

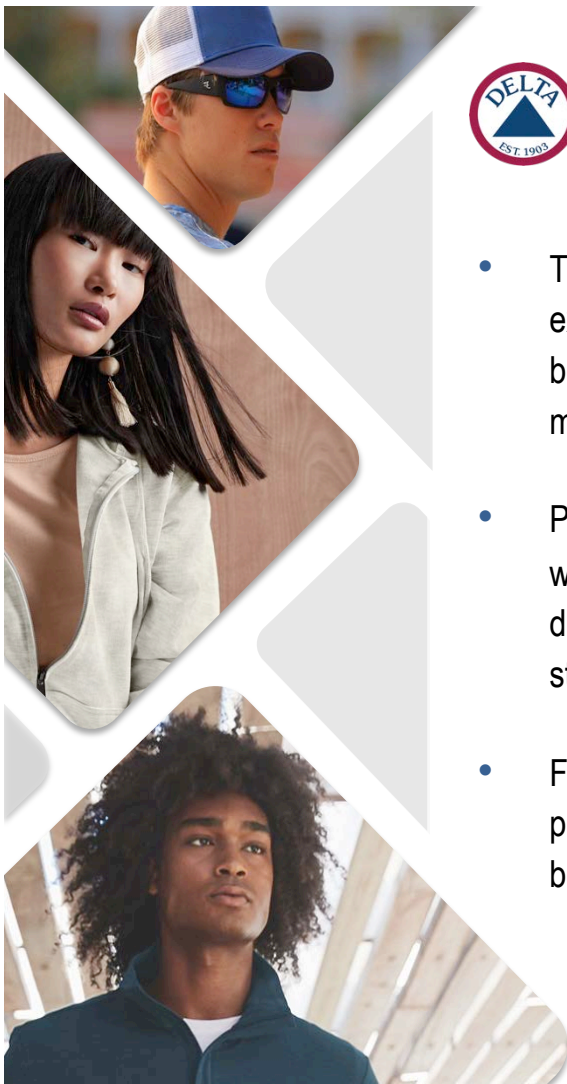


# **Delta Apparel, Inc.**

## **2020 Annual Meeting of Shareholders**

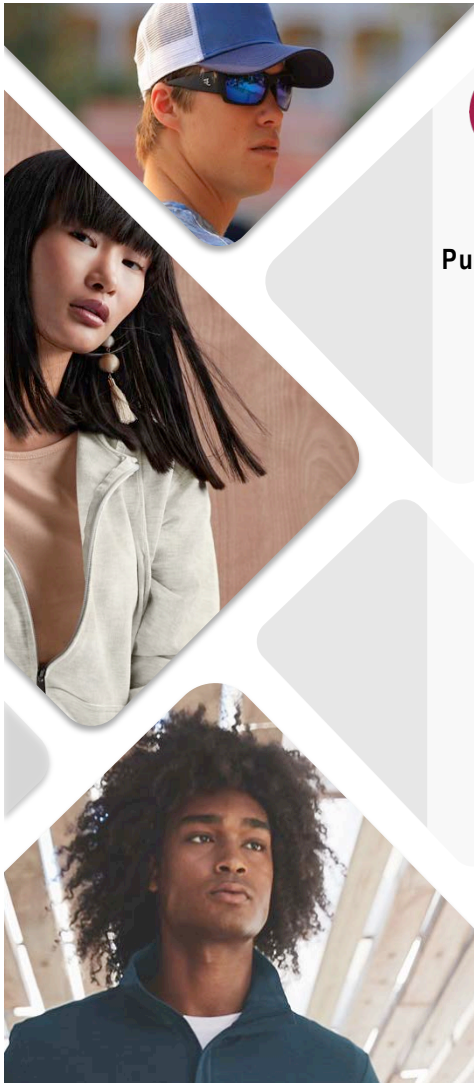
*February 6, 2020*





# 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.



June 2000  
Public Company

- 9 acquisitions
- 2 divestitures
- Mfg realignment

FY00 Sales  
\$114.5m

FY17 Sales  
\$385.1m



DTG2Go  
Acquisition

Launch  
Salt Life  
Beer



SSI  
Acquisition



Salt Life  
Retail  
Initiative

FY19 Sales  
\$431.7m

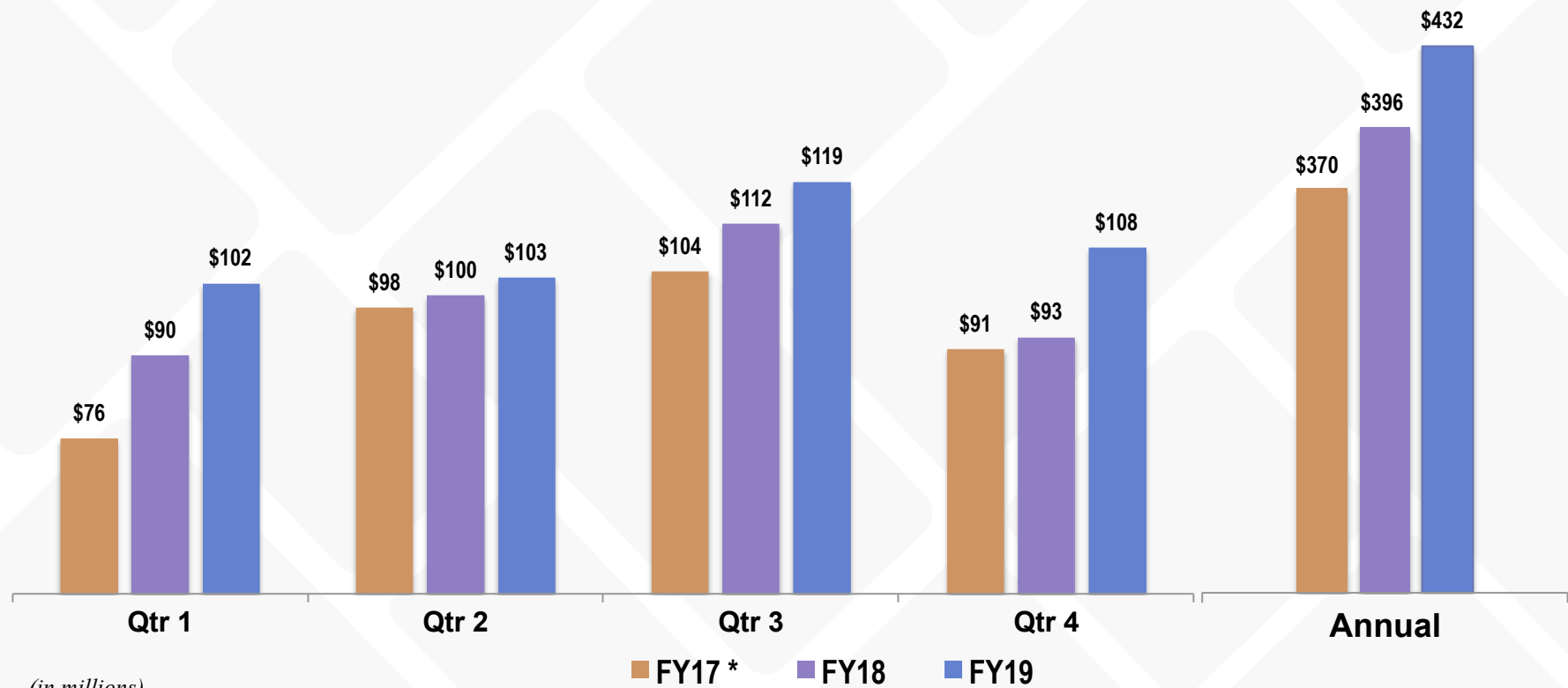


Launch  
Distributor  
Model

# Delta Apparel, Inc.



# FY19 Sales Growth

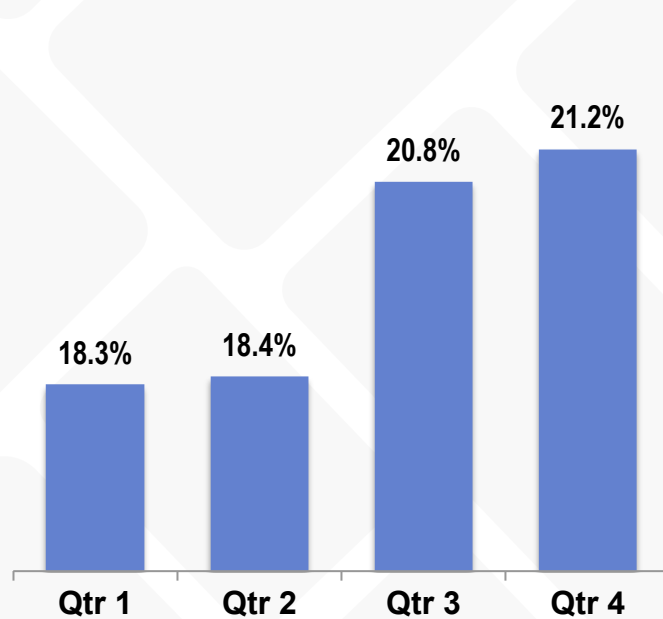


\* Excludes \$9.4 million of sales from the since-divested Junkfood Clothing Company business

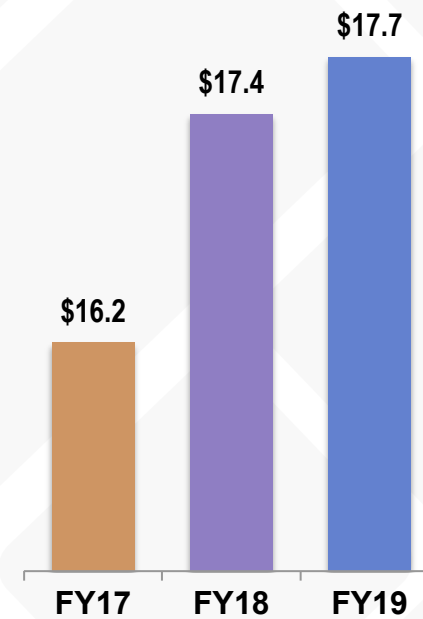




# FY19 Improved Profitability



FY19 Gross Margins



Operating Profit  
(in millions)

*\* Adjusted to exclude \$2.5 million net expense from 2016 customer bankruptcy net settlement and \$1.0 million gain on commercial litigation settlement.*



# Growth Initiatives

- Broaden the strong core business, Delta Activewear, by launching expanded product line with recognizable brands, further growing market share and increasing customer base
- Revolutionize the retail landscape with DTG2Go's cutting edge technology to provide on-demand virtual inventory through digital print capabilities
- Connect with consumers who love the ocean with our aspirational lifestyle brand, Salt Life, through Salt Life branded retail doors, enhanced eCommerce engagement and expanded product offerings
- Accelerate growth across our most profitable sales channel, our B2B and B2C eCommerce sites



## Delta Activewear

CATALOG CORE BASICS



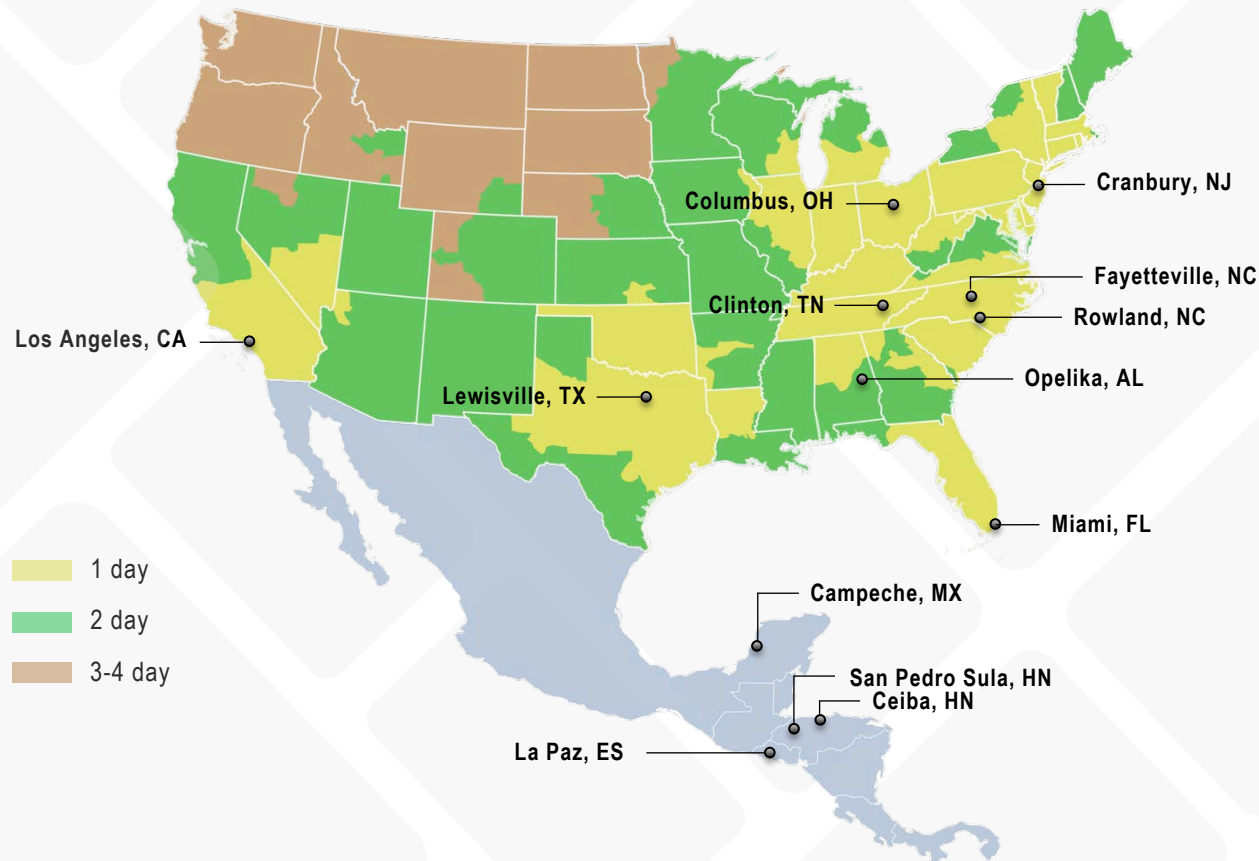
FUNTEES PRIVATE LABEL



CATALOG FASHION BASICS



# Distribution and Manufacturing Platform



## DISTRIBUTION

- Clinton, TN
- Columbus, OH
- Cranbury, NJ
- Fayetteville, NC
- Lewisville, TX
- Miami, FL
- Opelika, AL
- Los Angeles, CA

## MANUFACTURING

- Fayetteville, NC
- Rowland, NC
- Ceiba Textiles, Honduras
- Campeche, Mexico
- La Paz, El Salvador
- San Pedro Sula, Honduras





# Distributor Model

**Distributor market size > \$5 billion**

- ✓ Distribution Network
- ✓ Customer Relationships
- ✓ Business systems
- ✓ Infrastructure
- Inventory Investment

Large opportunity; low risk



## Sourced Branded Products

JACK NICKLAUS



CALLAWAY GOLF



ORIGINAL PENGUIN





## Sourced Branded Products

BURNSIDE



SIERRA PACIFIC



DRI DUCK



## Sourced Branded Products

OUTDOOR CAP

LIBERTY BAGS

ACCESSORIES





# DELTA DIGITAL DECORATION

*powered by:*  
**DTG2Go**

- ◆ **DIGITAL SOLUTION FOR  
SCREEN PRINTERS**
- ◆ **SHORT RUNS NO LONGER HAVE TO BE A  
BURDEN ON YOUR BUSINESS**
- ◆ **DON'T TURN AWAY LOW QUANTITY,  
FULL COLOR JOBS ANYMORE!**
- ◆ **4 EASY STEPS: PICK DELTA GARMENT /  
UPLOAD ART WORK / PROOF & APPROVE /  
RECEIVE YOUR DECORATED GARMENTS!  
(or drop ship direct to YOUR customer)  
all in under 10 DAYS!**
- ◆ **MAKE DTG EASY &  
PROFITABLE**

[www.DeltaApparel.com/DigitalDecoration](http://www.DeltaApparel.com/DigitalDecoration)

# On-Demand Economy



## **Self expression era:**

consumer wants fast, easy and personal



## **Social media influence:**

fast fashion is getting faster and it's all about immediate gratification



## **eCommerce changes everything:**

product lifecycle keeps getting shorter; moving supply chain closer to consumer

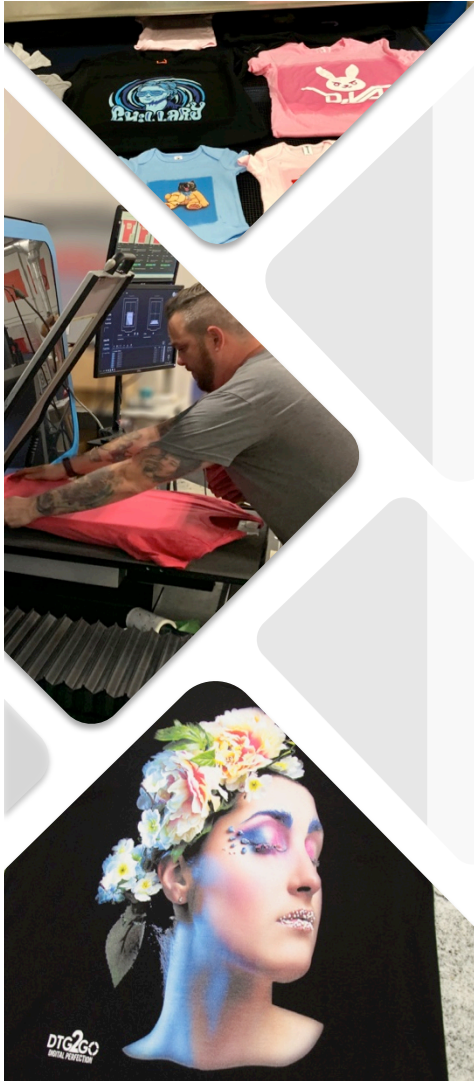


## **Sustainability:**

willing to pay more for eco-friendly products

# **On-Demand Economy Solution**





# Digital Decoration

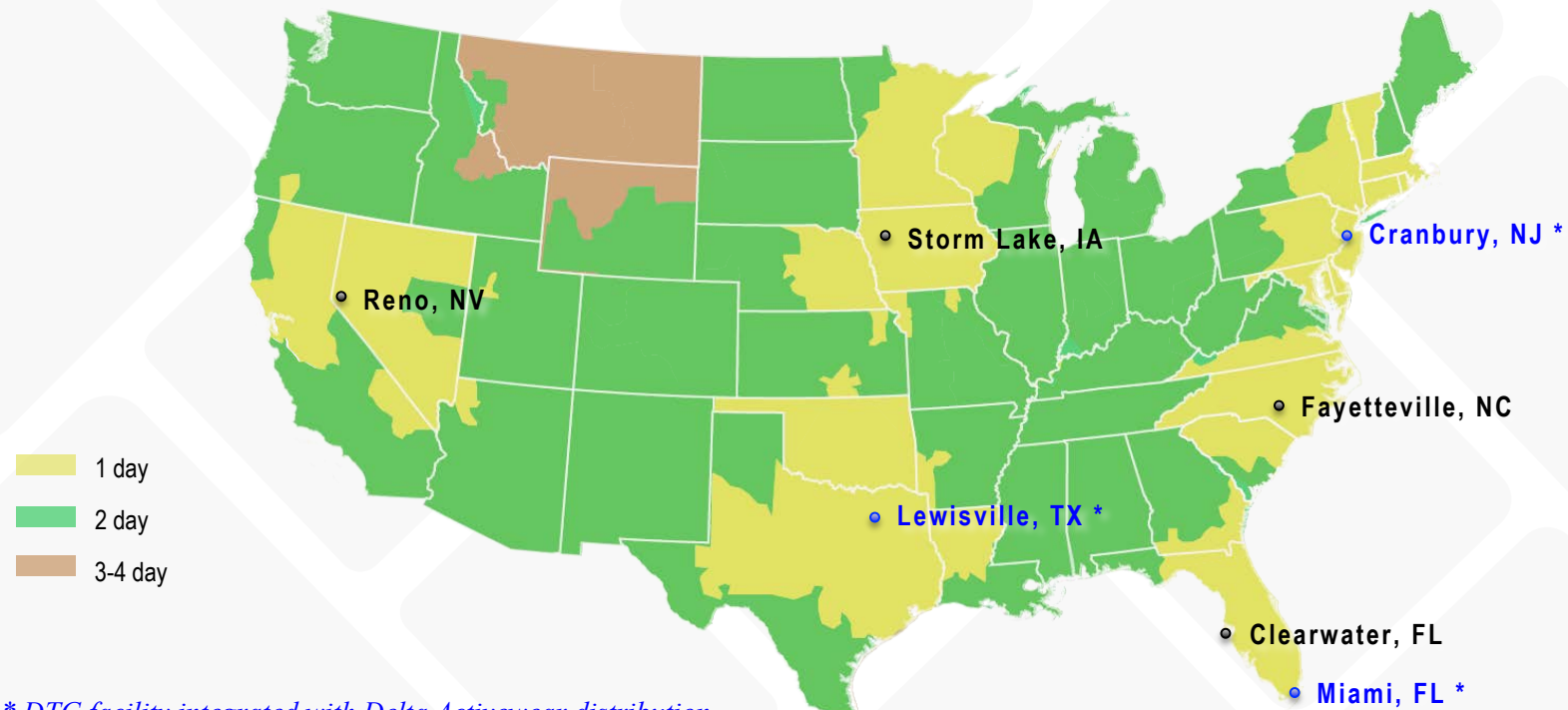
- **Only vertical digital print supplier in the world**
  - Seamless fulfillment integrated with Delta garments
    - Fashion and core basics, fleece, shorts and athletic uniforms
- **Industry leader in digital print and fulfillment capabilities**
  - Innovative technology
  - Polyester printing
  - Large scale capacity to produce over 90k unique prints per day
- **State-of-the-art equipment**
- **World class quality assurance**
- **Speed-to-market**
  - Orders shipped in 24-48 hours
  - Worldwide shipping to over 100 countries





# Digital Decoration

Reaching 99% of US population in 1-2 day ship with ~50% in 1 day

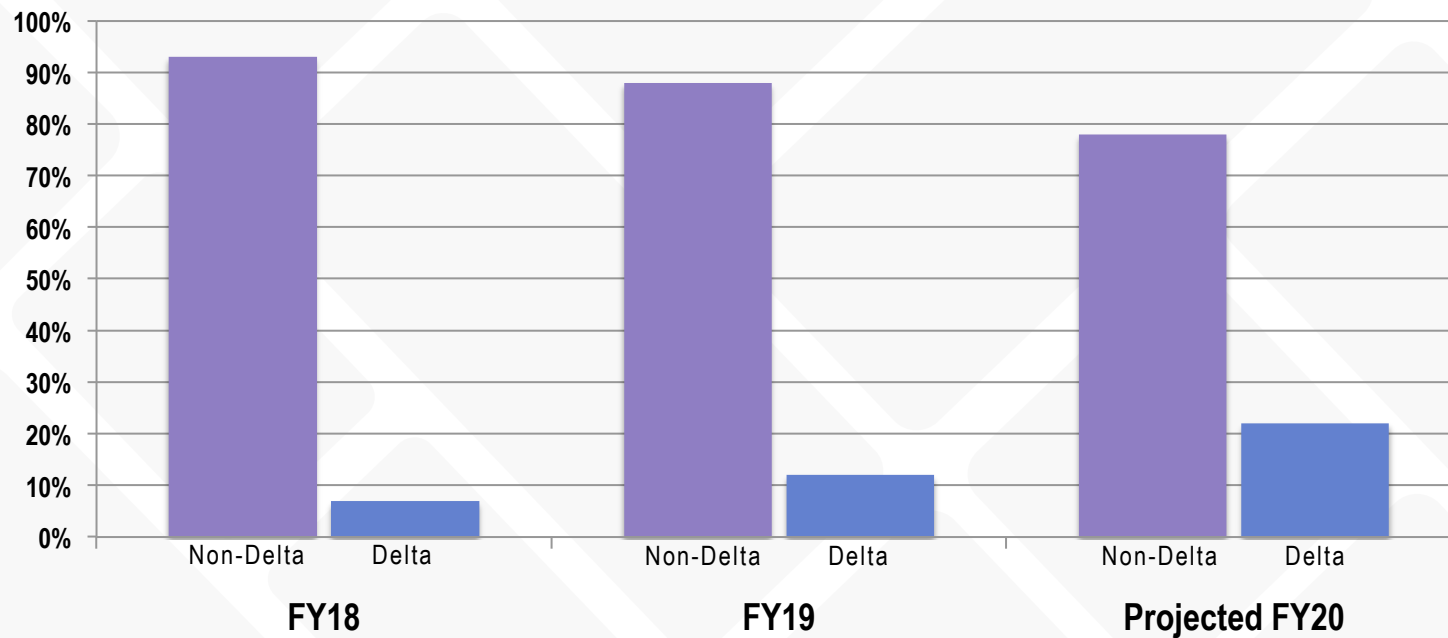


*\* DTG facility integrated with Delta Activewear distribution*



# Digital Decoration

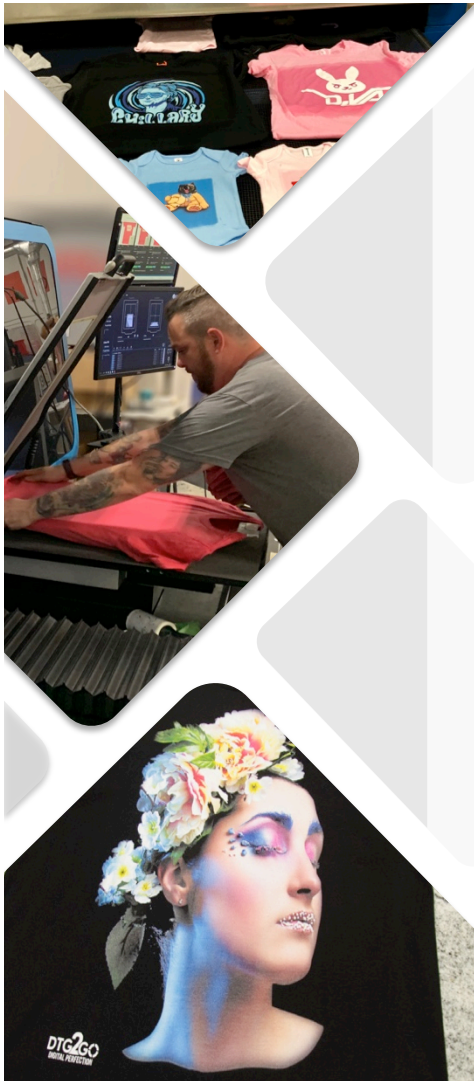
Transition Customers to Delta Products



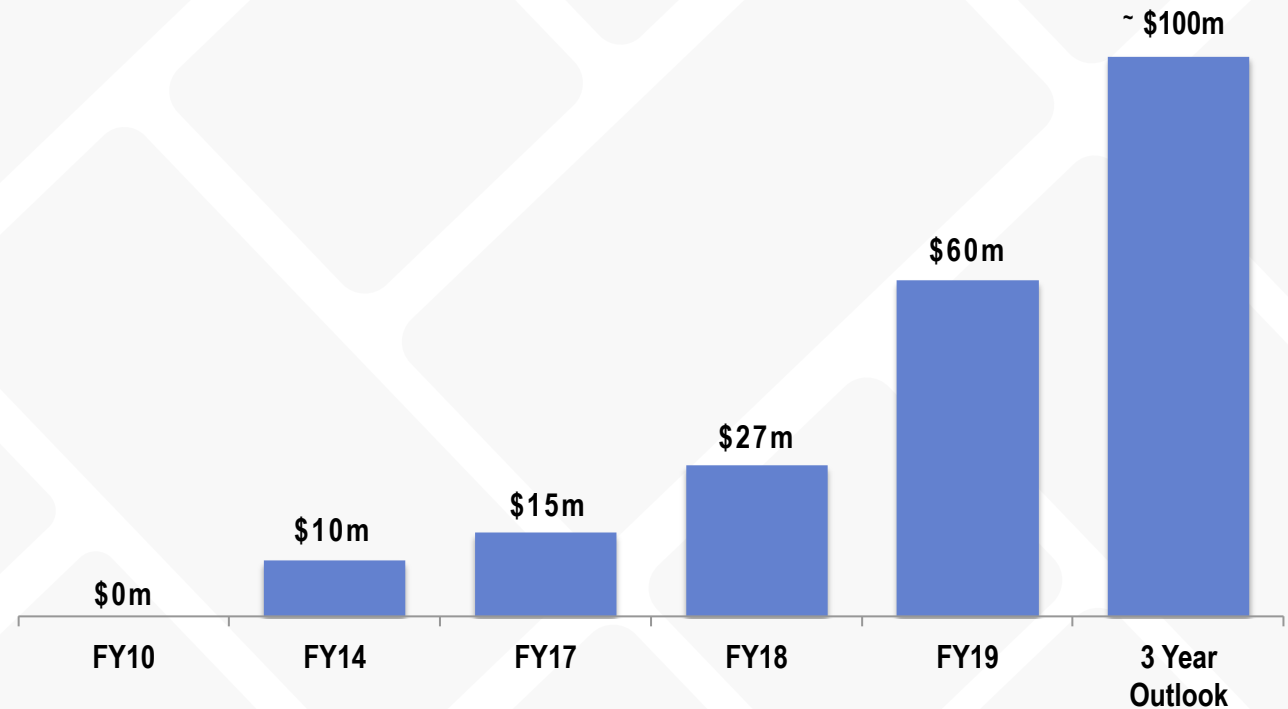


## Digital Decoration

	eCommerce	Promotional	Traditional Retail	Screen Printers	
FY17	100%				
FY18	99%	1%			
FY19	98%	1%	1%		
FY20	83%	5%	10%	2%	



# Digital Decoration



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





SALT LIFE



Salt Life

## Connecting with Consumers





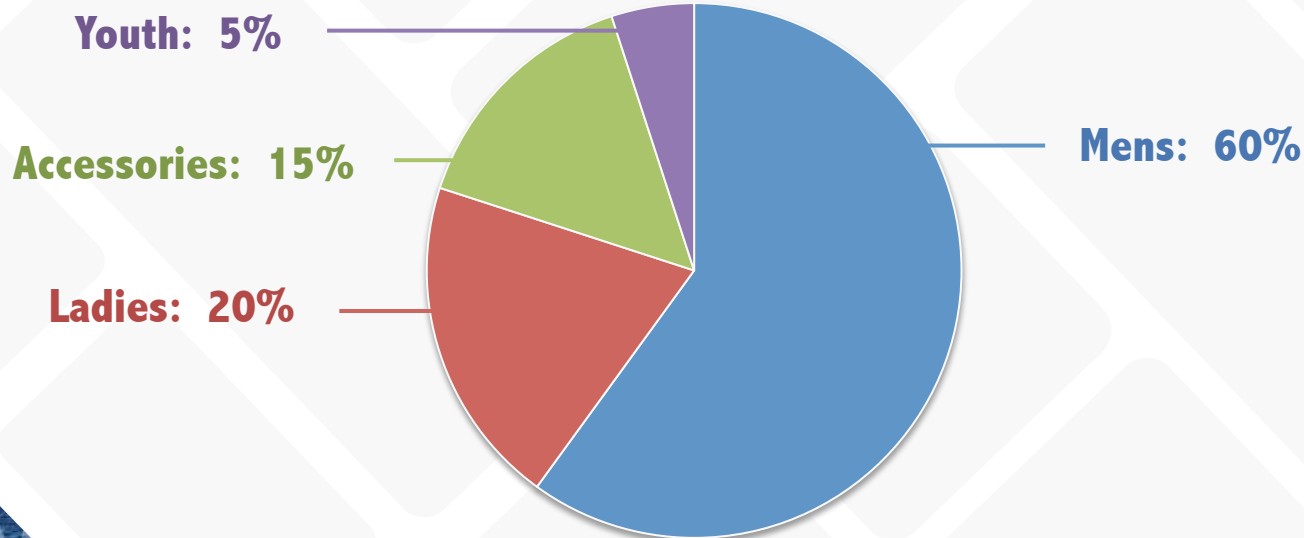
**Salt Life**

## Connecting with Consumers

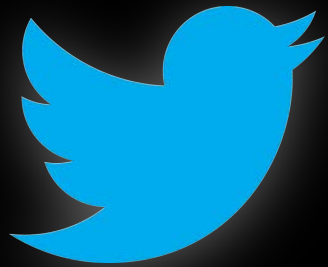
*Reaching a wide demographic mix of consumers who embrace a lifestyle of water sports and beach activities*



### Direct-to-Consumer Sales Mix

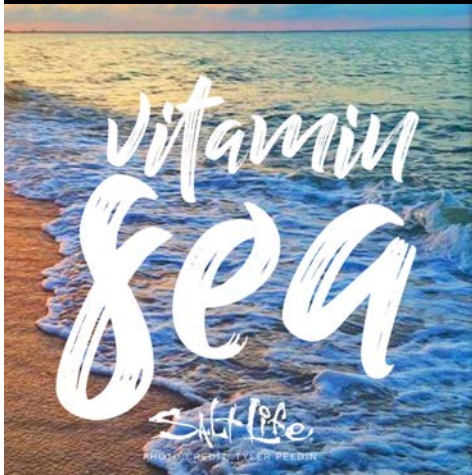






@realsaltlife

50.2k Tweets  
70.5k Followers



@realsaltlife

87.7k Subscribers  
51,678,000 minutes



@livethesaltlife

1.1m Page Likes  
1.1m Following



Instagram

@realsaltlife

263k Followers  
5,987 Posts





Live <sup>the</sup> Salt Life

It's not simply a  
sticker; it's a bold  
declaration of your  
true passion!

**Over 2 Million  
Decals Sold**



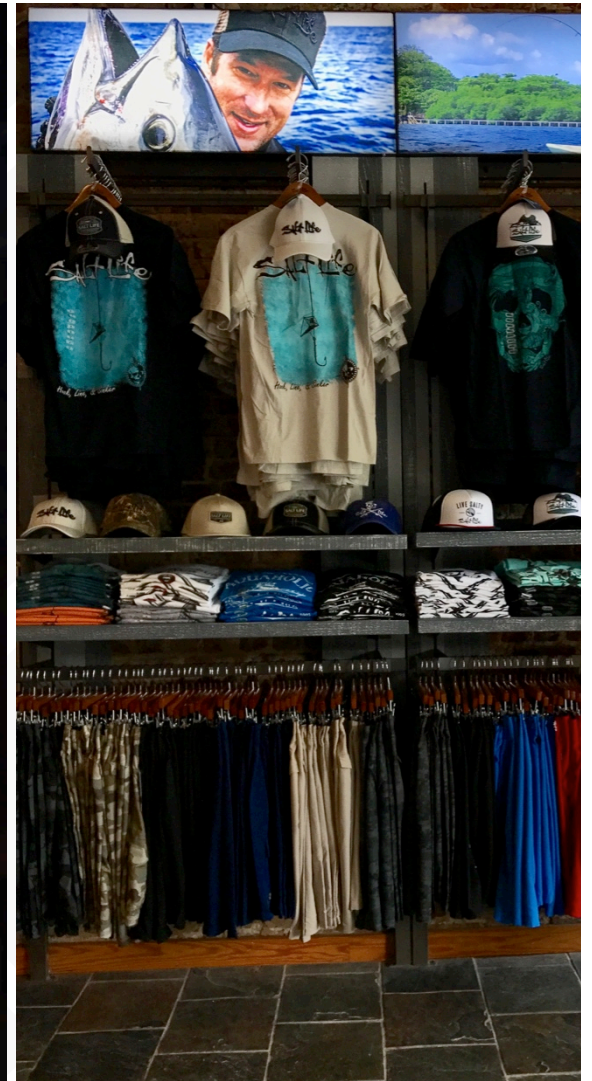
# Salt Life Retail

## EXISTING

Key West, Florida - NEW  
Orlando, Florida - NEW  
Tampa, Florida  
Daytona Beach, Florida  
Jacksonville Beach, Florida  
Huntington Beach, California  
San Clemente, California  
Columbus, Georgia

## COMING SOON

Charleston, South Carolina  
Destin, Florida  
Estero, Florida  
West Palm Beach, Florida









# SALT Life Beverage

**2018**

**June** – Launch in Florida

**2019**

**March** – Georgia

**May** - Alabama

- Tennessee

**June** - South Carolina

**December** - North Carolina





# Salt Life Restaurants

*Operated through Licensee*

Fernandina Beach, FL

St. Augustine Beach, FL

Jacksonville Beach, FL



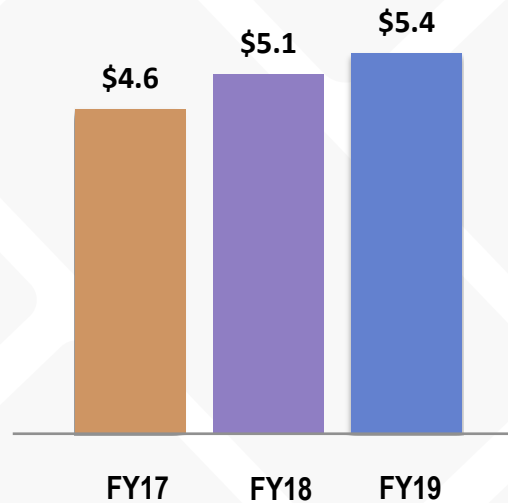
# eCommerce – Sales Growth



## B to C

Salt Life and Soffe

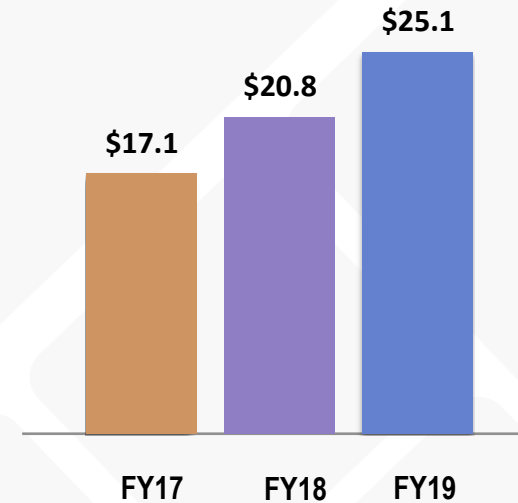
+8% CAGR



## B to B

Delta Activewear and Soffe

+21% CAGR



(in millions)

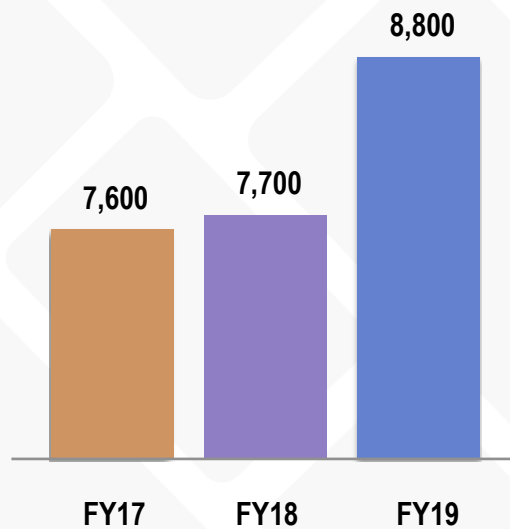






# Our People

*Our greatest asset is our dedicated workforce*





Textiles La Paz



Delta Honduras



Ceiba Textiles



Delta Cortes



Campeche Sportswear



Development Lab





Delta Cortes associates gathered clothes and food to make a donation to San Rafael orphanage.



Children's day celebration



Holiday celebration



Efficiency graduation



Football tournaments



20 year celebration



# Stock Comparison

