



THE DIXIE GROUP

Exhibit 99.1

November 2017 Investor Presentation

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Forward Looking Statements

The Dixie Group, Inc.



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- Statements in this presentation which relate to the future, are subject to risk factors and uncertainties that could cause actual results to differ materially from those indicated in such forward-looking statements. Such factors include the levels of demand for the products produced by the Company. Other factors that could affect the Company's results include, but are not limited to, raw material and transportation costs related to petroleum prices, the cost and availability of capital, and general economic and competitive conditions related to the Company's business. Issues related to the availability and price of energy may adversely affect the Company's operations. Additional information regarding these and other factors and uncertainties may be found in the Company's filings with the Securities and Exchange Commission.
- General information set forth in this presentation concerning market conditions, sales data and trends in the U.S. carpet and rug markets are derived from various public and, in some cases, non-public sources. Although we believe such data and information to be accurate, we have not attempted to independently verify such information.

Dixie History



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- 1920 Began as Dixie Mercerizing in Chattanooga, TN
- 1990's Transitioned from textiles to floorcovering
- 2003 Refined focus on upper- end floorcovering market
- 2003 Launched Dixie Home - upper end residential line
- 2005 Launched modular tile carpet line – new product category
- 2007 Launched wool products in Masland & Fabrica – high-end designers
- 2012 Purchased Colormaster dye house – lower cost
- 2012 Purchased Crown rugs – wool rugs
- 2013 Purchased Robertex - wool carpet manufacturing
- 2014 Expanded and realigned manufacturing to increase capacity
- 2014 Purchased Atlas Carpet Mills – high-end commercial business
- 2014 Purchased Burtco - computerized yarn placement for hospitality
- 2016 Completed restructuring of manufacturing facilities
- 2017 Entered the hard surface market in Calibre & Stainmaster LVT



- Commitment to brands in the upper-end market with strong growth potential.
- Diversified between Commercial and Residential markets.
- Diversified customer base (TTM Basis)
 - Top 10 carpet customers
 - 17% of sales
 - Top 100 carpet customers
 - 31% of sales

Dixie Group Drivers

What affects our business?



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The market dynamics:

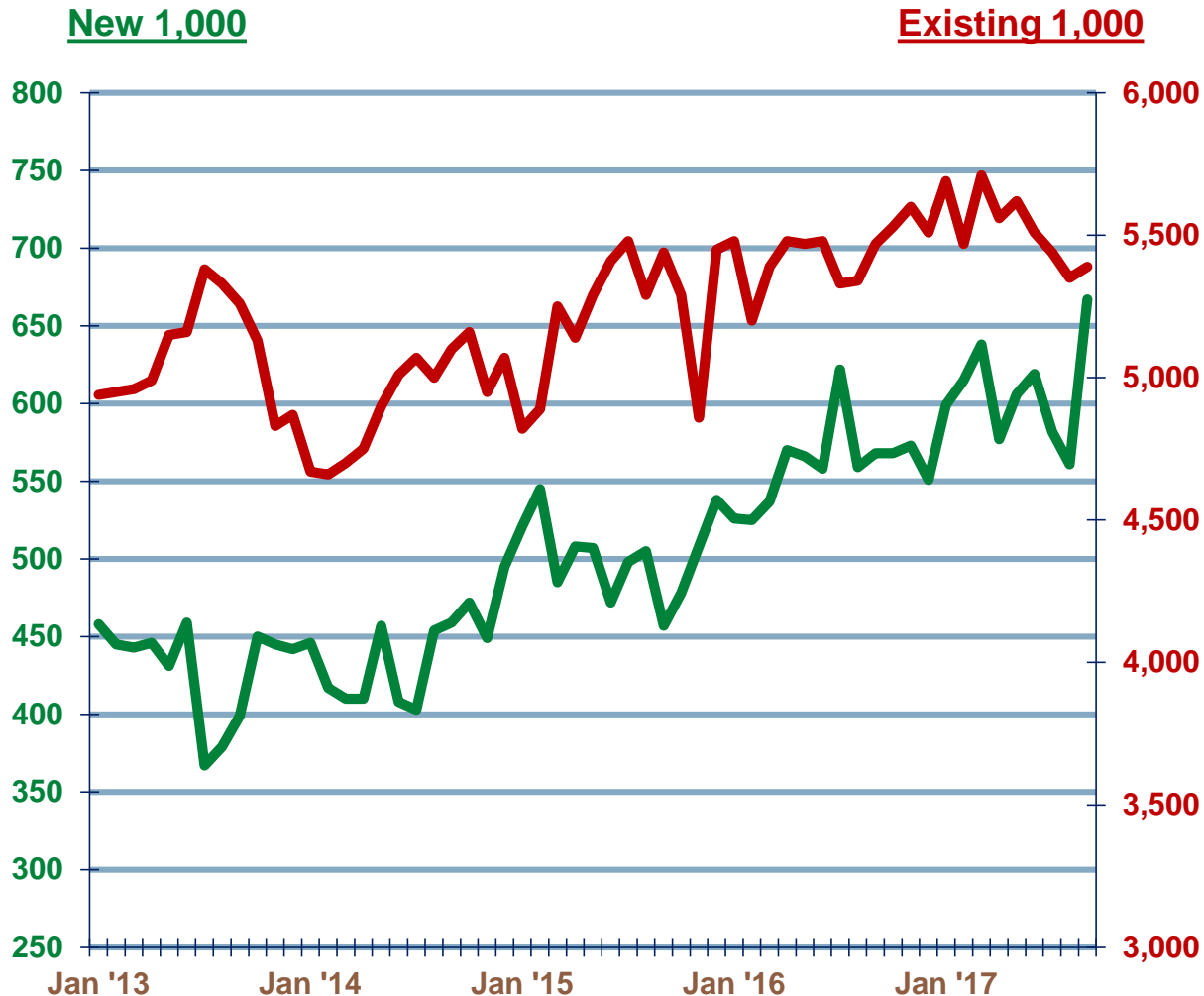
- Residentially
 - The market is driven by home sales and remodeling.
 - New construction is a smaller effect.
 - Dixie is driven by the wealth effect.
 - The stock market and consumer confidence.
- Commercially
 - The market is driven by remodeling of offices, schools, retail and hospitality as demonstrated by the investment in non-residential fixed structures.
 - Dixie is driven by upper-end remodeling in offices, retail remodeling, higher education, and upper-end hospitality that primarily involves a designer.

New and Existing Home Sales

Seasonally Adjusted Annual Rate



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- “Nearly two-thirds of renters currently believe now is a good time to buy a home, but weakening affordability and few choices in their price range have made it really difficult for more aspiring first-time buyers to reach the market.”

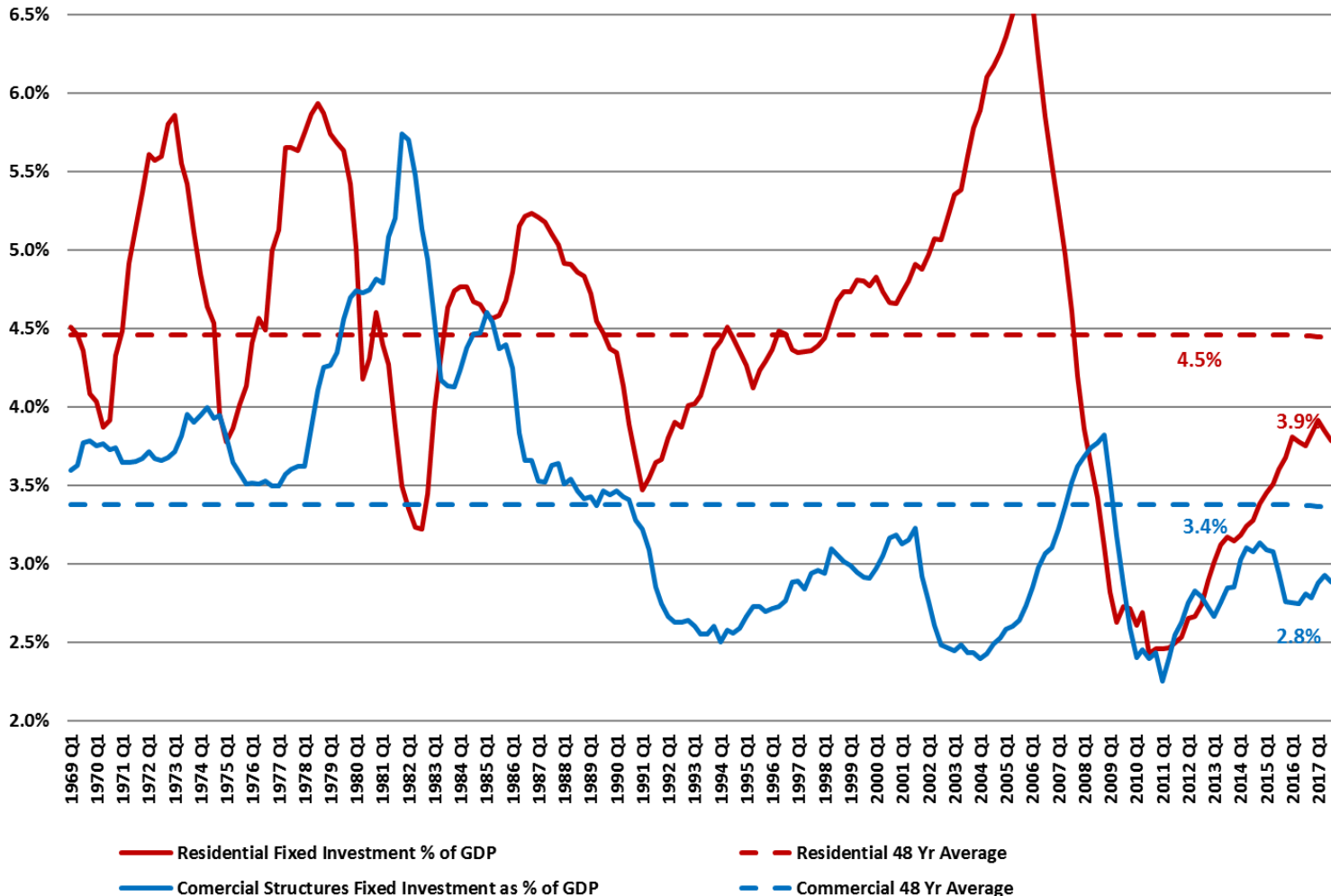
Lawrence Yun
Chief Economist
National Association of Realtors
October 20, 2017

Residential and Commercial Fixed Investment



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Fixed Investment as % of GDP
(U.S. Dept. of Commerce)



Rebound in residential activity

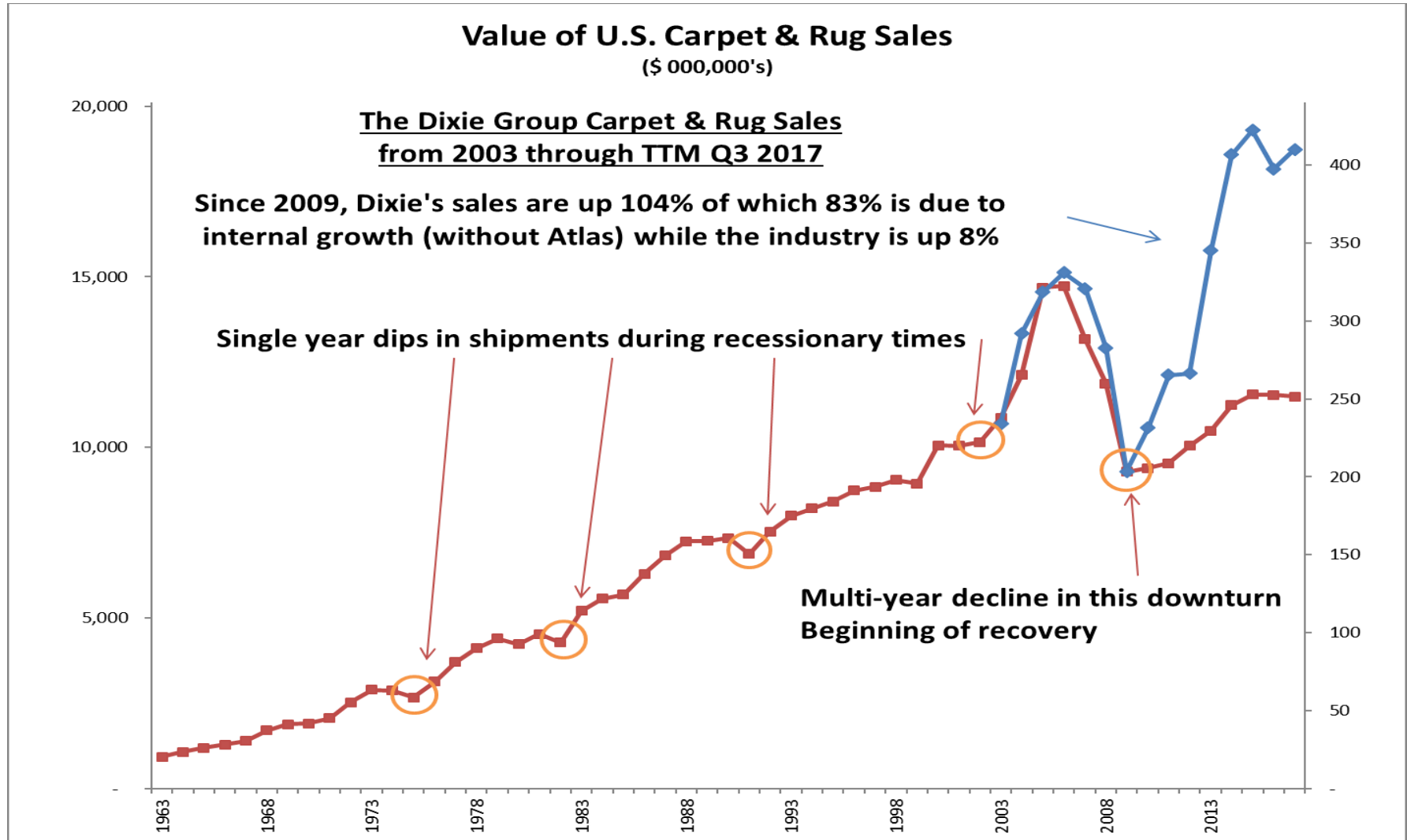
Commercial activity is flat

We expect 2017 to continue the rebound of residential fixed investment as a percent of GDP

The Industry as compared to The Dixie Group



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2016 U.S. Flooring Manufacturers

Carpet & Rug Leaders	Carpet \$ in millions	Carpet %	Flooring \$ in millions	Flooring %
Shaw (Berkshire Hathaway)	\$ 3,136	29.5%	3,983	19.2%
Mohawk (MHK)	\$ 2,621	24.6%	4,892	23.6%
Engineered Floors (Private)	\$ 659	6.2%	659	3.2%
Interface (TILE)	\$ 498	4.7%	498	2.4%
Beaulieu (Bought by EF 11-2017)	\$ 449	4.2%	479	2.3%
Dixie (DXYN)	\$ 394	3.7%	394	1.9%
Imports & All Others	\$ 2,876	27.0%	9,809	47.4%
U.S. Carpet & Rug Market	\$ 10,633	100.0%	20,714	100.0%

Source: Floor Focus

Carpet includes sales of carpet as broadloom, modular tile and rugs

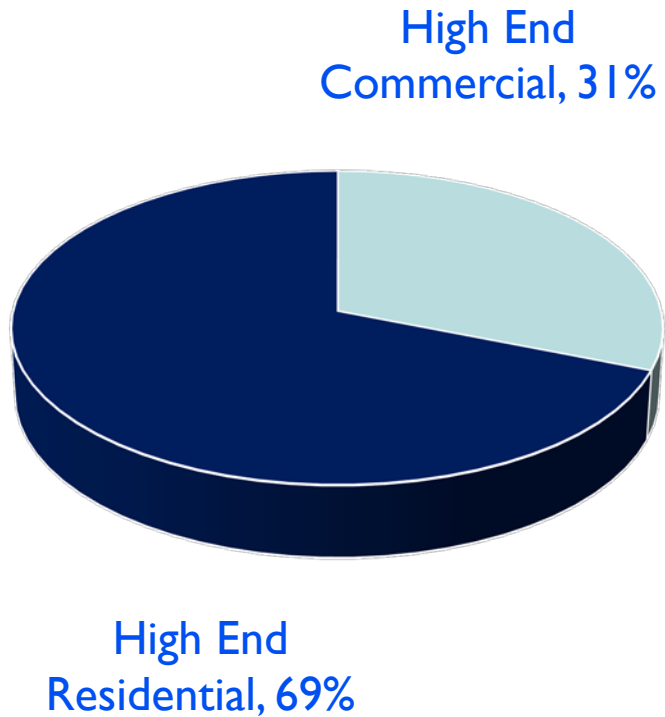
Flooring includes sales of carpet, rugs, ceramic floor tile, wood, laminate, resilient and rubber 9

Dixie versus the Industry

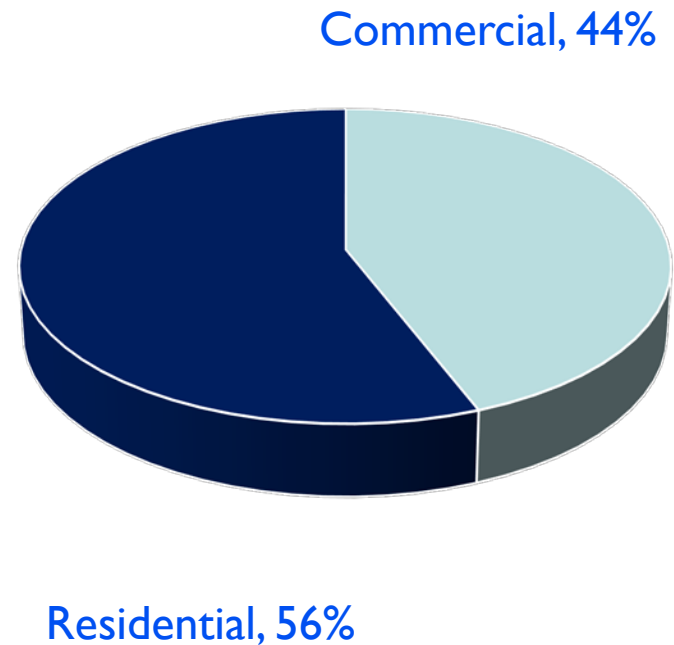


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TTM Q3 2017 Dixie sales



TTM Q3 2017 U.S. Carpet & Rug Market of \$10.5 billion

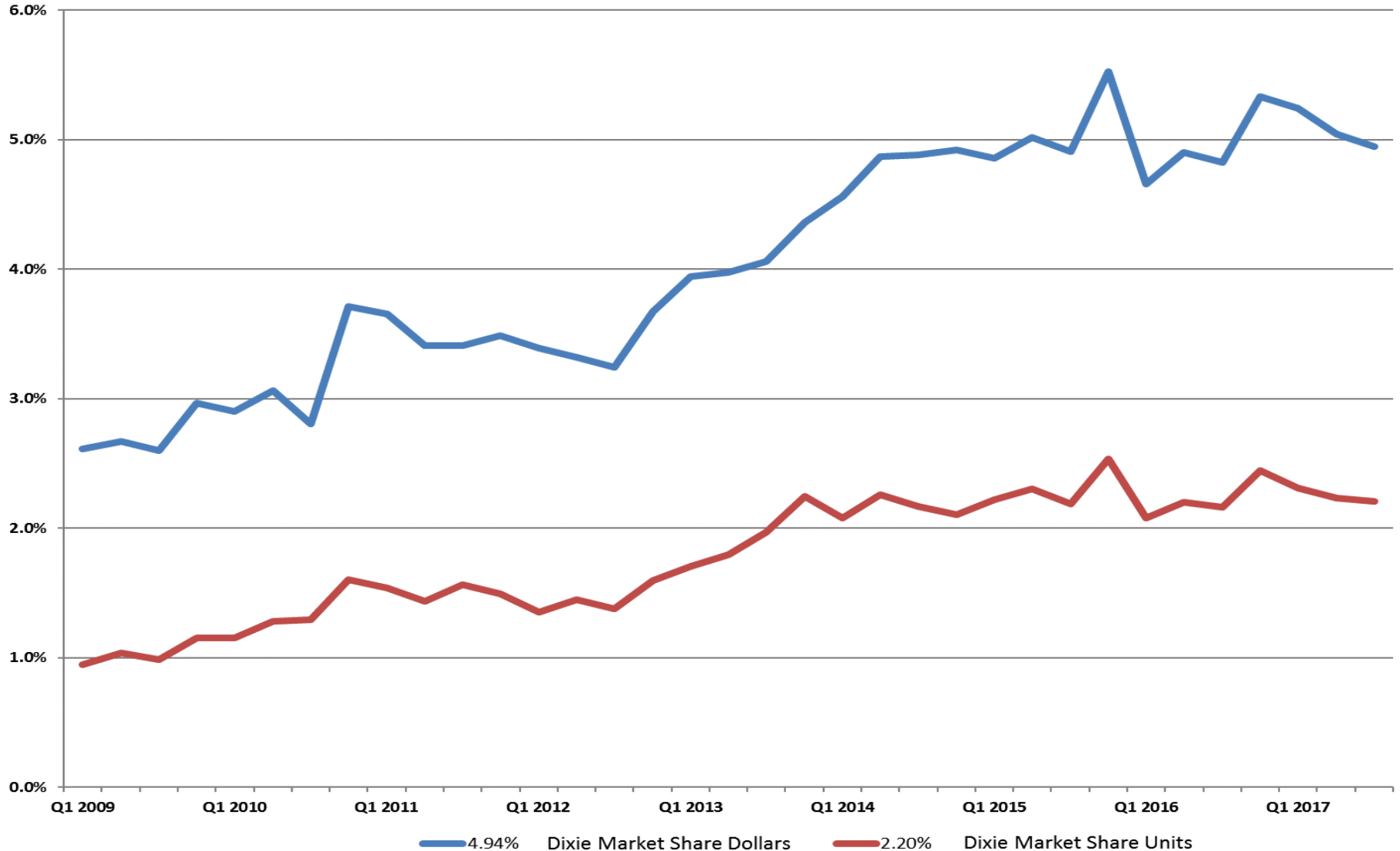


Carpet Growth

Dixie Market Share in Dollars and Units



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Industry Positioning

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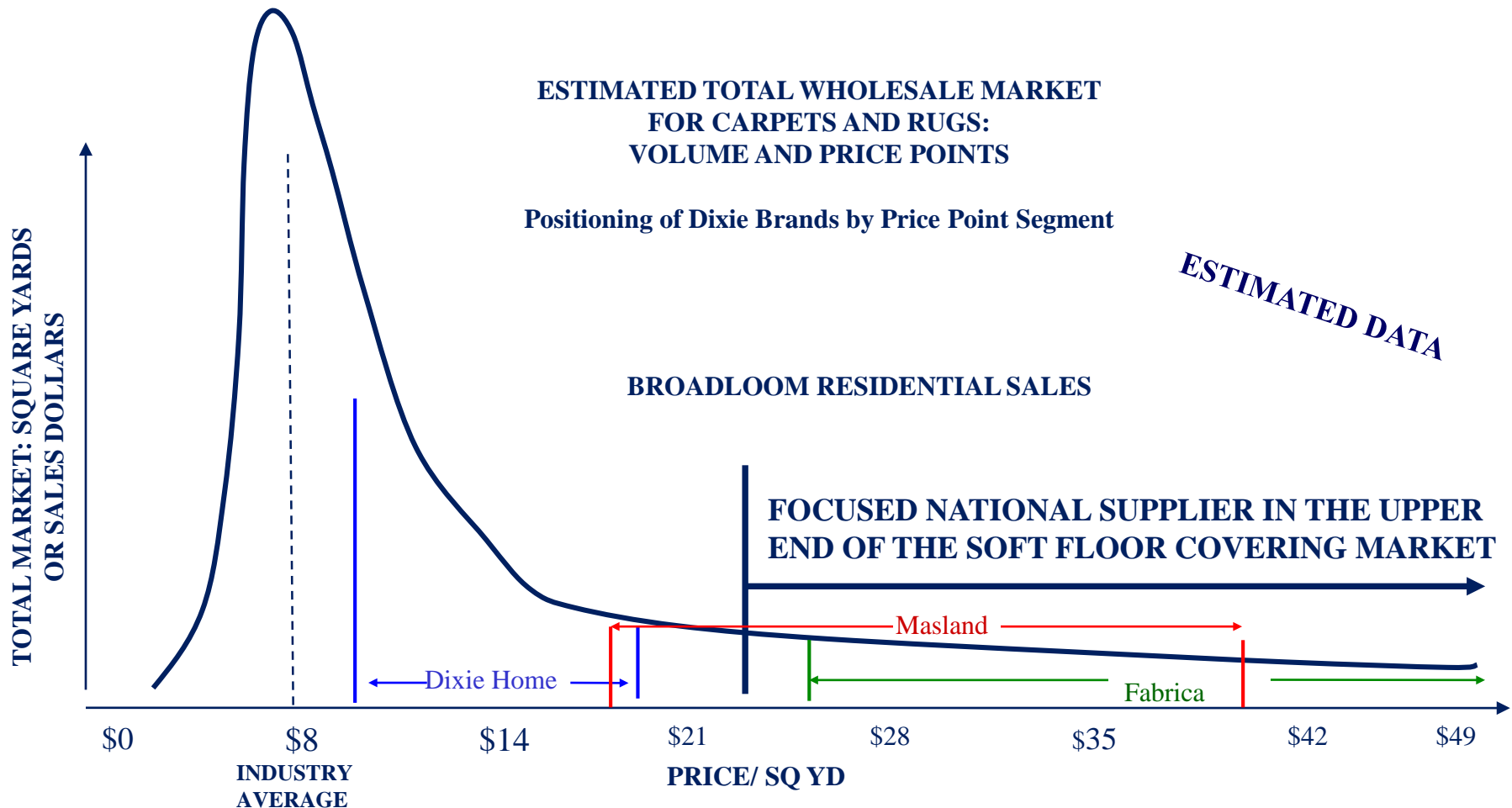
- Strategically our residential and commercial businesses are driven by our relationship to the upper-end consumer and the design community
- This leads us to:
 - Have a sales force that is attuned to design and customer solutions
 - Be a “product driven company” with emphasis on the most beautiful and up-to-date styling and design
 - Be quality focused with excellent reputation for building excellent products and standing behind what we make
 - And, unlike much of the industry, not manufacturing driven

Residential Market Positioning

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Note: Industry average price is based on sales reported through industry sources.

Dixie Group High-End Residential Sales

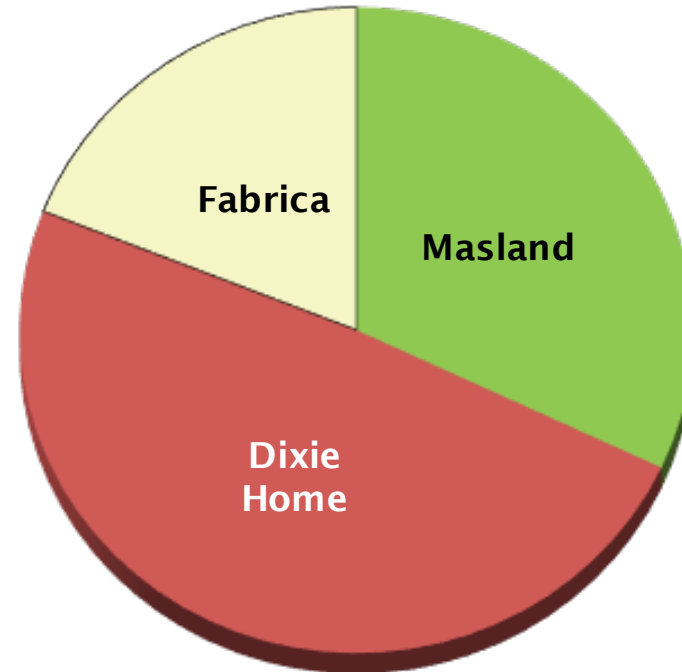
All Residential Brands



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Sales by Brand for TTM Q3 2017



Dixie Group High-End Residential Sales

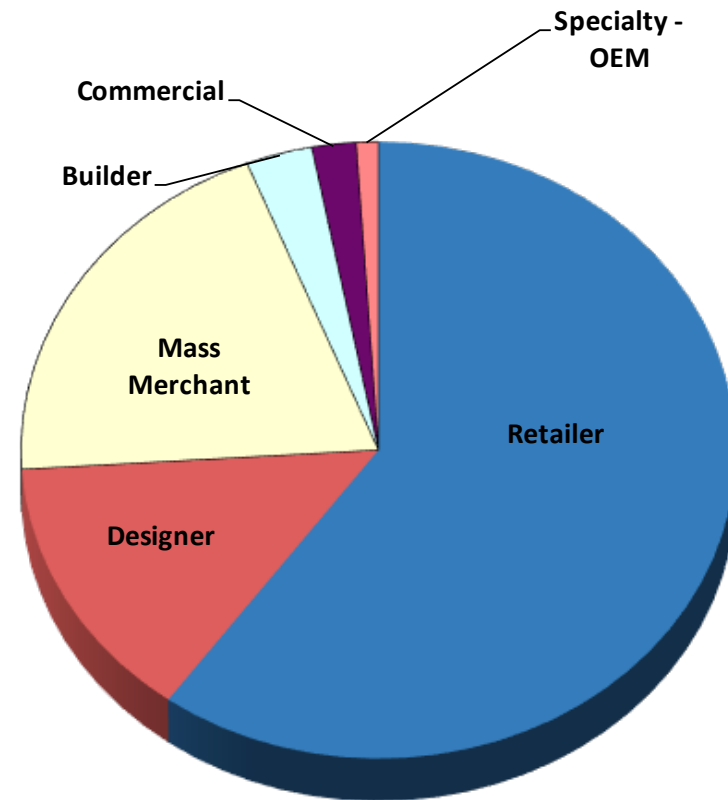
All Brands



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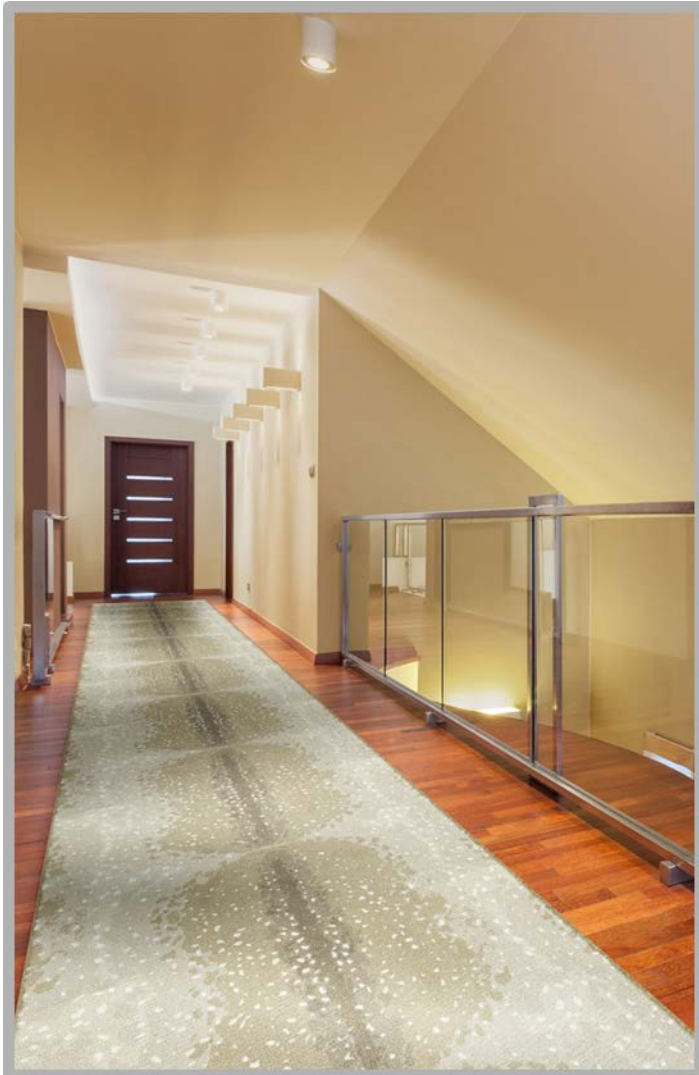
Sales by Channel for TTM Q3 2017



The company believes that a significant portion of retail sales also involve a designer



- Well-styled moderate to upper priced residential broadloom line
 - Known for differentiated pattern and color selection
- Dixie Home provides a “full line” to retailers
 - Sells specialty and mass merchant retailers
- Growth initiatives
 - Stainmaster[®] Tru Soft[™] Fiber Technology
 - Stainmaster[®] PetProtect[®] Fiber Technology



- Leading high-end brand with reputation for innovative styling, design and color
- High-end retail / designer driven
 - Approximately 24% of sales directly involve a designer
 - Hand crafted and imported rugs
- Growth initiative
 - Stainmaster[®] TruSoft[™] Fiber Technology
 - Stainmaster[®] PetProtect[®] Fiber Technology
 - Wool products in both tufted and woven constructions



- Premium high-end brand
 - “Quality without Compromise”
- Designer focused
 - Approximately 31% of sales directly involve a designer
 - Hand crafted and imported rugs
- Growth initiatives
 - Stainmaster® TruSoft™ Fiber Technology
 - Fabrica Permaset dyeing process “unlimited color selection in wool”

Commercial Market Positioning

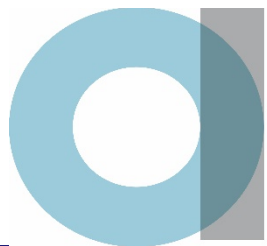
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- We focus on the “high-end specified soft floorcovering contract market”
- Our Atlas brand
 - Designer driven focused on the fashion oriented market space
- Our Masland Contract brand
 - Broad product line for diverse commercial markets
- Our Masland Hospitality brand
 - Custom products for the hospitality industry
- Our Masland Residential sales force
 - Sells “main street commercial” through retailers



Atlas



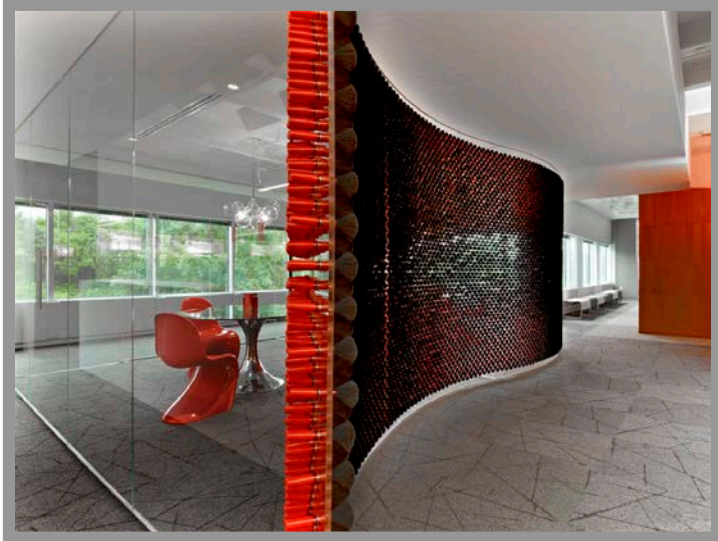
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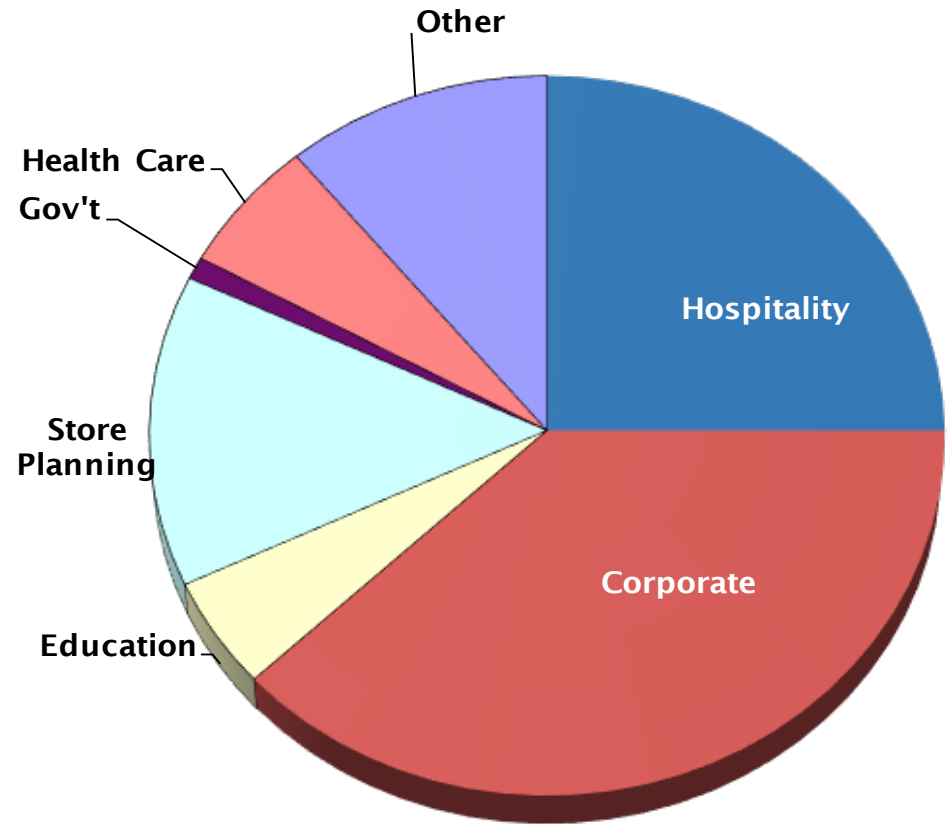
- Atlas is our premium commercial brand
- Dedicated to serving the architect and designer needing finer goods
- Focus is on the corporate market through high fashion broadloom and modular carpet tile offerings
- With state-of-the-art tufting machines Atlas can quickly manufacture both custom and running line products



- Upper-end brand in the specified commercial marketplace
 - Corporate, End User, Store Planning, Hospitality, Health Care, Government and Education markets
- Designer focused
- Strong national account base
- Growth initiatives
 - Masland Contract Modular Carpet Tile
 - Masland Hospitality using “computerized yarn placement” technology
 - Calibré Luxury Vinyl Tile



Sales by Channel for TTM Q3 2017



Channels: Interior Design Specifier and Commercial End User

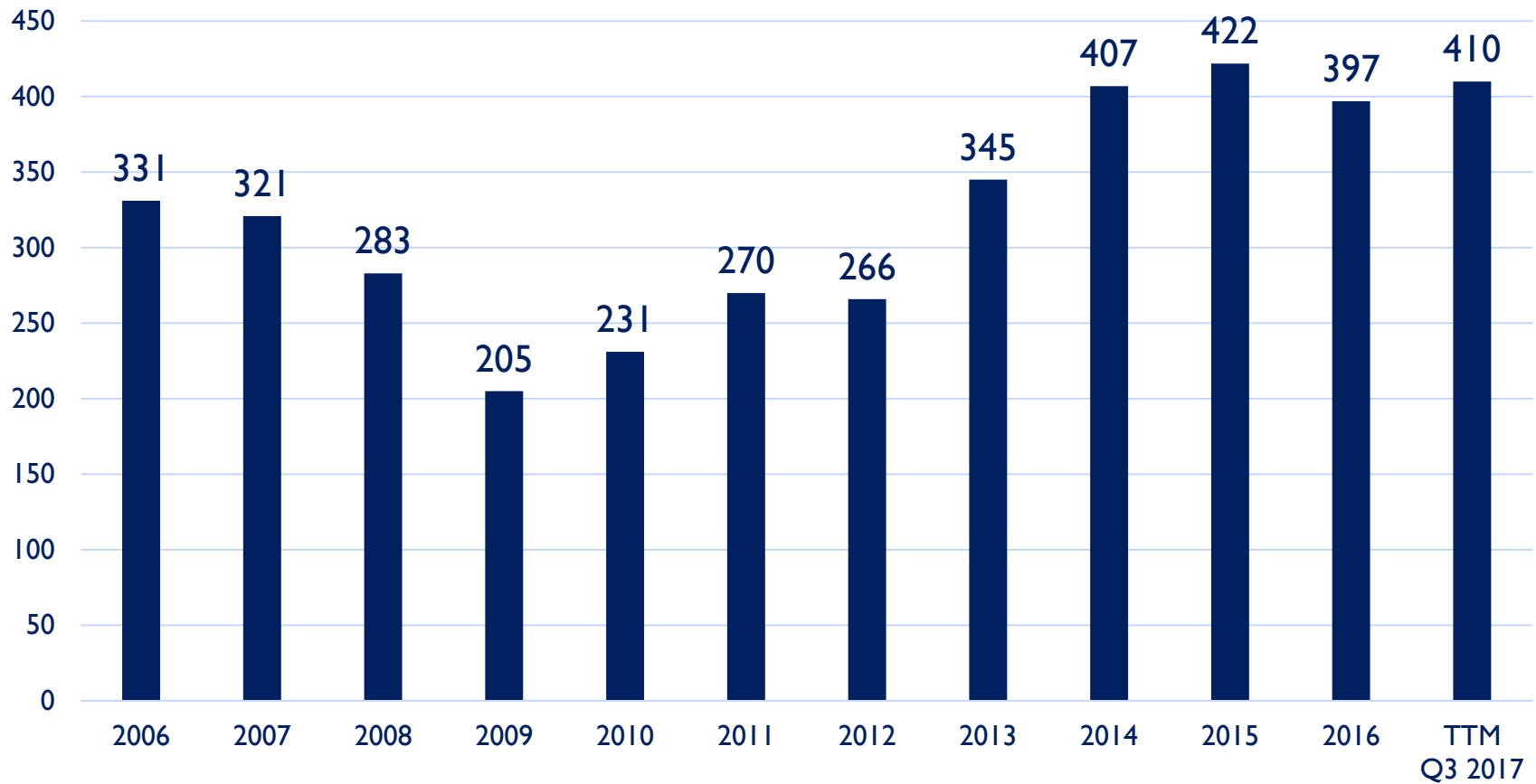
Dixie Group Sales

\$ in millions



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Net Sales



Sales & Operating Income

\$ in millions



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	<u>Y 2007</u>	<u>Y 2008</u>	<u>Y 2009</u>	<u>Y 2010</u>	<u>Y 2011</u>	<u>Y 2012</u>	<u>Y 2013</u>	<u>Y 2014</u>	<u>Y 2015</u>	<u>Y 2016</u>	<u>TTM</u> <u>Q3 17</u>
Net Sales	321	283	203	231	270	266	344	407	422	397	410
Net Income (Loss)	6.2	(31.5)	(42.2)	(4.7)	1.0	(0.9)	5.3	(1.4)	(2.4)	(5.3)	(2.8)
Operating Income	16.7	(28.5)	(45.4)	(2.6)	5.7	1.8	8.9	(5.2)	2.0	(3.4)	1.7
Non-GAAP Adjusted Op. Income	16.7	1.5	(8.4)	(1.0)	5.1	3.5	16.4	4.7	4.9	(2.0)	1.3
EBITDA	29.2	(14.7)	(32.1)	8.4	14.8	11.2	18.7	16.9	15.9	10.0	13.1
Non-GAAP Adjusted EBITDA	29.7	15.5	5.3	10.3	14.5	13.2	26.5	17.7	19.0	11.5	13.0

	<u>Q1 2015</u>	<u>Q2 2015</u>	<u>Q3 2015</u>	<u>Q4 2015</u>	<u>Q1 2016</u>	<u>Q2 2016</u>	<u>Q3 2016</u>	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>
Net Sales	95.9	110.0	108.9	107.8	89.2	105.3	100.3	102.6	97.5	107.2	102.7
Net Income (Loss)	(2.5)	0.5	0.1	(0.5)	(4.8)	1.7	0.5	(2.7)	(0.6)	1.1	(0.6)
Operating Income	(2.7)	2.2	1.3	1.2	(5.8)	3.4	1.9	(2.9)	0.6	3.2	0.8
Non-GAAP Adjusted Op. Income	(1.9)	3.1	1.9	1.9	(4.4)	3.8	1.9	(3.3)	0.6	3.2	0.8
EBITDA	0.9	5.8	4.9	4.4	(2.4)	6.8	5.3	0.3	3.8	5.1	4.0
Non-GAAP Adjusted EBITDA	1.7	6.7	5.5	5.1	(0.9)	7.1	5.3	0.0	3.8	5.2	4.0

Note: Non-GAAP reconciliation starting on slide 27

Current Business Conditions

2017 Initiatives



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- We have consolidated our two commercial brands, Masland Contract and Atlas, under one management, sharing operations in marketing, product development and manufacturing but maintaining distinct sales forces.
- We announced our Profit Improvement Program, with a charge in the fourth quarter of approximately \$775 thousand but savings in 2018 of over \$3 million.
- We are taking advantage of the opportunities created in the west coast market with added retailer and builder penetration and increased service flexibility with the acquisition of the Porterville, CA yarn facility.
- Masland Contract has launched both the new Calibr  and Quiet Down luxury vinyl flooring product lines.
- We have placed over 1,200 displays of Stainmaster PetProtect[®] luxury vinyl flooring through our Masland and Dixie Home residential brands.
- The fourth quarter has started off upbeat with our floorcovering sales up 11% over the first 5 weeks as compared to this same time in 2016.



FABRICA
FINE CARPET & RUGS
Masland
CARPETS & RUGS
DIXIE
HOME 




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 Atlas
Masland
c o n t r a c t



Non-GAAP Information



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Use of Non-GAAP Financial Information:

The Company believes that non-GAAP performance measures, which management uses in evaluating the Company's business, may provide users of the Company's financial information with additional meaningful bases for comparing the Company's current results and results in a prior period, as these measures reflect factors that are unique to one period relative to the comparable period. However, the non-GAAP performance measures should be viewed in addition to, not as an alternative for, the Company's reported results under accounting principles generally accepted in the United States.

The Company defines Adjusted Gross Profit as Gross Profit plus manufacturing integration expenses of new or expanded operations, plus acquisition expense related to the fair market write up of inventories, plus one time items so defined (Note 1)

The Company defines Adjusted S,G&A as S,G&A less manufacturing integration expenses included in selling, general and administrative, less direct acquisition expenses, less one time items so defined. (Note 2)

The Company defines Adjusted Operating Income as Operating Income plus manufacturing integration expenses of new or expanded operations, plus acquisition expense related to the fair market write up of inventories, plus facility consolidation and severance expenses, plus acquisition related expenses, plus impairment of assets, plus impairment of goodwill, plus one time items so defined. (Note 3)

The Company defines Adjusted Income from Continuing Operations as net income plus discontinued operations net of tax, plus manufacturing integration expenses of new or expanded operations, plus facility consolidation and severance expenses, plus acquisition related expenses, plus impairment of assets, plus impairment of goodwill, plus one time items so defined, all tax effected. (Note 4)

The Company defines Adjusted EBIT as net income plus taxes and plus interest. The Company defines Adjusted EBITDA as Adjusted EBIT plus depreciation and amortization, plus manufacturing integration expenses of new or expanded operations, plus facility consolidation and severance expenses, plus acquisition related expenses, plus impairment of assets, plus impairment of goodwill, plus one time items so defined. (Note 5)

The Company defines Free Cash Flow as Net Income plus interest plus depreciation plus non-cash impairment of assets and goodwill minus the net change in working capital minus the tax shield on interest minus capital expenditures. The change in net working capital is the change in current assets less current liabilities between periods. (Note 6)

The Company defines Non-GAAP Earnings per Share (EPS) as the Adjusted Operating Income less Interest and other expense, tax adjusted at a 35% rate, and divided by the number of fully diluted shares. (Note 7)

The Company defines Net Sales as Adjusted as net sales less the last week of sales in a 53 week fiscal year. (Note 8)

Non-GAAP Information



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<u>Non-GAAP Gross Profit</u>	<u>Q1 2016</u>	<u>Q2 2016</u>	<u>Q3 2016</u>	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>2015</u>	<u>2016</u>
Net Sales	89,234	105,316	100,297	102,606	97,541	107,187	102,650	422,484	397,453
Gross Profit	19,506	28,242	25,831	21,846	25,161	28,426	24,857	106,231	95,425
Plus: Business integration expense	-	-	-	-	-	-	-	-	-
Plus: Amortization of inventory step up	-	-	-	-	-	-	-	-	-
Non-GAAP Adj. Gross Profit (Note 1)	19,506	28,242	25,831	21,846	25,161	28,426	24,857	106,231	95,425
Gross Profit as % of Net Sales	21.9%	26.8%	25.8%	21.3%	25.8%	26.5%	24.2%	25.1%	24.0%
Non-GAAP Adj. Gross Profit % of Net Sales	21.9%	26.8%	25.8%	21.3%	25.8%	26.5%	24.2%	25.1%	24.0%
<u>Non-GAAP S,G&A</u>	<u>Q1 2016</u>	<u>Q2 2016</u>	<u>Q3 2016</u>	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>2015</u>	<u>2016</u>
Net Sales	89,234	105,316	100,297	102,606	97,541	107,187	102,650	422,484	397,453
Selling and Administrative Expense	23,666	24,320	23,774	25,223	24,481	25,261	24,044	100,422	96,983
Plus: Business integration expense	-	-	-	-	-	-	-	-	-
Less: Acquisition expenses	-	-	-	-	-	-	-	-	-
Non-GAAP Adj. Selling and Admin. Expense	23,666	24,320	23,774	25,223	24,481	25,261	24,044	100,422	96,983
S,G&A as % of Net Sales	26.5%	23.1%	23.7%	24.6%	25.1%	23.6%	23.4%	23.8%	24.4%
Non-GAAP S,G&A as % of Net Sales (Note 2)	26.5%	23.1%	23.7%	24.6%	25.1%	23.6%	23.4%	23.8%	24.4%

<u>Non-GAAP Operating Income</u>	<u>Q1 2016</u>	<u>Q2 2016</u>	<u>Q3 2016</u>	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>2015</u>	<u>2016</u>
Net Sales	89,234	105,316	100,297	102,606	97,541	107,187	102,650	422,484	397,453
Operating income (loss)	(5,840)	3,403	1,916	(2,894)	628	3,179	767	1,990	(3,415)
Plus: Acquisition expenses	-	-	-	-	-	-	-	-	-
Plus: Amortization of inventory step up	-	-	-	-	-	-	-	-	-
Plus: Business integration expense	-	-	-	-	-	-	-	-	-
Plus: Profit improvement plans	1,413	403	(1)	(359)	-	-	-	2,946	1,456
Plus: Impairment of assets	-	-	-	-	-	-	-	-	-
Plus: Impairment of goodwill	-	-	-	-	-	-	-	-	-
Non-GAAP Adj. Operating Income (Loss) (Note 3)	(4,427)	3,806	1,915	(3,253)	628	3,179	767	4,936	(1,959)
Operating income as % of net sales	-6.5%	3.2%	1.9%	-2.8%	0.6%	3.0%	0.7%	0.5%	-0.9%
Adjusted operating income as a % of net sales	-5.0%	3.6%	1.9%	-3.2%	0.6%	3.0%	0.7%	1.2%	-0.5%
<u>Non-GAAP Income from Continuing Operations</u>	<u>Q1 2016</u>	<u>Q2 2016</u>	<u>Q3 2016</u>	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>2015</u>	<u>2016</u>
Net income (loss) as reported	(4,767)	1,677	534	(2,722)	(604)	1,103	(558)	(2,426)	(5,278)
Less: (Loss) from discontinued, net tax	(10)	62	(39)	(84)	(29)	(123)	(11)	(148)	(71)
Income (loss) from Continuing Operations	(4,757)	1,615	573	(2,638)	(575)	1,225	(547)	(2,278)	(5,207)
Plus: Business integration expense	-	-	-	-	-	-	-	-	-
Plus: Profit improvement plans	1,413	403	(1)	(359)	-	-	-	2,946	1,456
Plus: Amortization of inventory step up	-	-	-	-	-	-	-	-	-
Plus: Acquisition expenses	-	-	-	-	-	-	-	-	-
Less: Gain on purchase of business	-	-	-	-	-	-	-	-	-
Plus: Impairment of assets	-	-	-	-	-	-	-	-	-
Plus: Impairment of goodwill	-	-	-	-	-	-	-	-	-
Plus: Tax effect of above	(537)	(153)	0	136	-	-	-	(1,119)	(553)
Plus: Prior years tax credits and val. allowance	-	-	-	-	-	-	-	-	-
Non-GAAP Adj. (Loss) / Inc from Cont. Op's (Note	(3,881)	1,865	572	(2,861)	(575)	1,225	(547)	(451)	(4,304)
Adj diluted EPS from Cont. Op's	(0.25)	0.12	0.04	(0.18)	(0.04)	0.08	(0.03)	(0.03)	(0.28)
Wt'd avg. common shares outstanding - diluted	15,600	15,783	15,744	15,659	15,673	15,826	15,707	15,536	15,638

<u>Non-GAAP EBIT and EBITDA</u>	<u>Q1 2016</u>	<u>Q2 2016</u>	<u>Q3 2016</u>	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>2015</u>	<u>2016</u>
Net income (loss) as reported	(4,767)	1,677	534	(2,722)	(604)	1,103	(558)	(2,426)	(5,278)
Less: (Loss) from discontinued, net tax	(10)	62	(39)	(84)	(29)	(123)	(11)	(148)	(71)
Plus: Taxes	(2,415)	451	27	(1,685)	(163)	(570)	(181)	(714)	(3,622)
Plus: Interest	1,324	1,333	1,312	1,423	1,362	1,357	1,486	4,935	5,392
Non-GAAP Adjusted EBIT (Note 5)	(5,848)	3,399	1,912	(2,900)	624	2,012	758	1,943	(3,437)
Plus: Depreciation and amortization	3,498	3,325	3,410	3,282	3,210	3,196	3,213	14,120	13,515
Non-GAAP EBITDA from Cont Op	(2,350)	6,724	5,322	382	3,834	5,208	3,971	16,063	10,078
Plus: Acquisition expenses	-	-	-	-	-	-	-	-	-
Plus: Amortization of inventory step up	-	-	-	-	-	-	-	-	-
Less: Gain on purchase of business	-	-	-	-	-	-	-	-	-
Plus: Business integration expense	-	-	-	-	-	-	-	-	-
Plus: Profit improvement plans	1,413	403	(1)	(359)	-	-	-	2,946	1,456
Plus: Impairment of assets	-	-	-	-	-	-	-	-	-
Plus: Impairment of goodwill	-	-	-	-	-	-	-	-	-
Non-GAAP Adj. EBITDA (Note 5)	(937)	7,127	5,321	23	3,834	5,208	3,971	19,009	11,534
Non-GAAP Adj. EBITDA as % of Net Sales	-1.1%	6.8%	5.3%	0.0%	3.9%	4.9%	3.9%	4.5%	2.9%
Management estimate of severe weather (not in	-	-	-	-	-	-	-	-	-
<u>Non-GAAP Free Cash Flow</u>	<u>Q1 2016</u>	<u>Q2 2016</u>	<u>Q3 2016</u>	<u>Q4 2016</u>	<u>Q1 2017</u>	<u>Q2 2017</u>	<u>Q3 2017</u>	<u>2015</u>	<u>2016</u>
Non-GAAP Adjusted EBIT (from above)	(5,848)	3,399	1,912	(2,900)	624	2,012	758	1,943	(3,437)
Times: 1 - Tax Rate = EBIAT	(3,626)	2,107	1,185	(1,798)	387	1,247	470	1,205	(2,131)
Plus: Depreciation and amortization	3,498	3,325	3,410	3,282	3,210	3,196	3,213	14,120	13,515
Plus: Non Cash Impairment of Assets, Goodwill	-	-	-	-	-	-	-	-	-
Minus: Net change in Working Capital	(4,671)	(3,330)	927	(9,831)	10,906	6,247	11,135	(1,970)	(16,905)
Non-GAAP Cash from Operations	4,543	8,762	3,668	11,315	(7,309)	(1,804)	(7,452)	17,295	28,289
Minus: Capital Expenditures	1,218	1,020	1,357	1,736	3,778	2,733	5,731	12,230	5,331
Minus: Business / Capital acquisitions	-	-	-	-	-	-	-	-	-
Non-GAAP Free Cash Flow (Note 6)	3,325	7,742	2,311	9,579	(11,087)	(4,537)	(13,183)	5,065	22,958