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PHARR ANNOUNCES PLANS TO SELL HIGH PERFORMANCE YARN AND FLOORING DIVISIONS

MCADENVILLE, NC / November 26, 2019 ---- Pharr, a diversified provider of differentiated textile products and assorted real estate businesses, has reached agreements with Coats Group plc (Coats) to purchase Pharr High Performance, yarn supplier for the protective apparel industry; and Mannington Mills (Mannington) to purchase Pharr Fibers & Yarns and Phenix Flooring, suppliers of yarns, residential carpet and specialty flooring products.

The acquisitions are expected to close in early 2020.

“Throughout its 80-year history, Pharr’s spirit of innovation and willingness to adapt to change have allowed the company to evolve and succeed,” said Bill Carstarphen, Pharr president and chief executive officer. “These transactions reflect the next step in that evolution and will deliver great benefit to our customers, associates and communities. We know each of these groups will benefit tremendously from both Coats and Mannington and expect these transactions will result in a broad range of future opportunities and growth for our associates.”

Founded in 1939, Pharr is a closely held, privately-owned company based in McAdenville and comprised of five companies with total employment of 1,200.

Pharr High Performance manufactures yarns primarily for the protective apparel industry in North America and globally, providing technical yarn solutions to the Military, Fire Service and Industrial Thermal Protection industries. Pharr Fibers & Yarns manufactures fibers and yarns for the carpet industry in North America and globally. Phenix Flooring manufactures and sells

residential carpet to large retailers and specialty flooring retailers in the U.S., and also sells luxury vinyl tile and commercial carpet tiles and broadloom.

Coats, the world's leading industrial thread company, is a publicly traded manufacturer with operations in 50 countries and a workforce of more than 18,000. The company was founded more than 250 years ago and has its headquarters in London.

Mannington Mills is a manufacturer of residential and commercial sheet vinyl, luxury vinyl, laminate, resilient and hardwood floors; as well as commercial carpet and rubber. The company, privately held and owned by the Campbell family, is based in Salem, NJ and was founded in 1915.

“As a result of these transactions, each of these Pharr businesses will become part of much larger operations with greater capacity, resources and reach.” Carstarphen said. “We sought leaders in their industries with proven track records, and who understood and respected what we had built. Coats and Mannington emerged as ideal partners in all regards.”

Carstarphen said both companies plan to retain Pharr's workforce and continue operations at its manufacturing facilities in McAdenville, NC and Dalton, Ga. With the addition of Pharr High Performance, Coats will have six North Carolina manufacturing sites located in McAdenville, Kings Mountain, Marion and Hendersonville as well as its corporate office in Charlotte.

The acquisitions of Pharr Fibers & Yarns and Phenix Flooring will help establish Mannington as one of the largest suppliers in the floor covering industry, participating in both residential and commercial hard and soft surface categories.

The acquisitions will not affect Pharr's two remaining divisions: Belmont Land & Investment Company, developer of residential and commercial real estate and hotels; and Strand Hospitality Services, which manages a portfolio of hotel properties throughout the Southeast.

“Pharr will continue growing and diversifying our real estate holdings while exploring new companies to invest in and operate,” Carstarphen said. “And our company will

maintain a strong presence in Gaston County, investing back into the community as we always have.”

For more information: pharrusa.com.

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About Pharr

Pharr, A Family of Companies began innovating in 1939 as a yarn manufacturer that serviced textile mills around the world and has continued to serve as a leader across multiple services and industries, providing our partners, vendors and customers with quality service and innovative thinking. The family of companies has grown to include Pharr Fibers & Yarns, Pharr High Performance, Phenix Flooring, Strand Hospitality Services and Belmont Land & Development. Pharr is headquartered in McAdenville, NC.

About Mannington

One of the world's leading manufacturers of fine flooring, Mannington Mills, Inc., is based in Salem, New Jersey (USA). The company manufactures residential and commercial sheet vinyl, luxury vinyl, laminate, resilient and hardwood floors; as well as commercial carpet and rubber under the Mannington Residential, Mannington Commercial, Amtico and Burke brands. Founded in 1915 by John Boston Campbell, the company is still privately held and owned by the Campbell family. Now in its second century of doing business in the USA, Mannington Mills remains committed to quality, customer satisfaction and innovative manufacturing with award-winning product design, state-of-the-art processes and industry-leading programs.

About Coats Group plc

Coats is the world's leading industrial thread company. At home in some 50 countries, Coats has a workforce of 18,000 people across six continents. Revenues in 2018 were US\$1.4B. Coats' pioneering history and innovative culture ensure the company leads the way around the world. It provides complementary and value-added products, services and software solutions to the apparel and footwear industries. It applies innovative techniques to develop high technology Performance Materials threads, yarns and fabrics in areas such as automotive, composites, fiber optics and oil and gas.