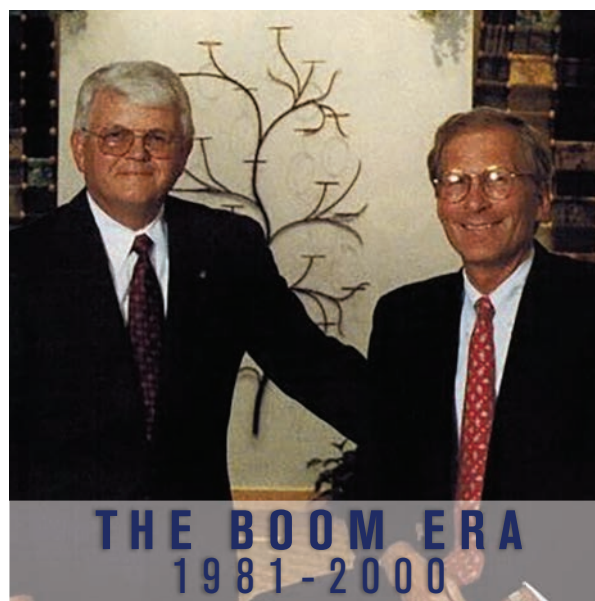

BUILDING ON OUR LEGACY

CULP



Making History Together:
OUR STORY, YOUR FUTURE

Making History Together

A TRIBUTE
TO CULP CO-FOUNDER ROBERT CULP III



Rob Culp III, Former Chairman and CEO of Culp

With entrepreneurial vision, tenacious adaptability and heart-felt leadership, Rob Culp led Culp Inc. through many mountaintops and valleys during his remarkable 45-year tenure.

He navigated the best and most challenging of times, including explosive growth, ambitious expansion, global change and economic turbulence to build one of the world’s leading companies for upholstery and bedding fabrics.

Just as importantly, Rob infused Culp’s culture with his passion, integrity, grit, curiosity, empathy and unwavering optimism. It is a legacy that will endure long beyond his death in 2018. With great admiration and appreciation, we dedicate this “Building on Our Legacy” report to Rob Culp.

Dear Fellow Associates,

Culp is healthy and vibrant as we approach our second half-century of business. Thanks to your dedication and hard work, Culp is a leader in the home furnishings industry, and we will continue to align our business in response to a changing market.

As Culp moves forward under the leadership of our fourth Chief Executive Officer, Iv Culp, we thought it was a good time to take a look at our shared history and common legacy.

Our history binds us into a community, offering a sense of belonging in the family of Culp associates. Knowing the history helps us see ourselves as part of a still-unfolding story much richer than any individual experience.

Our bold aspirations for the future of Culp are inspired by the challenges and triumphs of the past.

Culp’s history of determination in the face of challenges and agility in the face of change provides the foundation for a bright future.

Culp proudly presents our special history report: “Building on our Legacy.” We invite you to come along for a look at the remarkable journey as our company grew from four employees at its founding in 1972 to a New York Stock Exchange-listed global corporation operating in five countries with 1,400 worldwide associates. Today, Culp is considered one of the world’s largest bedding and upholstery fabric companies.

Our innovative styling and unwavering commitment to our customers was instilled in us by our founders and leaders, and we carry that legacy today.

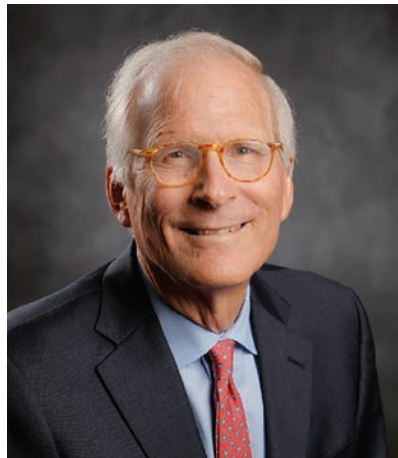
We know that people make the difference for Culp. Your time, talents and teamwork have brought Culp successfully to the half-century mark, for which we are profoundly grateful. We are excited to be journeying with you into a promising future.

Frank Saxon	Iv Culp	Teresa Huffman
Executive Chairman	President and Chief Executive Officer	Senior Vice President Human Resources



CULP: Flexing for Success

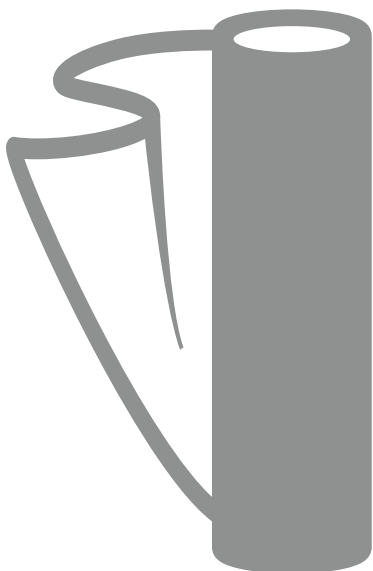
Since our beginning in 1972, Culp has responded to changes in the economy and marketplace by adapting our business model and product mix.



Rob Culp III
Former Chairman and CEO of Culp

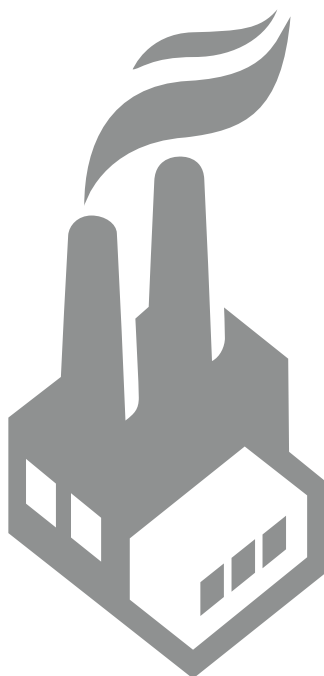
“Our energy to reinvent ourselves and figure it out in tough times came from the DNA instilled in us by my father. We simply were not going to fail.”

BUSINESS MODEL ADAPTABILITY



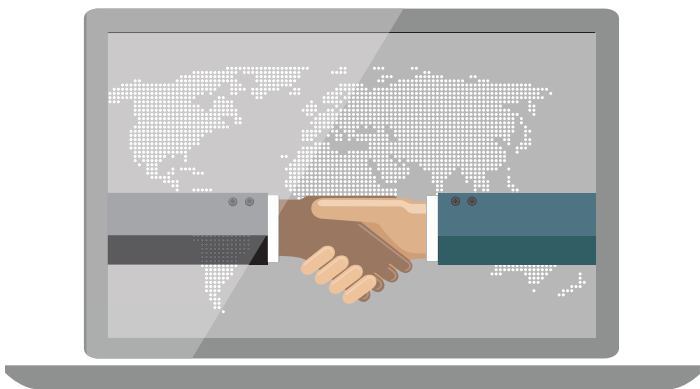
FABRIC CONVERTER (1972-1980)

Culp was founded as a wholesaler or “middleman,” acting as a distributor for a complete line of fabrics to the upholstered furniture industry.



MANUFACTURING POWERHOUSE (1980-1999)

Through aggressive acquisitions and expansions, funded by taking the company public, Culp shifted from a distributor to a fast-growing, 16-plant manufacturer of upholstery and mattress fabrics.

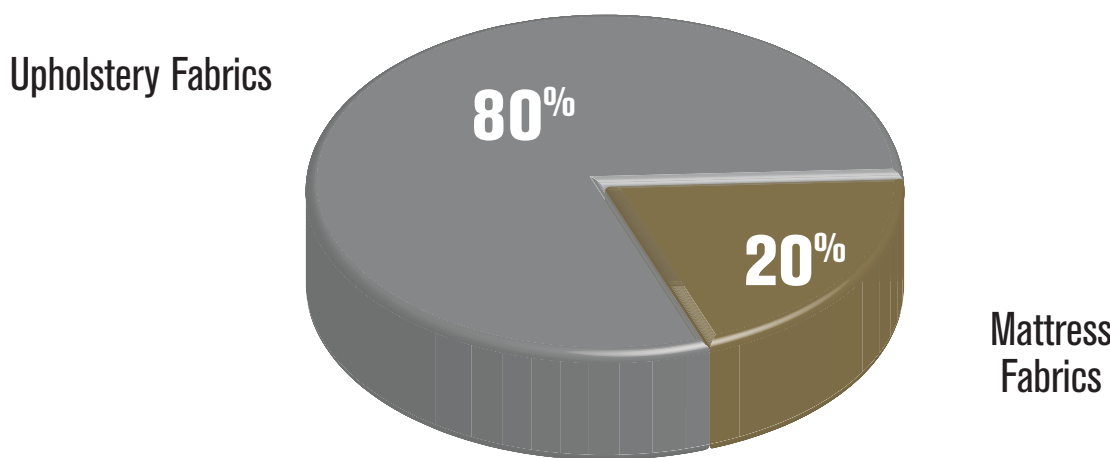


GLOBAL COMPETITOR (2000-Present)

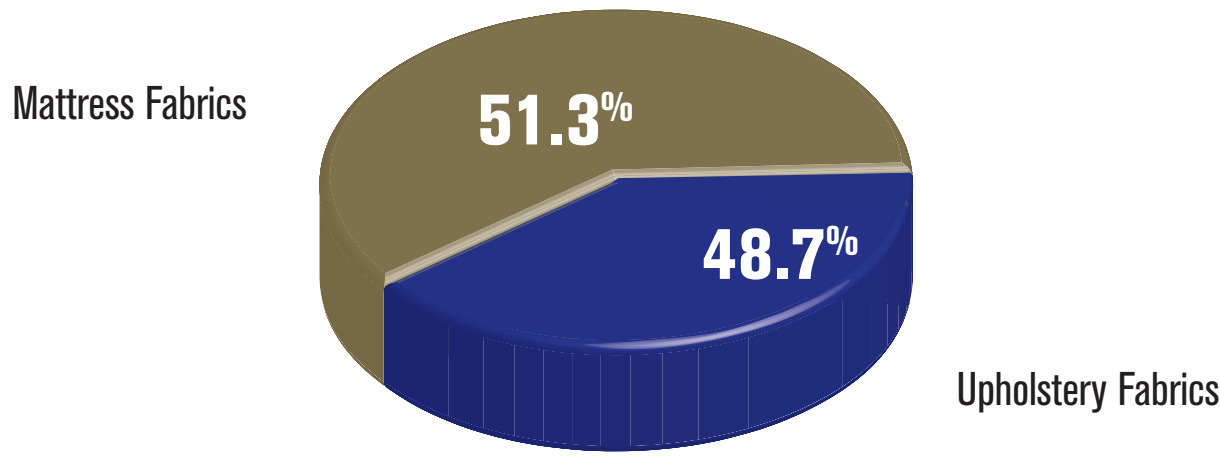
With the new millennium and the availability of lower-priced Asian products, demand for all U.S. produced upholstery fabric decreased. Culp moved rapidly to address this challenge by exiting the majority of its U.S. upholstery fabrics manufacturing platform. In its place, the Company developed a flexible, less capital-intensive global platform. From its headquarters in High Point, N.C., Culp today manages a fully-integrated global network of manufacturing and distribution facilities in the U.S., Canada, Haiti and Asia and is one of the world’s largest companies supplying mattress fabrics for bedding and upholstery fabrics for furniture.

BUSINESS MIX TRANSFORMATION

CULP 2000 / SALES MIX



CULP 2020 / SALES MIX



INSPIRING INNOVATORS:

CULP FOUNDERS ROBERT CULP JR. AND ROBERT CULP III

IN WORK, ROBERT CULP JR. (BOB) WAS A CLASSIC ENTREPRENEUR AND INDUSTRY PIONEER.

AFTER GRADUATING FROM THE UNIVERSITY OF PITTSBURGH, Robert Culp Jr. joined Golding Brothers, a mattress and drapery fabrics supplier in Chicago. He left for a short time to serve in the Army during World War II. Upon returning, Mr. Culp presented the idea to Golding to start a division in the furniture capital of High Point, N.C. to supply upholstery fabric to the furniture industry. He and his wife, Esther, moved to High Point in 1948, where he launched the new division and directed sales for many prosperous years. In 1967, W.R. Grace Co. purchased Golding. Mr. Culp left Golding in 1972.

AT THE AGE OF 55, MR. CULP RISKED HIS ENTIRE LIFE SAVINGS to start R.G. Culp & Assoc., a distributor offering a complete line of fabrics to the upholstered furniture industry, along with his son, Rob. "When everyone else would have been thinking of retirement, Mr. Culp decided to go into business for himself. It was a brave move," one of his peers remarked.

OVER THE NEXT 20 YEARS, THE CULPS AND THEIR TEAM BUILT THE COMPANY from four employees working in a small rented building, to a publicly-owned corporation with over 1,700 employees and facilities in four states at the time of his death in late 1991. "Bullet's goal was to do 10 times the business of Golding Brothers, which was \$192 million. We hit that in the early 1990s," said Frank Saxon, Executive Chairman of Culp, Inc. "He was very competitive."



Bob & Esther Culp

IN LIFE, CULP WAS A FAMILY MAN, CIVIC LEADER AND THOUGHTFUL FRIEND

MR. CULP WAS MORE THAN AN ENTREPRENEUR who built his own enterprise; he was a pioneer whose imagination benefited the entire industry. He was credited with many innovations including the railroading of fabrics for better cutting yield and the heat-transfer method of printing cloth for upholstery.

IN HIS PERSONAL LIFE, HE WAS A DEVOTED HUSBAND, father and grandfather, and was highly involved in the community as a trustee

of High Point Regional Hospital and the Presbyterian Home. He served as a deacon, elder and trustee of The First Presbyterian Church of High Point. In 1990, a Chair of Ethics was endowed in Culp's name at High Point University. "His ethical standards were above reproach," said George Erath, past chairman of Erath Veneer Corp. In 1994, Mr. Culp was inducted into the Home Furnishings Hall of Fame for his pioneering contributions to the industry.



"BULLET"

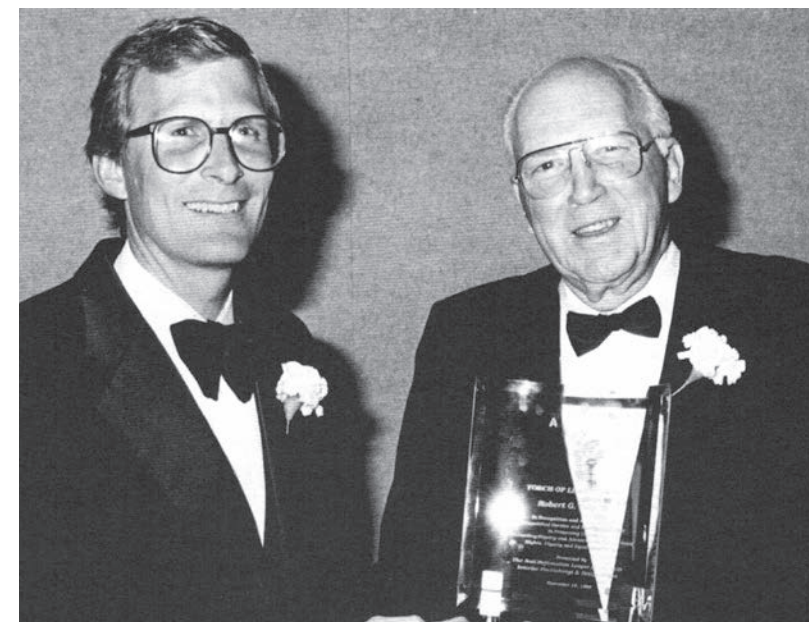
was Mr. Culp's nickname because he was quick to get to the point, fast on his feet, sharp-witted and moved at high velocity.

"He was the kind of person you put complete faith in. You just knew he was the best fabric man in the whole United States."

- Baxter Freeze
High Point, N.C. Businessman
& Former Director on Culp Board

FOUR ORIGINAL CULP EMPLOYEES FORGE NEW FRONTIERS

Rob Culp and Bob Culp



"Dad was a classic entrepreneur. He loved new ideas and was always looking for the next best thing. He would pursue 1,000 new ideas, thinking that maybe 10 would work. It was worth it all to go after those 10."

"He recognized talent and motivated people. He displayed the best quality of a leader: he would teach people and get out of the way."
Rob Culp III

Howard Dunn: Former President



Francis Elliott: One of the four original employees of Culp



"Mr. Culp was so interested in people. He could call the name of every employee. He would come out into the plant and speak to everyone and ask if anything was needed as far as their job was concerned."

"He made it known that the employees were very important. He encouraged us to think of the company as our extended family. It was that way because he made it that way."

Francis Elliott

"I was drawn to Bullet because he was so driven and had more ideas than you could possibly imagine. He needed someone to help keep his feet planted on the ground and to implement his ideas."

"When times were bad, he'd say, 'Don't listen to the news. It's your responsibility to get in front of as many people as possible and write orders.' He just wouldn't accept anything but growing the business."
Howard Dunn

ENTHUSIASTIC ENTREPRENEUR AND AGILE ADAPTER: ROBERT CULP III



Rob & Susan Culp

“Rob was the best version of the person we all want to be.”
– Susan Culp

After earning a degree in Economics at UNC-Chapel Hill, an MBA at Wharton and working as a consultant with Arthur Anderson, Rob Culp joined his father, Robert Culp Jr. as a co-founder of Culp Inc. in 1972. Rob was one of four original employees in the new enterprise, which had an understated beginning selling automotive closeouts and other fabric seconds across the U.S.

Rob and his father quickly established a culture of hard work, design innovation, customer devotion and dedication to employees. Propelled by Rob’s consummate salesmanship, Culp rapidly expanded its product offering and distribution, and developed a robust customer base. For many years, Culp grew at an extraordinary pace through expansion and acquisition. Later, the company adapted to dramatic market changes and economic downturns with several agile shifts in its business model and product mix.

A Gifted Motivator with a Passion for Fabric

“Rob Culp was a fabric man, just like his dad before him,” said Liam Waters, a strategic advisor for Culp and design leader. “He gathered the most creative textile people he could find and willed them to create product.” Rob’s passion for fabric was equaled by his gift for motivating people. “He made ordinary people extraordinary just by believing in them,” said Waters. “He sowed seeds of innovation. His passion for new product and design was infectious. He knew great product would take care of almost everything else.”

Rob Culp’s Dual Legacy

Perhaps the most remarkable quality about Rob was that he was equally skilled at reinventing the company and

ensuring its survival through headwinds as he was at entrepreneurial expansion during boom times. “I think my dad has two amazing legacies,” said Iv Culp. “He gets tremendous credit for building one of the largest upholstery and mattress fabric companies in the world, as a champion of innovation and rapid sales growth. He also gets credit for adjusting to a dramatically changed marketplace that put most of the fabric manufacturers out of business. Somehow, he navigated all of that and brought us to the place we are today, where we’re again on very solid ground, debt-free and growing.”

“Rob was totally devoted to his family and his friends and his business. But more than that, he had this special quality of forgiveness and humility. He had the capacity to forgive greater than anyone I’ve ever known, and I think that’s reflective of the depths of his soul. He was humble. He would never be a self-promoter.”

– Ken McAllister, former US District Attorney and Culp, Inc Lead Director

A Citizen of the Community and Industry

Rob and his wife, Susan, are generous benefactors and leaders in the local community of High Point, N.C. and in the international home furnishings industry. They are ardent supporters of Wesley Memorial United Methodist Church, UNC-CH and High Point University, including being the leading contributors to the Culp Planetarium on the HPU campus. They are active in the “Say Yes” to Education Campaign, High Point Regional Hospital and many initiatives to revitalize downtown High Point. After being named the Distinguished Citizen of the Year by High Point Chamber of Commerce in 2018, Nido Qubein, president of High Point University, said,

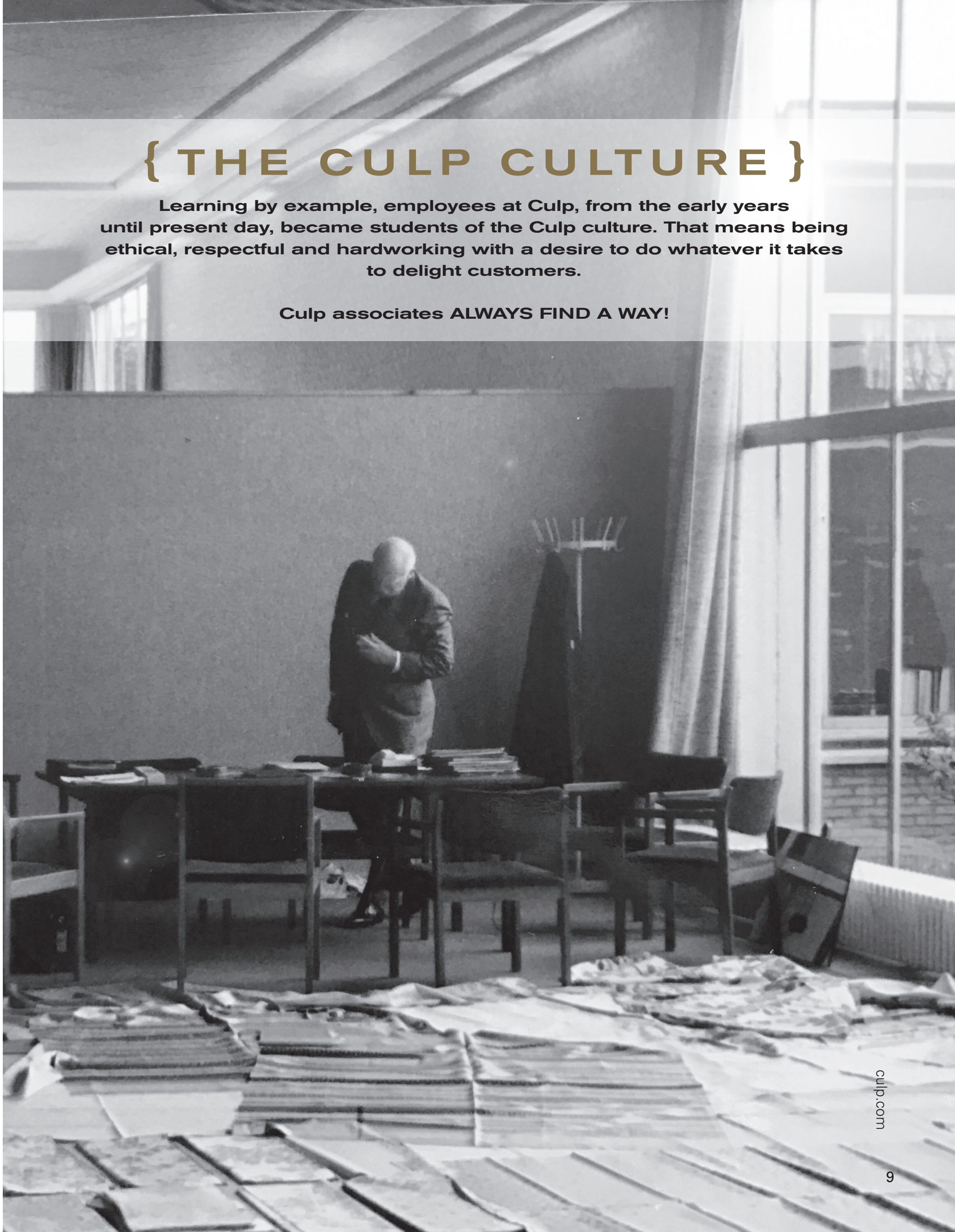
“Rob’s impact and influence will be felt for generations to come.”

In 2020, in recognition of his accomplishments and contributions to the home furnishings industry and community during his 45-year career, Rob was inducted into the Home Furnishings Hall of Fame. It is an honor he shares with his father, Robert Culp Jr., who was inducted in 1994.

{ THE CULP CULTURE }

Learning by example, employees at Culp, from the early years until present day, became students of the Culp culture. That means being ethical, respectful and hardworking with a desire to do whatever it takes to delight customers.

Culp associates ALWAYS FIND A WAY!



THE BIRTH ERA 1972-1980

Birth Era MILESTONES

1972

Company founded by Robert Culp Jr. and Robert Culp III as a converter of upholstery fabrics.

1976

Culp diversified into the mattress fabrics market.

1978

Culp leased first manufacturing plant near Burlington, NC.

Culp's Early Years:

A \$600,000 investment and four employees grew to a diverse national company with hundreds of employees and increasing sales near \$40 million.

Birth Era BY THE NUMBERS

- **\$600,000:** Initial Investment in R.G. Culp & Associates
- **\$1.4 million:** First Year Sales
- **\$39 million:** Sales in 1980



FOLLOWING A SUCCESSFUL 30-year career in the upholstery fabrics business, Robert Culp Jr. left Golding Fabrics at age 55 and invested his personal savings to begin a new company in High Point, N.C.

ALONG WITH HIS SON, ROBERT CULP III, who was a 25-year-old graduate of UNC-Chapel Hill and Wharton School of Business, he launched R.G. Culp & Associates as a distributor and converter of fabrics for the upholstered furniture industry.

MR. CULP AND HIS WIFE, Esther, contributed their life savings, and community business leaders who believed in his vision contributed as well. His entrepreneurial endeavor was also supported by two other original employees: Frances Elliott, who had been his administrative assistant at Golding, and Howard Dunn, who had directed product development at Golding.

THE ORIGINAL EMPLOYEES met in the public library until the company leased a portion of a knitting mill on Logan Street, then a dirt road in High Point, and remodeled it into an office and warehouse.

THE YOUNG COMPANY GREW RAPIDLY. In 1976, Mr. Culp made one of the most important decisions in the company's history to ensure long-term success. He decided to diversify into the mattress industry by starting Culp Ticking, a converter of woven and printed fabrics for mattresses.

IN THE LATE 1970s, upholstery and mattress manufacturers began to buy fabric directly from textile mills rather than converters. In response, Culp began a transformation to a fully-integrated manufacturer and leased its first manufacturing plant near Burlington, N.C. in 1978. In this plant, Culp pioneered a heat process for transferring prints onto upholstery fabrics that was eventually adopted by the industry.



Culp's Boom Years:
Acquisitions, expansion,
diversification and an initial public
stock offering propelled growth from
\$50 million to nearly \$500 million
in a 20-year span.

Boom Era MILESTONES

1982

Purchased Culp Weaving from Cannon
Mills Weaving-Graham.

1983

Purchased Culp Finishing facility
from Dan River, Culp's IPO.

1985

Purchased Culp Woven Velvets
from Baxter Kelly.

1986

Became vertically integrated in the
mattress fabric business with purchase
of Fieldcrest facility in Stokesdale, NC.

1987

Expanded capacity in dobby and jacquard
fabric categories with construction
of Pageland Plant.

1992

Acquired Rossville/Chromatex.

1995

Expanded mattress fabric capacity with
purchase of Rayonese in Canada.

1997/98

Acquisitions of printing, weaving and yarn
facilities including Lumberton plant from
Sara Lee, Phillips Mills and Artee-Wrapspun.

2000

Culp's 3 upholstery divisions merged into
Culp Upholstery Fabrics (CUF). The
mattress division, Culp Home Fashions,
(CHF) developed a partnership in Turkey
to expand its global manufacturing
platform.

Boom Era BY THE NUMBERS

- **\$49 million:** Sales at Beginning of Era
- **\$488 million:** Sales at End of Era
- **3,800:** Number of Employees at End of Era
- **4 States + 2 Countries:** Geographic Footprint



THE BOOM ERA OPENED with the first of many remarkable demonstrations of Culp's ability to adapt to change. In response to industry shifts, Culp began a dramatic transformation from a distributor to a fully-integrated manufacturer of upholstery and mattress fabrics with multiple plants and thousands of employees.

CULP EMBARKED on an aggressive capital investment program to become a vertically-integrated manufacturer of upholstery fabrics, from fiber to finished fabric. This rapid expansion included the acquisition of competitors, along with building and acquiring manufacturing facilities, primarily in the Southeastern U.S.

A STRATEGY OF DIVERSIFICATION was a key to Culp's success during the two decades. Culp diversified into nearly every fabric segment of the furniture industry, including flat wovens and tufted, woven and flocked velvets, along with bedding fabrics.

TO SUPPORT THE COMPANY'S STRATEGIC GOALS and finance growth, Culp, Inc. had its initial public offering in 1983. In 1986, when annual sales were \$150 million, Culp purchased a mattress fabric facility from Fieldcrest in Stokesdale, N.C. This allowed Culp to become vertically integrated in the mattress fabrics product category. Later in 1995, Culp expanded its mattress fabric manufacturing footprint with the purchase of Rayonese Textiles in Canada.

FROM 1989 TO 1996, Culp aggressively grew its export business from \$5.3 million to \$70 million, or 25% of sales. By 1998, Culp was considered the largest exporter of fabric in the furniture industry, with shipments to more than 50 countries.

SALES APPROACHED THE HALF-BILLION MARK in 1998, as Culp employed over 4,000 associates and operated 16 facilities totaling 2.8 million square feet. The company was considered the global leader in the industry with the broadest product line available as a manufacturer of upholstery and mattress fabrics.



In 1999, Culp was given the coveted "Model Mill Award" by Textile World Magazine, recognizing Culp as the top U.S. textile company. Howard Dunn, left, and Rob Culp were also featured that year on the cover of Business Life Magazine.

Culp was listed on the New York Stock Exchange



On the 25th Anniversary of Culp, Inc. in 1997, Culp executives, family and associates were invited to ring the opening bell on the New York Stock Exchange.

THE BRAVE ERA 2001-2010

Culp's Brave Years: Shaped By Adversity
Tidal waves of change in the U.S. textile industry, followed by the Great Recession, created a 10-year trial by fire for Culp.

Brave Era MILESTONES

2002

CHF added circular knitted mattress fabrics to product line.

2003

Culp Inc. invested \$3 million to open Culp China, a vertically-integrated network of partner mills.

2004

Iv Culp became president of CHF
Culp purchased its world headquarters building from Sara Lee and moved into the building on Eastchester Drive in High Point, N.C.

2005

Culp expanded the Stokesdale manufacturing facility to introduce air jet weaving of mattress fabrics.

2007

Frank Saxon became CEO of Culp Inc
CHF purchased the mattress fabric lines and customer base from Burlington Industries.

2008

CHF purchased the Bodet & Horst USA circular knitting facility and business.

Brave Era BY THE NUMBERS

- **\$488 million:** Sales at Beginning of Era
- **\$206 million:** Sales at End of Era
- **1,000:** Approximate Number of Employees at End of Era
- **2 States + 4 Countries:** Geographic Footprint

AS THE NEW MILLENNIUM BEGAN, the entire home furnishings industry was under siege from low-cost production in Asia. Demand for U.S.-produced upholstery fabrics plummeted compared to fabrics produced at dramatically lower price points by Asian competitors. After experiencing a 20% decline in upholstery fabric sales from 2000 to 2001, Culp moved rapidly to exit the majority of its U.S. upholstery fabrics manufacturing platform.



Culp China

AT THE SAME TIME, CULP BEGAN DEVELOPING AN ASIAN PLATFORM for upholstery fabrics production through strategic relationships with partner mills.

"WE ADOPTED A STRATEGY to maintain control of all processes that add value," said Frank Saxon, Executive Chairman. "That includes design, fabric finishing, quality assurance, service, marketing and logistics, while our Asian partner mills focused on the fabric production. It turned out to be a wise strategy, because we limited our investment in fixed assets like real estate and equipment, while developing the agility and flexibility to address changing customer preferences."

"IT WAS A TRAUMATIC TIME that took a toll on our community," said former Chairman Rob Culp, who was CEO at the time. "But had we not taken the steps we did to shift our business model, we undoubtedly would not have survived. Many of our competitors from that time are gone today."



"It was a very challenging but exciting chapter for the business. Our strategic moves during this era saved our company."

– Frank Saxon / Executive Chairman

"We came out stronger and wiser. We had always been good merchandisers and product developers and relationship builders. But during our 10-year trial, we gained expertise operationally. We became a balanced, disciplined, world-class company."

– Rob Culp III
Former Chairman of Culp



"IT WAS A DIFFICULT CHAPTER IN THE BUSINESS," Saxon said. "Every day was stressful." Despite the challenges, Culp kept moving forward. The company expanded the Chinese operation in 2006 to include a "cut and sewn" facility using Culp fabric to make upholstery kits to be shipped back to U.S. furniture manufacturers. By 2006, half of the company's upholstery fabrics were sourced in Asia. By 2008, Culp had partner facilities in Shanghai, and for the first time, sales of China-produced fabric exceeded domestically-produced goods. By 2009, China-produced upholstery fabrics represented three-fourths of annual sales. The company moved rapidly to downsize its U.S.-based upholstery fabric operations over the next several years.

CULP'S TRANSITION FROM "OCEAN LINER" TO "SPEEDBOAT" was made through turbulent waters. From 2001 to 2009, upholstery fabric sales declined over 70%. From 2000 to 2007, Culp closed 14 domestic upholstery fabric plants, which meant layoffs of many employees.

DURING THE SAME 7-YEAR PERIOD, MATTRESS FABRIC SALES WERE BOLSTERED by a relatively strong market for mattresses, growing approximately 10%. Culp embarked on a capital expenditure program to expand the vertical integration of the mattress fabrics segment, and made two strategic acquisitions to grow market share, along with adding knit fabric production. By 2009, mattress fabrics represented 57% of the company's total annual sales.

JUST AS CULP GAINED TRACTION in its new business model and product mix, the Great Recession gripped the world economy in 2008. Demand for both upholstery and mattress fabrics was weak through 2009-2010, as all sectors of the U.S. economy faced the worst economic conditions in decades. During the industry disruptions and economic downturn, "We were tested by fire, but we came out wiser and stronger," Culp said.

"WE REINVENTED OURSELVES BUT KEPT THE SAME SPIRIT," added Ken Bowling, Executive Vice President, Chief Financial Officer. "We emerged more flexible operationally and stronger financially, with our culture and values intact."



From left to right: Frank Saxon, Executive Chairman; George Zhu, Current General Manager Culp China; Mike Messer, Former General Manager Culp China



Culp China's Initial Management Team

THE BOLD ERA

2011 - Present

Culp's Bold Years:
Golden Era marked by design
innovation, financial excellence and
an agile global operating platform.

Bold Era MILESTONES

2012

Culp Inc. reinstated payment of quarterly dividends to shareholders.

Culp Home Fashions (CHF) established a cut-and-sew mattress cover operation, CLASS, (Culp Lava Applied Sewn Solutions) in Stokesdale, N.C.

2015

Boyd Chumbley became president of CUF.

2016

Culp Inc. became debt-free. CHF added knitting and knit finishing to Canadian operations, expanding capabilities to include knitting, weaving and finishing, enhancing competitiveness and market penetration.

2017

CHF completed a 220,000 sq-foot expansion to increase warehousing and shipping capacity and to provide space for relocation of mattress knitting operations from High Point to Stokesdale, N.C.

CHF constructed an 80,000-square-foot cut-and-sew mattress cover operation CLASS facility in Haiti.

2018

CUF acquired Read Window Products to expand the hospitality business segment.

2019

CUF expanded its global platform to Vietnam for cut and sew upholstery kits.

2020

Iv Culp was named President and CEO of Culp, Inc.

Sandy Brown was named president of CHF.

CHF expanded CLASS in Haiti with an additional 40,000 square feet of space.

Bold Era BY THE NUMBERS

- **\$206 million:** Sales at Beginning of Era
- **\$324 million:** Sales in Fiscal Year 2018
- **1,400:** Approximate Number of Employees*

*Employee count is as of June 2020

CULP EMERGED VICTORIOUS from a ten-year trial by fire as the country recovered from the Great Recession. As the first decade of the 21st Century drew to a close, Culp began transitioning from a sales and manufacturing-centric company to a world-class marketer and product innovator with an agile global operating platform.



CHF Plant in Stokesdale, N.C.

CULP BOLDLY MOVED into an era distinguished by design creativity, customer responsiveness and product innovation. Fiscal discipline has led to excellent financial performance. "As we came out of the recession and paid down our debt, we set a strategy to become a great global marketing company," said Frank Saxon, Executive Chairman. "Our greatest accomplishment in the last several years is that we've become a fashion and product leader in both businesses – mattress fabrics and upholstery fabrics," he said.

"WE HAVE INVESTED in technology, software, archive systems, research, and most importantly, people, to become a design company, said Iv Culp, President and Chief Executive Officer. In contrast to the company's early years, when upholstery fabrics represented the lion's share of sales, mattress fabrics today comprise approximately 51% of sales, compared to 44.5% for upholstery fabrics. Another 4% of sales are in the new product category of upholstery hospitality sales. Mattress fabrics are manufactured primarily in company-owned facilities in North America, while the majority of upholstery fabrics are produced in Asia.

FROM 2010 TO 2018, CULP INC. SALES GREW OVER 50%, with 7 consecutive years of overall sales growth. After having been more than \$150 million in debt in 1998, Culp became debt-free in 2016, while at the same time re-investing \$88 million into the business in recent years and generating significant free cash flow.

"CULP'S FUTURE IS NOTHING SHORT OF INCREDIBLE, with the positioning of the company today, the many opportunities before us and our financial strength," Saxon said.

FRESH IDEAS: LIVESMART® BRAND OFFERS SPILL RESISTANCE, ENVIRONMENTAL BENEFITS



In 2016, Culp Upholstery Fabrics successfully launched the LiveSmart® brand, a line of performance fabrics that are stain and fade resistant, with an innovative technology that repels spills before they turn into stains.

More recently, the LiveSmart Evolve™ brand was launched, combining the stain-resistant technology with sustainability by featuring the use of high-quality recycled yarns made with recycled materials such as plastic bottles.



The LiveSmart Evolve™ brand is part of an overall strategy by Culp to pursue environmental stewardship through sustainable business practices. In 2020, Culp achieved zero landfill status at its Stokesdale, N.C. facility, meaning substantially all of the waste generated from daily operations at this facility is diverted from the landfill and into a recycling program with a recycling partner based in South Carolina. "We're always mindful of our impact on the communities where we do business," said Iv Culp, Chief Executive Officer. "We continue to identify ways to conserve natural resources and reduce our environmental footprint."

LiveSmart
EVOLVE™



Pictured are Tammy Buckner, SVP Marketing/Design Residential Fabrics for CUF, Donna Morrison, VP & Creative Director for CUF and Jerry Owens, VP Product Development for CUF.

"It was the vision of my grandfather to be in two businesses: mattress fabrics and upholstery fabrics. These are two distinct operations, two different markets and two sets of customers. That means Culp is less susceptible to market downturns and has been able to adapt to challenges. In the early days, upholstery was strong, and the mattress business was just beginning. In the late 90s and early 2000s, the mattress division took off as upholstery faced offshore competition. For most of our years, one business has supported the other. But for the last several years, both divisions are performing well and trending positively. This gives us confidence that our best years are ahead of us."



Iv Culp: President and Chief Executive Officer

NEW CLASS FACILITY IN HAITI: GOOD BUSINESS WHILE DOING GOOD



In 2017, Culp Home Fashions, together with a joint venture partner, built an 80,000-square-foot cut-and-sew mattress cover facility (CLASS) in Haiti that creates a preferred service platform.

The opportunity for Culp is that the operation improves the company's ability to meet customer demand for sewn covers with a near-sourcing platform, while also enhancing the value of the product line.

The potential for the over 300 Haiti employees at the facility, their families and surrounding community is that the CLASS operation gives an opportunity to work and grow in one of the world's developing countries. "The Haiti operation is an intersection of business expansion and humanitarian progress," said Teresa Huffman, Senior Vice President of Human Resources.

The facility, which was expanded by 40,000 square feet in 2020, is located in the Codevi Industrial Park, which provides key infrastructure such as childcare, medical care and a convenient location. It is considered a highly prestigious place to work in Haiti.



Above: Jeff Veach, VP of CLASS, is with Edgar Trigueros Alfera, Haiti General Plant Manager. Upper right is a group of employees at the Haiti plant; Upper left is the plant's front entrance.

CULP HOSPITALITY BRAND LAUNCHED WITH 2018 ACQUISITION



Culp expanded its horizons and sales growth opportunities in the hospitality fabrics marketplace with the acquisition of Read Window Products in 2018.

Prior to the acquisition, Culp for many years had supplied upholstery fabrics to commercial furniture manufacturers serving office interiors, hotel chains, educational venues and theaters. For several decades, Culp had operated under the Culp Contract brand, focusing on classic designs at affordable prices serving office interior and education markets, along with hotel and theater markets. Culp Contract was known as the "brand standard" for Cinemark® theaters as well as in numerous hotel chains such as Comfort Inn & Suites®, Quality Inn®, Wingate®, and Wyndham Garden®, among others.

The 2018 acquisition of Read Window Products allowed Culp to become a turnkey resource for window treatments and soft goods to the hospitality market. At the time of the purchase, Culp Contract was re-branded to Culp Hospitality. As Culp increasingly focuses on the hospitality arena, Read Window in 2019 began producing the new product category of roller shades, presenting even more possibilities for expansion. Today, Culp Hospitality fabrics are a carefully curated, affordable collection of in-stock drapery, sheer, and performance upholstery fabrics.



CULP PIVOTS TO PATRIOTIC RESPONSE DURING PANDEMIC



As the COVID-19 virus crisis hit the U.S. in early 2020, Culp quickly mobilized employees and strategic partners across its global platform to supply products for healthcare and safety needs. The company repurposed production and sourcing capabilities in the U.S., Haiti, Canada and Asia to supply personal protective

equipment (PPE) such as face masks for FEMA, bedding covers and bedding fabrics for hospital beds.

"The initiative to reprioritize some of our operations to produce PPE is not about profit, but rather to support our nation during this crisis while also keeping as many workers as possible employed," said Iv Culp, chief executive officer. "Culp associates are honored by the opportunity to pitch in and support our front-line workers, our healthcare operators, our communities and our nation during this unprecedented time."

In addition to the company's patriotic and community service endeavors during the health crisis, Culp has enacted best-practice safety protocols for employees at all locations. Culp created an internal campaign called

"Culp Cares" to emphasize personal responsibility for all to encourage a safe and secure workplace, protecting the well-being of all associates and their families.



From Left to Right: Frank Saxon, Executive Chairman Culp, Inc., Ashley Durbin, VP Gen. Counsel, Corp. Secretary Culp, Inc., Sandy Brown, President of Culp Home Fashions, Iv Culp, President & CEO of Culp, Inc., Teresa Huffman, Senior VP Human Resources Culp, Inc., Boyd Chumbley, President Culp Upholstery Fabrics Ken Bowling, EVP, CFO, Treasurer Culp, Inc.



"Any success we have had as a business is directly attributable to the great group of associates we have in our company, who have each been a part of inspiring the culture of our business – a culture of creativity and innovation combined with an attitude of 'execute with excellence.'"

- Boyd Chumbley,
President of Culp Upholstery Fabrics



"The blending of cultures and ethnic groups has helped us have the most vibrant workforce in the company's history. Culp's extraordinary workplace community inspires us to move forward into a future filled with promise."

- TERESA HUFFMAN
SENIOR VICE PRESIDENT HUMAN RESOURCES

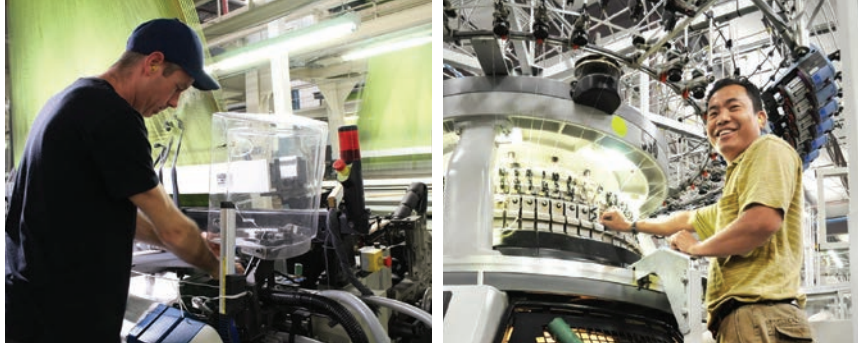


"Across the years of Culp's business journey, one generation of associates began and completed their careers here, while another generation remains within our open doors today. Culp is driven to be the answer to the trust our customers have placed in us."

- SANDY BROWN
PRESIDENT CULP HOME FASHIONS

PEOPLE MAKE THE DIFFERENCE AT CULP

“ Mr. Culp and Rob taught us to be fully focused on our customers and our employees.”
- FRANK SAXON
EXECUTIVE CHAIRMAN



“ The passion that I see in our associates every day is amazing. Everyone is focused to do their very best to make the company better for our customers.”
- Iv CULP
PRESIDENT AND CHIEF EXECUTIVE OFFICER



CULP'S BOLD VISION

OUR BEST DAYS ARE YET TO COME

Every day, we strive to strengthen the quality of our connections, to unite our employees, partners, and communities in a shared purpose, to lead with integrity, and create a culture of people passionate about making a difference.



From left to right: Ashley Durbin, VP Gen. Counsel, Corp. Secretary Culp, Inc., Ken Bowling, EVP, CFO, Treasurer Culp, Inc., Boyd Chumbley, President Culp Upholstery Fabrics, Sandy Brown, President of Culp Home Fashions, Teresa Huffman, Senior VP Human Resources Culp, Inc., Iv Culp, President & CEO Culp, Inc., and Frank Saxon, Executive Chairman Culp, Inc.

"We are excited about the next chapter for Culp, and believe our best days are yet to come. As we move forward, we will focus on growing our company. We will expand organically and through targeted opportunities across our various divisions in bedding, upholstered furniture and hospitality.

Many synergies await as we innovate and develop products suitable for any of Culp's businesses. We will be less separated by division and more collaborative in sharing ideas and developments that can be successful in all of our markets. Synergies are one of Culp's core strengths. We are connecting our products and customers across our divisions, creating exciting business opportunities. While doing all of this, we will honor our traditions and remember that people make the difference at Culp."

—Iv Culp, President and Chief Executive Officer

CONNECTED: Both in the past and today, our business depends on the quality of our connections to each other, customers, partners and communities. We will drive growth as we connect our products and customers across bedding, furniture and hospitality brands to identify exciting new business opportunities.

UNITED: Our bold aspirations for the future of Culp are framed by our shared values and vision and the challenges and triumphs of the past. We embrace the inclusive and global nature of our workforce and communities as a competitive strength. The shared desire to do "whatever it takes" to delight our customers unites us.

LEADERSHIP: Culp proudly carries the passion and spirit instilled by our founders Robert Culp Jr. and Rob Culp III, along with Howard Dunn and Frank Saxon. We are committed to carry on their leadership legacy by shaping a culture that is ethical, respectful and hardworking.

PEOPLE: Culp's success begins and endures through our people. Together, we are building business momentum, identifying new opportunities and forging new frontiers. Challenges will always test us. But our tenacious determination to meet them and our ability to adapt will lead us to persevere and prosper.



CULP
UPHOLSTERY
F A B R I C S



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