

CULP, INC.

Investor Information

December 7, 2022



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. Further, forward looking statements are intended to speak only as of the date on which they are made, and we disclaim any duty to update such statements to reflect any changes in management’s expectations or any change in the assumptions or circumstances on which such statements are based, whether due to new information, future events, or otherwise. 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,” “anticipate,” “estimate,” “intend,” “plan,” “project,” and their derivatives, and include but are not limited to statements about expectations for our future operations, production levels, new product launches, sales, profit margins, profitability, operating income, capital expenditures, working capital levels, income taxes, SG&A or other expenses, pre-tax income, earnings, cash flow, and other performance or liquidity measures, as well as any statements regarding potential acquisitions, future economic or industry trends, public health epidemics, or 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, 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. 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. Changes in consumer tastes or preferences toward products not produced by us could erode demand for our products. Changes in tariffs or trade policy, 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. Strengthening of the U.S. dollar against other currencies could make our products less competitive on the basis of price in markets outside the United States, and strengthening of currencies in Canada and China can have a negative impact on our sales of products produced in those places. 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 impact of public health epidemics on employees, customers, suppliers, and the global economy, such as the global coronavirus pandemic currently affecting countries around the world, could also adversely affect our operations and financial performance. In addition, the impact of potential goodwill or intangible asset impairments 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. Finally, disruption in our customers’ supply chains for non-fabric components may cause declines in new orders and/or delayed shipping of existing orders while our customers wait for other components, which could adversely affect our financial results. 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 recent Form 10-K and Form 10-Q reports filed with the Securities and Exchange Commission. 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.

CULP AT A GLANCE

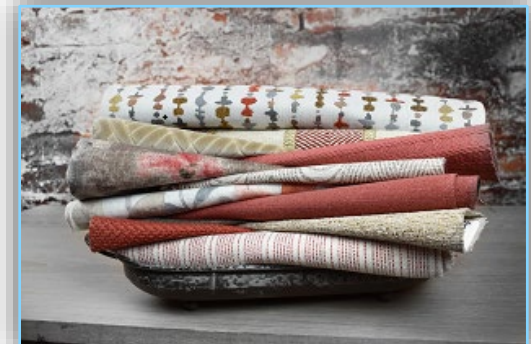
- ◆ Manufactures, sources, and markets mattress fabrics and upholstery fabrics for the furniture and bedding industries in North America and internationally.
- ◆ Global manufacturing and sourcing operations in the U.S., Canada, China, Haiti, Vietnam, and Turkey.
- ◆ Major clients include: Ashley Furniture, Casper, Corsicana, Flexsteel, Fusion Furniture, Kuka Home, La-Z-Boy, Resident Home, Serta Simmons Bedding, Tempur+Sealy, and others.
- ◆ Transformed business model.
- ◆ Founded in 1972.
- ◆ Experienced, long-term management team.

◆ Culp Business Segments

- Mattress Fabrics - Woven jacquard, knitted, including mattress covers, and converted fabrics for use in the production of bedding products
- 52% of sales in FY 2022



- Upholstery Fabrics - For use in the production of residential and commercial upholstered furniture
- 48% of sales in FY 2022



CULP KEY FACTS

Key Facts

- ◆ NYSE : CULP
- ◆ 52-Week Range: \$3.97 - \$9.91⁽¹⁾
- ◆ Shares Outstanding: 12,293,762⁽²⁾
- ◆ FY2022 Revenues: \$295 million
- ◆ Experienced, Long-Term Management Team

Capital Structure

- ◆ Strong Balance Sheet
- ◆ Total Cash & Investments: \$19.1 million ⁽²⁾
- ◆ No Outstanding Debt ⁽²⁾
- ◆ Shareholders' Equity: \$102.1 million ⁽²⁾

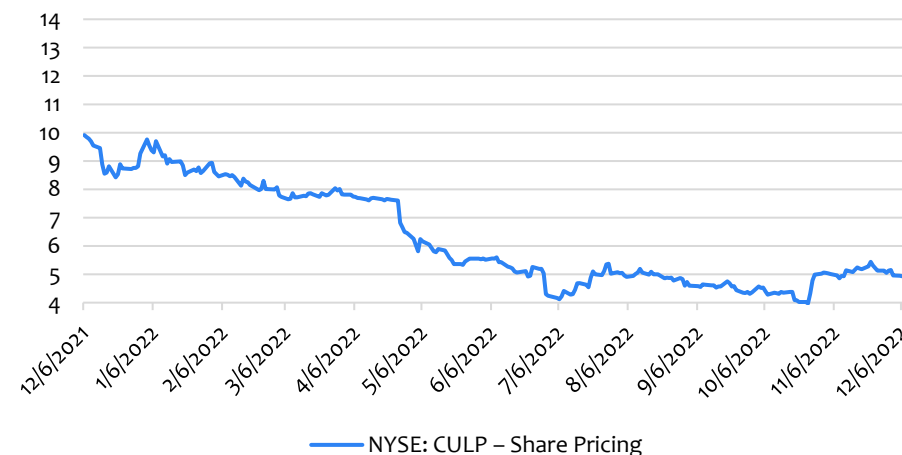
(1) As of December 6, 2022

(2) As of October 30, 2022

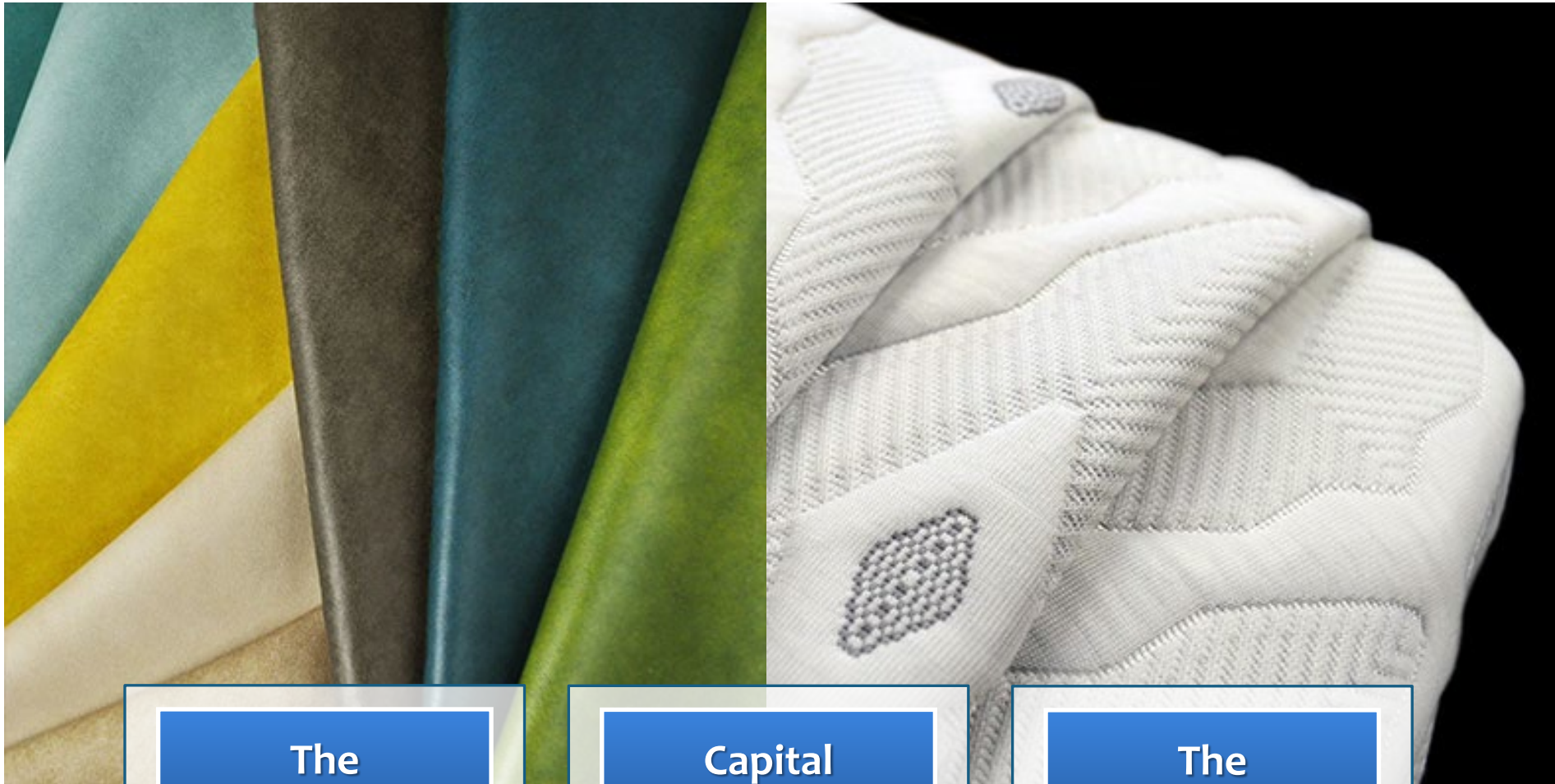
Other

- ◆ Total Employees Worldwide : 1,513⁽²⁾
- ◆ Fiscal Year Ends: Sunday closest to April 30
- ◆ Public Accounting Firm: Grant Thornton
- ◆ Website: www.culp.com
- ◆ Corporate Headquarters: High Point, NC

NYSE: CULP - Share Pricing



INNOVATION LEADER, FOCUSED ON HIGH PERFORMANCE



The
Company

Capital
Allocation

The
Platforms

KEY INVESTMENT POINTS

- ◆ Two businesses - mattress fabrics and upholstery fabrics - each with a leading market share
- ◆ Scalable multi-country platform for fabrics and covers
- ◆ Stable, long-term supply chains in both businesses, which has been critical during pandemic-driven unprecedented disruption
- ◆ Experienced and dedicated innovation and design capabilities in both businesses
- ◆ Solid balance sheet position and disciplined use of capital
- ◆ Focused on free cash flow generation
- ◆ Since June 2011, the company has returned approximately \$79.5 million to shareholders in regular quarterly and special dividends and share repurchases; to preserve liquidity and support future growth opportunities, the company's suspended its regular quarterly dividend during the first quarter of fiscal 2023

RECENT STRATEGIC INITIATIVES

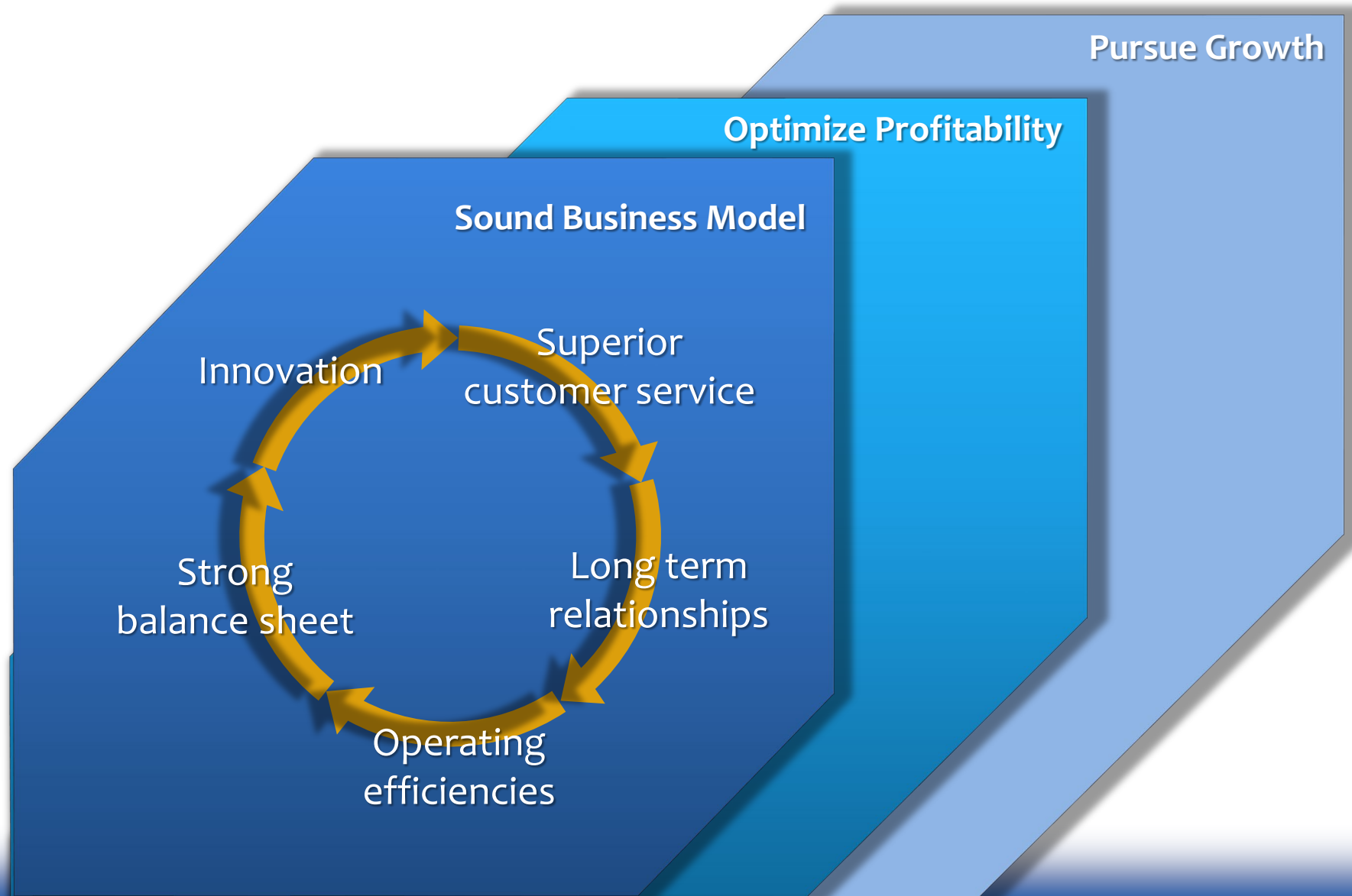
- ◆ Expanded cut and sewn capacity in Haiti for both mattress covers and upholstery kits, including increased mattress cover capacity through the fiscal 2021 acquisition of the remaining 50% ownership interest in existing joint venture.
- ◆ Adjusted and rationalized cut and sewn platforms in North Carolina and Asia, with expectation to generate approximately \$3 million in annualized cost savings.
- ◆ Aligning current fabric production capacity to meet current demand trends.
- ◆ Leveraged global platform during pandemic to meet demand and address global supply chain challenges.
- ◆ Product innovation remains a hallmark for both businesses.
- ◆ New customer programs that are expected to launch in calendar 2023 will have the benefit of being priced in line with current market conditions, as compared to the price/cost lag experienced for the last several quarters.
- ◆ Continuing focus on review of ESG initiatives.
- ◆ Currently evaluating expansion of Vietnam platform to add fabric production capabilities to existing cut and sew sourcing.

RECENT STRATEGIC INITIATIVES (cont'd)

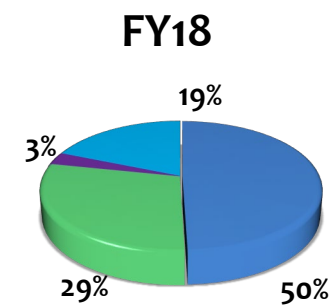
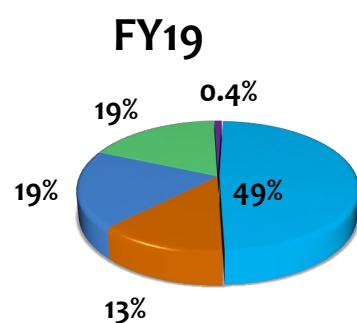
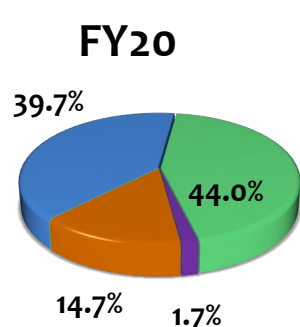
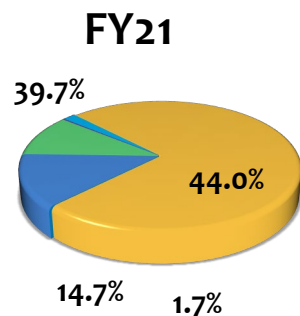
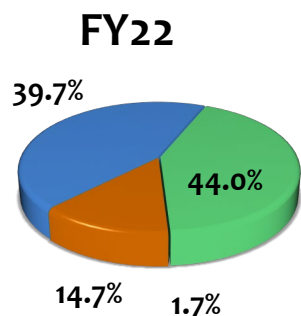
- ◆ New innovation campus opened in downtown High Point, North Carolina, during the second quarter of FY22. This design-driven space brings together the company's most innovative and talented minds to foster collaboration across divisions and provide an everyday space to gather, meet with customers, develop new products, and showcase the company's technologies and innovations from fabric to sewn cover.



PRINCIPLES UNDERLYING OUR SUCCESS



CAPITAL ALLOCATION

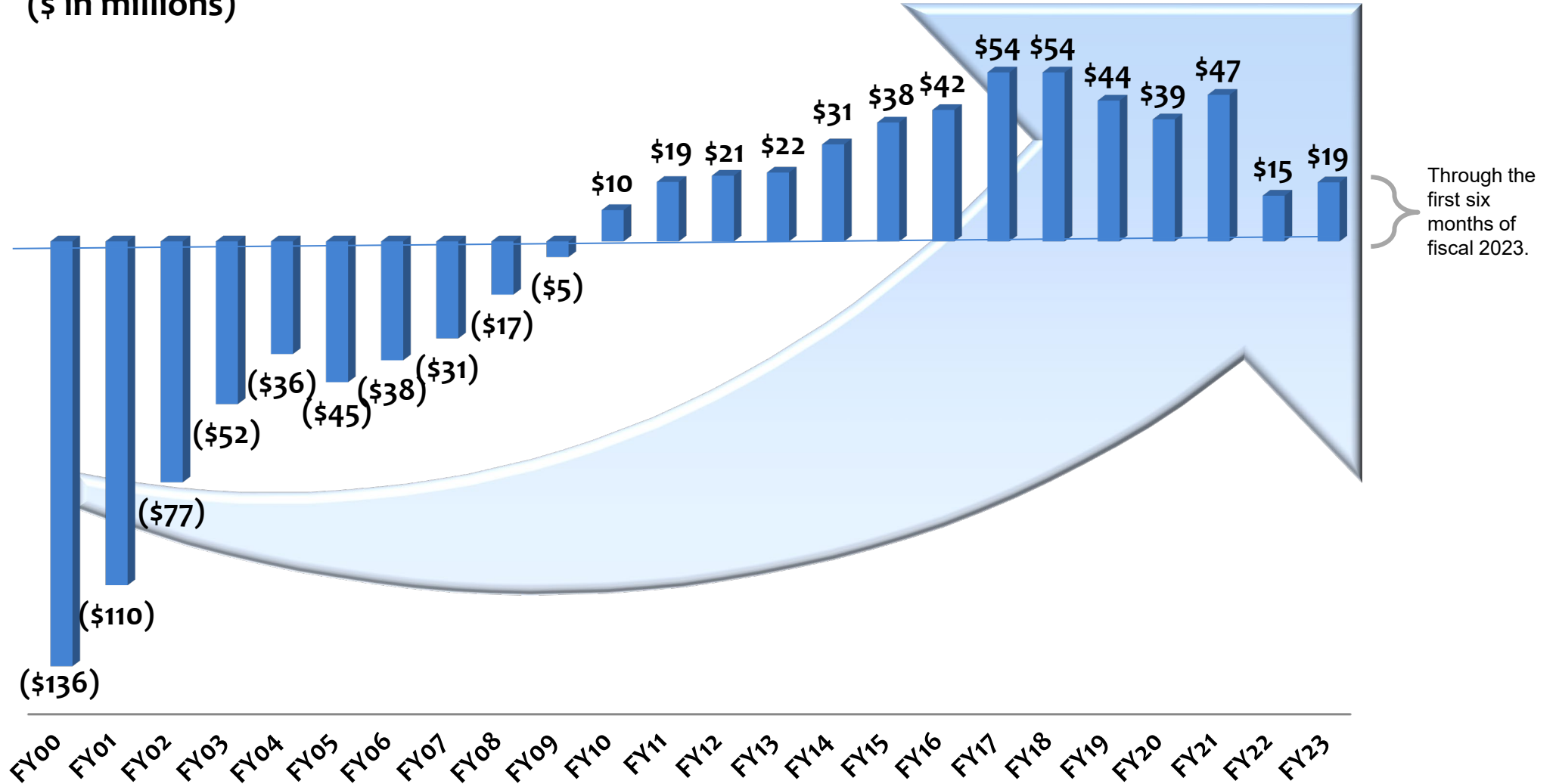


	FY22	FY21	FY20	FY19	FY18
Acquisitions	\$0.0	\$0.9	—	\$12.1	\$4.5
Investment in Joint Venture	\$0.0	\$0.1	\$0.2	\$0.1	\$0.7
Cap Ex, including payments that are vendor financed	\$5.7	\$6.7	\$4.6	\$4.7	\$11.8
Dividends	\$5.5	\$5.3	\$5.1	\$4.7	\$6.8
Share Repurchases	\$1.8	—	\$1.7	\$3.3	—
Debt Repayments	\$0.0	\$38.4	—	—	—
Total Capital Spent	\$13.0	\$51.4	\$11.6	\$24.9	\$23.8

- Acquisitions
- Cap Ex
- Dividends
- Share Repurchases
- Debt Repayments
- Investment in Joint Venture

TRANSFORMATION – NET(DEBT)CASH*

(\$ in millions)



*Net (debt) cash = Cash and investments minus total debt, which includes current maturities of long-term debt, long-term debt, and amounts outstanding under lines of credit.

CULP, INC.



CULP HOME FASHIONS

Mattress Fabrics Division

www.culphomefashions.com

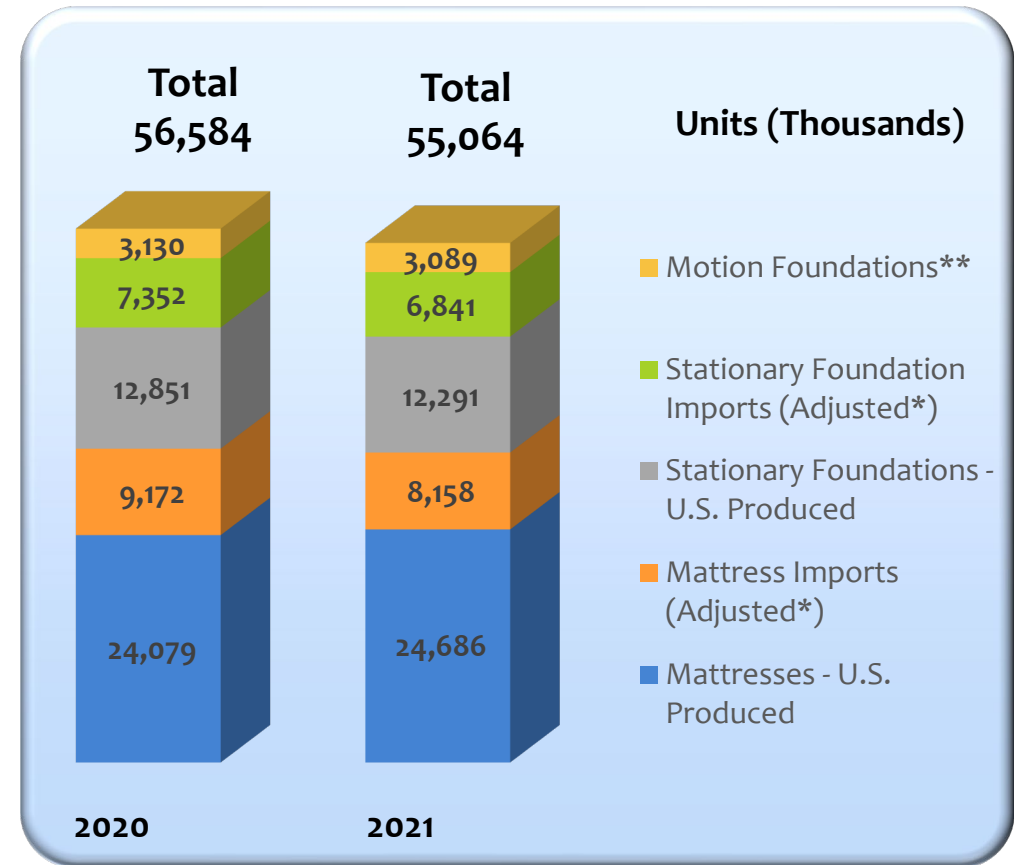
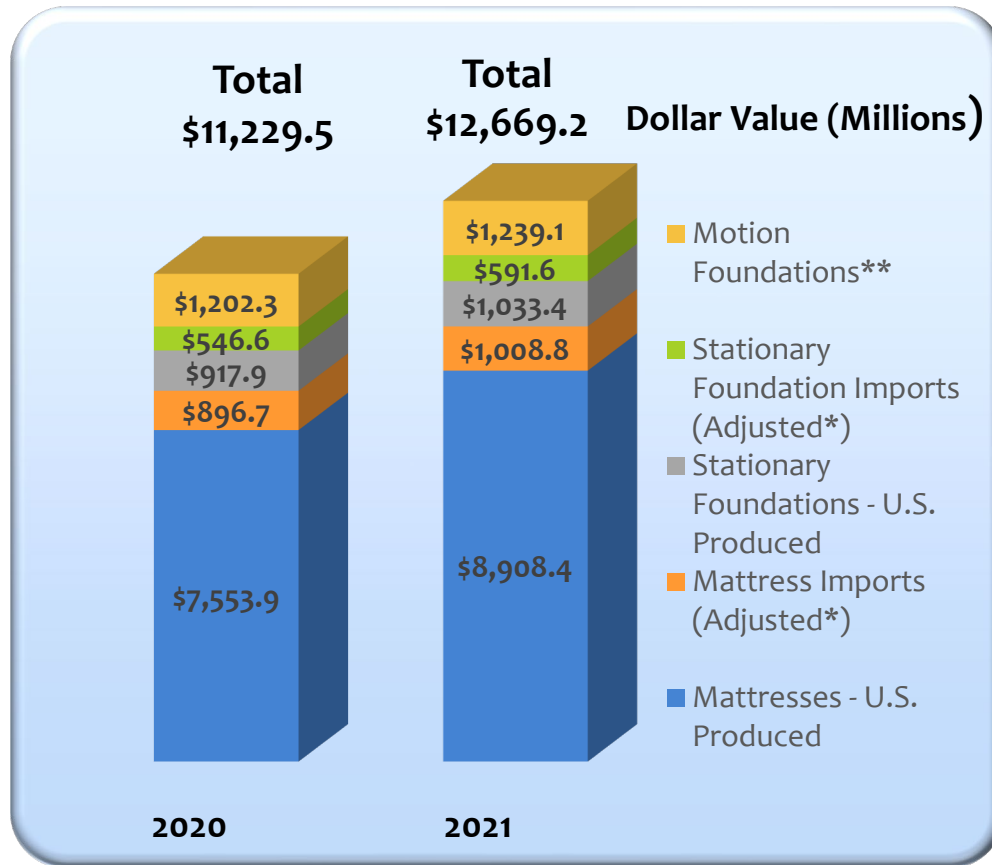


CULP, INC.

Mattress Fabrics Industry Overview

TOTAL U.S. MATTRESS MARKET (INCLUDING STATIONARY AND MOTION FOUNDATIONS)

Total U.S. Mattress Market for 2020 - 2021



Source – International Sleep Products Association (ISPA) 2021 Mattress Industry Trends Report

*Adjusted Imports are adjusted +20% for equalization factor.

**Includes all channels for Motion Foundations

MATTRESS INDUSTRY – RECENT DEMAND TRENDS

- ◆ COVID-19 pandemic initially generated increased consumer demand for overall comfort and wellness at home, with more discretionary spending on home furniture products, including mattresses
- ◆ Current inflationary pressures on consumer spending have reversed that trend and slowed retail sales, while high inventory levels at manufacturers and retailers has delayed the timing of shipments and new product rollouts.
- ◆ Solid growth opportunities for mattress-in-a-box sewn covers, both in e-commerce and traditional retail
- ◆ Domestic mattress industry continues to monitor impact from preliminary anti-dumping duties imposed by U.S. Department of Commerce on mattress imports from seven countries
- ◆ Industry promoting benefits of sleep for overall health
 - Mattress innovation is more than comfort. Today's consumers are focused on health, wellness, energy from sleep, and sustainability efforts
- ◆ Mattress industry has become a more decorative and innovative business



CULP, INC.



CULP HOME FASHIONS

Operational Review



CULP HOME FASHIONS IS MARKET LEADER

Business Today

- ◆ We believe that we are the largest producer of mattress fabrics in North America
 - Facilities in the U.S., Canada, and Haiti
- ◆ Global manufacturing and sourcing operations in the U.S., Canada, Asia, Haiti, and Turkey

Strong Competitive Advantages

- ◆ Design creativity, product innovation, & marketing point-of-purchase
- ◆ Globally competitive cost manufacturer with flexible & scalable platform
- ◆ Leading provider in all major categories
- ◆ World class customer service & distribution
- ◆ Global cut & sewn covers operation
- ◆ Over \$100 million invested (Cap Ex and acquisitions) since 2005; expansion since 2016 included consolidation & addition of North American distribution platform
- ◆ Complete vertical integration within Canadian platform supporting full complement of finished products
- ◆ Commitment to environmental responsibility with landfill-free goal met at Stokesdale and High Point, NC facilities in 2020; ongoing development of products using recycled yarn

WELL POSITIONED IN CHANGING MATTRESS MARKET

**GROWTH
THROUGH
SPECIALIZATION**

**CULP
INNOVATION**

Consumer-
focused
innovation



Technology &
Marketing,
including 3D
mapping via “Re-
Imagine™ Culp
Home Fashions”



Upholstery-type
look in
mattresses &
sewn covers



Slitting /
pre-cut
border
capabilities



Shearing –
unique look
allowing
dramatic pops
of color



Stretch knits
for new
specialty/hybrid
bedding

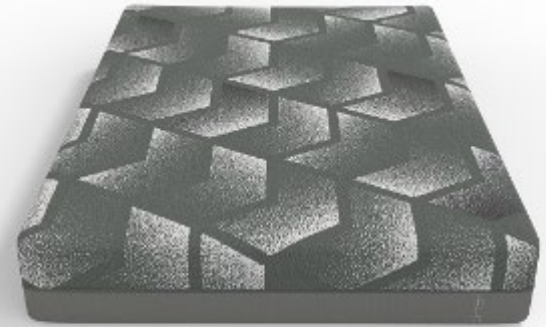


Flame retardant
(FR) lamination
to wovens and
knits

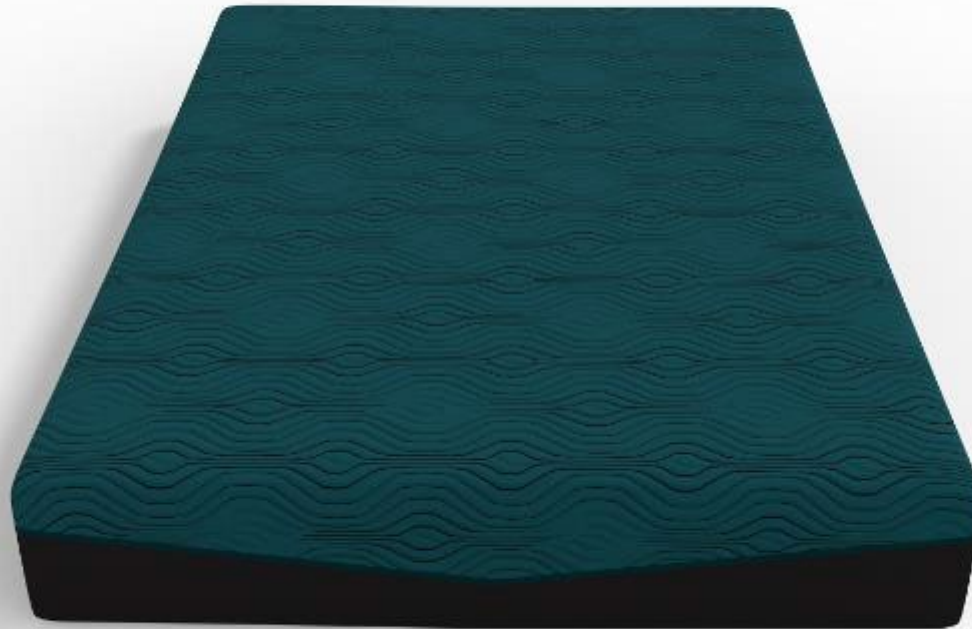


Design creativity, product innovation, and point-of-purchase marketing

CULP HOME FASHIONS INNOVATIVE STYLING



CULP HOME FASHIONS INNOVATIVE STYLING



MATTRESS FABRICS KEY CUSTOMERS



CULP, INC.

CULP
UPHOLSTERY
F A B R I C S

Operational Review



MARKET LEADER IN UPHOLSTERY FABRICS

Business Today

- ◆ One of the largest suppliers of residential furniture upholstery fabrics to the industry
- ◆ Recovering hospitality fabric segment
 - Providing fabrics for furniture
 - Window treatments and soft goods
- ◆ Global operations
 - 2 plants in China, 1 plant in Haiti, sourcing in China, Vietnam, and Turkey

*

Strong Competitive Advantages

- ◆ Trusted business partner
- ◆ Product innovation and design trend leader
- ◆ Diverse product range, with emphasis on performance products
- ◆ Globally competitive cost structure
- ◆ Scalable Asian platform, with U.S. quality and service standards
- ◆ Experienced management team throughout global organization
- ◆ Stable and reliable global supply chain
- ◆ Exceptional quality, service, and delivery performance

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CUF STRATEGIC BUSINESS MODEL

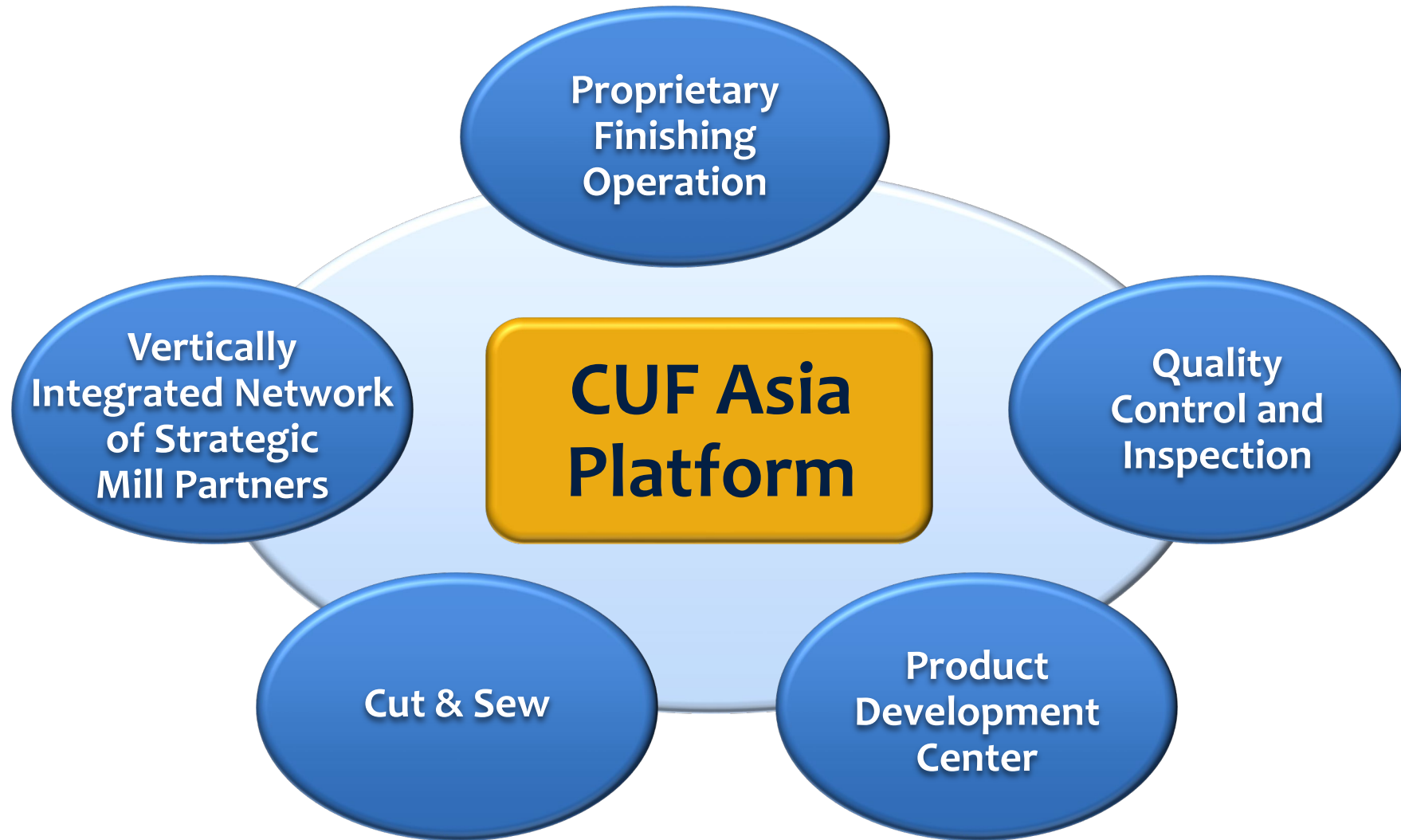
- ◆ Leader in product innovation and design trends, including our LiveSmart® portfolio of performance products and new product technologies, such as our recently launched fabric collection featuring Nanobionic® infrared technology
- ◆ U.S. - based company with a flexible and agile global platform capable of supplying our customers worldwide
- ◆ Mix of owned manufacturing and distribution facilities combined with a global network of strategic supply partners
- ◆ Multiple distribution options in the U.S., Canada, Asia, and Haiti
- ◆ Flexibility to provide both roll goods and sewn kits
- ◆ Focused on environmental and social responsibility



CULP UPHOLSTERY FABRICS COLOR STORIES



ASIA BUSINESS MODEL



MULTIPLE UPHOLSTERY FABRICS INITIATIVES

Extend core by leveraging innovation and global platform

- Expand strong brand of performance products under LiveSmart® umbrella
- Focus on environmental responsibility with LiveSmart Evolve®, our performance plus sustainability line
- Culp Express – domestic lead times with China value

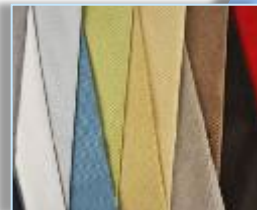
Cross market upholstery with Mattress Fabrics division

Expand market share in targeted markets

- Residential motion and stationary furniture
- Hospitality and commercial
- E-commerce market

Geographic expansion

- China - domestic market
- Asia Pacific region and Turkey
- Haiti cut and sew
- Evaluating new sourcing markets for fabric development



UPHOLSTERY FABRICS KEY CUSTOMERS



CULP, INC.

Supplemental Information

ABOUT NON-GAAP FINANCIAL INFORMATION

This presentation contains adjusted income statement information for the three-month and six-month periods ending October 30, 2022, which discloses adjusted loss from operations, a non-GAAP performance measure that eliminates items which are not expected to occur on a regular basis, including, for the periods presented, restructuring expense and restructuring-related charges associated with the exit of the company's cut and sew upholstery fabrics operation located in Shanghai, China, during the second quarter of fiscal 2023. The company has included this adjusted information in order to show operational performance excluding the effects of such items, which are not expected to occur on a regular basis. Details of these calculations and a reconciliation to information from our GAAP financial statements are set forth in the back of this presentation. Management believes this presentation aids in the comparison of financial results among comparable financial periods. We note, however, that this adjusted income statement information should not be viewed in isolation or as a substitute for loss from operations calculated in accordance with GAAP.

This presentation contains disclosures about free cash flow, a non-GAAP liquidity measure that we define as net cash (used in) provided by operating activities, less cash capital expenditures and payments on vendor-financed capital expenditures, plus any proceeds from sale of property, plant, and equipment, less investment in unconsolidated joint venture, plus proceeds from the sale of long-term investments associated with our rabbi trust, less the purchase of long-term investments associated with our rabbi trust, and plus or minus the effects of foreign currency exchange rate changes on cash and cash equivalents, in each case to the extent any such amount is incurred during the period presented. Details of these calculations and a reconciliation to information from our GAAP financial statements are set forth in the back of this presentation. Management believes the disclosure of free cash flow provides useful information to investors because it measures our available cash flow for potential debt repayment, stock repurchases, dividends, additions to cash and investments, or other corporate purposes. We note, however, that not all of the company's free cash flow is available for discretionary spending, as we may have mandatory debt payments and other cash requirements that must be deducted from our cash available for future use. In operating our business, management uses free cash flow to make decisions about what commitments of cash to make for operations, such as capital expenditures (and possible financing arrangements for these expenditures), purchases of inventory or supplies, SG&A expenditure levels, compensation, and other commitments of cash, while still allowing for adequate cash to meet known future commitments for cash, such as debt repayment, and also for making decisions about dividend payments and share repurchases.

ABOUT NON-GAAP FINANCIAL INFORMATION (2)

This presentation contains disclosures about our Adjusted EBITDA, which is a non-GAAP performance measure that reflects net (loss) income excluding income tax expense (benefit), net interest income, restructuring expense and restructuring related charges, and a gain on bargain purchase, as well as depreciation and amortization expense, and stock-based compensation expense. This measure also excludes other non-recurring charges and credits associated with our business, if and to the extent incurred in the period presented. Details of these calculations and a reconciliation to information from our GAAP financial statements are set forth in this presentation. We believe presentation of Adjusted EBITDA is useful to investors because earnings before interest income and expense, income taxes, depreciation and amortization, and similar performance measures that exclude certain charges from earnings, are often used by investors and financial analysts in evaluating and comparing companies in our industry. We note, however, that such measures are not defined uniformly by various companies, with differing expenses being excluded from net income to calculate these performance measures. For this reason, Adjusted EBITDA should not be viewed in isolation by investors and should not be used as a substitute for net income calculated in accordance with GAAP, nor should it be used for direct comparisons with similarly titled performance measures reported by other companies. Use of Adjusted EBITDA as an analytical tool has limitations in that this measure does not reflect all expenses that are necessary to fund and operate our business, including funds required to pay taxes, service our debt, and fund capital expenditures, among others. Management uses Adjusted EBITDA to help it analyze the company's earnings and operating performance, by excluding the effects of expenses that depend upon capital structure and debt level, tax provisions, and non-cash items such as depreciation, amortization and stock-based compensation expense that do not require immediate uses of cash.

The presentation contains disclosures about return on capital for both the entire company and for individual business segments. We define return on capital as operating income (loss) (measured on a trailing twelve-month basis and excluding certain non-recurring charges and credits, if applicable for the period presented) divided by average capital employed (excluding intangibles assets related to acquisitions at the divisional level only). Average capital employed is calculated over rolling five fiscal periods, depending on which quarter is being presented. Details of these calculations and a reconciliation to information from our GAAP financial statements are set forth at the back of this presentation. We believe return on capital is an accepted measure of earnings efficiency in relation to capital employed, but it is a non-GAAP performance measure that is not defined or calculated in the same manner by all companies. This measure should not be considered in isolation or as an alternative to net income or other performance measures, but we believe it provides useful information to investors by comparing the operating income we produce to the net asset base used to generate that income. Also, operating income on a trailing twelve-months basis does not necessarily indicate results that would be expected for the full fiscal year or for the following twelve months. We note that, particularly for return on capital measured at the segment level, not all assets and expenses are allocated to our operating segments, and there are assets and expenses at the corporate (unallocated) level that may provide support to a segment's operations and yet are not included in the assets and expenses used to calculate that segment's return on capital. Thus, the average return on capital for the company's segments will generally be different from the company's overall return on capital. Management uses return on capital to evaluate the company's earnings efficiency and the relative performance of its segments.

EXECUTIVE MANAGEMENT



Standing (from L to R): Ashley Durbin and Frank Saxon

Sitting (from L to R): Ken Bowling, Boyd Chumbley, Cassandra Brown, Teresa Huffman, and Iv Culp

EXECUTIVE MANAGEMENT

◆ Franklin N. Saxon – Chairman of the Board (39 years with Culp)

- Joined Culp in 1983
- Served in various senior management roles including Chief Financial Officer, President of Culp Velvets/Prints division and Chief Operating Officer
- Named President and Chief Executive Officer in 2007
- Named Executive Chairman in 2020; modified role effective September 1, 2022 to non-executive Chairman

◆ Robert G. Culp, IV – President and Chief Executive Officer (24 years with Culp)

- Employed with Culp since 1998
- Named President of Culp Home Fashions in 2004
- Named Chief Operating Officer in 2019
- Named President and Chief Executive Officer in 2020

◆ Boyd Chumbley – President, Culp Upholstery Fabrics (38 years with Culp)

- Joined Culp in 1984 as controller for an upholstery plant
- Held various senior management positions in finance, operations and manufacturing
- Leads upholstery fabrics division including China operation

◆ Cassandra Brown – President, Culp Home Fashions (39 years with Culp)

- Employed with Culp since 1983, serving in various capacities
- Named Chief Financial Officer of Culp Home Fashions in 2007, Executive Vice President in 2019, and President in 2020

EXECUTIVE MANAGEMENT (CONT'D)

- ◆ **Kenneth R. Bowling – Executive Vice President and Chief Financial Officer (25 years with Culp)**
 - Joined Culp in 1997 as controller for Culp Velvets/Prints division
 - Served as corporate controller and Vice President, Finance
 - Became Chief Financial Officer in 2007

- ◆ **Ashley Durbin – Vice President, General Counsel, and Corporate Secretary (3 years with Culp)**
 - Joined Culp in 2019
 - Previously worked with Culp as outside counsel in her role as a partner at the law firm of Robinson, Bradshaw & Hinson, P.A., in Charlotte, North Carolina

- ◆ **Teresa Huffman – Senior Vice President, Chief Human Resources Officer (36 years with Culp)**
 - Employed with Culp since 1986, serving in various human resources roles
 - Named Vice President, Human Resources in 2008
 - Named Senior Vice President, Human Resources in 2019
 - Named Senior Vice President, Chief Human Resources Officer in 2022

BOARD OF DIRECTORS



Top (from L to R): Fred Jackson, Jonathan Kelly, Perry Davis

Bottom (from L to R): Sharon Decker, Frank Saxon, John Baugh, Kimberly Gatling, and Iv Culp

BOARD OF DIRECTORS (CONT'D)

Independent Director Bios

◆ John A. Baugh, CFA

- Mr. Baugh is the vice president of investor relations for PROG Holdings, Inc., a publicly traded fintech holding company that provides transparent and competitive payment options to consumers. Prior to joining PROG Holdings in September 2020, he was a sell-side analyst with Stifel Financial, serving as Managing Director, Senior Equity Research from 2005 – 2020, where he covered industries including home furnishings, retail, building products, and lease-town, including coverage of Culp, Inc. and many of its largest customers.
- Director since 2021
- Member of Compensation Committee; CG&N Committee; and Audit Committee (Chair)

◆ Perry E. Davis

- Mr. Davis is the retired executive vice president of the Residential and Industrial Product segments for Leggett & Platt, Incorporated, a diversified manufacturer that designs and produces engineered products found in most home and automobiles.
- Director since 2019
- Member of Compensation Committee (Chair); CG&N Committee; and Audit Committee

◆ Sharon A. Decker

- Ms. Decker is president of Tryon Equestrian Partners, Carolina Operations, an investment group responsible for the development and operation of a premiere sports complex and resort in Western North Carolina.
- Director since 2019
- Member of Compensation Committee; CG&N Committee (Chair); and Audit Committee

BOARD OF DIRECTORS (CONT'D)

Independent Director Bios (cont'd)

◆ Kimberly B. Gatling

- Ms. Gatling is a partner and the Chief Diversity and Inclusion Officer at the law firm of Fox Rothschild LLP (formerly Smith Moore Leatherwood LLP).
- Director since 2021
- Member of Compensation Committee; CG&N Committee; and Audit Committee

◆ Fred A. Jackson

- Mr. Jackson is the retired chief executive officer of American & Efird LLC, a global manufacturer of sewing, thread, embroidery thread, and technical textiles.
- Director since 2016
- Lead Director; Member of Compensation Committee; CG&N Committee; Audit Committee; and Executive Committee

◆ Jonathan L. Kelly

- Mr. Kelly is the founder and chief executive officer of Asymmetric Holdings Worldwide, a Greensboro, North Carolina-based investment holding company focused on investment strategy and capital allocation.
- Director since 2021
- Member of Compensation Committee; CG&N Committee; and Audit Committee

SECOND QUARTER 2023 HIGHLIGHTS

(\$ in millions)

GAAP	Q2 FY23	Q2 FY22	Change	
			\$	%
Sales	58.4	74.6	(16.2)	(21.7%)
Operating income / (loss)	(11.9)	1.6	(13.6)	NM
Operating income margin	(20.4)%	2.2%		NM
Pre-tax income / (loss)	(11.0)	1.3	(12.3)	NM
Pre-tax margin	(18.9)%	1.7%		NM
Net income (loss)	(12.2)	0.9	(13.0)	NM
EPS per diluted share	(0.99)	0.07	(1.06)	NM

SECOND QUARTER 2023 HIGHLIGHTS*

(\$ in millions)

	As Reported October 30, 2022	Adjustments	October 30, 2022 Adjusted Results **
Loss from Operations	(11.9)	0.7	(11.2)
Operating Income Margin	-20.4%	NM	-19.2%

Notes

* Please see the Reconciliation of Selected Income Statement Information to Adjusted Results at the back of this presentation.

** These amounts exclude restructuring expense and restructuring related charges and other costs associated with the exit from production of our upholstery fabrics cut and sew upholstery operation in Shanghai, China. See the Reconciliation of Selected Income Statement Information to the Adjusted Results at the back of this presentation for additional details.

SECOND QUARTER 2023 YTD HIGHLIGHTS

(\$ in millions)

GAAP	FY23 YTD	FY22 YTD	Change	
			\$	%
Sales	121.0	157.6	(36.6)	(23.2%)
Operating income	(16.7)	5.0	(21.6)	NM
Operating income margin	(13.8)%	3.1%		NM
Pre-tax income	(15.8)	4.5	(20.3)	NM
Pre-tax margin	(13.1)%	2.8%		NM
Net income (loss)	(17.9)	3.1	(21.0)	NM
EPS per diluted share	(1.46)	0.25	(1.71)	NM

SECOND QUARTER 2023 YTD HIGHLIGHTS*

(\$ in millions)

	As Reported October 30, 2022	Adjustments	October 30, 2022 Adjusted Results **
Loss from Operations	(16.7)	0.7	(16.0)
Operating Income Margin	-13.8%	NM	-13.2%

Notes

* Please see the Reconciliation of Selected Income Statement Information to Adjusted Results at the back of this presentation.

** These amounts exclude restructuring expense and restructuring related charges and other costs associated with the exit from production of our upholstery fabrics cut and sew upholstery operation in Shanghai, China. See the Reconciliation of Selected Income Statement Information to the Adjusted Results at the back of this presentation for additional details.

Q2 & Q2 YTD SALES & OPERATING INCOME BRIDGES

Q2 (\$ in millions)

Sales	Change	
	\$	%
Q2 2022	74.6	
Mattress fabrics decrease	-14.7	-35.8%
Upholstery fabrics decrease	-1.5	-4.5%
Q2 2023	58.4	-21.7%

Operating Income	Change	
	\$	%
Q2 2022	1.6	
Mattress fabrics decrease	-12.1	NM
Upholstery fabrics decrease	-0.8	NM
Unallocated corporate expense decrease	0.0	-1.9%
Restructuring and Related Expense	-0.7	NM
Q2 2023	-11.9	NM

Q2 YTD (\$ in millions)

Sales	Change	
	\$	%
Q2 YTD 2022	157.6	
Mattress fabrics decrease	-28.3	-33.8%
Upholstery fabrics increase	-8.3	-11.2%
Q2 YTD 2023	121.0	-23.2%

Operating Income	Change	
	\$	%
Q2 YTD 2022	5.0	
Mattress fabrics decrease	-18.7	-276.6%
Upholstery fabrics decrease	-2.5	-75.6%
Unallocated corporate expense decrease	0.3	-4.9%
Restructuring and Related Expense	-0.7	NM
Q2 YTD 2023	-16.7	NM

Q2 MATTRESS FABRICS HIGHLIGHTS

(\$ in millions)

	Q2 FY23	Q2 FY22	Change	
			\$	%
Sales	26.2	40.9	-14.7	-35.8%
Operating Income / (Loss)	(9.0)	3.1	-12.1	NM
Operating Income Margin	-34.3%	7.7%		NM
Depreciation	1.5	1.6	0.0	-2.0%

Q2 YTD MATTRESS FABRICS HIGHLIGHTS

(\$ in millions)

	Q2 FY23 YTD	Q2 FY22 YTD	Change	
			\$	%
Sales	55.6	83.9	-28.3	-33.8%
Operating Income	(11.9)	6.8	-18.7	-276.6%
Operating Income Margin	-21.4%	8.0%		NM
Depreciation	3.1	3.1	0.0	0.6%

Q2 UPHOLSTERY FABRICS HIGHLIGHTS

(\$ in millions)

	Q2 FY23	Q2 FY22	Change	
			\$	%
Sales	32.2	33.7	-1.5	-4.5%
Operating Income	0.3	1.0	-0.8	-74.5%
Operating Income Margin	0.8%	3.1%		(220) bp
Depreciation	0.2	0.2	0.0	2.6%

Q2 YTD UPHOLSTERY FABRICS HIGHLIGHTS

(\$ in millions)

	Q2 FY23 YTD	Q2 FY22 YTD	Change	
			\$	%
Sales	65.4	73.7	-8.3	-11.2%
Operating Income	0.8	3.3	-2.5	-75.6%
Operating Income Margin	1.2%	4.5%		(320) bp
Depreciation	0.4	0.4	0.0	0.3%

FREE CASH FLOW*

(\$ in millions)

	Q2 FY23 YTD	Q2 FY22 YTD
Net income	-17.9	3.1
Depreciation, amortization, & stock-based compensation	4.3	4.4
Non-cash inventory charges, Deferred taxes, other**	4.8	0.4
Gross cash flow	-8.8	8.0
Cash flow from working capital and changes in other assets/liabilities	15.0	-9.3
Cash flow from operations	6.2	-1.3
Capital expenditures, including payments that are vendor financed	-1.1	-3.9
Other	-0.3	-0.6
Free cash flow	4.8	-5.8

* See reconciliation at the back of this presentation.

** The non-cash inventory charge for the six-months ending October 30, 2022, represents a \$2.9 million impairment charge associated with our mattress fabrics segment, \$3.4 million related to markdowns of inventory estimated based on our policy for aged inventory, and \$98,000 for the loss on disposal and markdowns of inventory related to the exit of our cut and sew upholstery fabrics operation located in Shanghai, China. The non-cash inventory charge for the six-months ending October 31, 2021, represents markdowns of inventory estimated based on our policy for aged inventory.

RETURN ON CAPITAL*

(\$ in millions)

	October 30, 2022	October 31, 2021
Return on capital:		
Mattress fabrics	-18.2%	17.0%
Upholstery fabrics	15.2%	61.9%
Unallocated corporate	N/A	N/A
Consolidated	-19.5%	11.8%
Ending Capital Employed:		
Mattress fabrics	\$68.5	\$78.6
Upholstery fabrics	\$18.8	\$17.3
Unallocated corporate	\$4.0	\$3.6
Consolidated	\$91.3	\$99.5

* See reconciliation at the back of this presentation.

OPERATING WORKING CAPITAL

(\$ in millions)

	October 30, 2022	October 31, 2021
Accounts receivable, net	22.4	32.3
Inventories, net	52.2	63.8
Accounts payable	(24.3)	(40.5)
Accounts payable – capital expenditures	(0.2)	(0.2)
Operating working capital	50.2	55.4
Percent of sales*	20.7%	17.6%
Days sales outstanding	32.6	38.6
Inventory turns	4.3	4.0
Days accounts payable outstanding**	36.9	57.8

* Sales used in the calculation is an annualized amount derived from the year-to-date net sales.

** Accounts payable also includes accounts payable – capital expenditures.

RECONCILIATION OF NET INCOME TO ADJUSTED EBITDA

(\$ in thousands)

	Quarter Ended January 30, 2022	Quarter Ended May 1, 2022	Quarter Ended July 31, 2022	Quarter Ended October 30, 2022	Trailing 12 Months October 30, 2022
Net loss*	\$ (289)	\$ (6,023)	\$ (5,699)	\$ (12,173)	\$ (24,184)
Income tax expense	1,284	253	896	1,150	3,583
Interest income, net	(214)	(26)	(17)	(79)	(336)
Depreciation expense	1,732	1,791	1,770	1,719	7,012
Restructuring expense	—	—	—	615	615
Restructuring related charge	—	—	—	98	98
Amortization expense	150	142	105	109	506
Stock based compensation	171	253	252	313	989
Adjusted EBITDA*	\$ 2,834	\$ (3,610)	\$ (2,693)	\$ (8,248)	\$ (11,717)
% Net Sales	3.5%	(6.3)%	(4.3)%	(14.1)%	(4.5)%

	Quarter Ended January 31, 2021	Quarter Ended May 2, 2021	Quarter Ended August 1, 2021	Quarter Ended October 31, 2021	Trailing 12 Months October 31, 2021
Net income	\$ 2,082	\$ 1,485	\$ 2,250	\$ 851	\$ 6,668
Income tax expense	899	857	905	444	3,105
Interest income, net	(90)	(36)	(74)	(59)	(259)
Gain on bargain purchase	—	(819)	—	—	(819)
Depreciation expense	1,665	1,643	1,726	1,745	6,779
Amortization expense	115	116	121	146	498
Stock based compensation	292	485	274	435	1,486
Adjusted EBITDA	\$ 4,963	\$ 3,731	\$ 5,202	\$ 3,562	\$ 17,458
% Net Sales	6.3%	4.7%	6.3%	4.8%	5.5%
% Over (Under)	(42.9)%	(196.8)%	(151.8)%	(331.6)%	(167.1)%

* Net loss and Adjusted EBITDA for the three-month and the trailing twelve month periods includes a non-cash charge totaling \$5.2 million, which represents a \$2.9 million impairment charge associated with our mattress fabrics segment and \$2.3 million related to markdowns of inventory estimated based on our policy for aged inventory.

NET CASH, INVESTMENTS, AND EQUITY

(\$ amounts in millions (other than \$ per share amounts), share amounts in thousands)

	Q2 FY23	Q2 FY22
Cash and cash equivalents	\$19.1	\$17.0
Short-term investments (Available for Sale)	\$0.0	\$9.7
Short-term investments (Held-to-Maturity)	\$0.0	\$1.6
Long-term investments (Held-to-Maturity)	\$0.0	\$8.4
Total cash and investments	\$19.1	\$36.6
Total debt	\$0.0	\$0.0
Net cash and investments	\$19.1	\$36.6
Shareholders' equity attributable to Culp, Inc.	\$102.1	\$128.5
Shares outstanding	12,294	12,210
Book value per share	\$8.31	\$10.52
Tangible Book value per share	\$8.10	\$10.28

Q2 RECONCILIATION OF SELECTED INCOME STATEMENT INFORMATION TO ADJUSTED RESULTS

	As Reported October 30, 2022	Adjustments	October 30, 2022 Adjusted Results
Sales	58.4	0.0	58.4
Gross Loss*	(2.2)	0.1	(2.1)
Selling, general and administrative	(9.1)	0.0	(9.1)
Restructuring Expense**	(0.6)	0.6	0.0
Loss from Operations	(11.9)	0.7	(11.2)

Notes

* Cost of sales for the three-months ending October 30, 2022, includes restructuring related charges totaling \$98,000 which pertains to loss on disposal and markdowns of inventory related to the exit of our cut and sew upholstery fabrics operation located in

** Restructuring expense for the three-months ending October 30, 2022, represents \$468,000 for employee termination benefits, \$80,000 that relates to a loss on disposal of equipment, \$47,000 for lease termination costs, and \$20,000 of other associated costs related to the exit of our cut and sew upholstery fabrics product line located in Shanghai, China.

Q2 YTD RECONCILIATION OF SELECTED INCOME STATEMENT INFORMATION TO ADJUSTED RESULTS

	As Reported October 30, 2022	Adjustments	October 30, 2022 Adjusted Results
Sales	121.0	0.0	121.0
Gross Loss*	1.9	0.1	2.0
Selling, general and administrative	(18.0)	0.0	(18.0)
Restructuring Expense**	(0.6)	0.6	0.0
Loss from Operations	(16.7)	0.7	(16.0)

Notes

* Cost of sales for the six-months ending October 30, 2022, includes restructuring related charges totaling \$98,000 which pertains to loss on disposal and markdowns of inventory related to the exit of our cut and sew upholstery fabrics operation located in Shanghai,

** Restructuring expense for the six-months ending October 30, 2022, represents \$468,000 for employee termination benefits, \$80,000 that relates to a loss on disposal of equipment, \$47,000 for lease termination costs, and \$20,000 of other associated costs related to the exit of our cut and sew upholstery fabrics product line located in Shanghai, China.

RECONCILIATION OF FREE CASH FLOW

**RECONCILIATION OF FREE CASH FLOW
FOR THE SIX MONTHS ENDED OCTOBER 31, 2022,
AND OCTOBER 30, 2021
Unaudited
(Amounts in Thousands)**

	FY 2023	FY 2022
A) Net cash provided by (used in) operating activities	\$ 6,167	\$ (1,328)
B) Minus: Capital Expenditures	(1,051)	(3,901)
C) Plus: Proceeds from the sale of equipment	465	—
D) Plus: Proceeds from the sale of long-term investments (rabbi trust)	46	—
E) Minus: Purchase of long-term investments (rabbi trust)	(505)	(580)
F) Effects of exchange rate changes on cash and cash equivalents	(296)	(2)
Free Cash Flow	<u>\$ 4,826</u>	<u>\$ (5,811)</u>

CULP, INC.
RETURN ON CAPITAL EMPLOYED BY SEGMENT
FOR THE TWELVE MONTHS ENDED OCTOBER 30, 2022
Unaudited
(Amounts in Thousands)

	Adjusted Operating (Loss) Income Twelve Months Ended October 30, 2022 (1)		Average Capital Employed (3)		Return on Avg. Capital Employed (2)	
Mattress Fabrics	\$	(14,460)	\$	79,364	(18.2)%	
Upholstery Fabrics		3,134		20,661	15.2%	
Unallocated Corporate		(8,910)		3,908	N.M.	
Total	\$	(20,236)	\$	103,933	(19.5)%	

	As of the three Months Ended October 30, 2022				As of the three Months Ended July 31, 2022				As of the three Months Ended May 1, 2022			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets (4)	\$ 78,366	\$ 44,934	\$ 38,330	\$ 161,630	\$ 90,842	\$ 51,053	\$ 38,595	\$ 180,490	\$ 92,609	\$ 51,124	\$ 33,830	\$ 177,563
Total liabilities	(9,895)	(26,108)	(23,519)	(59,522)	(11,934)	(30,762)	(23,799)	(66,495)	(8,569)	(25,915)	(23,578)	(58,062)
Subtotal	\$ 68,471	\$ 18,826	\$ 14,811	\$ 102,108	\$ 78,908	\$ 20,291	\$ 14,796	\$ 113,995	\$ 84,040	\$ 25,209	\$ 10,252	\$ 119,501
Cash and cash equivalents	—	—	(19,137)	(19,137)	—	—	(18,874)	(18,874)	—	—	(14,550)	(14,550)
Short-term investments - Available-For-Sale	—	—	—	—	—	—	—	—	—	—	—	—
Short-term investments - Held-To-Maturity	—	—	—	—	—	—	—	—	—	—	—	—
Current income taxes receivable	—	—	(2,237)	(2,237)	—	—	(798)	(798)	—	—	(857)	(857)
Long-term investments - Held-To-Maturity	—	—	—	—	—	—	—	—	—	—	—	—
Long-term investments - Rabbi Trust	—	—	(7,526)	(7,526)	—	—	(9,567)	(9,567)	—	—	(9,357)	(9,357)
Deferred income taxes - non-current	—	—	(493)	(493)	—	—	(546)	(546)	—	—	(528)	(528)
Deferred compensation - current	—	—	2,237	2,237	—	—	—	—	—	—	—	—
Accrued restructuring	—	—	33	33	—	—	—	—	—	—	—	—
Income taxes payable - current	—	—	969	969	—	—	587	587	—	—	413	413
Income taxes payable - long-term	—	—	2,629	2,629	—	—	3,118	3,118	—	—	3,097	3,097
Deferred income taxes - non-current	—	—	5,700	5,700	—	—	6,007	6,007	—	—	6,004	6,004
Deferred compensation non-current	—	—	7,486	7,486	—	—	9,528	9,528	—	—	9,343	9,343
Total Capital Employed	\$ 68,471	\$ 18,826	\$ 3,562	\$ 91,259	\$ 78,908	\$ 20,291	\$ 4,251	\$ 103,450	\$ 84,040	\$ 25,209	\$ 3,817	\$ 113,066

	As of the three Months Ended January 30, 2022				As of the three Months Ended October 31, 2021			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets (4)	\$ 103,370	\$ 67,272	\$ 40,925	\$ 211,567	\$ 97,390	\$ 55,862	\$ 56,073	\$ 209,325
Total liabilities	(16,540)	(45,596)	(22,697)	(84,833)	(18,818)	(38,560)	(23,493)	(80,871)
Subtotal	\$ 86,830	\$ 21,676	\$ 18,228	\$ 126,734	\$ 78,572	\$ 17,302	\$ 32,580	\$ 128,454
Cash and cash equivalents	—	—	(11,780)	(11,780)	—	—	(16,956)	(16,956)
Short-term investments - Available-For-Sale	—	—	(438)	(438)	—	—	(9,709)	(9,709)
Short-term investments - Held-To-Maturity	—	—	(1,315)	(1,315)	—	—	(1,564)	(1,564)
Current income taxes receivable	—	—	(367)	(367)	—	—	(613)	(613)
Long-term investments - Held-To-Maturity	—	—	(8,677)	(8,677)	—	—	(8,353)	(8,353)
Long-term investments - Rabbi Trust	—	—	(9,223)	(9,223)	—	—	(9,036)	(9,036)
Deferred income taxes - non-current	—	—	(500)	(500)	—	—	(452)	(452)
Income taxes payable - current	—	—	240	240	—	—	646	646
Income taxes payable - long-term	—	—	3,099	3,099	—	—	3,099	3,099
Deferred income taxes - non-current	—	—	5,484	5,484	—	—	4,918	4,918
Deferred compensation	—	—	9,180	9,180	—	—	9,017	9,017
Total Capital Employed	\$ 86,830	\$ 21,676	\$ 3,931	\$ 112,437	\$ 78,572	\$ 17,302	\$ 3,577	\$ 99,451

	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Average Capital Employed (3)	\$ 79,364	\$ 20,661	\$ 3,908	\$ 103,933

Notes

- (1) See last page of this presentation for calculation.
- (2) Return on average capital employed represents the last twelve months operating income as of October 30, 2022, divided by average capital employed. Average capital employed does not include cash and cash equivalents, short-term investments Available-For-Sale, short-term and long-term investments Held-To-Maturity, short-term and long-term investments – Rabbi Trust, accrued restructuring, income taxes receivable and payable, noncurrent deferred income tax assets and liabilities, and current and non-current deferred compensation.
- (3) Average capital employed was computed using the five quarterly periods ending October 30, 2022, July 31, 2022, May 1, 2022, January 30, 2022, and October 31, 2021.
- (4) Intangible assets are included in unallocated corporate for all periods presented and therefore, have no effect on capital employed and return on capital employed for our mattress fabrics and upholstery fabrics segments.

CULP, INC.
RETURN ON CAPITAL EMPLOYED BY SEGMENT
FOR THE TWELVE MONTHS ENDED OCTOBER 31, 2021
Unaudited
(Amounts in Thousands)

	Adjusted Operating Income (Loss) Twelve Months Ended October 31, 2021 (1)	Average Capital Employed (3)	Return on Avg. Capital Employed (2)
Mattress Fabrics	\$ 12,321	\$ 72,390	17.0%
Upholstery Fabrics	9,771	15,793	61.9%
Unallocated Corporate	(11,458)	1,737	N.M.
Total	\$ 10,634	\$ 89,919	11.8%

Average Capital Employed	As of the three Months Ended October 31, 2021				As of the three Months Ended August 1, 2021				As of the three Months Ended May 2, 2021			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets (4)	\$ 97,390	\$ 55,862	\$ 56,073	\$ 209,325	\$ 96,846	\$ 55,187	\$ 60,215	\$ 212,248	\$ 97,861	\$ 53,875	\$ 62,344	\$ 214,080
Total liabilities	(18,818)	(38,560)	(23,493)	(80,871)	(21,298)	(39,983)	(21,418)	(82,699)	(22,410)	(38,709)	(23,955)	(85,074)
Subtotal	\$ 78,572	\$ 17,302	\$ 32,580	\$ 128,454	\$ 75,548	\$ 15,204	\$ 38,797	\$ 129,549	\$ 75,451	\$ 15,166	\$ 38,389	\$ 129,006
Cash and cash equivalents	—	—	(16,956)	(16,956)	—	—	(26,061)	(26,061)	—	—	(37,009)	(37,009)
Short-term investments - Available-For-Sale	—	—	(9,709)	(9,709)	—	—	(9,698)	(9,698)	—	—	(5,542)	(5,542)
Short-term investments - Held-To-Maturity	—	—	(1,564)	(1,564)	—	—	(1,661)	(1,661)	—	—	(3,161)	(3,161)
Current income taxes receivable	—	—	(613)	(613)	—	—	(524)	(524)	—	—	—	—
Long-term investments - Held-To-Maturity	—	—	(8,353)	(8,353)	—	—	(6,629)	(6,629)	—	—	(1,141)	(1,141)
Long-term investments - Rabbi Trust	—	—	(9,036)	(9,036)	—	—	(8,841)	(8,841)	—	—	(8,415)	(8,415)
Deferred income taxes - non-current	—	—	(452)	(452)	—	—	(455)	(455)	—	—	(545)	(545)
Income taxes payable - current	—	—	646	646	—	—	253	253	—	—	229	229
Income taxes payable - long-term	—	—	3,099	3,099	—	—	3,365	3,365	—	—	3,326	3,326
Deferred income taxes - non-current	—	—	4,918	4,918	—	—	4,917	4,917	—	—	5,330	5,330
Deferred compensation	—	—	9,017	9,017	—	—	8,795	8,795	—	—	8,365	8,365
Total Capital Employed	\$ 78,572	\$ 17,302	\$ 3,577	\$ 99,451	\$ 75,548	\$ 15,204	\$ 2,258	\$ 93,010	\$ 75,451	\$ 15,166	\$ (174)	\$ 90,443

	As of the three Months Ended January 31, 2021				As of the three Months Ended November 1, 2020			
	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Total assets (4)	\$ 91,842	\$ 52,803	\$ 67,333	\$ 211,978	\$ 83,667	\$ 46,837	\$ 72,272	\$ 202,776
Total liabilities	(21,503)	(38,061)	(24,052)	(83,616)	(21,628)	(30,287)	(23,610)	(75,525)
Subtotal	\$ 70,339	\$ 14,742	\$ 43,281	\$ 128,362	\$ 62,039	\$ 16,550	\$ 48,662	\$ 127,251
Cash and cash equivalents	—	—	(35,987)	(35,987)	—	—	(45,288)	(45,288)
Short-term investments - Available-For-Sale	—	—	(5,548)	(5,548)	—	—	(5,462)	(5,462)
Short-term investments - Held-To-Maturity	—	—	(9,785)	(9,785)	—	—	(5,005)	(5,005)
Long-term investments - Held-To-Maturity	—	—	(512)	(512)	—	—	(759)	(759)
Long-term investments - Rabbi Trust	—	—	(8,232)	(8,232)	—	—	(8,060)	(8,060)
Deferred income taxes - non-current	—	—	(640)	(640)	—	—	(645)	(645)
Income taxes payable - current	—	—	1,129	1,129	—	—	1,413	1,413
Income taxes payable - long-term	—	—	3,325	3,325	—	—	3,325	3,325
Deferred income taxes - non-current	—	—	5,543	5,543	—	—	6,089	6,089
Deferred compensation	—	—	8,179	8,179	—	—	8,000	8,000
Total Capital Employed	\$ 70,339	\$ 14,742	\$ 753	\$ 85,834	\$ 62,039	\$ 16,550	\$ 2,270	\$ 80,859

	Mattress Fabrics	Upholstery Fabrics	Unallocated Corporate	Total
Average Capital Employed (3)	\$ 72,390	\$ 15,793	\$ 1,737	\$ 89,919

Notes

- (1) See last page of this presentation for calculation.
- (2) Return on average capital employed represents the last twelve months operating income as of October 31, 2021, divided by average capital employed. Average capital employed does not include cash and cash equivalents, short-term investments Available-For-Sale, short-term and long-term investments Held-To-Maturity, long-term investments – Rabbi Trust, income taxes receivable and payable, noncurrent deferred income tax assets and liabilities, and deferred compensation.
- (3) Average capital employed was computed using the five quarterly periods ending October 31, 2021, August 1, 2021, May 2, 2021, January 31, 2021, and November 1, 2020.
- (4) Intangible assets and goodwill are included in unallocated corporate for all periods presented and therefore, have no effect on capital employed and return on capital employed for our mattress fabrics and upholstery fabrics segments.

CULP, INC.
CONSOLIDATED STATEMENTS OF ADJUSTED OPERATING INCOME (LOSS)
FOR THE TWELVE MONTHS ENDED OCTOBER 30, 2022, AND OCTOBER 31, 2021
Unaudited
(Amounts in Thousands)

	Quarter Ended				Trailing 12 Months 10/30/2022
	1/30/2022	5/1/2022	7/31/2022	10/30/2022	
Mattress Fabrics	\$ 364	\$ (2,901)	\$ (2,921)	\$ (9,002)	\$ (14,460)
Upholstery Fabrics	2,446	(116)	542	262	3,134
Unallocated Corporate	(1,707)	(2,366)	(2,359)	(2,478)	(8,910)
Operating income (loss)	<u>\$ 1,103</u>	<u>\$ (5,383)</u>	<u>\$ (4,738)</u>	<u>\$ (11,218)</u>	<u>\$ (20,236)</u>

	Quarter Ended				Trailing 12 Months 10/31/2021
	1/31/2021	5/2/2021	8/1/2021	10/31/2021	
Mattress Fabrics	\$ 3,297	\$ 2,274	\$ 3,611	\$ 3,139	\$ 12,321
Upholstery Fabrics	3,863	2,613	2,267	1,028	9,771
Unallocated Corporate	(3,123)	(3,248)	(2,560)	(2,527)	(11,458)
Operating income	<u>\$ 4,037</u>	<u>\$ 1,639</u>	<u>\$ 3,318</u>	<u>\$ 1,640</u>	<u>\$ 10,634</u>
% Over (Under)	<u>(72.7)%</u>	<u>(428.4)%</u>	<u>(242.8)%</u>	<u>(784.0)%</u>	<u>(290.3)%</u>