



SECOND QUARTER FY26: SUPPLEMENTAL INFORMATION

December 2025

CULP

FORWARD-LOOKING STATEMENTS

This presentation contains “forward-looking statements” within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995 (Section 27A of the Securities Act of 1933 and Section 21E of the Securities and Exchange Act of 1934). Such statements are inherently subject to risks and uncertainties that may cause actual events and results to differ materially from such statements. Forward-looking statements are statements that include projections, expectations, or beliefs about future events or results or otherwise are not statements of historical fact. Such statements are often but not always characterized by qualifying words such as “expect,” “believe,” “will,” “may,” “should,” “could,” “potential,” “continue,” “target,” “predict,” “seek,” “anticipate,” “estimate,” “intend,” “plan,” “project,” and their derivatives, and include but are not limited to statements about expectations, projections, or trends for our future operations, strategic initiatives and plans, restructuring and integration actions, production levels, new product launches, sales, profit margins, profitability, operating (loss) income, capital expenditures, working capital levels, cost savings (including, without limitation, anticipated cost savings from restructuring and integration actions), income taxes, SG&A or other expenses, pre-tax (loss) income, earnings, cash flow, and other performance or liquidity measures, as well as any statements regarding dividends, share repurchases, liquidity, use of cash and cash requirements, ending cash balances and cash positions, borrowing capacity, investments, potential acquisitions, cash and non-cash restructuring and restructuring-related charges, expenses, and/or credits, net proceeds from restructuring related asset dispositions, future economic or industry trends, public health epidemics, or other future developments. There can be no assurance that we will realize these expectations or meet our guidance, or that these beliefs will prove correct.

Factors that could influence the matters discussed in such statements include the level of housing starts and sales of existing homes, demand for home furnishings products, consumer confidence, trends in disposable income, and general economic conditions. Decreases in these economic indicators could have a negative effect on our business and prospects. Likewise, increases in interest rates, particularly home mortgage rates, and increases in consumer debt or the general rate of inflation, could affect us adversely. Changes in consumer tastes or preferences toward products not produced by us could erode demand for our products. Changes in tariffs or trade policy, including changes in U.S. trade enforcement priorities, or changes in the value of the U.S. dollar versus other currencies, could affect our financial results because a significant portion of our operations are located outside the United States. Also, economic or political instability in international areas could affect our operations or sources of goods in those areas, as well as demand for our products in international markets. The future performance of our business depends in part on our success in conducting and finalizing acquisition negotiations and integrating acquired businesses into our existing operations. The impact of public health epidemics on employees, customers, suppliers, and the global economy, such as the coronavirus pandemic, could also adversely affect our operations and financial performance. In addition, the impact of potential asset impairments, including impairments of property, plant, and equipment, inventory, or intangible assets, as well as the impact of valuation allowances applied against our net deferred income tax assets, could affect our financial results. Increases in freight costs, labor costs, and raw material prices, including increases in market prices for petrochemical products, can also significantly affect the prices we pay for shipping, labor, and raw materials, respectively, and in turn, increase our operating costs and decrease our profitability. Also, our success in diversifying our supply chain with reliable partners to effectively service our global platform could affect our operations and adversely affect our financial results. Finally, the future performance of our business also depends on our ability to successfully restructure our bedding operations and return the segment to profitability as well as successfully integrate our bedding and upholstery segments and realize the expected benefits of that integration effort, which may not meet our expectations. Further information about these factors, as well as other factors that could affect our future operations or financial results and the matters discussed in forward-looking statements, is included in Item 1A “Risk Factors” in our most recent Form 10-K and Form 10-Q reports filed with the Securities and Exchange Commission.

Many of these factors are macroeconomic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from those described in this release as anticipated, believed, estimated, expected, intended, planned or projected. The forward-looking statements included in this presentation are made only as of the date of this presentation. Unless required by United States federal securities laws, we neither intend nor assume any obligation to update these forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations. A forward-looking statement is neither a prediction nor a guarantee of future events or circumstances, and those future events or circumstances may not occur. Additional risks and uncertainties that we do not presently know about or that we currently consider to be immaterial may also affect our business operations or financial results.



BUSINESS OVERVIEW & STRATEGIC ACTIONS

CULP

CULP, INC. (NYSE: CULP)

One of North America's largest marketers of mattress fabrics for bedding and upholstery fabrics for residential, commercial, and hospitality furniture and other applications.

Global customer base of leading bedding and furniture companies, including fabrics produced at manufacturing facilities in the United States, China, Haiti, and Vietnam, and fabrics sourced through a dedicated supply relationship in Turkey and other suppliers.

Founded: 1972

Headquarters: High Point, North Carolina

Initial Public Offering: 1983

Fiscal 2025 Revenue*: \$213.2 Million

Employees: ~ 880

*Year ended April 27, 2025

TWO LEADING BUSINESSES IN MULTI-BILLION DOLLAR MARKETS

BEDDING SEGMENT

- Market leader in mattress fabrics, covers and related products
- Strong U.S., nearshore, and offshore supply chains
- Majority of assets in U.S.
- 53% of Culp Fiscal 2025 revenue

UPHOLSTERY SEGMENT

- Market leader in fabrics for residential and commercial/hospitality furniture and window treatment markets
- Asset-light sourcing model
- Primarily Asia supply chain
- 47% of Fiscal 2025 revenue

CULP BEDDING

Large-Scale Leader in Consolidated Industry with Significant Barriers to Entry

INNOVATIVE PRODUCTS

- Knitted fabrics
- Sewn mattress covers
- Damask and woven fabrics
- Bedding accessories
- Wide range of fashionable styles and price points

COMPETITIVE STRENGTHS

- One of the largest producers of mattress fabrics in North America
- Global manufacturing and sourcing:
 - U.S., China, Vietnam, Haiti, Turkey
- Strong U.S. base and global footprint provide competitive advantage in current trade/tariff environment
- Innovative designs capitalizing on sleep trends, cooling and sustainability

GROWING MARKET SHARE



¹ Management estimates for domestic mattress fabric and cover market

² Culp top 2 player

CULP UPHOLSTERY

Market Leader Known for Creative Designs and Innovative Products, with Asset-Light Operating Model

INNOVATIVE PRODUCTS

- Upholstery fabrics for residential furniture markets
- Upholstery fabrics for hotel, theater, office, retail and other commercial and hospitality furniture markets
- Window treatments, drapery and roller shades for hospitality and other commercial markets

COMPETITIVE STRENGTHS

- Outstanding design capabilities
- Asset-light flexible global platform provides competitive advantage in current trade/tariff environment
- Innovative performance fabrics including proprietary LiveSmart brand
- Emphasis on sustainability and health/wellness applications

GROWING MARKET SHARE



¹ Management estimates for domestic upholstery fabric market

² Culp top 5 player

LIQUIDITY & CAPITAL BASE

Top Priority to Aggressively Manage Liquidity/FCF and Debt

BALANCE SHEET HIGHLIGHTS

TOTAL LIQUIDITY	As of 11/2/2025 (in millions)
Cash	\$10.7
U.S. ABL Availability	17.4
China Credit Line Availability	0.0
Total Liquidity	\$28.1
Estimated Proceeds from Canadian Real Estate Sale*	\$3.0
Total Liquidity Including Future Real Estate Sale Proceeds*	\$31.1

**Estimated proceeds net of all taxes and commissions, to be received in Fiscal 2026.*

- Liquidity in place to navigate current environment.
- Recently extended domestic credit facility for additional three years at market rates.
- Owned U.S. real estate with estimated value of ~\$40-\$45 million provides significant source of additional liquidity if needed.
- U.S. Federal NOL carryforwards totaling ~\$88.1 million as of April 27, 2025.
- Tangible book value of \$4.17/share (as of 11/2/25) understated due to owned real estate and NOLs.
- Recent borrowings primarily used to fund restructuring/integration initiatives and worldwide working capital as well as take advantage of favorable rates and availability in China.
- Restructuring and additional actions in FY26 to significantly lower expected operating costs and cash burn at current low sales levels to navigate industry softness.

RESTRUCTURED FOR PROFITABILITY ACROSS MARKET CYCLES

Completed Fiscal 2025

ACTIONS

Consolidated North American Bedding Operations

- Closed manufacturing operations and sold facility in Quebec, Canada
- Moved knitting and finish capacity to owned U.S. facility (North Carolina)
- Optimized capacity and overhead in owned U.S. facility (North Carolina)
- Transitioned damask mattress fabric product lines to strategic sourcing model

Consolidated Haiti / DR Cut & Sew Operations into One Facility

Reduced Bedding Workforce by ~35%

Restructured Upholstery Finishing Operation in China

Reduced Administrative SG&A Expenses

OUTCOMES

\$10 to \$11 Million in Projected Annualized Cost Savings and Efficiency Gains

~ \$1 Million Reduction in Administrative SG&A Expenses

Total Restructuring & Related Charges: \$9.4 Million

Projected Proceeds from Asset Sales & Related Items

- \$3-3.5 Million from sale of Canada facility
- ~ \$2.3 Million from sale of excess equipment, termination of Haiti lease, and other items
- All offset cash restructuring charges

FY25 RESTRUCTURING DRIVING STEADY GROSS PROFITABILITY IN CHALLENGING INDUSTRY ENVIRONMENT



Poised for Accelerated Improvement in Market Recovery

1. Revenue and Gross Profit referenced in the table above constitute Culp, Inc.'s consolidated net sales and consolidated gross profit, respectively, for the fiscal year periods indicated.

2. Gross Profit for Q4 of FY25 includes a benefit of \$1.7 million resulting from a change in Culp, Inc.'s accounting estimates for finished goods inventory markdown reserves.

FISCAL 2026 INTEGRATION & ADDITIONAL ACTIONS

Cost and Organizational Actions Strengthen Foundation

Integration of Stand-Alone Divisions to Synergize Business and Leadership Teams

- Division Presidents transitioned to Company-wide Chief Commercial Officer and Chief Operating Officer
- Consolidate operations, talent and resources to better serve home furnishings industry
- Creates a leaner and more agile organization better equipped to respond to customer needs and market trends
- ~ \$1 million annualized savings and operating improvement beginning Q2

Consolidate USA Upholstery Warehousing/Distribution

- Relocate leased facility in Burlington, NC into owned facility in Stokesdale, NC
- ~ \$1.7 million annualized savings from exited lease, reduced headcount and synergized operations
- Timing: Q3 / Q4

Consolidate and Streamline Read Window Operations

- Relocate leased facility in Knoxville, TN into owned facility in Stokesdale, NC and increase sourcing strategies
- ~\$800 thousand annualized savings from exited lease, reduced headcount and synergized operations
- Timing: Q4

Price Action to Address Tariff Uncertainty and Rationalize Margins

- ~ \$2.5 million annualized margin improvement in bedding segment
- Timing: Phasing in beginning Q2

Additional Cost Reduction and Efficiency Actions Including Reduction of China Leased Facility Footprint

- ~\$2 million anticipated annualized savings
- Timing: Q3/Q4

~ \$8 Million Total Annualized Additional Benefits

IMPACTS OF RESTRUCTURING & ADDITIONAL ACTIONS

Action	Projected Annualized \$ Impact & Timing	Financial Impact
FY25 Restructuring Initiatives	\$10 to \$11 Million / completed	COGS/SG&A
FY25 Administrative SG&A Rationalization	~ \$1 Million / completed	SG&A
FY26 Division Integration	~ \$1 Million / Q2	SG&A
FY26 Consolidation of U.S. Upholstery Distribution Operations	~ \$1.7 Million / Q3 Q4	SG&A
FY26 Consolidation of Read Window Operations	~ \$800 Thousand / Q4	COGS
FY26 Additional Actions Incl. Reduction of China Facility Footprint*	~ \$2 Million / Q3 Q4	COGS/SG&A
Total Cost/Efficiency Actions	~ \$17.5 Million*	
FY26 Pricing Initiatives	~ \$2.5 Million / phasing Q2	REV/GP
Total FY25/FY26 Actions & Initiatives	~ \$20 Million*	

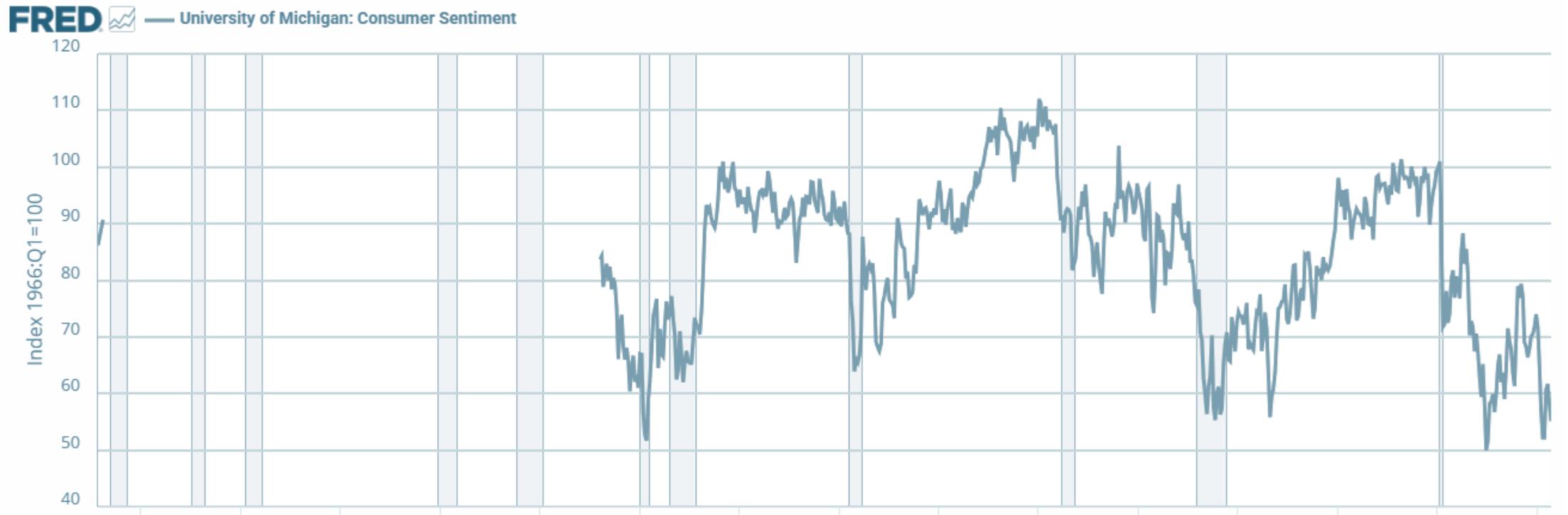
* Updated from FY26 Q1 Supplemental Presentation.



CURRENT MARKET CONDITIONS

CULP

CONSUMER CONFIDENCE



Source: University of Michigan via FRED®

Shaded areas indicate U.S. recessions.

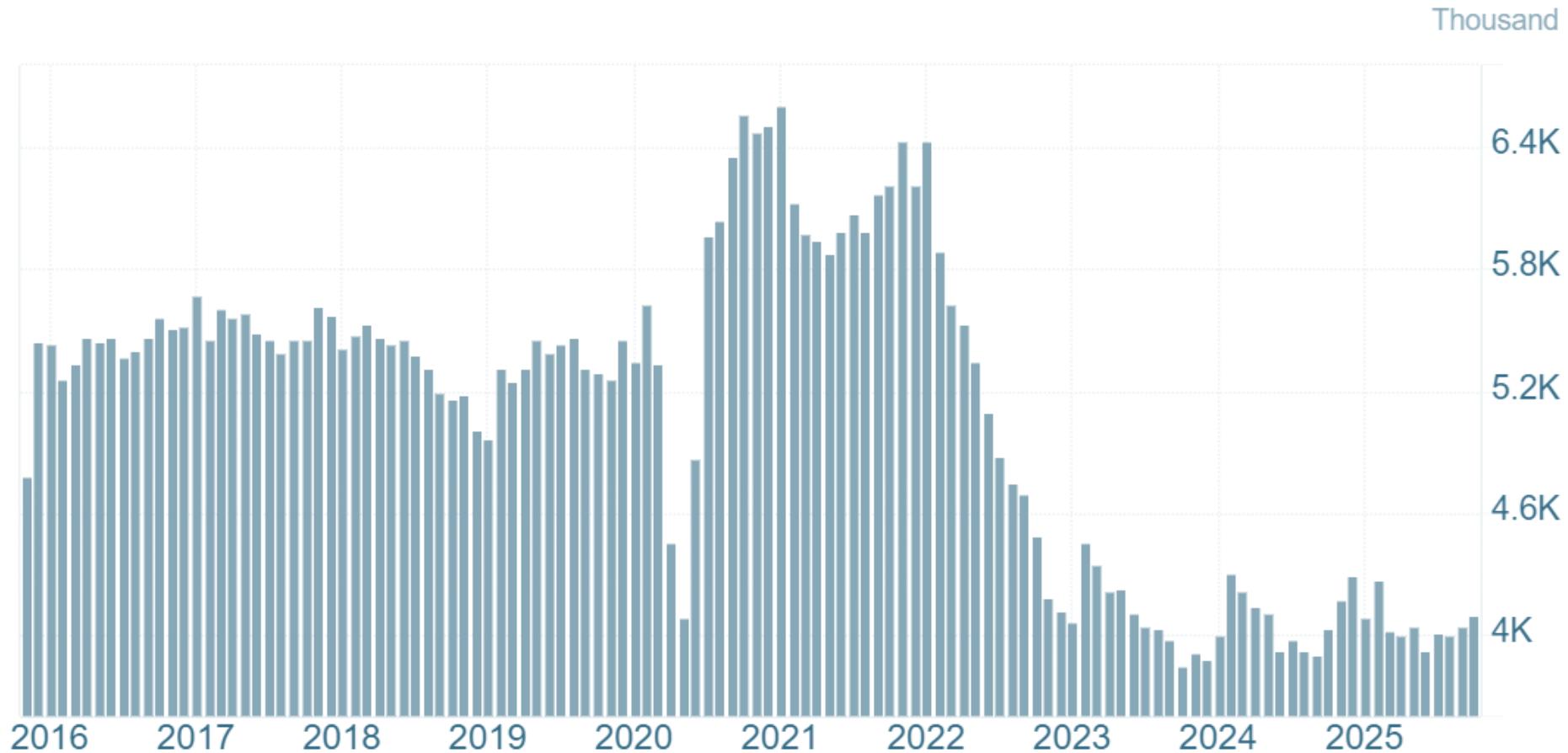
fred.stlouisfed.org

Fullscreen 

Source: University of Michigan, University of Michigan: Consumer Sentiment [UMCSENT], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/UMCSENT>, December 9, 2025.

EXISTING HOME SALES

Currently at Record Lows



Source: National Association of Realtors; Trading Economics

30-YEAR MORTGAGE RATES



Source: Freddie Mac via FRED®

Shaded areas indicate U.S. recessions.

myf.red/g/10ENq

Source: Freddie Mac, 30-Year Fixed Rate Mortgage Average in the United States [MORTGAGE30US], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/MORTGAGE30US>, December 9, 2025.

BEDDING CURRENT MARKET CYCLE

Culp Poised for Growth in Market Recovery

Winning share with innovative designs and strategic global platform

Increased pricing to right-size margins and manage raw material costs and tariff fluidity

Streamlined manufacturing platform provides significant operating leverage as industry conditions improve

Excerpts from UBS Global Research
July 2, 2025:

U.S. Hardlines Retail

Almost Done Tossing and Turning – Assuming Coverage of the U.S. Mattress Industry

Our call is that mattress demand is close to bottoming out. After several years of heavy unit declines, we believe the industry has meaningfully overcorrected from the excess consumption witnessed in '20 and '21. Using a variety of approaches, we estimate there is a 9-10mm unit shortfall today.

Significant pent-up demand is set to be unlocked over the next few years. We think this should be fueled by natural replacement cycles starting to kick in, on top of modest growth in household formation. **We forecast flattish industry sales this year, 4% growth in '26E and 8% growth in '27E.**

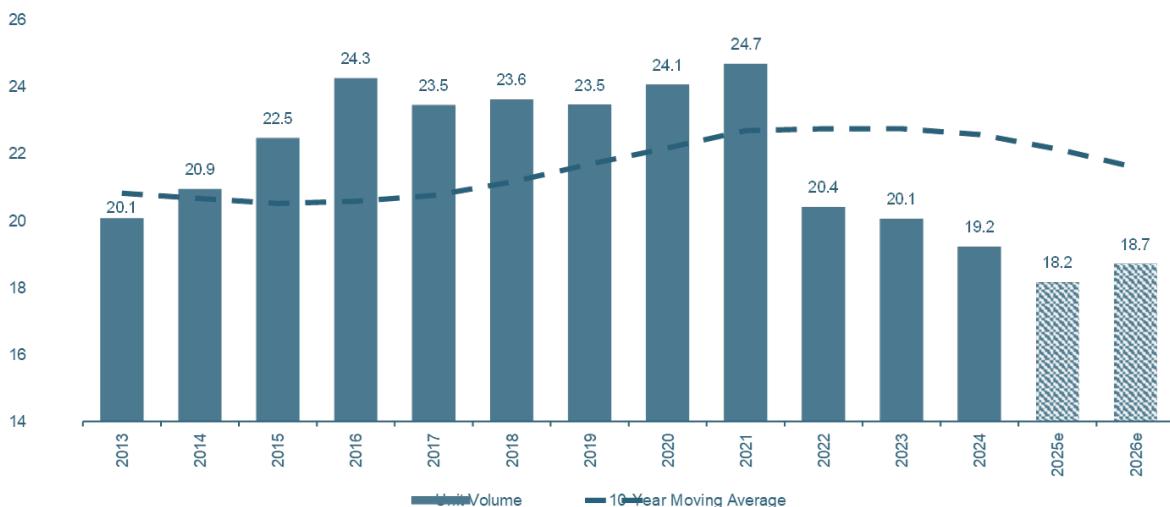
That said, the time it takes for the industry to fully recover could be elongated due to subdued levels of housing turnover. But, we would note the industry has already seen a sharper unit decline during this downturn compared to the housing-led Great Recession. Plus, backing out the unit demand we think is tied to move events, our '26 and '27 forecasts only call for modest growth in "non-housing" related units.

Source: Almost Done Tossing and Turning – Assuming Coverage of the U.S. Mattress Industry, UBS Global Research © UBS 2025. All rights reserved.

BEDDING: CURRENT MARKET CYCLE

Indications that extremely low demand may be coming to end

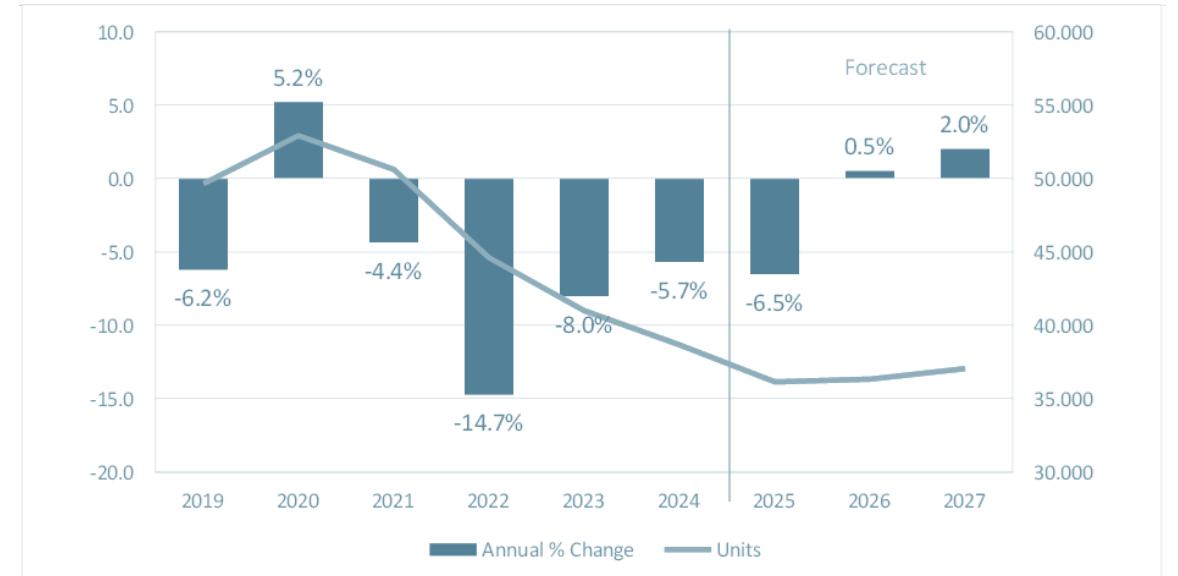
Annual U.S.-Produced Mattress Unit Volume Trends



Note: Annual unit volume data comprises reported U.S. produced mattress shipments and does not include imported mattress shipments or U.S. produced or imported stationary foundations. Forecasts for 2025-2026 are ISPA's May 2025 forecast for unit shipments of mattresses and foundations. 2023 and 2024 annual unit volume data, for U.S. produced mattresses, may not equal the summed total of quarterly unit volume data, for 2023 and 2024, due to ISPA's quarterly data restatements.

Source: International Sleep Products Association and KeyBanc Capital Markets Inc.

Unit Shipments of Mattresses

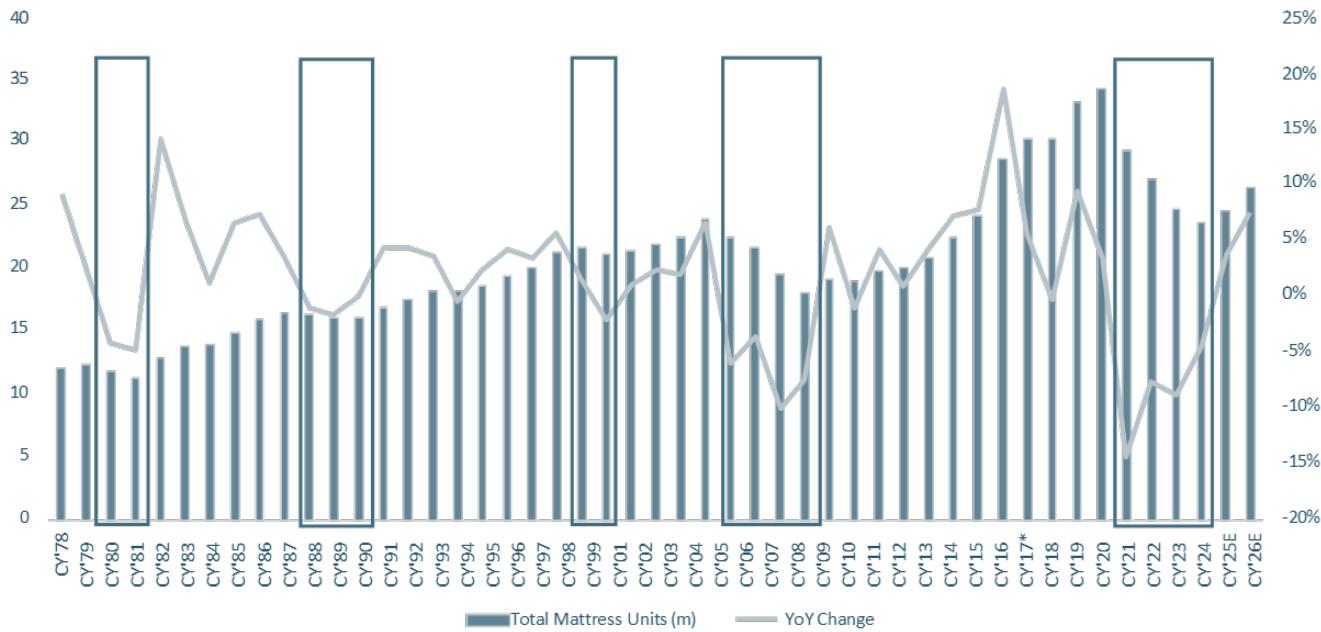


Source: ISPA Annual Sales Survey & ITC Mattress Imports Data for 2019–2024, and ISPA Forecast for 2025–2027

* Includes U.S.-produced and import mattresses and stationary foundations

BEDDING: PRIOR INDUSTRY DOWNTURNS

UBS Global Research: Downturns Since 1980 Have Never Exceeded 4 Years and Were Followed by Periods Averaging 4% Growth



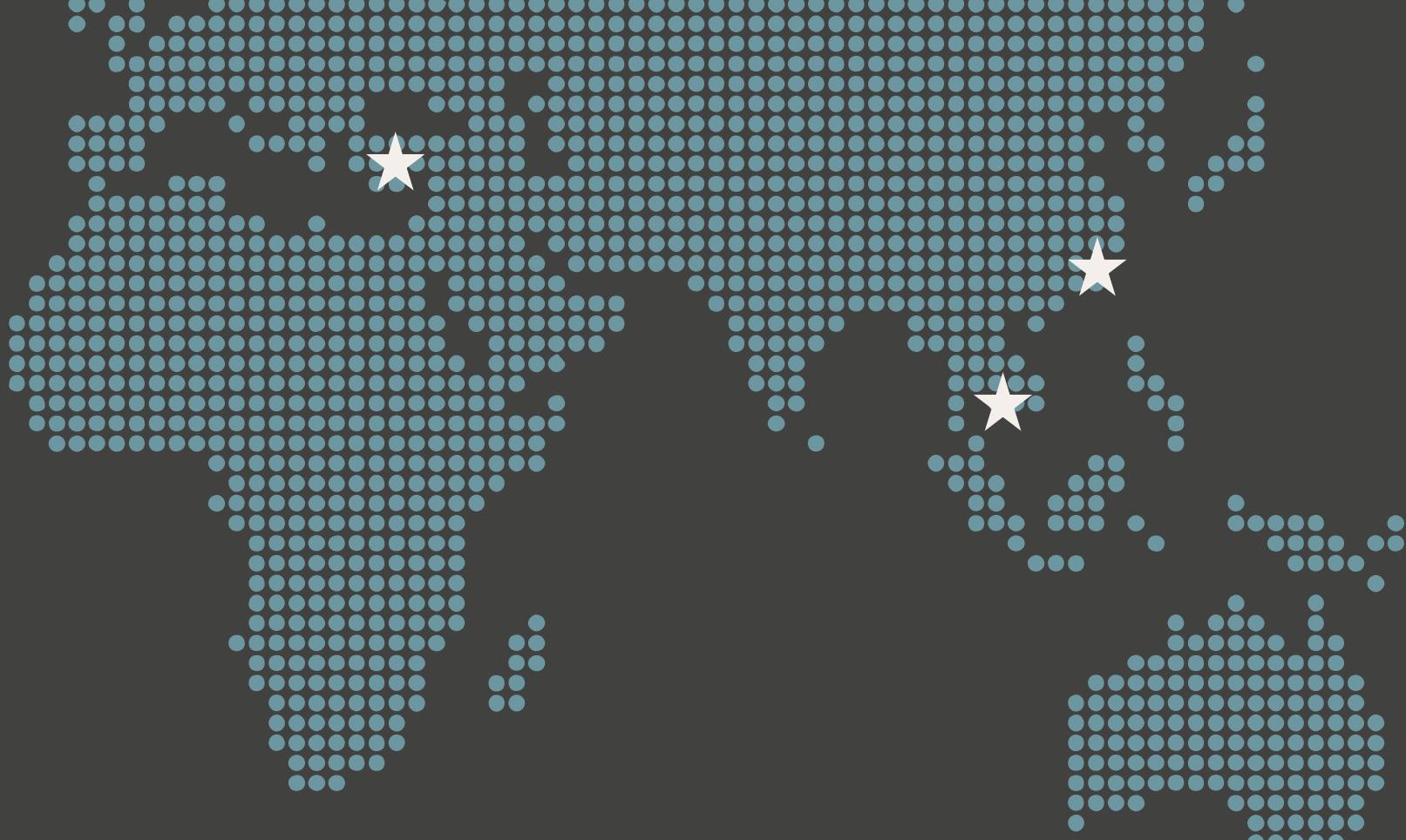
Period	1980-81	1988-90	2001	2006-09	Average
Years of Unit Declines	2	2	1	4	2.25
Peak to Trough Unit Decline (%)	-9%	-3%	-2%	-24%	-9%
Forward 3 Yr Unit Growth CAGR	7%	4%	2%	3%	4.0%

Source: Almost Done Tossing and Turning – Assuming Coverage of the U.S. Mattress Industry, UBS Global Research © UBS 2025. All rights reserved. ⁹

GLOBAL TRADE/TARIFF UNCERTAINTY

*Strong U.S. Base and Global Footprint Gives Customers Valuable Optionality and
CULP an Increasing Competitive Advantage*

WHERE WE ARE



USA · TURKEY · CHINA · VIETNAM · HAITI



INVESTMENT HIGHLIGHTS

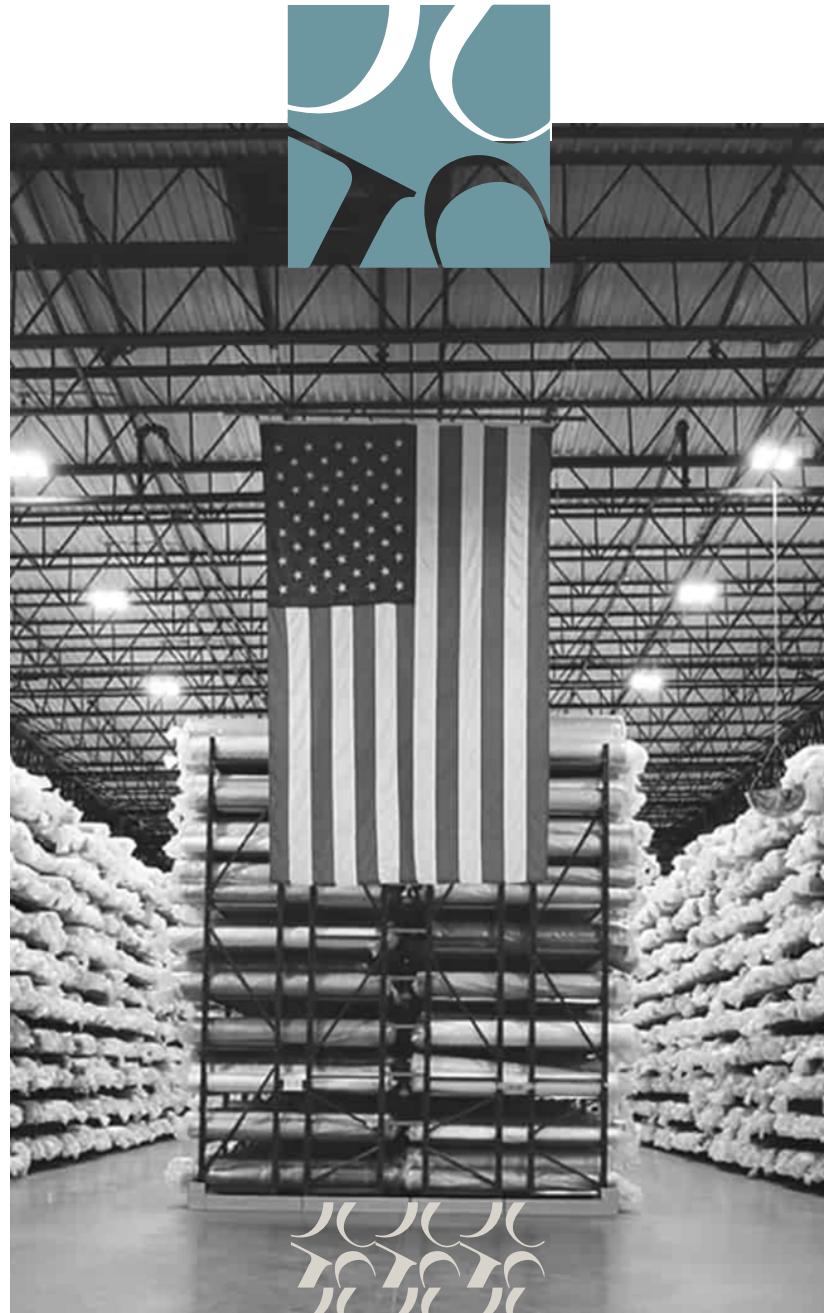
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INVESTMENT HIGHLIGHTS

- Well-established market position in multiple billion-dollar industries
- Experienced and streamlined leadership team focused on profitable growth
- Newly restructured operating platform and additional integration actions to be completed in FY26
- Global production and sourcing capabilities providing strategic options for customers to manage supply chain and navigate tariff and trade regulations

NYSE: CULP

- Strong relationships with key customers and long-term suppliers
- Emphasis on design creativity and product innovation
- Market position improving with solid placements priced in line with current costs
- Consistent improvement in operating performance for bedding segment in FY25 and expected sequential improvement in FY26, in very difficult demand environment
- Available liquidity to support growth and manage industry and global uncertainty



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