

CULP

March 13, 2020

Dear Valued Culp Customer,

Thank you for your business and the opportunity to serve you. We wanted to personally share an update on our efforts to avoid or minimize disruption to your operations during the Coronavirus (COVID-19) outbreak.

The health and safety of our employees, as well as the employees of our customers, partners, and vendors, remains our top priority. We are taking a number of precautionary measures to ensure that all such individuals avoid any risk of infection during this unprecedented and evolving situation. At the same time, we understand that the security of our supply of products to you is of critical importance.

The Culp team is closely monitoring the status of the outbreak. We are complying with all government requirements associated with the operation of our facilities and following the protocols set forth in our longstanding global pandemic disease contingency plan. As the number of cases continues to escalate globally, we are also taking additional preventative measures such as limiting travel, restricting non-essential visitors, enforcing quarantine protocols as appropriate, and increasing cleaning schedules.

Currently, we have not experienced material impacts on our operations or supply chain due to the COVID-19 outbreak in any of our businesses. We have built a long-standing and reactive supply chain with strong manufacturing platforms and partners. We also have significant alternative locations with repetitive capabilities as needed, including production or sourcing capabilities in the U.S., Canada, Haiti, China, Vietnam, and Turkey, depending on the particular business division. We believe our stable supply chain and global platform supports our ability to manage disruption, based on the conditions known at this time.

We are also communicating regularly with our suppliers to capture updated status information and working to keep our customers informed of any impact to delivery of products manufactured in regions of the world affected by the virus.

Importantly, we continue to maintain a sound financial position with solid liquidity. We have a strong balance sheet and amounts available for borrowing under our revolving credit agreements in both the U.S. and China, giving us the financial strength to support our operations and execute our strategies during this challenging time.

As you know, despite our best efforts, the situation relating to COVID-19 is fluid and could change on short notice. However, please rest assured that our entire organization is highly focused on minimizing any impact to your needs as a customer.

Thank you for your patience and understanding as we work through this unprecedented time. We have a dedicated team managing our response and we will continue to provide updates as we learn more.

On behalf of all of us at Culp, thank you for your continued business.

Sincerely,

Iv Culp
Robert G. Culp, IV
Chief Executive Officer

Sandy Brown
Sandy Brown
President, Culp Home Fashions

Boyd Chumbley
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