



## Strong Revenue Growth Drives DTG2Go Expansion

GREENVILLE, S.C., June 19, 2020 -- Delta Apparel, Inc. (NYSE American: DLA), a leading provider of core activewear and lifestyle apparel products, announces the expansion of its digital print business, with the opening of a new integrated digital print and distribution facility in Phoenix, Arizona, combining DTG2Go's digital print business with Delta Apparel's own supply of garments. This new facility, expected to open in August, provides the expanded capacity needed for DTG2Go to meet the rapidly growing demands for its digital print model.

The Phoenix facility will increase DTG2Go's footprint to eight digital printing locations across the U.S., further expanding its one-day shipping reach to multiple markets, including Phoenix, Tucson, San Diego and greater Los Angeles.

Deborah Merrill, Delta Group President, commented, "We are thrilled to be in a position to continue to invest in our strong growth business, DTG2Go. The Phoenix facility expands our distribution footprint, now enabling us to serve nearly 60% of the U.S. population with one-day shipping. It also gives us the ability to increase our overall capacity with additional equipment to better serve our existing customers and bring on new customers seeking the unique, on-demand model we offer."

Following an April year-over-year sales increase of over 25%, DTG2Go's May sales accelerated to a 32% year-over-year growth. Importantly, approximately 40% of the increase in orders received in the quarter to date is attributable to onboarding new customers to the DTG2Go platform. Continuing the trend from April, over 30% of DTG2Go's May production was printed on a Delta-branded garment, which is more than twice that of a year ago.

Merrill continued, "We continue to see incredible demand for our unique DTG2Go model. We are the only digital print supplier in the world that can offer a seamless, vertically-integrated solution, utilizing our proprietary software and internal supply chain to offer a fully-decorated, on-demand product shipped directly to the consumer, eliminating non-value added costs and reducing the risk of third-party supply chains. We see this as a tremendous competitive advantage. With the recent disruptions in supply chains and the inability for consumers to shop in traditional retail stores due to COVID-19, the benefits of our DTG2Go model have become apparent in the marketplace. We were able to continue operations, utilizing our network of facilities across the country, giving our existing customers, and new customers, a source of expanded revenue during times when needed most."

As a part of the expansion, the Company plans to increase its fleet of digital printers by 10%, including adding eight new Kornit Atlas printers to Phoenix. Overall, the Phoenix facility gives DTG2Go the space to ultimately operate sixteen digital print machines, giving DTG2Go future expansion opportunities.

"The additional equipment for the new Phoenix location provides production capacity to meet the impressive demand we are experiencing," commented Merrill. "In a business that has historically achieved double-digit operating profits and greater than 20% EBITDA margins, this new investment was an easy decision to make. We believe customer adoption rates to the innovative, on-demand model will accelerate in the upcoming year,

and we expect the addition of our eighth facility, further expanding our capacity and reach to consumers, will further solidify our leadership position in the market.”

### **About DTG2Go**

DTG2Go is a market leader in the direct-to-garment digital print and fulfillment industry, bringing technology and innovation to the supply chain of its many customers. DTG2Go uses highly-automated factory processes and its proprietary software to deliver on-demand, digitally printed apparel direct to consumers on behalf of its customers. Utilizing its seven fulfillment facilities throughout the United States, DTG2Go offers a robust digital supply chain, shipping custom graphic products within 24 to 48 hours to consumers across the United States and in over 100 countries worldwide. DTG2Go services the fast-growing e-retailer channels, as well as the ad-specialty, promotional products, screen print, traditional retail, social media, and licensed apparel marketplaces, among others. DTG2Go’s nationwide digital print and fulfillment network currently includes facilities integrated within Delta Apparel’s Activewear distribution centers in Miami, Florida; Dallas, Texas; and Cranbury, New Jersey. Additional facilities are located in Clearwater, Florida; Reno, Nevada; Storm Lake, Iowa; and Fayetteville, North Carolina.

### **About Delta Apparel, Inc.**

Delta Apparel, Inc., along with its operating subsidiaries, DTG2Go, LLC, Salt Life, LLC, and M.J. Soffe, LLC, is a vertically-integrated, international apparel company that designs, manufactures, sources, and markets a diverse portfolio of core activewear and lifestyle apparel products under the primary brands of Salt Life®, COAST®, Soffe®, and Delta. The Company is a market leader in the direct-to-garment digital print and fulfillment industry, bringing DTG2Go technology and innovation to the supply chain of its customers. The Company specializes in selling casual and athletic products through a variety of distribution channels and tiers, including outdoor and sporting goods retailers, independent and specialty stores, better department stores and mid-tier retailers, mass merchants and e-retailers, the U.S. military, and through its business-to-business e-commerce sites. The Company’s products are also made available direct-to-consumer on its websites at [www.saltlife.com](http://www.saltlife.com), [www.coastapparel.com](http://www.coastapparel.com), [www.soffe.com](http://www.soffe.com) and [www.deltaapparel.com](http://www.deltaapparel.com) as well as through its branded retail stores. The Company’s operations are located throughout the United States, Honduras, El Salvador, and Mexico, and it employs approximately 8,400 people worldwide. Additional information about the Company is available at [www.deltaapparelinc.com](http://www.deltaapparelinc.com).

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