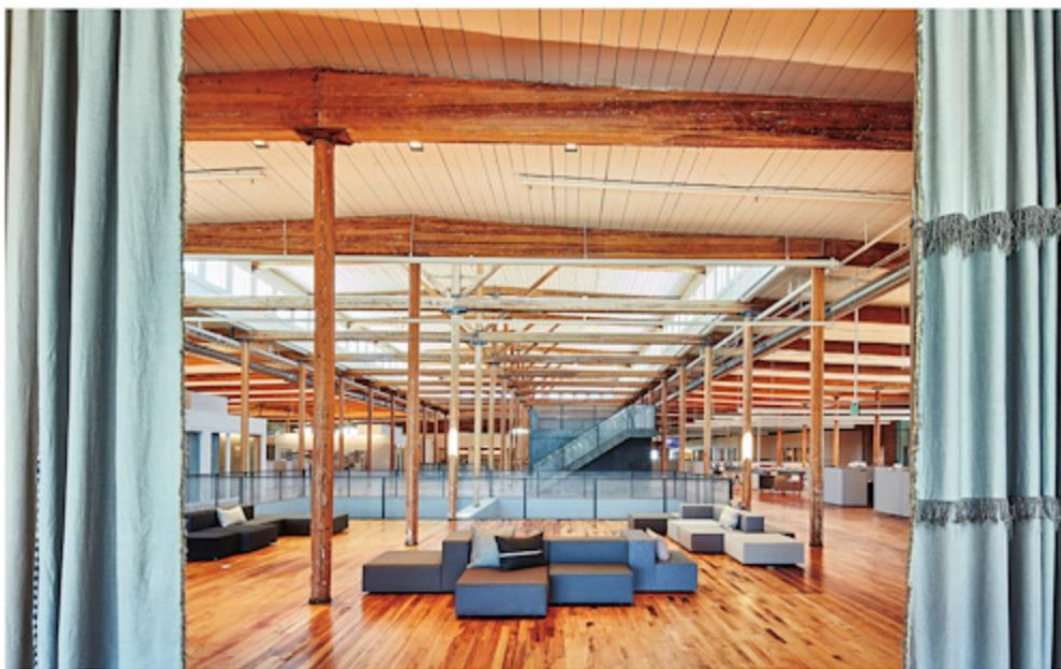


Castelle

YEAR IN REVIEW

MAY CONTINUED



Glen Raven celebrates opening of new Sunbrella headquarters

Glen Raven celebrated the opening of Sunbrella's new global corporate headquarters in Burlington, North Carolina, the longtime home of Glen Raven's corporate headquarters.

Aiming to preserve company history, the new headquarters is

situated in a renovated 118-year-old mill building that dates back to the company's origins. The building, which sits on Glen Raven's corporate campus, holds a special significance to the Sunbrella brand as it is where the first-ever yard of Sunbrella fabric was woven in 1961.

Bella-Dura acquired by Swavelle

Indoor and outdoor performance fabric brand Bella-Dura and its parent company Wearbest Sil-Tex Mills were acquired by New York-based Swavelle in May. Wearbest originally began as a company that served the high-end decorative residential market before tools were developed to create Bella-Dura, a specialty performance fabric suitable for both indoors and out. As the company has grown over the years, officials said, transitioning into a larger company felt natural.

Bella-Dura continues to be woven in its Garfield, New Jersey, facility under the renamed Wearbest Weavers. The new Bella-Dura Home collection officially launched in November at the ITA Showtime Market in High Point.

Brown Jordan International acquires Castelle

Brown Jordan International acquired Castelle, including the company's manufacturing facility in Costa Rica.

"We are very excited to own this great brand and facility," said Brown Jordan International President and CEO Gene J. Moriarty in a statement sent to dealers. "The acquisition will provide needed resources for the brand in order to invest in product development, distribution developments and customer service excellence. It is our goal to manufacture the highest quality products and to provide our customers with the highest level customer service."

Castelle and Treasure Garden

STATE OF THE INDUSTRY

We met this challenge with the introduction of our Newport collection this season with a sleek design and the addition of "rustic" polymer. It is being very well received. We believe outdoor will continue to gain momentum into 2020. There is a significant demand for comfort, and special order will grow. We see indoor and outdoor designs continue to overlap.

We believe for the coming year as our business grows, one of the biggest challenges we face is being able to hire to entry-level positions with people who are ready, willing and able to work. With the unemployment level so low, the pool to draw from is very shallow. The biggest opportunities we see are to be very attentive to our customers and to figure out what will help them the most, which will in turn help us and then make those suggestions a reality.

—Nathy Juckett,
Telescope Casual

We are optimistic that the 2020 season will be a good one for Castelle. Our optimism is based on a number of things. One, we have had a very strong reaction to our 2020 new product introductions. Antler Hill, Bordeaux, Savannah and Prism have all placed very well, and we are already seeing retail activity in our year-around markets. Two, retailers are shifting their buying patterns to partners with little

or no tariff implications. Castelle with zero tariff is benefiting from this shift. Three, retailers are seeing less foot traffic through their doors, and many have recognized that to grow their sales, they

have to increase the average sales ticket. Castelle being a higher-end ticket and fully customizable is a logical line to be used to grow a retailer's transactions. And finally, the economy is in good shape, and this is always good for business! The housing market and remodeling market continue to be strong, as well. We can't control the weather but surely it is about time that we had a normal spring.

The biggest change our industry will continue to deal with is the impact of tariffs. Price points will change, which causes retailers to rethink their sales floors and buying patterns. Factories will move to other countries with no tariffs and will make promises about delivery. The challenges of moving production are very difficult and often result in shipment delays. Our season is relatively short and delays in shipments can be the difference

between having a good season and falling short. There will be continued pressure on the middle of the market due to the shifting of price points and increased competition from regional full line furniture retail stores.

—Rory Rehmert, Castelle

The outdoor casual business continues to trend upward, diversifying its distribution channels beyond the specialty retailer to both e-commerce and the large indoor furniture stores, and Treasure Garden has definitely experienced growth in both those channels of business.

—Candy Chase,
Treasure Garden

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—Rory Rehmert,
Castelle



Chase



Epperson



Juckett



Rehmert

COMMUNITY SPIRIT



A YEAR OF GIVING

Treasure Garden supports multiple charities ahead of holiday season

The spirit of philanthropy is deeply ingrained in the culture at Treasure Garden. The company works with multiple charities each year—and some of their employees even gather together on their own time and dime to help different organizations. Everyone at the company has an understanding that their business isn't only about selling umbrellas—it's about giving back to their community in any way they can.

In recent years, Treasure Garden has supported City of Hope through the ICFA Gala, as well as the annual City of Hope Golf Tournament. They've also worked with the Ronald McDonald House in Inland Empire, California, by donating a cantilevered umbrella prize for a silent auction at the organization's annual food and wine event.

This year, Treasure Garden is supporting azcharitypoker.org by providing their No. 1 selling cantilever umbrella and base as a raffle prize. The charity runs an annual event for three families of severely ill cancer patients to help raise funds and support the

families both emotionally and financially.

"These families are devastated by their loved ones' diagnoses, and this event is there to help them deal with the aftermath and ongoing expenses," says Candy Chase, national sales manager, Treasure Garden. "It is attended by over 800 people."

“Giving back and social awareness is very important to Treasure Garden.”

—Candy Chase,
Treasure Garden

And aside from company-sponsored donations, the employees at Treasure Garden feel it's important to give back to the community in their own way. Last year, a generous group of employees gave their own free time and funds to purchase Christmas gifts for a needy family in Baldwin Park, California.

As a group, they approached Baldwin

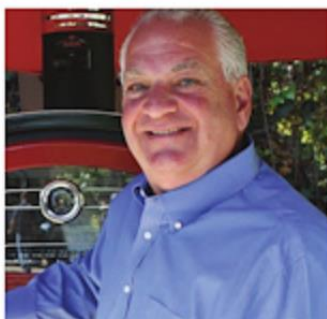
Park Elementary School and told them they wanted to give a deserving child a special Christmas from Treasure Garden. Then after more thought, they decided that they wanted to give that child's whole family a special Christmas, so they got together and made it happen. "According to Mickey Jackson, the organizer, the gesture brought tears and hugs and more Christmas spirit to the team of secret Santas than they had had in years," Chase says.

The employees plan to donate to another family this year, and Treasure Garden as a whole is committed to continuing its regular work with City of Hope and Ronald McDonald House.

"Giving back and social awareness is very important to Treasure Garden," Chase explains. "It feels good to step outside the day-in and day-out rigors of doing business and reach out to those truly in need. Doing something special for deserving people and charity organizations will always be a priority to Treasure Garden."

Watermark Living

STATE OF THE INDUSTRY



Sanicola

I am optimistic about 2020; I feel people will be spending money. The stock market is strong, the job market good and people like to live outdoors. In California, we had lots of rain for the first three months of the year, and we are still trying to recuperate from that. The tariffs have also played a big role in 2019, and hopefully by 2020 we should have a better handle on that.

—Doug Sanicola, *Outdoor Elegance*



White

I'm optimistic about the business, but the change from the Baby Boomer to the Millennials, Gen X and Gen Z is going to be difficult and challenging to execute. You have to take care of completely different client bases simultaneously. Also, a lot of people are jumping into the business who don't necessarily know the business very well on the wholesale and the retail side, and they will disrupt the business to a certain degree.

—Beau White, *Summer Classics*



Harper

What I am seeing is more of an emphasis on two things. The first is full-line/indoor retailers. The other, and what we will continue to focus on with Watermark, is the commercial/contract market. We have some amazing projects in the pipeline and are working with some great distributors, so I would expect our 2020 season to continue our trend of double-digit growth.

—Chad Harper, *Watermark Living*



Bryant

2019 has been a great foundation-building year for us, and we're expecting continued growth as we go into the 2020 season. Our focus continues to be on value, service and fulfillment. At the end of the day, I feel that

if consumers are shown how our products can enhance and improve their time with family and friends, we can continue to see growth in light of economic concerns that may be on the horizon. It's our job to show them how our products can create those aspirational environments."

—Zac Bryant, *Lane Venture*

One thing I think is continuing to boom is the online companies. The growth rate that's happening with Wayfair, Amazon and Overstock is crazy-big. And while we're seeing some of the specialty retailers going away and some of the furniture guys are getting out, the online guys are going up faster than the others are going away.

—Doug Peppler, *Agio*

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I am always an optimist. Why live life as a pessimist? However, there are always unique opportunities and/or concerns that present themselves from year to year. I am optimistic in that we are a reliable domestic resource for our specialty retailers and I feel that we have more opportunities to get more market share within the specialty retailer genre.

I am concerned about the health and longevity of our specialty retailers. Specialty retailing is not for the light of heart. It has become more and more challenging for specialty to compete against the national and worldwide retailers, as well as an abundance of full-line furniture stores that have recently targeted outdoor furniture as a viable category. 2020 is also an election year, which always brings some unknowns to consumer confidence. All in all, if the economy holds and the weather is good, I am very optimistic about 2020.

—Terri Lee Rogers, *OW Lee*