, 2025**
BRL to USD	5.14	5.45
RMB to USD	6.74	7.16

All amounts, except per share amounts, are presented in thousands (000s), except as otherwise noted.

Overview and Significant General Matters

UNIFI focuses on delivering products and solutions to direct customers and brand partners throughout the world, leveraging our internal manufacturing capabilities and an enhanced global supply chain that delivers a diverse range of synthetic and recycled fibers and polymers. Our strategic initiatives include (i) leveraging our competitive advantages to grow market share in each of the major geographies we serve, (ii) expanding our presence in non-apparel markets with additional REPREVE® products, (iii) advancing the development and commercialization of innovative and sustainable solutions, and (iv) increasing brand awareness for REPREVE®. We have increased our focus on sales opportunities beyond traditional apparel customers and continue to drive innovation throughout our portfolio to further diversify the business and enhance gross profit. We believe our strategic initiatives will increase revenue and profitability and generate improved cash flows from operations.

Current Economic Environment

Our business continues to be adversely impacted by: (i) the effects of inflation, including tariffs, on consumer spending, (ii) elevated interest rates for consumers and customers, including the impact on the carrying costs of customer inventories, (iii) the volatility in customer order patterns, and (iv) freight disruptions or delays in the Eastern Hemisphere. UNIFI will continue to monitor these and other aspects of the current environment, leverage our global business model as necessary, and work closely with stakeholders to ensure business continuity and liquidity.

As discussed in the 2026 Form 10-K, escalating geopolitical tensions involving the Middle East, particularly Iran, continue to contribute to volatility in petroleum markets impacting freight and raw material costs. The Company implemented responsive price increases and surcharges that began in April 2026 and are expected to continue while petrochemical-related inflation remains elevated and volatile. We recognize that additional or prolonged impacts to the petroleum or other global markets could cause further inflationary pressures to our global raw material costs, inconsistent customer ordering patterns or additional unforeseen adverse impacts.

Such existing challenges and future uncertainty, including labor productivity and global demand, could worsen and/or continue for prolonged periods, materially impacting our consolidated sales, gross profit, and operating cash flows. Also, the need for future selling price adjustments in connection with inflationary costs could impact our ability to retain current customer programs and compete successfully for new programs in certain regions.

UNIFI has been expanding its supply chain and business model across multiple geographies over the last several years. Particularly, (i) our feedstock supply spans multiple domestic and foreign markets, (ii) our commercial position in the Central American market remains key to servicing compliant business for USMCA and CAFTA-DR programs, and (iii) we expanded our asset-light model beyond China with the addition of Unifi Textiles India. Each of these initiatives affords us diversity in this dynamic trade environment and greater flexibility in servicing our customer base.

Fiscal 2026 Profit Improvement Plan

During October 2025, UNIFI implemented additional cost-saving initiatives that included reducing variable manufacturing costs across labor, spend, and support functions, while also eliminating salaried positions in the U.S. (the "Fiscal 2026 Profit Improvement Plan"). Accordingly, in the second quarter of fiscal 2026, UNIFI recorded employee separation costs of $1,093 in connection with the Fiscal 2026 Profit Improvement Plan and a $308 gain from disposals of assets from the consolidation of Americas yarn manufacturing operations.

Key Performance Indicators and Non-GAAP Financial Measures

UNIFI continuously reviews performance indicators to measure its success. These performance indicators form the basis of management's discussion and analysis included below:

- sales volume and revenue for UNIFI and for each reportable segment;
- gross (loss) profit and gross margin for UNIFI and for each reportable segment;
- net loss and diluted EPS;
- Segment (Loss) Profit, which equals segment gross (loss) profit plus segment depreciation expense;
- unit conversion margin, which represents unit net sales price less unit raw material costs, for UNIFI and for each reportable segment;
- working capital, which represents current assets less current liabilities;
- Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA"), which represents net loss before net interest expense, income tax expense, and depreciation and amortization expense;
- Adjusted EBITDA, which represents EBITDA adjusted to exclude, from time to time, certain other adjustments necessary to understand and compare the underlying results of UNIFI;
- Adjusted Net Loss, which represents net loss calculated under GAAP, adjusted to exclude certain amounts which management believes do not reflect the ongoing operations and performance of UNIFI and/or for which exclusion may be necessary to understand and compare the underlying results of UNIFI;
- Adjusted EPS, which represents Adjusted Net Loss divided by UNIFI's diluted weighted average common shares outstanding;
- Adjusted Working Capital, which equals receivables plus inventories and other current assets, less accounts payable and other current liabilities; and
- Net Debt, which represents debt principal less cash and cash equivalents.

EBITDA, Adjusted EBITDA, Adjusted Net Loss, Adjusted EPS, Adjusted Working Capital, and Net Debt (collectively, 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. We may, from time to time, modify the amounts used to determine our non-GAAP financial measures. When applicable, management's discussion and analysis includes specific consideration for items that comprise the reconciliations of its non-GAAP financial measures. We believe that these non-GAAP financial measures better reflect UNIFI'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.

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 items (a) directly related to our asset base (primarily depreciation and amortization) and/or (b) 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 it serves as a high-level proxy for cash generated from operations and is relevant to our fixed charge coverage ratio.

Management uses Adjusted Net Loss and Adjusted EPS (i) as measurements of net operating performance because they assist us in comparing such performance on a consistent basis, as they remove the impact of (a) items that we would not expect to occur as a part of our normal business on a regular basis and (b) components of the provision for income taxes that we would not expect to occur as a part of our underlying taxable operations; (ii) for planning purposes, including the preparation of our annual operating budget; and (iii) as measures in determining the value of other acquisitions and dispositions.

Management uses Adjusted Working Capital as an indicator of UNIFI's production efficiency and ability to manage inventories and receivables.

Management uses Net Debt as a liquidity and leverage metric to determine how much debt would remain if all cash and cash equivalents were used to pay down debt principal.

Three Months Ended September 27, 2026 Compared to Three Months Ended September 28, 2025

Consolidated Overview

The below tables provide:

- the components of net loss and the percentage increase or decrease over the prior period amounts, and
- a reconciliation from net loss to EBITDA and Adjusted EBITDA.

Following the tables is a discussion and analysis of the significant components of net loss.

Net Loss

	For the Three Months Ended				
	September 27, 2026		September 28, 2025		
		% of Net Sales		% of Net Sales	% Change
Net sales	$ 127,920	100.0	$ 135,674	100.0	(5.7)
Cost of sales	115,439	90.2	132,287	97.5	(12.7)
Gross profit	12,481	9.8	3,387	2.5	nm
Selling, general and administrative expenses	11,462	9.0	11,948	8.8	(4.1)
Provision (benefit) for bad debts	568	0.4	(69)	(0.1)	nm
Restructuring costs, net	—	—	1,068	0.8	(100.0)
Other operating expense, net	475	0.4	70	0.1	nm
Operating loss	(24)	—	(9,630)	(7.1)	(99.8)
Interest expense, net	979	0.8	1,628	1.2	(39.9)
Equity in earnings of unconsolidated affiliate	(20)	—	(97)	(0.1)	(79.4)
Loss before income taxes	(983)	(0.8)	(11,161)	(8.2)	(91.2)
Provision for income taxes	1,037	0.8	196	0.2	nm
Net loss	$ (2,020)	(1.6)	$ (11,357)	(8.4)	(82.2)

nm = not meaningful

EBITDA and Adjusted EBITDA (Non-GAAP Financial Measures)

The reconciliations of the amounts reported under GAAP for Net loss to EBITDA and Adjusted EBITDA were as follows:

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
Net loss	$ (2,020)	$ (11,357)
Interest expense, net	979	1,628
Provision for income taxes	1,037	196
Depreciation and amortization expense [1]	5,703	5,921
EBITDA	5,699	(3,612)
Loss on foreign currency transaction, net [2]	91	—
Transition costs [3]	265	—
Restructuring costs, net [4]	—	1,068
Adjusted EBITDA	$ 6,055	$ (2,544)

(1) Within this reconciliation, depreciation and amortization expense excludes the amortization of debt issuance costs, which are reflected in interest expense, net. However, within the accompanying Condensed Consolidated Statements of Cash Flows, amortization of debt issuance costs is reflected in depreciation and amortization expense.

(2) In the first quarter of fiscal 2027, UNIFI recorded a foreign currency loss of $91. In December 2025, Brazil declared dividends against the majority of its retained earnings in connection with certain tax law changes related to future dividends. Foreign currency transaction gains (losses) are recorded to reflect changes in the exchange rate of the Brazilian Real to the U.S. Dollar while the dividend payable is outstanding.

(3) In the first quarter of fiscal 2027, UNIFI recorded various transition costs totaling $265 within Other operating expense, net in connection with the purchase agreement entered into on August 16, 2026 for the sale of two non-strategic real estate assets in Yadkinville, North Carolina.

(4) In the first quarter of fiscal 2026, UNIFI incurred various restructuring costs totaling $1,068 in connection with the consolidation of its yarn manufacturing operations including (i) facility closure and equipment relocation costs (including asset impairments and disposals) of $1,021, and (ii) employee separation costs of $47. The facility closure, equipment relocation, and employee separation costs were all recorded within Restructuring costs, net in the Condensed Consolidated Statements of Operations.

Adjusted Net Loss and Adjusted EPS (Non-GAAP Financial Measures)

The tables below set forth reconciliations of (i) Loss before income taxes ("Pre-tax Loss"), (ii) Provision for income taxes ("Tax Impact"), (iii) Net Loss to Adjusted Net Loss, and (iv) Diluted EPS to Adjusted EPS.

	For the Three Months Ended September 27, 2026				For the Three Months Ended September 28, 2025			
	Pre-tax Loss	Tax Impact	Net Loss	Diluted EPS	Pre-tax Loss	Tax Impact	Net Loss	Diluted EPS
GAAP results	$ (983)	$ (1,037)	$ (2,020)	$ (0.11)	$ (11,161)	$ (196)	$ (11,357)	$ (0.62)
Loss on foreign currency transaction, net [1]	91	(16)	75	0.01	—	—	—	—
Transition costs [2]	265	—	265	0.01	—	—	—	—
Restructuring costs, net [3]	—	—	—	—	1,068	—	1,068	0.06
Adjusted results	$ (627)	$ (1,053)	$ (1,680)	$ (0.09)	$ (10,093)	$ (196)	$ (10,289)	$ (0.56)
Weighted average common shares outstanding				18,588				18,361

(1) In the first quarter of fiscal 2027, UNIFI recorded a foreign currency loss of $91. In December 2025, Brazil declared dividends against the majority of its retained earnings in connection with certain tax law changes related to future dividends. Foreign currency transaction gains (losses) are recorded to reflect changes in the exchange rate of the Brazilian Real to the U.S. Dollar while the dividend payable is outstanding. The associated tax impact was estimated to be $16, based on the estimated annual tax rate for the period.

(2) In the first quarter of fiscal 2027, UNIFI recorded various transition costs totaling $265 in Other operating expense, net in connection with the purchase agreement entered into on August 16, 2026 for the sale of two non-strategic real estate assets in Yadkinville, North Carolina. The associated tax impact was estimated to be $0 due to a valuation allowance against net operating losses in the U.S.

(3) In the first quarter of fiscal 2026, UNIFI incurred various restructuring costs totaling $1,068 in connection with the consolidation of its yarn manufacturing operations including (i) facility closure and equipment relocation costs (including asset impairments and disposals) of $1,021, and (ii) employee separation costs of $47. The facility closure, equipment relocation, and employee separation costs were all recorded within Restructuring costs in the Condensed Consolidated Statements of Operations. The associated tax impact was estimated to be $0 due to a valuation allowance against net operating losses in the U.S.

Net Sales

Consolidated net sales for the current period decreased by $7,754, or 5.7%, and consolidated sales volumes decreased 12.0%, compared to the prior period. Net sales in the current period were lower primarily due to (i) lower sales volumes in the Asia Segment and (ii) lower sales volumes and lower-priced sales mix due to a higher proportion of Flake and Chip sales in the Americas Segment, although mitigated through responsive price increases and surcharges, partially offset by higher sales in the Brazil Segment due to favorable pricing dynamics and improved sales mix. Overall sales remain depressed, particularly in the Americas and Asia Segments as a result of continued volatility from uncertainty over ongoing geopolitical events, global trade policies, and competition from lower-priced products.

Consolidated weighted average sales prices increased 6.3%. The increase in sales prices was primarily attributable to sales mix and higher average selling prices in the Brazil and Asia Segments.

REPREVE® Fiber products for the current period comprised 29%, or $36,448, of consolidated net sales, compared to 29%, or $39,272, for the prior period.

Gross Profit

Gross profit for the current period increased to $12,481 from $3,387 in the prior period. Gross profit increased primarily due to (i) variable cost-saving initiatives, (ii) higher overall conversion margins, and (iii) improved utilization in certain manufacturing areas. This increase was partially offset by (a) lower sales volumes and (b) production volatility from an inability to forecast demand due to the uncertainty caused by geopolitical events and tariffs impacting the Americas Segment. Gross profit continues to be unfavorably impacted by demand volatility in the Americas Segment and import pricing pressures in the Brazil Segment.

- Americas Segment gross profit increased primarily due to overall cost-saving initiatives, including reductions in manufacturing costs from the consolidation of Americas yarn manufacturing operations and the Fiscal 2026 Profit Improvement Plan, partially offset by demand and production volatility stemming from geopolitical events and tariff uncertainty.
- Brazil Segment gross profit increased primarily due to improved margins resulting from a favorable sales mix, partially offset by lower sales volumes due to the economic uncertainty created by Brazil's current political environment.
- Asia Segment gross profit increased primarily due to improved margins resulting from a change in sales mix of REPREVE products, mainly offset by lower sales volume.

Selling, General and Administrative Expenses ("SG&A")

SG&A decreased from the prior period to the current period, primarily due to the actions from the Fiscal 2026 Profit Improvement Plan.

Provision (Benefit) for Bad Debts

The provision (benefit) for bad debts increased for a specifically identified customer balance originating in the U.S. fiber market.

Restructuring Costs, Net

On February 3, 2025, UNIFI announced the closing of its Madison, North Carolina facility and the transition of those manufacturing operations to other UNIFI production facilities in North and Central America. As a result, UNIFI incurred transition costs of $1,068 in the prior period which consisted of (i) equipment relocation and facility closure costs (including asset impairments and disposals) of $1,021 and (ii) employee separation costs of $47. There were no Restructuring costs in the current period.

Other Operating Expense, Net

Other operating expense, net for the current period and the prior period primarily include foreign currency transaction losses of $337 and $50, respectively, and $265 of transition costs in the current period in connection with the purchase agreement entered into on August 16, 2026 for the sale of two non-strategic real estate assets in Yadkinville, North Carolina. In December 2025, Brazil declared dividends against the majority of its retained earnings in connection with certain tax law changes related to future dividends. Foreign currency transaction gains (losses) are recorded to reflect changes in the exchange rate of the Brazilian Real to the U.S. Dollar while the dividend payable is outstanding.

Interest Expense, Net

Interest expense, net decreased in connection with lower average debt principal and lower average interest rates.

Equity in Earnings of Unconsolidated Affiliate

There was no material activity for the current period or the prior period.

Income Taxes

Provision for income taxes and the effective tax rate were as follows:

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
Provision for income taxes	$ 1,037	$ 196
Effective tax rate	(105.5)%	(1.8)%

The decrease in the effective tax rate from the prior period to the current period is primarily attributable to (i) U.S. tax on Net CFC Tested Income ("NCTI") and (ii) taxes associated with the repatriation of foreign earnings, including withholding taxes. Furthermore, the impact of these items on the effective tax rate was amplified by UNIFI's relatively low level of consolidated pre-tax loss during the current period.

The effective tax rate is subject to variation due to a number of factors, including variability in pre-tax book income; the mix of income by jurisdiction; changes in deferred tax valuation allowances; and changes in statutes, audit settlement, regulations, and case law. Additionally, the impacts of discrete and other rate impacting items are more pronounced when loss before income taxes is lower.

Net Loss

The improvement in net loss was primarily attributable to (i) increased gross profit and (ii) lower SG&A expenses due to overall cost-saving initiatives, including reductions in manufacturing costs from the consolidation of Americas yarn manufacturing operations and the Fiscal 2026 Profit Improvement Plan, together with (iii) lower interest expense, net, and (iv) restructuring costs in the prior period, partially offset by higher income tax expense.

Adjusted EBITDA and Adjusted EPS (Non-GAAP Financial Measures)

Adjusted EBITDA increased primarily due to (i) higher gross profit and (ii) lower SG&A expenses. Adjusted EPS improved primarily due to (i) higher gross profit, (ii) lower SG&A, and (iii) lower interest expense, partially offset by higher income tax expense.

Segment Overview

Following is a discussion and analysis of the revenue and profitability performance of UNIFI's reportable segments for the current period.

Americas Segment

The components of Segment Profit, each component as a percentage of net sales, and the percentage increase or decrease over the prior period amounts for the Americas Segment, were as follows:

	For the Three Months Ended			
	September 27, 2026		September 28, 2025	
		% of Net Sales		% of Net Sales	% Change
Net sales	$ 76,962	100.0	$ 85,196	100.0	(9.7)
Cost of sales	72,230	93.9	86,908	102.0	(16.9)
Gross profit (loss)	4,732	6.1	(1,712)	(2.0)	nm
Depreciation expense	4,595	6.0	4,877	5.7	(5.8)
Segment Profit	$ 9,327	12.1	$ 3,165	3.7	194.7
Segment net sales as a percentage of consolidated amounts	60.2%		62.8%		
Segment Profit as a percentage of consolidated amounts	51.9%		34.9%		

nm = not meaningful

The change in net sales for the Americas Segment was as follows:

Net sales for the prior period	$ 85,196
Decrease in sales volumes	(6,489)
Change in average selling price and sales mix	(1,745)
Net sales for the current period	$ 76,962

The decrease in net sales for the Americas Segment from the prior period to the current period was primarily attributable to lower sales volumes as discussed above and a lower-priced sales mix.

The change in Segment Profit for the Americas Segment was as follows:

Segment Profit for the prior period	$ 3,165
Change in underlying unit margins and sales mix	6,373
Decrease in sales volumes	(211)
Segment Profit for the current period	$ 9,327

The increase in Segment Profit for the Americas Segment from the prior period to the current period was primarily attributable to overall cost-saving initiatives, including reductions in manufacturing costs from the consolidation of Americas yarn manufacturing operations and the Fiscal 2026 Profit Improvement Plan.

Brazil Segment

The components of Segment Profit, each component as a percentage of net sales, and the percentage increase or decrease over the prior period amounts for the Brazil Segment, were as follows:

	For the Three Months Ended			
	September 27, 2026		September 28, 2025	
		% of Net Sales		% of Net Sales	% Change
Net sales	$ 32,912	100.0	$ 28,761	100.0	14.4
Cost of sales	27,776	84.4	26,100	90.7	6.4
Gross profit	5,136	15.6	2,661	9.3	93.0
Depreciation expense	869	2.6	783	2.7	11.0
Segment Profit	$ 6,005	18.2	$ 3,444	12.0	74.4
Segment net sales as a percentage of consolidated amounts	25.7%		21.2%		
Segment Profit as a percentage of consolidated amounts	33.4%		38.0%		

The change in net sales for the Brazil Segment was as follows:

Net sales for the prior period	$	28,761
Change in average selling price and change in sales mix		3,086
Favorable foreign currency translation effects		1,751
Decrease in sales volumes		(686)
Net sales for the current period	$	32,912

The increase in net sales for the Brazil Segment from the prior period to the current period was primarily attributable to (i) higher selling prices due to favorable pricing dynamics and sales mix and (ii) favorable foreign currency translation effects from the strengthening of the BRL versus the USD, partially offset by lower sales volumes as discussed above.

The change in Segment Profit for the Brazil Segment was as follows:

Segment Profit for the prior period	$	3,444
Increase in underlying unit margins		2,430
Favorable foreign currency translation effects		213
Decrease in sales volumes		(82)
Segment Profit for the current period	$	6,005

The increase in Segment Profit for the Brazil Segment from the prior period to the current period was primarily attributable to (i) higher conversion margins primarily due to sales mix despite import pricing pressures and (ii) favorable foreign currency translation effects from the strengthening of the BRL versus the USD, partially offset by a decrease in sales volumes discussed above. We continue to prioritize innovation and differentiation to improve our portfolio and competitive position in Brazil.

Asia Segment

The components of Segment Profit, each component as a percentage of net sales, and the percentage increase or decrease over the prior period amounts for the Asia Segment, were as follows:

	For the Three Months Ended				
	September 27, 2026		September 28, 2025		
		% of Net Sales		% of Net Sales	% Change
Net sales	$ 18,046	100.0	$ 21,717	100.0	(16.9)
Cost of sales	15,433	85.5	19,279	88.8	(19.9)
Gross profit	2,613	14.5	2,438	11.2	7.2
Depreciation expense	18	0.1	14	0.1	28.6
Segment Profit	$ 2,631	14.6	$ 2,452	11.3	7.3
Segment net sales as a percentage of consolidated amounts	14.1%		16.0%		
Segment Profit as a percentage of consolidated amounts	14.6%		27.1%		

The change in net sales for the Asia Segment was as follows:

Net sales for the prior period	$	21,717
Decrease in sales volumes		(7,571)
Change in average selling price and sales mix		2,554
Favorable foreign currency translation effects		1,346
Net sales for the current period	$	18,046

The decrease in net sales for the Asia Segment from the prior period to the current period was primarily attributable to an overall decrease in sales volumes due to competitive pricing pressures and the continued volatility stemming from geopolitical events and tariffs, partially offset by (a) a change in sales mix of REPREVE products and (b) favorable foreign currency translation effects from the strengthening of the RMB versus the USD.

The change in Segment Profit for the Asia Segment was as follows:

Segment Profit for the prior period	$	2,452
Change in underlying unit margins and sales mix		882
Favorable foreign currency translation effects		151
Decrease in sales volumes		(854)
Segment Profit for the current period	$	2,631

The increase in Segment Profit for the Asia Segment from the prior period to the current period was primarily attributable to improved margins due to a change in sales mix of REPREVE products, mainly offset by a decline in sales volumes as discussed above.

Liquidity and Capital Resources

Note 5, “Long-Term Debt” to the condensed consolidated financial statements includes the detail of UNIFI’s debt obligations and terms and conditions thereof. Further discussion and analysis of liquidity and capital resources follow.

On October 25, 2024, UNIFI entered into a new credit agreement with Wells Fargo Bank, National Association for a $25,000 revolving credit facility (the “2024 Facility”). The maturity date of the 2024 Facility is the earlier of (i) October 28, 2027 and (ii) the termination or refinancing of the 2022 Credit Agreement. The 2024 Facility is deemed unsecured financing for UNIFI, but is collateralized by certain assets pledged by related party Kenneth G. Langone, one of the members of UNIFI's Board of Directors. Borrowings under the 2024 Facility bear interest at a rate of SOFR plus 0.90%. The 2024 Facility contains no additional financial covenants beyond those already in effect for the 2022 Credit Agreement and is subject to a monthly unused line fee of 0.25% on available borrowing capacity. As of September 27, 2026, $22,000 was outstanding on the 2024 Facility.

UNIFI’s primary capital requirements are for working capital, capital expenditures, and debt service. UNIFI’s primary sources of capital are cash generated from operations and borrowings available under the 2022 Credit Agreement and the 2024 Facility. For the current period, cash provided by operations was $3,677 and, at September 27, 2026, availability under the ABL Revolver and 2024 Facility was $42,086 and $525, respectively.

As of September 27, 2026, all of UNIFI’s $90,900 of debt obligations were guaranteed by certain of its domestic operating subsidiaries, while nearly all of UNIFI’s cash and cash equivalents were held by its foreign subsidiaries. Cash and cash equivalents held by foreign subsidiaries may not be presently available to fund UNIFI’s domestic capital requirements, including its domestic debt obligations. UNIFI employs a variety of strategies to ensure that its worldwide cash is available in the locations where it is needed.

The following table presents a summary of cash and cash equivalents, borrowings available under financing arrangements, liquidity, working capital, and total debt obligations as of September 27, 2026 for domestic operations compared to foreign operations:

	Domestic	Foreign	Total
Cash and cash equivalents	$ 37	$ 26,054	$ 26,091
Potential borrowings available under financing arrangements	42,611	—	42,611
Trigger level under ABL Revolver	(16,500)	—	(16,500)
Available Liquidity	$ 26,148	$ 26,054	$ 52,202
Working capital	$ 42,165	$ 108,589	$ 150,754
Total debt obligations	$ 90,900	$ —	$ 90,900

Borrowings available under financing arrangements are generally collateralized by receivables and inventory owned in the U.S., plus cash equivalents pledged by Mr. Langone, and generally constrained by the fixed charge coverage ratio and trigger level prescribed in the 2022 Credit Agreement. Accordingly, “Available Liquidity” includes consideration for the trigger level that currently constrains our borrowing ability until a fixed charge coverage ratio of 1.05 to 1.00 is achieved. UNIFI’s primary cash requirements, in addition to normal course operating activities (e.g., working capital and payroll), primarily include (i) capital expenditures that generally have commitments of up to 12 months, (ii) contractual obligations that support normal course ongoing operations and production, (iii) operating leases and finance leases, (iv) debt service, and (v) share repurchases.

On October 28, 2026, UNIFI completed the sale of two non-strategic real estate assets in Yadkinville, North Carolina for a cash purchase price of $60,000, and the net proceeds from the transaction were used to repay all of the ABL Term Loan outstanding under the 2022 Credit Agreement.

Liquidity Considerations

Following the establishment of the 2024 Facility, UNIFI believes its global cash and liquidity positions are sufficient to sustain its operations and to meet its growth needs for the foreseeable future. Additionally, UNIFI considers opportunities to repatriate existing cash to reduce debt and preserve or enhance liquidity. However, further degradation in the macroeconomic environment could introduce additional liquidity risk and require UNIFI to limit cash outflows for discretionary activities while further utilizing available and additional forms of credit.

We believe that our current liquidity position, particularly following the last three quarters in fiscal 2026 and the first quarter in fiscal 2027 in which we generated cash from operating activities, is sufficient to fund our operations and expected business growth. Should global demand or economic activity weaken further, or input availability become more constrained for an extended period, UNIFI maintains the ability to (i) seek additional credit or financing arrangements and/or (ii) re-implement cost reduction initiatives to preserve cash and secure the longevity of the business and operations. Management continues to (i) explore cost savings opportunities and (ii) prioritize repayment of debt in the current operating environment.

When business levels increase, we expect to use cash in support of working capital needs.

The following outlines the attributes relating to our credit facilities as of September 27, 2026:

- UNIFI was in compliance with all applicable financial covenants in the 2022 Credit Agreement and 2024 Facility;
- availability under the 2024 Facility was $525 as of September 27, 2026;
- availability exceeding the Trigger Level (as defined in the 2022 Credit Agreement) under the ABL Revolver was $25,586;
- the Trigger Level under the ABL Revolver was $16,500; and
- $0 of standby letters of credit were outstanding.

In addition to making payments in accordance with the scheduled maturities of debt required under its existing debt obligations, UNIFI may, from time to time, elect to repay additional amounts borrowed under the ABL Facility. Funds to make such repayments may come from the operating cash flows of the business or other sources and will depend upon UNIFI’s strategy, prevailing market conditions, liquidity requirements, contractual restrictions within the 2022 Credit Agreement, and other factors. The net proceeds from the completion of the non-strategic real estate sale on October 28, 2026 were used to repay all of the ABL Term Loan outstanding under the 2022 Credit Agreement.

Liquidity Summary

UNIFI has met its historical liquidity requirements for working capital, capital expenditures, debt service requirements, and other operating needs from its cash flows from operations and available borrowings. UNIFI believes that its existing cash balances, expected cash provided by operating activities, and credit facilities will enable UNIFI to meet its foreseeable liquidity requirements. For its foreign operations, UNIFI expects its existing cash balances, cash provided by operating activities, and available financing arrangements will provide the needed liquidity to fund the associated operating activities and investing activities, such as future capital expenditures. UNIFI believes its operations in Brazil are in a position to obtain local country financing arrangements due to its operating results.

Net Debt (Non-GAAP Financial Measure)

The reconciliations for Net Debt are as follows:

	September 27, 2026	June 28, 2026
Long-term debt	$ 78,756	$ 79,998
Current portion of long-term debt	12,087	12,371
Unamortized debt issuance costs	57	70
Debt principal	90,900	92,439
Less: cash and cash equivalents	26,091	25,072
Net Debt	$ 64,809	$ 67,367

The decrease in Net Debt primarily reflects the generation of operating cash flows during fiscal 2027, aided by reduced levels of capital expenditures.

Working Capital and Adjusted Working Capital (Non-GAAP Financial Measure)

The following table presents the components of working capital and the reconciliation of working capital to Adjusted Working Capital:

	September 27, 2026	June 28, 2026
Cash and cash equivalents	$ 26,091	$ 25,072
Receivables, net	73,543	76,666
Inventories	109,245	101,067
Income taxes receivable	753	905
Other current assets	9,052	7,743
Accounts payable	(37,500)	(31,151)
Other current liabilities	(15,169)	(17,249)
Income taxes payable	(1,295)	(656)
Current operating lease liabilities	(1,879)	(2,128)
Current portion of long-term debt	(12,087)	(12,371)
Working capital	$ 150,754	$ 147,898
Less: Cash and cash equivalents	(26,091)	(25,072)
Less: Income taxes receivable	(753)	(905)
Less: Income taxes payable	1,295	656
Less: Current operating lease liabilities	1,879	2,128
Less: Current portion of long-term debt	12,087	12,371
Adjusted Working Capital	$ 139,171	$ 137,076

Adjusted Working Capital increased $2,095 from June 28, 2026 to September 27, 2026.

The increase in Adjusted Working Capital was primarily attributable to the increases in (i) inventories due to higher units on hand and (ii) other current assets primarily due to higher vendor deposits, together with a decrease in other current liabilities due primarily to the payment of incentive compensation earned in fiscal 2026. These were partially offset by reductions in receivables, net due to lower sales and the timing of cash receipts and increases in accounts payable primarily due to higher inventory purchases.

Operating Cash Flows

The significant components of net cash provided (used) by operating activities are summarized below.

	For the Three Months Ended	
	September 27, 2026	September 28, 2025
Net loss	$ (2,020)	$ (11,357)
Equity in earnings of unconsolidated affiliate	(20)	(97)
Depreciation and amortization expense	5,759	5,977
Non-cash compensation expense	780	801
Loss on foreign currency transaction, net	91	—
Deferred income taxes	29	(372)
Subtotal	4,619	(5,048)
Receivables, net	3,211	(900)
Inventories	(8,250)	(678)
Accounts payable and other current liabilities	4,516	(6,184)
Other changes	(419)	3,890
Net cash provided (used) by operating activities	$ 3,677	$ (8,920)

The change in operating cash flows was primarily due to the improvement in gross profit and, to a lesser extent, changes in working capital balances during the current period compared to the prior period.

For the prior period, the increase in accounts receivable was largely driven by the timing of cash receipts. The decrease in accounts payable and other current liabilities was largely due to lower production activity, variable cost savings initiatives, and satisfaction of incentive compensation liabilities. The increase in inventories was not meaningful. Other changes comprise mostly jurisdictional tax liabilities.

Investing Cash Flows

Investing activities primarily include $1,198 for capital expenditures. UNIFI expects future capital projects to primarily include routine maintenance requirements related to its existing machinery and equipment.

Financing Cash Flows

Financing activities primarily include principal payments on the ABL Term Loan and finance leases and proceeds from the ABL Revolver.

Share Repurchase Program

As described in Note 7, “Shareholders’ Equity,” no share repurchases have been completed in fiscal 2027.

Contractual Obligations

UNIFI incurs various financial obligations and commitments in the ordinary course of business. Financial obligations are considered to represent known future cash payments that UNIFI is required to make under existing contractual arrangements, such as debt and lease agreements.

There have been no material changes in the scheduled maturities of UNIFI’s contractual obligations as disclosed under the heading “Contractual Obligations” in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the 2026 Form 10-K.

Off-Balance Sheet Arrangements

UNIFI is not a party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on UNIFI’s financial condition, results of operations, liquidity, or capital expenditures.

Critical Accounting Policies

UNIFI’s critical accounting policies are discussed in the 2026 Form 10-K. There have been no changes to UNIFI’s critical accounting policies in fiscal 2027.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

UNIFI is exposed to market risks associated with changes in interest rates, fluctuations in foreign currency exchange rates, and raw material and commodity costs, which may adversely affect its financial position, results of operations, or cash flows. UNIFI does not enter into derivative financial instruments for trading purposes, nor is it a party to any leveraged financial instruments.

Interest Rate Risk

UNIFI is exposed to interest rate risk through its borrowing activities. As of September 27, 2026, UNIFI had borrowings under the 2022 ABL Term Facility and 2024 Facility that totaled $83,100. UNIFI’s sensitivity analysis indicates that a 50-basis point interest rate increase as of September 27, 2026 would result in an increase in annual interest expense of approximately $400.

Foreign Currency Exchange Rate Risk

A complete discussion of foreign currency exchange rate risk is included in the 2026 Form 10-K and is supplemented by the following disclosures.

As of September 27, 2026, UNIFI had no outstanding foreign currency forward contracts. As of September 27, 2026, foreign currency exchange rate risk positions included the following:

	Approximate Amount or Percentage
Percentage of total consolidated assets held by UNIFI's subsidiaries outside the U.S. whose functional currency is not the USD	34.8%
Cash and cash equivalents held outside the U.S.:	
Denominated in USD	$ 13,731
Denominated in RMB	552
Denominated in BRL	10,205
Denominated in other foreign currencies	550
Total cash and cash equivalents held outside the U.S.	$ 25,038
Percentage of total cash and cash equivalents held outside the U.S.	96.0%
Cash and cash equivalents held inside the U.S. in USD by foreign subsidiaries	$ 1,016

Raw Material and Commodity Cost Risks

A complete discussion of raw material and commodity cost risks is included in the 2026 Form 10-K.

Other Risks

UNIFI is also exposed to geopolitical risk, including changing laws and regulations governing international trade, such as quotas, tariffs, and tax laws. The degree of impact and the frequency of these events cannot be predicted.

Item 4. Controls and Procedures

As of September 27, 2026, an evaluation of the effectiveness of UNIFI's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was performed under the supervision and with the participation of UNIFI's management, including the principal executive officer and the principal financial officer. Based on that evaluation, UNIFI's principal executive officer and principal financial officer concluded that UNIFI's disclosure controls and procedures are effective to ensure that information required to be disclosed by UNIFI in its reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms, and that information required to be disclosed by UNIFI in the reports UNIFI files or submits under the Exchange Act is accumulated and communicated to UNIFI's management, including its principal executive officer and its principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

There were no changes in UNIFI's internal control over financial reporting during the three months ended September 27, 2026 that have materially affected, or are reasonably likely to materially affect, UNIFI's internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We are from time to time a party to various lawsuits, claims, and other legal proceedings that arise in the ordinary course of business. With respect to all such lawsuits, claims, and proceedings, we record reserves when it is probable a liability has been incurred and the amount of loss can be reasonably estimated. We do not believe that any of these proceedings, individually or in the aggregate, would be expected to have a material adverse effect on our results of operations, financial position, or cash flows. We maintain liability insurance for certain risks that is subject to certain self-insurance limits.

Item 1A. Risk Factors

There have been no material changes in UNIFI's risk factors from those included in "Item 1A. Risk Factors" in the 2026 Form 10-K.

Item 5. Other Information

Insider Trading Arrangements

During the quarter ended September 27, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement" (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of Unifi, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed October 31, 2016 (File No. 001-10542)).
3.2	Amended and Restated By-laws of Unifi, Inc., as of October 26, 2016 (incorporated by reference to Exhibit 3.2 to the Current Report on Form 8-K filed October 31, 2016 (File No. 001-10542)).
3.3	Declaration of Amendment to the Amended and Restated By-laws of Unifi, Inc. effective April 30, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed May 1, 2019 (File No. 001-10542)).
4.1+	Fourth Amendment to Second Amended and Restated Credit Agreement, dated October 28, 2026, by and among Unifi Manufacturing, Inc. and certain of its domestic affiliates, Wells Fargo Bank, National Association, as administrative agent, and the lenders party thereto.
10.1†	Real Estate Purchase and Sale Agreement, dated as of October 28, 2026, by and between Unifi Manufacturing, Inc. and Enovum Data Centers Corp. (incorporated by reference to Exhibit 10.50 to the Annual Report on Form 10-K for the year ended June 28, 2026 (File No. 001-10542)).
31.1+	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2+	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32++	Certifications of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbases Document.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

+ Filed herewith.
++ Furnished herewith.
† Certain portions of this exhibit have been redacted in accordance with Item 601(b)(10) of Regulation S-K.

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 thereunto duly authorized.

UNIFI, INC.
(Registrant)

Date: November 4, 2026

By: /s/ ANDREW J. EAKER
Andrew J. Eaker
Executive Vice President & Chief Financial Officer
Treasurer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 4.1

FOURTH AMENDMENT TO
SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT (this "Agreement"), dated as of October 28, 2026, and effective as of the Fourth Amendment Effective Date, is by and among UNIFI MANUFACTURING, INC., a North Carolina corporation ("Unifi Manufacturing"), UNIFI, INC., a New York corporation ("Parent"; Unifi Manufacturing and Parent, each, a "Borrower" and, collectively, the "Borrowers"), UNIFI SALES & DISTRIBUTION, INC., a North Carolina corporation ("Guarantor") (the Borrowers and Guarantor, each, a "Loan Party" and, collectively, the "Loan Parties"), the Lenders (as such term is defined below) party hereto, and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "Agent").

W I T N E S S E T H:

WHEREAS, reference is made to that certain Second Amended and Restated Credit Agreement dated as of October 28, 2022, by and among the Borrowers, the lenders from time to time party thereto (each, a "Lender" and, collectively, the "Lenders"), the Persons party thereto, and the Agent (as amended by that certain First Amendment to Second Amended and Restated Credit Agreement dated as of September 5, 2024, that certain Second Amendment to Second Amended and Restated Credit Agreement dated as of April 10, 2025, that certain Third Amendment to Second Amended and Restated Credit Agreement dated as of May 19, 2025, and as the same may have been further amended, restated, supplemented, or otherwise modified from time to time before the date hereof, the "Credit Agreement"); and

WHEREAS, the Borrowers have requested that the Agent and the Lenders agree to certain amendments to the Credit Agreement as set forth in this Agreement, and the Agent and the Lenders party hereto have agreed to such amendments to the Credit Agreement, subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, and of the Loans and other extensions of credit heretofore, now or hereafter made to, or for the benefit of, the Borrowers by the Lenders, the Borrowers, the Agent, and the Lenders party hereto agree as follows:

SECTION 1. Defined Terms; Incorporation of Recitals. Capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Credit Agreement. This Agreement constitutes a Loan Document. The recitals to this Agreement are incorporated by reference into this Agreement.

SECTION 2. Amendments to Credit Agreement.

(a) Amendments to Schedule 1.1. Schedule 1.1 to the Credit Agreement is amended by including the following new definitions in proper alphabetical order:

"Enovum Building Condominium Unit" has the meaning specified therefor in the definition of "Permitted Yadkin County Disposition".

"Enovum Mebane Land" has the meaning specified therefor in the definition of "Permitted Yadkin County Disposition".

"Fourth Amendment Effective Date" means October 28, 2026.

"Mebane Complex Building" has the meaning specified therefor in the definition of "Mebane Property".

"Mebane Complex Land" has the meaning specified therefor in the definition of "Mebane Property".

"Mebane Property" means an approximately 118.849-acre parcel of land (the "Mebane Complex Land") together with the industrial building known as 1032 Unifi Industrial Drive, Yadkinville, North Carolina, containing approximately 1,400,000 square feet and related improvements (including, for the avoidance of doubt, certain machinery and equipment constituting fixtures or which are located on such real property and reasonably incidental thereto, and certain other personal property located on such real property and reasonably incidental to such machinery, equipment and real property, in each case, including Eligible M&E, but excluding assets of a type included in the calculation of the Borrowing Base) located on the Mebane Complex Land as of the Fourth Amendment Effective Date (collectively, the "Mebane Complex Building").

"Permitted M&E Disposition" means any sale or sales by the Loan Parties and their respective Subsidiaries of their right, title and interests in any machinery, equipment or other fixtures (including Eligible M&E) and certain other personal property reasonably incidental to such machinery (but excluding, for the avoidance of doubt, any assets of the kind included in the Borrowing Base), equipment or fixtures, to the extent that the disposition of such machinery, equipment or other fixtures or personal property is necessary or desirable, in the reasonable discretion of the Loan Parties and their respective Subsidiaries, to reallocate, restructure or reorganize the uses of such property for their business operations after giving effect to the Permitted Yadkin County Disposition, in each case, so long as (a) the aggregate fair market value (determined in good faith by the Loan Parties at the time of the applicable sale or other disposition) of all assets so sold or disposed of as a Permitted M&E Disposition do not exceed $4,000,000.00; (b) all amounts payable to the Loan Parties and their respective Subsidiaries and Affiliates in connection with such sale or sales are paid directly to the Agent's Account for application as set forth in Section 2.4(e)(ii); (c) at the time such sale or sales are consummated and immediately after giving effect thereto, no Default or Event of Default exists; (d) if requested by the Agent, Borrowers shall provide Agent with notice of such sale or other disposition (which notice shall include a general list and description of the assets subject to such sale and the purchase price therefor), and (e) each such sale occurs on or before the date that is six months after the Fourth Amendment Effective Date.

"Permitted Yadkin County Disposition" means the sale by Unifi Manufacturing of its right, title and interests in (a) the W-1 Property, (b) that portion of the Mebane Property shown as "U3",

containing 2.739 acres, as shown on the Condominium Plat of: Mebane Complex Condominium dated September 30, 2026 and prepared by ESP Associates, Inc., project no. 26-01383, and identified as "Unit 3" in the Declaration of Condominium for Mebane Complex Condominium, to be executed and recorded contemporaneously with the execution of this Agreement (the "Enovum Building Condominium Unit"), and (c) that portion of the Mebane Complex Land encompassing Parcel "2", containing 61.043 acres, as shown on the Condominium Plat of: Mebane Complex Condominium dated September 30, 2026 and prepared by ESP Associates, Inc., project no. 26-01383 (the "Enovum Mebane Land"), in each case, as such property is depicted on Exhibit A to the Yadkin County Purchase Agreement, so long as (i) the aggregate Net Cash Proceeds received by Unifi Manufacturing substantially contemporaneously with the consummation of such sale equal or exceed $50,000,000.00; (ii) all amounts payable to Unifi, Inc. or any of its Subsidiaries or Affiliates in connection with such sale are paid directly to the Agent's Account for application as set forth in Section 2.4(e)(ii); (iii) at the time such sale is consummated and immediately after giving effect thereto, no Default or Event of Default exists; and (iv) such sale occurs on or before December 31, 2026.

"ROFO Agreement" means that certain Right of First Offer Agreement, dated as of October 28, 2026, between Unifi Manufacturing, as grantor, and Enovum NC-2 Bidco, LLC, a Delaware limited liability company, as grantee, with respect to the Unifi Mebane Property.

"Unifi Mebane Property" means the real property owned by Unifi Manufacturing located in Yadkin County, North Carolina and described as the "Unifi Mebane Property" in the ROFO Agreement.

"W-1 Property" means an approximately 61.372-acre parcel of land together with the industrial building known as 398 Unifi Business Park Drive, Yadkinville, North Carolina, containing approximately 400,000 square feet and the related improvements located on such property as of the Fourth Amendment Effective Date (including, for the avoidance of doubt, certain machinery and equipment constituting fixtures or which are located on such real property and reasonably incidental thereto, and certain other personal property located on such real property and reasonably incidental to such machinery, equipment and real property, in each case, including Eligible M&E, but excluding assets of a type included in the calculation of the Borrowing Base).

"Yadkin County Purchase Agreement" means that certain Real Estate Purchase and Sale Agreement, dated as of August 16, 2026, by and between Unifi Manufacturing and Enovum Data Centers Corp., a Canadian corporation.

(b) Amendment to Schedule 1.1. The definition of "Specified Dispositions" is hereby amended and restated in its entirety to read as follows:

"Specified Dispositions" means, collectively, the Permitted W-3 Warehouse Disposition, the Permitted Parkdale Disposition, the Permitted Madison Plant 3 Facility Disposition, the Permitted Yadkin County Disposition and the Permitted M&E Disposition.

(c) Amendment to Schedule 1.1. The definition of "Permitted Liens" is hereby amended by (i) deleting the word "and" at the end of clause (s) thereof, (ii) replacing the period at the end of clause (t) thereof with "; and", and (iii) adding the following new clause (u) immediately after clause (t) thereof:

(u) (i) the right of first offer granted to Enovum NC-2 Bidco, LLC (or any successor Enovum Owner (as defined in the ROFO Agreement)) pursuant to the ROFO Agreement with respect to the Unifi Mebane Property and (ii) the covenants, restrictions and other rights and obligations created pursuant to the Condo Declaration (as defined in the Yadkin County Purchase Agreement).

SECTION 3. Subordination. Effective as of the Fourth Amendment Effective Date, each Lender party hereto (constituting all of the Lenders) consents to, and irrevocably authorizes and directs the Agent, for the benefit of the Lenders and the Bank Product Providers, to execute, acknowledge and deliver, joinders, consents and subordinations, in form and substance reasonably satisfactory to the Agent, with respect to (a) the ROFO Agreement, pursuant to which the Agent may agree that the lien, security interest and estate of the Deed of Trust (as defined in the ROFO Agreement) are subject and subordinate to the ROFO Agreement and the Right of First Offer (as defined therein), on and subject to the terms of Section 4 of the ROFO Agreement and the terms of the Joinder and Consent of Agent of the ROFO Agreement, and (b) the W-1 Property Access Easement Agreement, the Fire Water Tower REA, the Mebane Property Reciprocal Easement Agreement and the Condo Declaration (each as defined in the Yadkin County Purchase Agreement), pursuant to which the Agent may agree that the lien of any Mortgage on Real Property retained by Unifi Manufacturing is subject and subordinate to such documents on and subject to the terms of the respective Joinders and Consents of Agent to each of the W-1 Property Access Easement Agreement, the Fire Water Tower REA, the Mebane Property Reciprocal Easement Agreement and the Condo Declaration.

SECTION 4. Conditions to Effectiveness. The effectiveness of the amendments set forth in Section 2 is subject to satisfaction of the following conditions precedent (the date of such satisfaction being the "Fourth Amendment Effective Date"):

(a) (i) each Loan Party shall have executed and delivered to the Agent a counterpart of this Agreement, (ii) each of the Lenders shall have executed and delivered to the Agent a counterpart of this Agreement, and (iii) the Agent shall have executed and delivered a counterpart of this Agreement;

(b) the representations and warranties of the Loan Parties contained in Section 5 hereof shall be true and correct on and as of the Fourth Amendment Effective Date;

(c) immediately before and after giving effect to this Agreement, no Event of Default shall have occurred and be continuing;

(d) Agent shall have received executed copies of the Yadkin County Purchase Agreement and each other material agreement, instrument or document executed in connection therewith or ancillary thereto, in each case, in form and substance reasonably satisfactory to Agent;

(e) substantially concurrently with the consummation of the Permitted Yadkin County Disposition, the Loan Parties shall have caused the Term Loan to be paid in full; and

(f) Agent shall have received a funds flow detailing the sources and uses of funds in connection with the transactions contemplated by the Yadkin County Purchase Agreement and the Permitted Yadkin County Disposition, in form and substance reasonably satisfactory to Agent, a copy of which is attached hereto as Exhibit A.

SECTION 5. Representations and Warranties of the Loan Parties. Each Loan Party hereby represents and warrants on and as of the Fourth Amendment Effective Date that:

(a) after giving effect to this Agreement, the representations and warranties of each Loan Party contained in the Loan Documents shall be true and correct in all material respects (without duplication of any materiality qualifier contained therein) on and as of the Fourth Amendment Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date (in which event such representations and warranties were true and correct in all material respects (without duplication of any materiality qualifier contained therein) as of such earlier date);

(b) this Agreement has been duly executed and delivered by each Loan Party and this Agreement constitutes a legal, valid, and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally;

(c) the Security Documents and all of the Collateral described therein do, and shall continue to, secure the payment of all of the Obligations; and

(d) the execution and delivery by each Loan Party of this Agreement and the performance by each Loan Party of the Credit Agreement (as amended hereby) have been duly authorized by all necessary corporate or limited liability company action (as applicable) and do not (i) contravene the terms of any of such Loan Party's Governing Documents; (ii) conflict with or result in any breach or contravention of, or result in the creation of any Lien (other than Permitted Liens) under, any material agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound or any order, injunction, writ or decree of any Governmental Authority to which such Person or its assets are subject, except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; (iii) violate any provision of federal, state, or local law or regulation applicable to any Loan Party or its Domestic Subsidiaries in any respect, except as would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect; or (iv) require any approval of any holder of Equity Interests of a Loan Party or any approval or consent of any Person under any material agreement of any Loan Party, other than consents or approvals that have been obtained and that are still in force and effect and except, in the case of material agreements, for consents or approvals the failure of which to obtain could not individually or in the aggregate reasonably be expected to cause a Material Adverse Effect.

SECTION 6. Effects on Loan Documents.

(a) On and after the Fourth Amendment Effective Date, each reference in any Loan Document to "the Credit Agreement" shall mean and be a reference to the Credit Agreement as amended hereby and each reference in the Credit Agreement to "this agreement," "hereunder," "hereof" or words of like import shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically set forth herein (i) all Loan Documents shall continue to be in full force and effect and are hereby in all respects ratified and confirmed; (ii) no other changes or modifications to the Credit Agreement or any of the other Loan Documents are intended or implied, and in all other respects, the Credit Agreement and each of the other Loan Documents is hereby specifically ratified, restated and confirmed by all parties hereto as of the date hereof (and after giving effect to the terms of this Agreement); and (iii) the execution, delivery and effectiveness of this Agreement shall not operate as a waiver of any right, power, or remedy of Agent, any Lender, the Swing Lender, or any Issuing Lender under any of the Loan Documents nor constitute a waiver of any provision of the Loan Documents or in any way limit, impair or otherwise affect the rights and remedies of any of them under the Loan Documents, except to the extent expressly set forth herein.

(c) To the extent that any provision of the Credit Agreement (as amended hereby) or any of the other Loan Documents is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall control.

SECTION 7. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER; JUDICIAL REFERENCE PROVISIONS. THIS AGREEMENT SHALL BE SUBJECT TO THE PROVISIONS REGARDING CHOICE OF LAW AND VENUE, JURY TRIAL, AND JUDICIAL REFERENCE PROVISIONS SET FORTH IN SECTION 12 OF THE CREDIT AGREEMENT, AND SUCH PROVISIONS ARE INCORPORATED HEREIN BY THIS REFERENCE, *MUTATIS MUTANDIS*.

SECTION 8. Miscellaneous.

(a) This Agreement shall bind and inure to the benefit of the respective successors and permitted assigns of each of the parties hereto.

(b) Each Loan Party acknowledges and agrees that the execution, delivery, and performance of this Agreement shall not create (nor shall such Loan Party rely upon the existence of or claim or assert that there exists) any obligation of Agent or any Lender to consider or agree to any other amendment of or waiver or consent with respect to the Credit Agreement or any other instrument or agreement to which Agent or any Lender is a party (collectively, an "Additional Amendment" or "Consent"), and if Agent and the Lenders subsequently agree to consider any requested Additional Amendment or Consent, neither the existence of this Agreement nor any other conduct of Agent or the Lenders related hereto shall be of any force or effect on the Lenders' consideration or decision with respect to any such requested Additional Amendment or Consent, and the Lenders shall not have any obligation whatsoever to consider or agree to any such Additional Amendment or Consent.

(c) To induce Agent and Lenders to enter into this Agreement, each Loan Party acknowledges, stipulates, and agrees that (i) all of the Obligations are absolutely due and owing by Loan Parties to Agent and Lenders in accordance with the terms and provisions of the Credit Agreement as amended hereby, without defense, deduction, offset or counterclaim (and, to the extent any Loan Party had any defense, deduction, offset or counterclaim on the date hereof, the same is hereby waived by such Loan Party); (ii) the Loan Documents (to the extent amended hereby) to which such Loan Party is a party are legal, valid and binding obligations of such Loan Party enforceable against such Loan Party in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally;

(iii) the Liens granted by each Loan Party to Agent in the Collateral are valid and duly perfected, first priority Liens, subject only to Permitted Liens; (iv) each of the recitals contained at the beginning of this Agreement is true and correct; (v) if such Loan Party is a Guarantor, such Loan Party reaffirms and ratifies its guaranty obligations under the Loan Documents to which it is a party and agrees that none of such obligations thereunder shall be diminished or limited in any way by the execution and delivery of this Agreement; and (vi) before executing this Agreement, each Loan Party consulted with and had the benefit of advice of legal counsel of its own selection and has relied upon the advice of such counsel, and in no part upon the representation of Agent, any Lender or any counsel to Agent or any Lender concerning the legal effects of this Agreement or any provision hereof.

(d) Nothing under this Agreement shall extinguish the Obligations under the Credit Agreement. Nothing expressed or implied in this Agreement, the Credit Agreement (as amended hereby), or any other document contemplated hereby shall be construed as a release or other discharge of any Loan Party under the Credit Agreement or any other Loan Document from any of its obligations and liabilities thereunder, and except as expressly provided in this Agreement, such obligations are in all respects continuing with only the terms being modified as provided in this Agreement. This Agreement shall not constitute a novation of the Credit Agreement or any other Loan Document.

(e) In consideration of, among other things, the Lenders' execution and delivery of this Agreement, each Loan Party, on behalf of itself and its respective agents, representatives, officers, directors, advisors, employees, subsidiaries, affiliates, successors and assigns (collectively, "Releasors"), hereby forever agrees and covenants not to sue or prosecute against any Releasee (as hereinafter defined) and hereby forever waives, releases and discharges, to the fullest extent permitted by law, each Releasee from any and all claims (including, without limitation, cross-claims, counterclaims, rights of set-off and recoupment), actions, causes of action, suits, debts, accounts, interests, liens, promises, warranties, damages and consequential damages, demands, agreements, bonds, bills, specialties, covenants, controversies, variances, trespasses, judgments, executions, costs, expenses or claims whatsoever, that such Releasor now has or hereafter may have, of whatsoever nature and kind, whether known or unknown, whether now existing or hereafter arising, whether arising at law or in equity (collectively, the "Claims"), against the Agent and any Lender in any capacity and any of their respective affiliates, subsidiaries, shareholders and "controlling persons" (within the meaning of the federal securities laws), and their respective successors and assigns and each and all of the officers, directors, employees, agents, attorneys, advisors and other Representatives of each of the foregoing (collectively, the "Releasees"), based in whole or in part on facts, whether or not now known, existing on or before the Fourth Amendment Effective Date, that relate to, arise out of or otherwise are in connection with: (i) any or all of the Loan Documents or transactions contemplated thereby or any actions or omissions in connection therewith, or (ii) any aspect of the dealings or relationships between or among Loan Parties and any other Releasor, on the one hand, and the Agent or any Lender, on the other hand, relating to any or all of the documents, transactions, actions or omissions referenced in clause (i) above. In entering into this Agreement, each Loan Party consulted with, and has been represented by, legal counsel and expressly disclaims any reliance on any representations, acts or omissions by any of the Releasees and hereby agrees and acknowledges that the validity and effectiveness of the releases set forth above do not depend in any way on any such representations, acts and/or omissions or the accuracy, completeness or validity thereof. The provisions of this Section shall survive the termination of this Agreement, the Credit Agreement, the other Loan Documents, payment in full of the Obligations and the termination of the Commitments of the Lenders.

(f) The Loan Parties shall execute and deliver such additional documents and take such additional action as may be reasonably requested by Agent to effectuate the provisions and purposes hereof.

(g) The illegality or unenforceability of any provision of this Agreement or any instrument or agreement required hereunder or contemplated herein shall not in any way affect or impair the legality or enforceability of the remaining provisions of this Agreement or any other instrument or agreement required or contemplated hereunder.

(h) References in this Agreement to any Section or subsection are, unless otherwise specified, to such Section or subsection of this Agreement.

(i) This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Execution of any such counterpart may be by means of (a) an electronic signature that complies with the federal Electronic Signatures in Global and National Commerce Act, as in effect from time to time, state enactments of the Uniform Electronic Transactions Act, as in effect from time to time, or any other relevant and applicable electronic signatures law; (b) an original manual signature; or (c) a faxed, scanned, or photocopied manual signature. Each electronic signature or faxed, scanned, or photocopied manual signature shall for all purposes have the same validity, legal effect, and admissibility in evidence as an original manual signature. Agent reserves the right, in its discretion, to accept, deny, or condition acceptance of any electronic signature on this Agreement. Any party delivering an executed counterpart of this Agreement by faxed, scanned or photocopied manual signature shall also deliver an original manually executed counterpart, but the failure to deliver an original manually executed counterpart shall not affect the validity, enforceability and binding effect of this Agreement.

(j) To the extent any Person party hereto is an Issuing Lender or the Swing Lender, such Person, in such capacities, agrees and consents to the terms of this Agreement, subject to the satisfaction of the conditions precedent set forth herein.

[Continued on following page.]

IN WITNESS WHEREOF, each of the parties hereto has caused its duly authorized officers to execute and deliver a counterpart of this Agreement as of the date first above written.

BORROWERS:

UNIFI MANUFACTURING, INC.

By: /s/ ANDREW J. EAKER
Name: Andrew J. Eaker
Title: Executive Vice President & Chief Financial Officer

UNIFI, INC.

By: /s/ ANDREW J. EAKER
Name: Andrew J. Eaker
Title: Executive Vice President & Chief Financial Officer

GUARANTOR:

UNIFI SALES & DISTRIBUTION, INC.

By: /s/ ANDREW J. EAKER
Name: Andrew J. Eaker
Title: Executive Vice President & Chief Financial Officer

AGENT & LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Agent and as a Lender

By: /s/ Susan C. Carr
Name: Susan C. Carr
Title: Authorized Signatory

BANK OF AMERICA, as a Lender

By: /s/ TOM BUDA
Name: Tom Buda
Title: SVP

FIRST NATIONAL BANK, as a Lender

By: /s/ WILLIAM GIDDES
Name: William Giddes
Title: Vice President

EXHIBIT A
FUNDS FLOW

[See attached.]

Exhibit 31.1

CERTIFICATION

I, Edmund M. Ingle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Unifi, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2026

/s/ EDMUND M. INGLE
Edmund M. Ingle
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Andrew J. Eaker, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Unifi, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2026

/s/ ANDREW J. EAKER
Andrew J. Eaker
Executive Vice President & Chief Financial Officer
Treasurer
(Principal Financial Officer and Principal Accounting Officer)

Exhibit 32

**CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Chief Executive Officer and Chief Financial Officer of Unifi, Inc. (the "Company"), do hereby certify that:

(1) the Quarterly Report on Form 10-Q of the Company for the fiscal period ended September 27, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2026

/s/ EDMUND M. INGLE
Edmund M. Ingle
Chief Executive Officer
(Principal Executive Officer)

/s/ ANDREW J. EAKER
Andrew J. Eaker
Executive Vice President & Chief Financial Officer
Treasurer
(Principal Financial Officer and Principal Accounting Officer)