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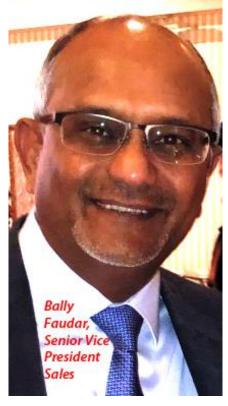
Home Furnishing International Targeting Basic Bedding, Chair Pads & Accessories For Expansion

<u>Leading vertical fabric and furnishings manufacturer adds home fashion industry veterans</u> <u>SVP Bally Faudar and VP Erin Gallagher-Brinskele to spur category growth</u>

GAFFNEY, S.C.—Leading global fabric and home fashions manufacturer Home Furnishing International is planning major expansion in several product categories, including bed pillows and utility bedding as well as chair pads and accessories. To spearhead this growth, HFI is adding two well-known home fashions sales and marketing veterans to its management team: Bally Faudar joins as Senior Vice President Sales; and Erin Gallagher-Brinskele joins as Vice President Kitchen Textiles. Both report to Amy Bell, Executive Vice President and Chief Merchandising Officer.

"We have been enjoying double-digit growth for 2023, due to our dedicated team of merchandising experts led by Amy Bell, as well as our 1 million-square-foot modern manufacturing facilities in South Carolina," asserts David Li, chairman and CEO of Home Furnishing International, a privately held firm with annual sales estimated in excess of \$200 million. "We have been in a growth mode for the past two years, and now we are bringing on strong leadership to continue our expansion in several product categories that are closely related to our existing businesses."

Bed pillows and mattress toppers are two areas targeted for substantial growth, following HFI's major penetration into the mattress and foundation category since 2021. "We have added the capacity to produce 100,000 bed pillows a day in South Carolina, and we felt we needed a real leader to leverage our growth in utility bedding," Li explains. "Bally has the



knowledge, expertise and retail relationships to take us to the next level in the basic bedding category."

Faudar has been in the home fashions industry for more than 30 years, serving in sales and merchandising positions at industry leaders including Newport-Layton Home Fashions, Jay Franco & Sons, Excell Home Fashions and Bess Manufacturing.

Bed pillows represent a potentially-explosive growth category for the company: in 2022, worldwide sales of bed pillows were valued at an estimated \$17.1 billion and are expected to reach or exceed \$18.1 billion in 2024, according to a global data and business intelligence platform Statista. Mattress toppers are another growth area, with worldwide sales estimated at \$919 million in 2022 and a projected compound annual growth rate of 7.2% through 2031, according to qualitative insights firm Transparency Market Research.

"As consumers become more aware of the role of high-quality bedding in producing a better night's sleep, we see a huge and growing demand for our utility bedding products," Bell points out. "We are making the investments in personnel and manufacturing that we believe are necessary to support this untapped segment of our business."

Li adds that the bedding industry is intensely competitive, and therefore the company wants to provide its retail customers with a one-stop-shopping experience. "Our goal has always been – and continues to be – to provide our retail customers with superior service, rapid delivery, enhanced fashion and exceptional performance at competitive prices," he notes.

Faudar calls his new position, "a great opportunity," and notes, "I am excited by David's vision and the overall strength of the company, especially with HFI's proven ability to develop products that serve the needs of our retail customers; the penetration they already have in the bedding and home fashions market, and the company's vertical manufacturing capabilities." He will work out of the New York showroom and his home office, covering all categories with select accounts with an emphasis on bed pillows, mattress toppers, and mattresses.

Chair pads and kitchen accessories are another major growth opportunity, according to Li. "We have enjoyed incredible success in the outdoor chair pad and cushion category, as well as consistent growth in the fashion



decorative pillow area," he says. "Indoor kitchen and dining chair pads are therefore the next logical step in our product line growth and evolution, taking advantage of our vertical manufacturing capacity in memory foam and conventional foam, as well as our extensive library of innovative and proprietary fabrics and designs."

The creation of a new executive position specifically targeting the chair pad category demonstrates the company's commitment, according to Li. "We have always prided ourselves on our personal relationships with our customers, and Erin is really a category specialist," he comments. "She is well-known and respected throughout the industry and will be a valuable addition to our team."

Gallagher-Brinskele served as vice president of sales for 11 years at chair pad specialty supplier Klear Vu Corp., and also previously worked for the manufacturing group formed by Glenoit Mills, Excell Home Fashions and Croscill Home Fashions, focusing on the kitchen rugs, kitchen textiles and table linens categories.

"I'm looking forward to growing the indoor seat cushion business by using HFI's impressive collection of fabrics and innovative manufacturing capabilities both in Gaffney and overseas,"

Gallagher-Brinskele asserts. "I'm excited to join HFI's team and have the opportunity to drive sales and develop products in the chair pad category. I also look forward to identifying and developing new market opportunities for such a powerhouse company." She will work out of the New York showroom and her home office, responsible for indoor chair pads and accessories for all accounts.

Bell points out, "Both Bally and Erin have very strong reputations in the industry and well-established relationships with many of our major retail customers. I believe they will bring us valuable insights and help us create and market products that will appeal to the ultimate consumer, thereby positioning us to continue our steady growth trajectory."

HFI also is targeting the pet bed category for expansion in the future, and is currently seeking a qualified executive to manage and guide the business. "We see pet beds as a logical extension of our existing categories, given our vertical manufacturing capabilities, including our substantial selection of proprietary fabrics and our

capacity for pouring customized foam formulations and generating performance fiberfill stuffing, all of which are unique advantages in the growing pet bed market," Li explains. "We are searching for a talented team player with knowledge and expertise to help drive our pet bed increases." In 2023, the size of the global pet bed market was valued at \$4.32 billion and is forecast to grow at a compound annual growth rate of 6.6% over the next decade, reaching a value of \$8.19 billion by 2033, according to data and research firm Future Market Insights.

Li believes that both Faudar and Gallagher-Brinskele can help propel HFI into new categories of business. "We see a huge amount of untapped potential in these markets," he explains. "We believe that our vertical, global fabric and furnishings manufacturing model, our innovative product development and design, and our speed to market make us a much more valuable partner to our retail customers. Additionally, we are one of the few companies today that is continuing to invest substantially in new U.S. manufacturing capabilities."

Home Furnishing International has invested close to \$50 million in its U.S. manufacturing and distribution facilities over the past three years. The company also is a leading vertical global fabric and home furnishings supplier with superior manufacturing capabilities in China, operating more than 3 million square feet of manufacturing facilities in Rugao, Jinjiang and Hangzhou. The company's Chinese factories currently produce more than 300 million yards of fabric every year.

About Home Furnishing International:

Home Furnishing International entered the U.S. home furnishings market in 1995 with the formation of American Decorative Fabrics (ADF), a major decorative fabrics supplier. The Home Fashions International (HFI) division debuted in 2001, providing home fashions and window treatments to leading retailers in virtually every major channel of distribution, including mass merchants, national chains, department stores, specialty retailers and catalogs. HFI added a decorative accessories division in 2005, expanding into decorative pillows, table linens and pet beds. ADF-HFI unified its corporate identity under the Westgate brand in 2006, and added freestanding window treatments and bath fashions in 2007. The company expanded into the outdoor market in 2015, developing an extensive line of performance fabrics, cushions, decorative pillows and accessories. Home Furnishing International and private investors formed a new joint venture, Palmetto Pedic, LLC, in March 2019 to provide conventional foam and memory foam, mattresses, toppers, pillows, foundations, adjustable bases and accessories to the U.S. bedding, upholstered furniture and automotive industries.

The company supports its U.S. business with manufacturing and distribution facilities totaling 1 million square feet, including a more than 625,000-square-foot plant in Gaffney, South Carolina. In August 2021, the company bought an industrial complex in Blacksburg, S.C., with more than 367,000 square feet of manufacturing on one floor, located on 65 acres adjacent to the Interstate 85 highway. The company also maintains a major showroom in New York City, a dedicated fabric showroom in High Point, N.C., and has more than 200 U.S. employees. The Chinese division manufactures more than 300 million yards of fabrics annually and employs more than 1,000 people. Home Furnishing International also owns its own distribution company in Brazil; and the company currently exports decorative fabrics, apparel fabrics and finished home fashions to more than 80 countries around the world.

High-resolution images available upon request. ####