



## Forward Looking Statements

- This presentation contains “Forward Looking” statements which reflect the Company's current expectations regarding future events and which involve risks and uncertainties. Although we believe that our expectations are based on reasonable assumptions, actual results could differ materially from those projected in this presentation.
- Please refer to the written materials made available to you in connection with this presentation as well as the Company's most recent Form 10-K and other SEC filings for a more detailed discussion of some of the risks facing the Company that could affect the forward looking statements in this presentation.
- Finally, please note that any “Forward Looking” statements are made only as of the date of this presentation and the Company does not commit to update or revise these statements even if it becomes apparent that any projected results will not be realized.



# Delta Apparel, Inc.

**DELTA GROUP** ~\$360 million \*

DTG2Go

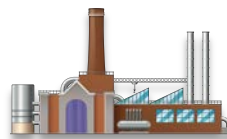


Activewear

Activewear



**FunTees**  
A DIVISION OF DELTA APPAREL



Manufacturing

**SALT LIFE GROUP** ~\$40 million \*

SaltLife

 **COAST**

\* Based on FY18 results

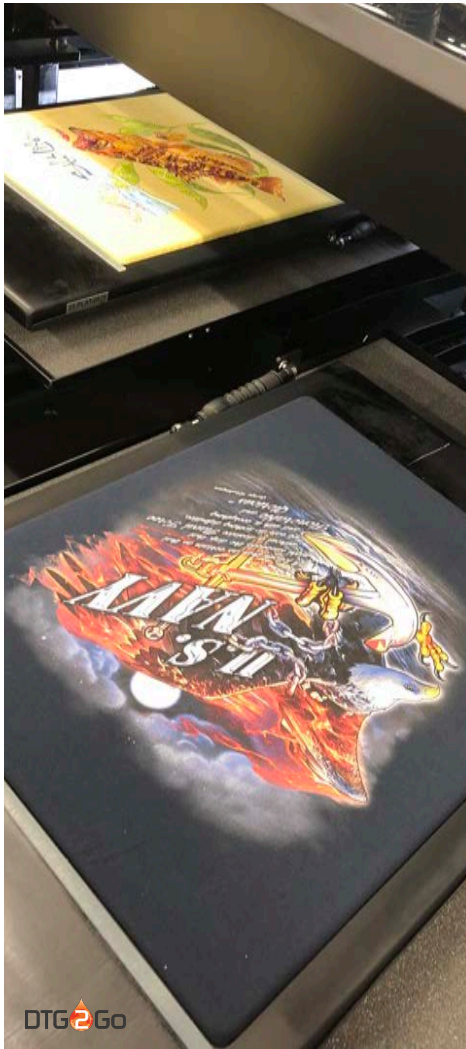




## Investment Highlights

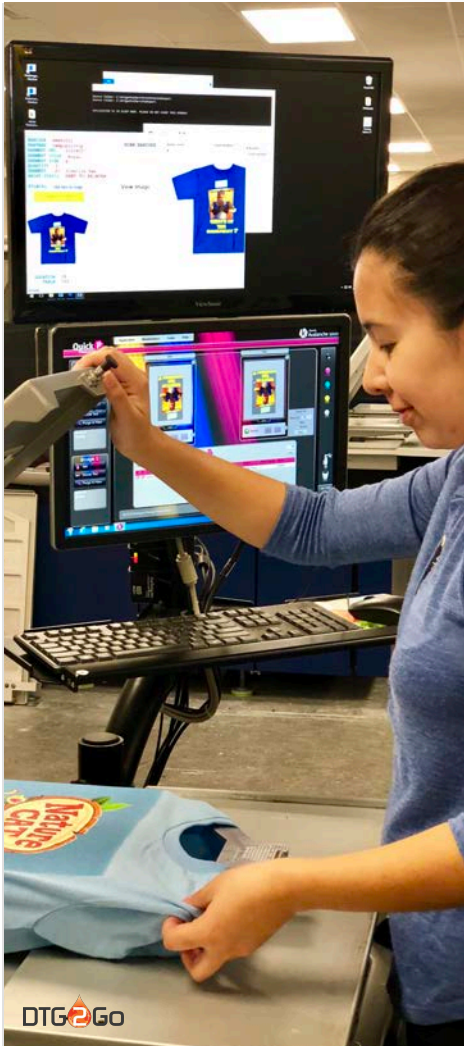
- DTG2Go's cutting edge technology is revolutionizing the changing retail platform with digital print and fulfillment capabilities
- Significant growth potential with lifestyle brand, Salt Life
- Strong core business, Delta Activewear, continues to gain market share and expand customer base
- Generating strong free cash flows
- Solid balance sheet
- Ongoing share repurchase program



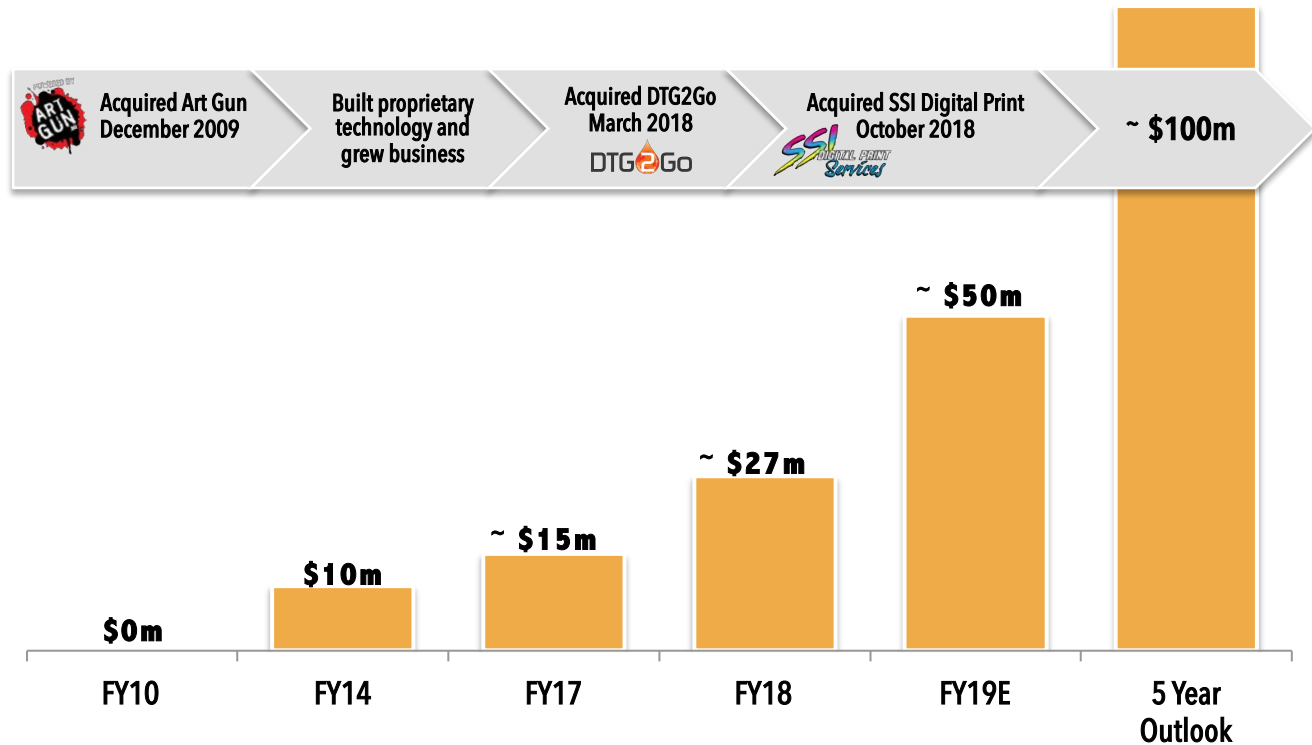


## DTG2Go... Poised for 20% Sales CAGR

- Industry leader in digital print and fulfillment capabilities
  - Innovative technology
  - Ability to produce over 70,000 unique prints per day
- Only vertical digital print supplier in the world
  - Seamless fulfillment integrated with Delta garments
    - Fashion and core basics, fleece and shorts
- State-of-the-art equipment
- World class quality assurance
- Speed-to-market
  - Orders shipped in 24-48 hours
  - Worldwide shipping to over 100 countries



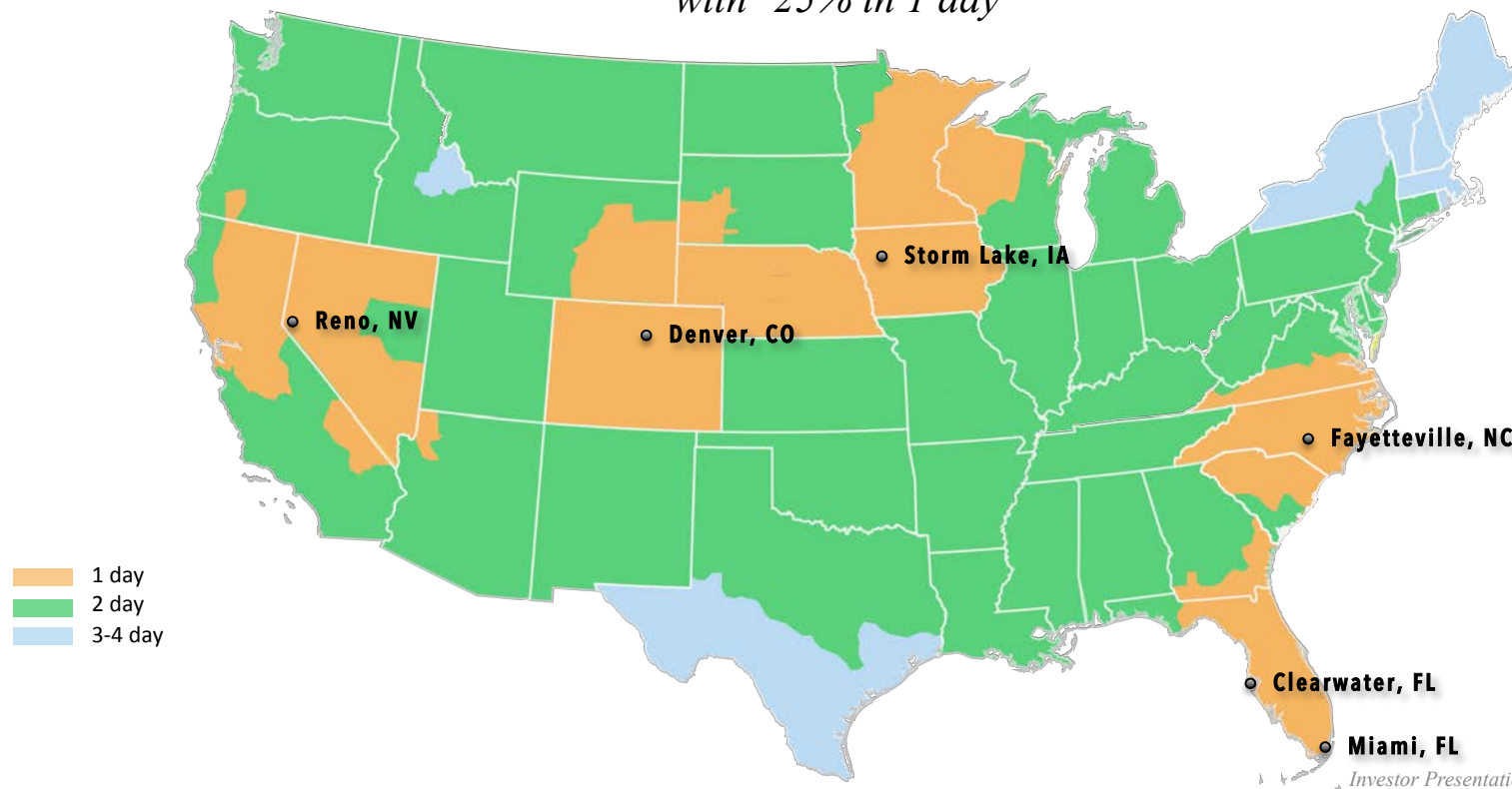
## DTG2Go... Poised for 20% Sales CAGR



*DTG2Go achieving double-digit operating profits with 20%+ EBITDA margins*

# DTG<sup>2</sup>Go ...Poised for 20% Sales CAGR

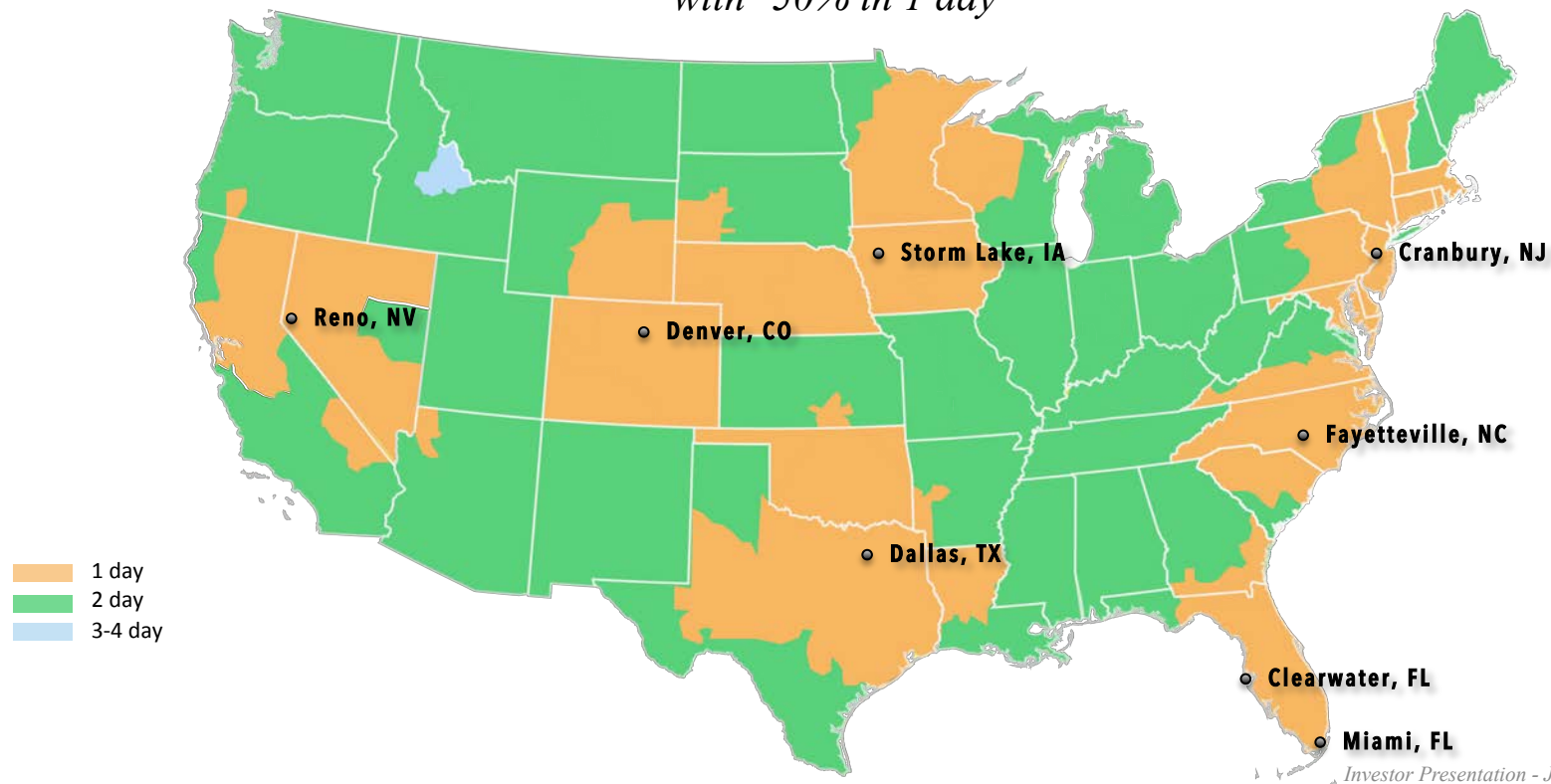
*Reaching over 90% of US population in 1-2 day ship  
with ~25% in 1 day*





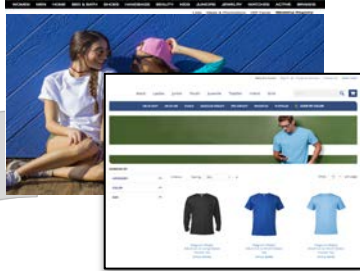
# DTG<sup>2</sup>Go ...Poised for 20% Sales CAGR

*2019 Expansion: Reaching 99% of US population in 1-2 day ship  
with ~50% in 1 day*



# DTG2Go Automated On-Demand Process

1 Consumer purchases from Partner website



2 Consumer pays Partner for order



3

DTG2GO  
DIGITAL PERFECTION

- Pick blank garment
- Digitally print graphic
- Quality check order
- Ship directly to consumer



PICK



PRINT



SHIP

(Branded Packaging)



QA



6

DTG2Go invoices Partner



5

Consumer receives order



4

Product shipped to consumer within 24-48 hours

# DTG2Go ...Poised for 20% Sales CAGR

*How large is the potential digital print market?*

## eRetailers

- Continues to grow double-digit with existing sites
- Significant opportunities as more sites shift to digital

## Promotional Products

- Eliminates inventory risk for promotional companies
- Creates new market opportunities for not-for-profit organizations

## Traditional Retail

- Big growth opportunity for brick and mortar retail
- DTG2Go has reach and capacity to properly serve this market

## Screen Print Community

- Traditionally handcuffed by the lack of technology
- DTG2Go offers revolutionary software to capture digital print opportunity

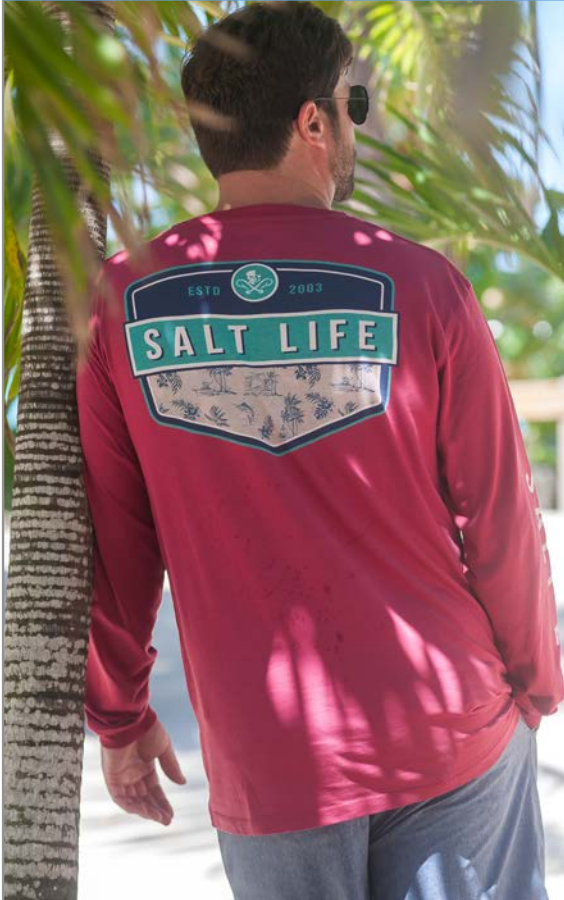
## Large International Brands

- Growing interest in on-demand digital print
- Flexibility to use existing creative library for unlimited designs



Salt Life

...Positioned for Double-Digit Growth

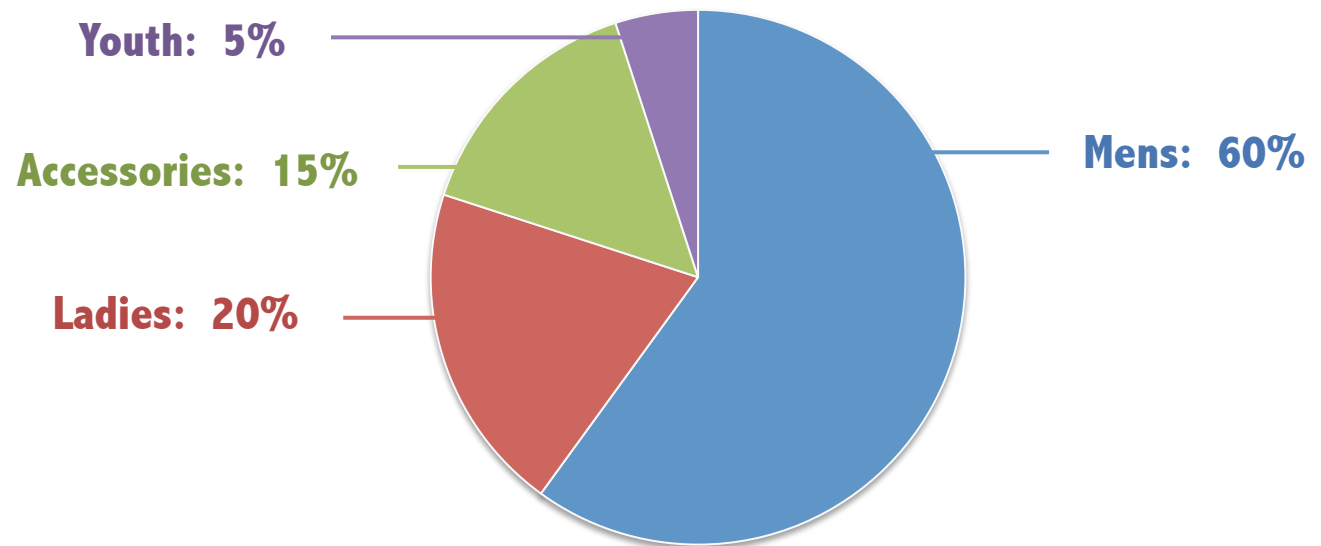




## *Salty Life* ...Positioned for Double-Digit Growth

*Reaching a wide demographic mix of consumers who embrace a lifestyle of water sports and beach activities*

### Direct-to-Consumer Sales Mix





# SaltLife ...Positioned for Double-Digit Growth



@realsaltlife

**Tweets**  
40.9K

**Followers**  
65.2K

**Likes**  
45.3K

AQUAHOLIC



@livethesaltlife

**Followers**  
1.1M

**Likes**  
1.1M



Instagram

@realsaltlife

**Posts**  
4.7K

**Followers**  
213K



**You Tube**

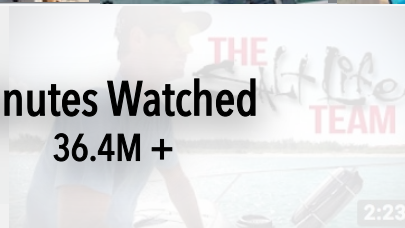
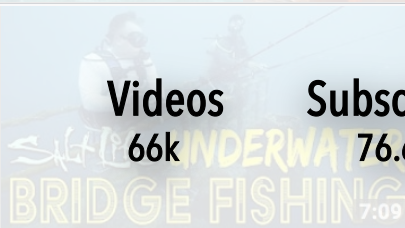
@realsaltlife

**Videos**  
66k

**Subscribers**  
76.6K

**Views**  
26.6M

**Minutes Watched**  
36.4M +



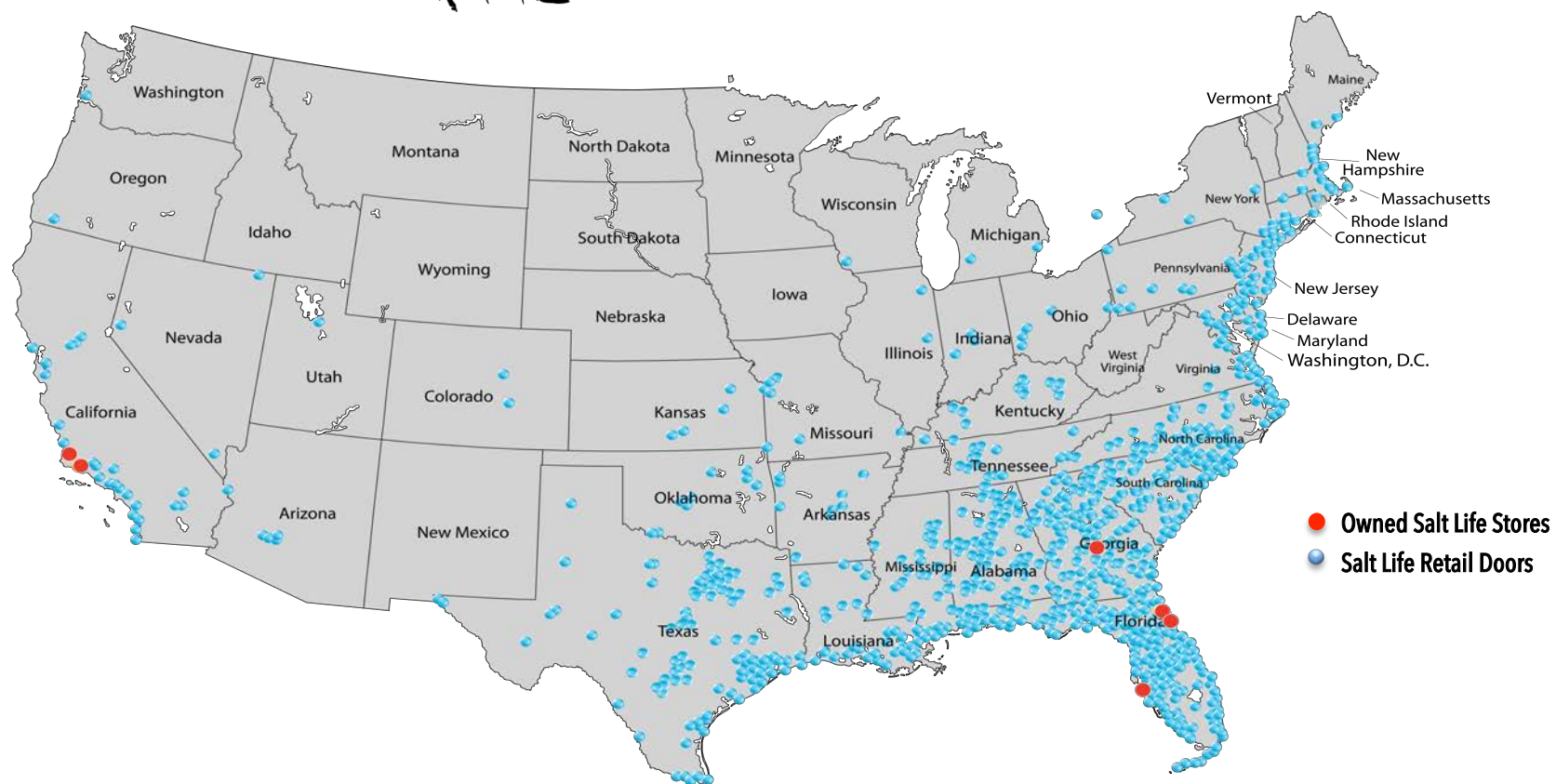




**Over 2 Million Decals Sold**



# Salt Life Retail Doors





# *Salt Life - Tampa, Florida*



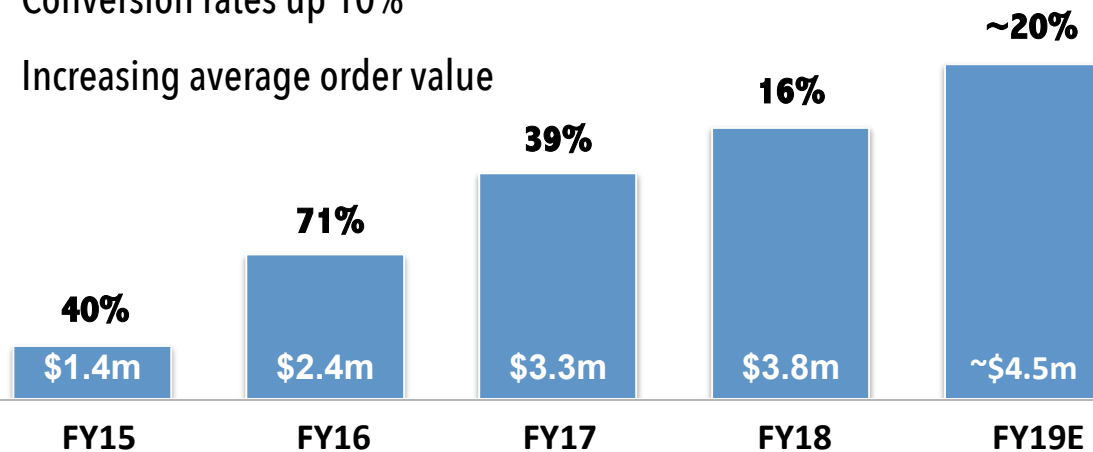




## Salt Life eCommerce

*Over Two Million Consumers Visit Saltlife.com Annually*

- Shipping to all 50 states
- Site traffic trending up
- Conversion rates up 10%
- Increasing average order value



### eCommerce Sales Growth

A full-page background image showing three divers underwater. In the foreground, a female diver with green hair is swimming towards the camera, wearing a pink long-sleeved shirt with 'SALT LIFE' written on the sleeve, black shorts, and a blue scuba tank. Behind her, two other divers are visible, one in a blue shirt and one in a white shirt, both also with tanks. They are swimming over a vibrant coral reef in clear blue water.

Live in the Moment.

**SLX**  
**UVAPOR™**

**PERFORMANCE WEAR**

Salt Life team members, Sarah Jarrett and Peter Miller  
diving in the latest SLX UVapor performance clothing.

*Salt Life*

See more at [saltlife.com](http://saltlife.com)



SALT LIFE

SWIM







## Salt Life Beverage

- **Launched in Florida - Summer 2018**
  - **Sold in over 3,000 doors in Florida**
    - 900 Publix doors; 300 Winn Dixie doors
    - Regional & independent stores
    - Restaurants and bars
- **Offered draught beer – Fall 2018**
- **Expanding distribution in 2019**
  - Georgia      • North Carolina
  - Alabama    • South Carolina



# Salt Life Restaurants

*Operated through Licensee*

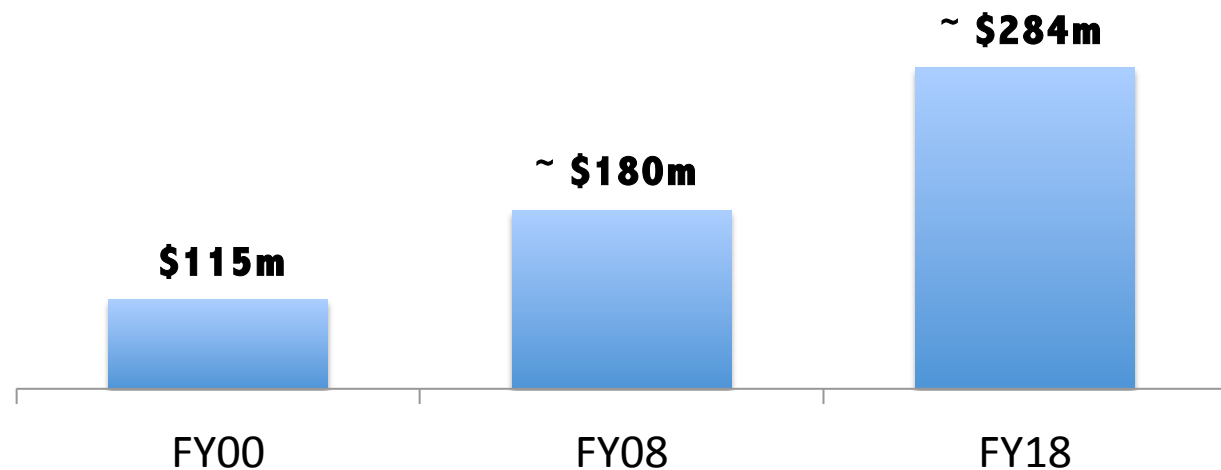
St. Augustine Beach, FL  
Jacksonville Beach, FL  
Fernandina Beach, FL - NEW





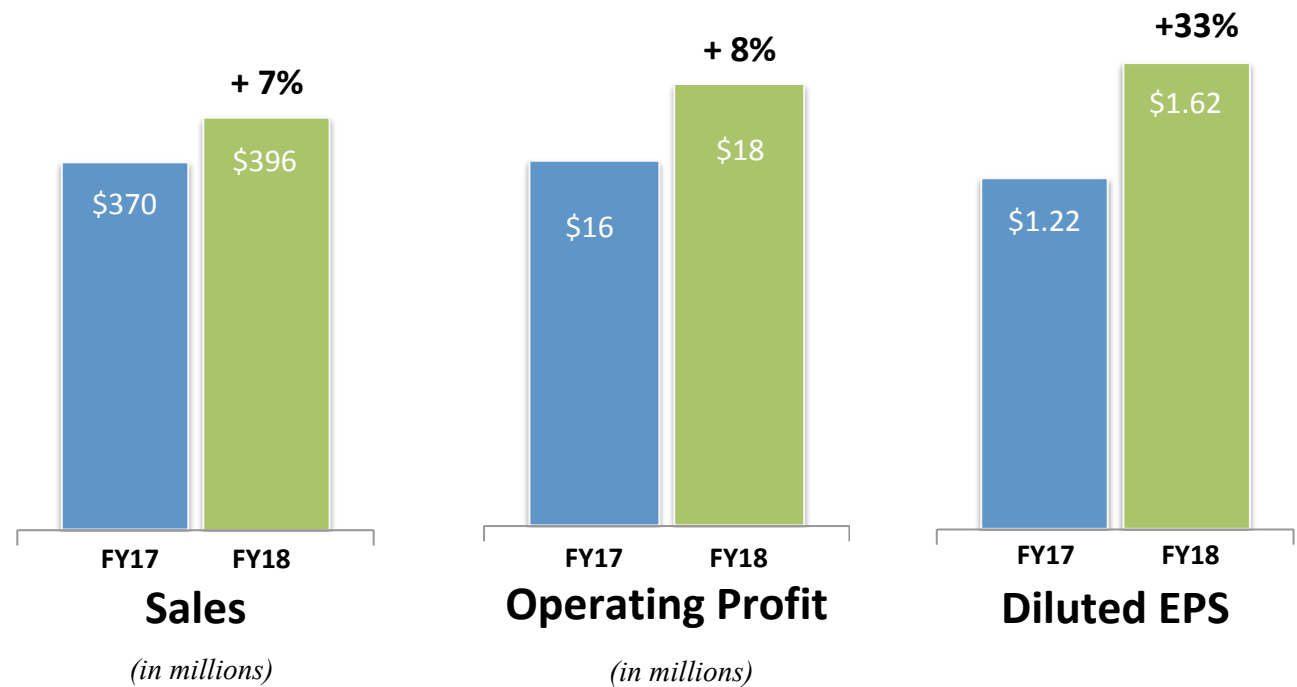
## Core Business, Delta Activewear, Continues to Grow

- Consistent 5% CAGR over eighteen years
- Generating ~10% EBITDA margins





## DLA Sales and Earnings Growth



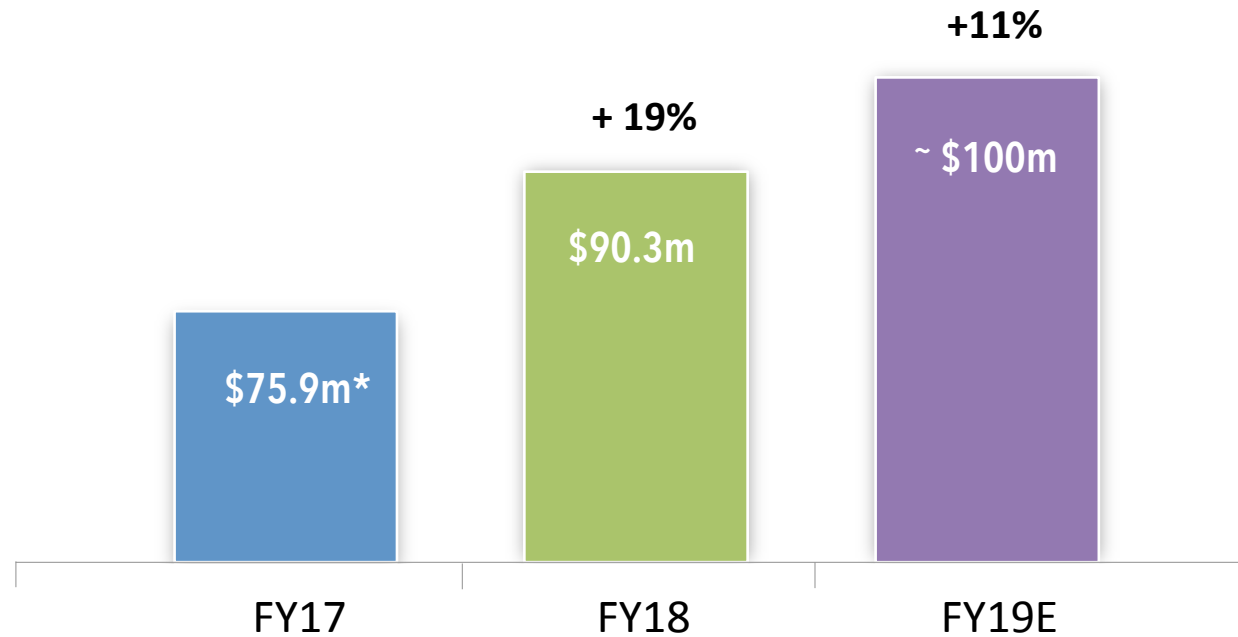
**Note:** Comparison excludes \$9.4m prior year sales and prior year gain on sale of since-divested Junkfood Clothing Company. Also excludes impact from tax reform.





# DLA Sales and Earnings Growth

Fiscal First Quarter



\* Excludes \$9.4m of sales from since-divested Junkfood Clothing Company.





# Solid Balance Sheet

**As of FY18 September**

- Improved operating cash flow by ~\$7 million to \$20.9 million
- Inventory remained flat at \$175 million
  - Lower inventory units more than offset cotton and inflationary cost increases
- Capital spending of \$13.3m; D&A of \$12.6m
  - Cash paid for digital print business of \$16.4m
- Repurchased 464k shares of DLA stock for \$9.0m



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A photograph of four models (three women and one man) posing in casual clothing. One man is seated in the foreground, while three people stand behind him. They are in a modern, minimalist setting with a light-colored wall and a patterned rug.

# Thank you.

## Contact Information:

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