

UNIFI INC
Form 10-Q
February 01, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 23, 2012

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 (State or other jurisdiction of incorporation or organization)	11-2165495 (I.R.S. Employer Identification No.)
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P.O. Box 19109 -7201 West Friendly Avenue Greensboro, NC (Address of principal executive offices)	27419 (Zip Code)
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Registrant's telephone number, including area code: (336) 294-4410

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of “large accelerated filer”, “accelerated filer”, and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

(Do not check if a smaller reporting company)

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

The number of shares outstanding of the issuer’s common stock, par value \$.10 per share, as of January 28, 2013 was 20,104,189.

UNIFI, INC.
Form 10-Q for the Quarterly Period Ended December 23, 2012

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Part I. Financial Information
Item 1. Financial Statements

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

	December 23, 2012	June 24, 2012
ASSETS		
Cash and cash equivalents	\$15,246	\$10,886
Receivables, net	88,618	99,236
Inventories	107,101	112,750
Income taxes receivable	1,047	596
Deferred income taxes	4,754	7,807
Other current assets	7,714	6,722
Total current assets	224,480	237,997
Property, plant and equipment, net	119,129	127,090
Deferred income taxes	1,537	1,290
Intangible assets, net	8,694	9,771
Investments in unconsolidated affiliates	96,212	95,763
Other non-current assets	10,898	10,322
Total assets	\$460,950	\$482,233
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$38,623	\$48,541
Accrued expenses	12,422	14,402
Income taxes payable	158	1,332
Current portion of long-term debt	7,263	7,237
Total current liabilities	58,466	71,512
Long-term debt	99,419	114,315
Other long-term liabilities	5,038	4,832
Deferred income taxes	1,055	794
Total liabilities	163,978	191,453
Commitments and contingencies		
Common stock, \$0.10 par (500,000,000 shares authorized, 20,104,189 and 20,090,094 shares outstanding)	2,011	2,009
Capital in excess of par value	35,771	34,723
Retained earnings	257,483	252,763
Accumulated other comprehensive income	415	28
Total Unifi, Inc. shareholders' equity	295,680	289,523
Non-controlling interest	1,292	1,257
Total shareholders' equity	296,972	290,780
Total liabilities and shareholders' equity	\$460,950	\$482,233

See accompanying notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(amounts in thousands, except per share amounts)

	For the Three Months Ended		For the Six Months Ended	
	December 23, 2012	December 25, 2011	December 23, 2012	December 25, 2011
Net sales	\$ 172,071	\$ 167,110	\$ 344,971	\$ 338,123
Cost of sales	155,380	156,228	310,260	315,411
Gross profit	16,691	10,882	34,711	22,712
Selling, general and administrative expenses	11,532	10,986	22,679	21,357
Provision for bad debts	73	357	183	562
Other operating expense, net	580	490	1,161	449
Operating income (loss)	4,506	(951)	10,688	344
Interest income	(144)	(495)	(268)	(1,142)
Interest expense	1,361	4,222	2,805	8,602
Loss on extinguishment of debt	114	—	356	462
Loss on previously held equity interest	—	3,656	—	3,656
Other non-operating income	—	(1,479)	—	(1,479)
Equity in earnings of unconsolidated affiliates	(1,258)	(844)	(1,929)	(4,303)
Income (loss) before income taxes	4,433	(6,011)	9,724	(5,452)
Provision for income taxes	2,216	1,806	5,449	2,079
Net income (loss) including non-controlling interest	2,217	(7,817)	4,275	(7,531)
Less: net (loss) attributable to non-controlling interest	(209)	(209)	(445)	(209)
Net income (loss) attributable to Unifi, Inc.	\$ 2,426	\$ (7,608)	\$ 4,720	\$ (7,322)
Net income (loss) attributable to Unifi, Inc. per common share:				
Basic	\$ 0.12	\$ (0.38)	\$ 0.23	\$ (0.36)
Diluted	\$ 0.12	\$ (0.38)	\$ 0.23	\$ (0.36)

See accompanying notes to Condensed Consolidated Financial Statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)
(amounts in thousands)

	For the Three Months Ended		For the Six Months Ended	
	December 23, 2012	December 25, 2011	December 23, 2012	December 25, 2011
Net income (loss) including non-controlling interest	\$ 2,217			