



Delta Apparel, Inc

2022 Annual Meeting

February 10, 2022



FORWARD LOOKING STATEMENTS



- This presentation, related remarks, and responses to questions may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements reflect the Company's current expectations regarding future events and 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. You should not unduly rely on forward-looking statements.
- 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 that could cause actual results to differ materially from those indicated in the forward-looking statements.
- Finally, please note that any forward-looking statements are made only as of the date of this presentation and the Company expressly disclaims any obligation to update or revise these statements after the presentation to reflect additional events or circumstances or the occurrence of unanticipated events, except as may be required by law.

DELTA APPAREL, INC.



**Public Company
June 2000**



Salt Life
Exclusive License
December 2010



Salt Life
Acquired
August 2013



Coast Apparel
Acquired
August 2016



Launch of
Salt Life Beer
June 2018



Salt Life Beer
To License Mode
2021



Coast
Divestiture
September 2021

2000 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021



Art Gun, LLC
Acquired
December 2009



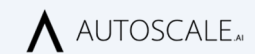
DTG2Go
Acquired
March 2018



SSI
Acquired
October 2018



Soffe integrated
into Activewear
June 2021



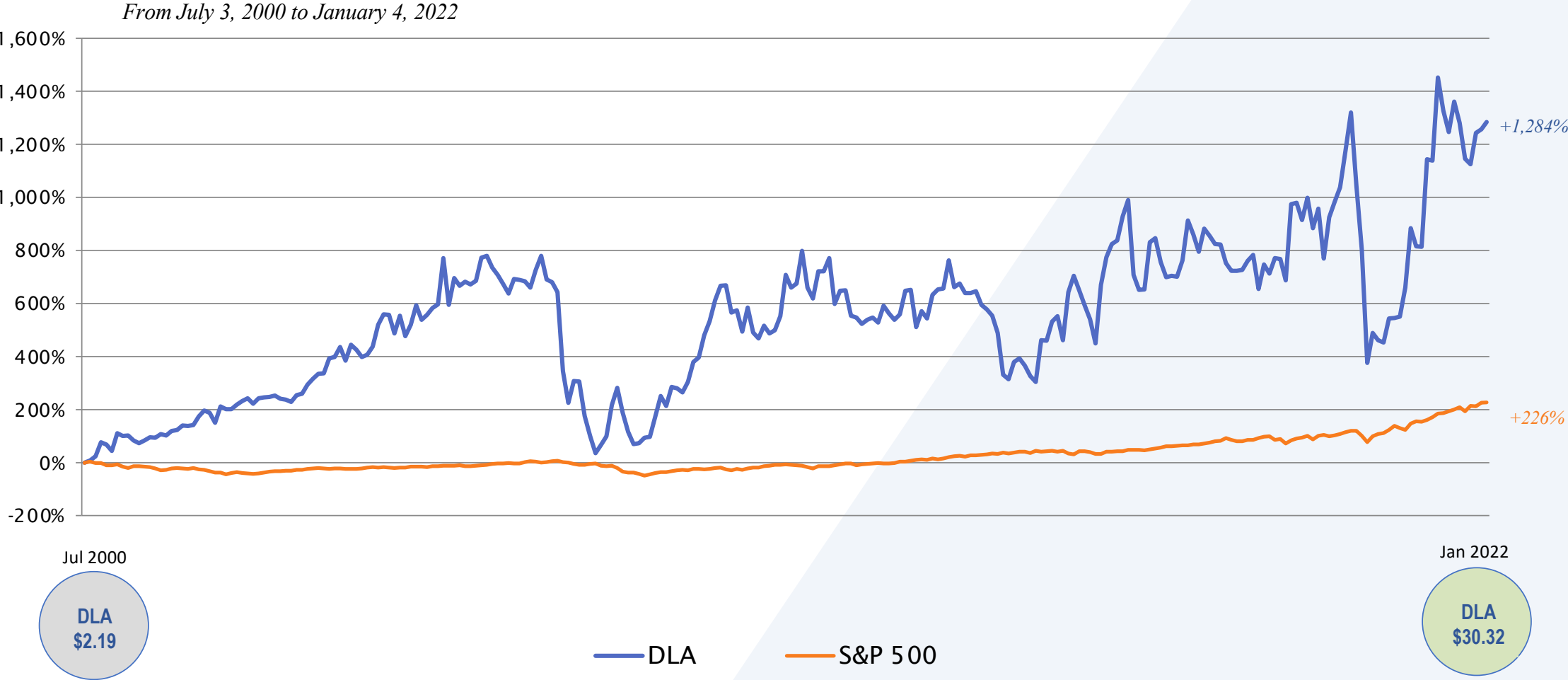
Autoscale
Acquired
June 2021

KEY HIGHLIGHTS



- One-of-a-kind vertically-integrated supply chain with same-day ship at the piece level
- Leader in the rapidly growing on-demand digital print market
- Aspirational lifestyle brand, Salt Life, with expanding direct-to-consumer business
- Technology-driven supply chain partner known for quality service
- Numerous well developed sales channels and broad customer base
- Strong commitment to sustainability
- Strong balance sheet with solid liquidity and flexible capital structure

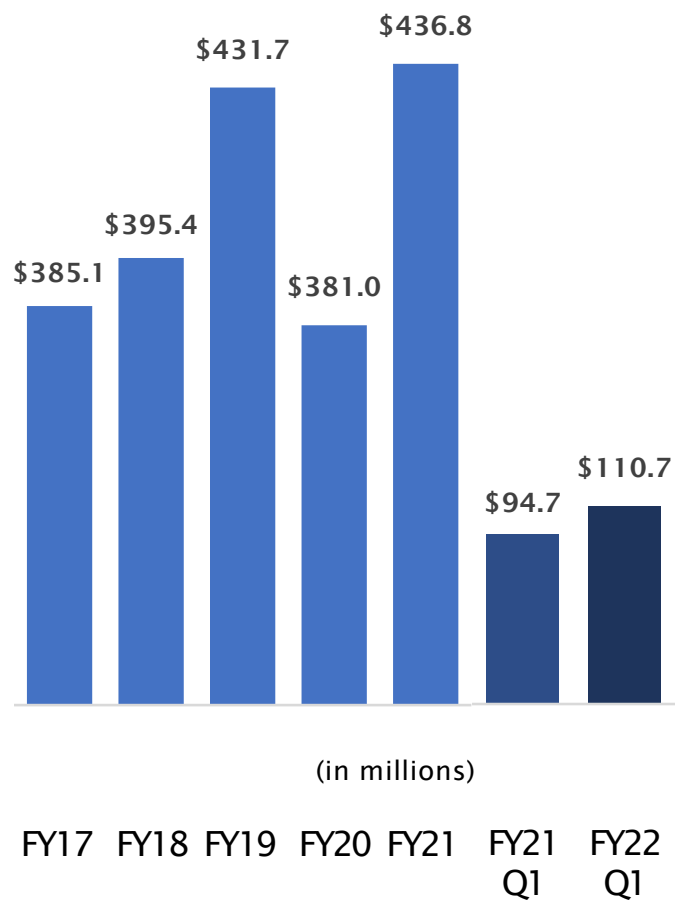
STOCK COMPARISON



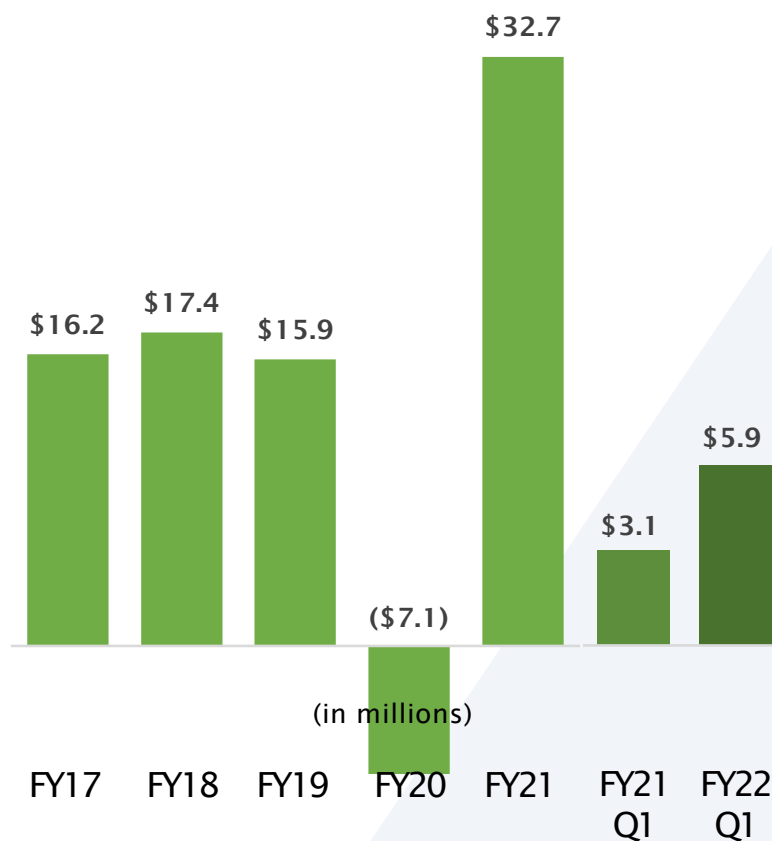


STRONG GROWTH

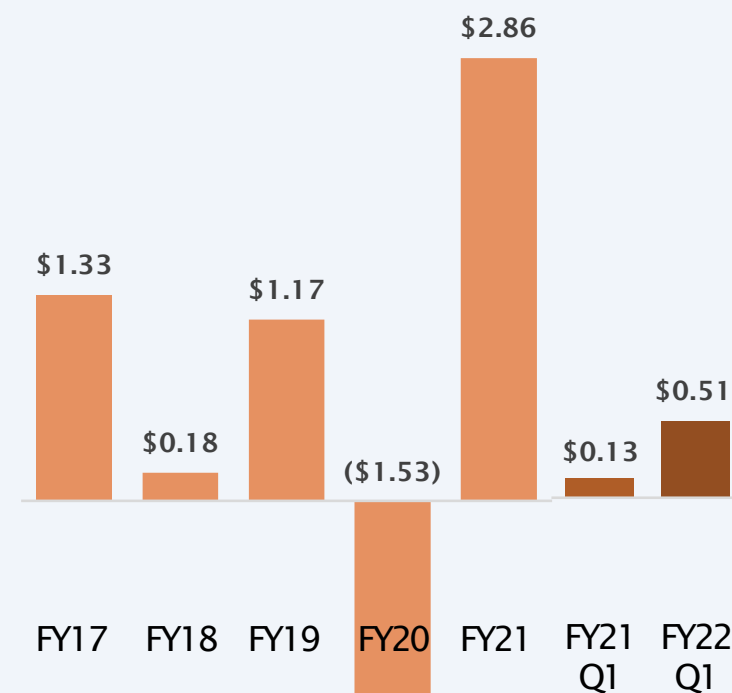
Sales



EBIT



EPS



FY22 Q1: STRONG START TO THE FISCAL YEAR



Sales	\$110.7	↑	17%	■ Strong order demand
Gross Margins	20.8%	↓	60 bps	■ Manufacturing and operational excellence at all levels <ul style="list-style-type: none">- Offset inflationary pressures
Operating Income	\$5.9m	↑	90%	■ Notable headwinds <ul style="list-style-type: none">- Labor shortages- Inventory constraints
Diluted EPS	\$0.51	↑	293%	■ Continued expense controls and leverage fixed costs <ul style="list-style-type: none">- Price increases
Inventory	\$183.1m	↑	23%	■ Manufacturing ramp-up to record level production outputs in Q1 FY22 <ul style="list-style-type: none">- Investment in digital print
Net Debt	\$144.0m	↑	11%	

VERTICALLY-INTEGRATED SUPPLY CHAIN



PRODUCTS

CHANNELS



Delta Direct

- Delta
- Delta Platinum
- Soffe
- Sourced brands

- Retail license
- Regional screenprint
- ASI / Promotional
- eRetailers
- Team dealers



Brand Direct

- Custom garments
- Supply chain partner

- Global & regional brands
- US Military



Retail Direct

- Delta
- Delta Platinum
- Soffe
- Retail brands

- Brick and mortar retailers
- eCommerce



- Delta
- Delta Platinum
- Soffe
- Sourced brands
- Other Brands

- eRetailers
- eCommerce platforms
- Brands
- Retailers
- IP Holders

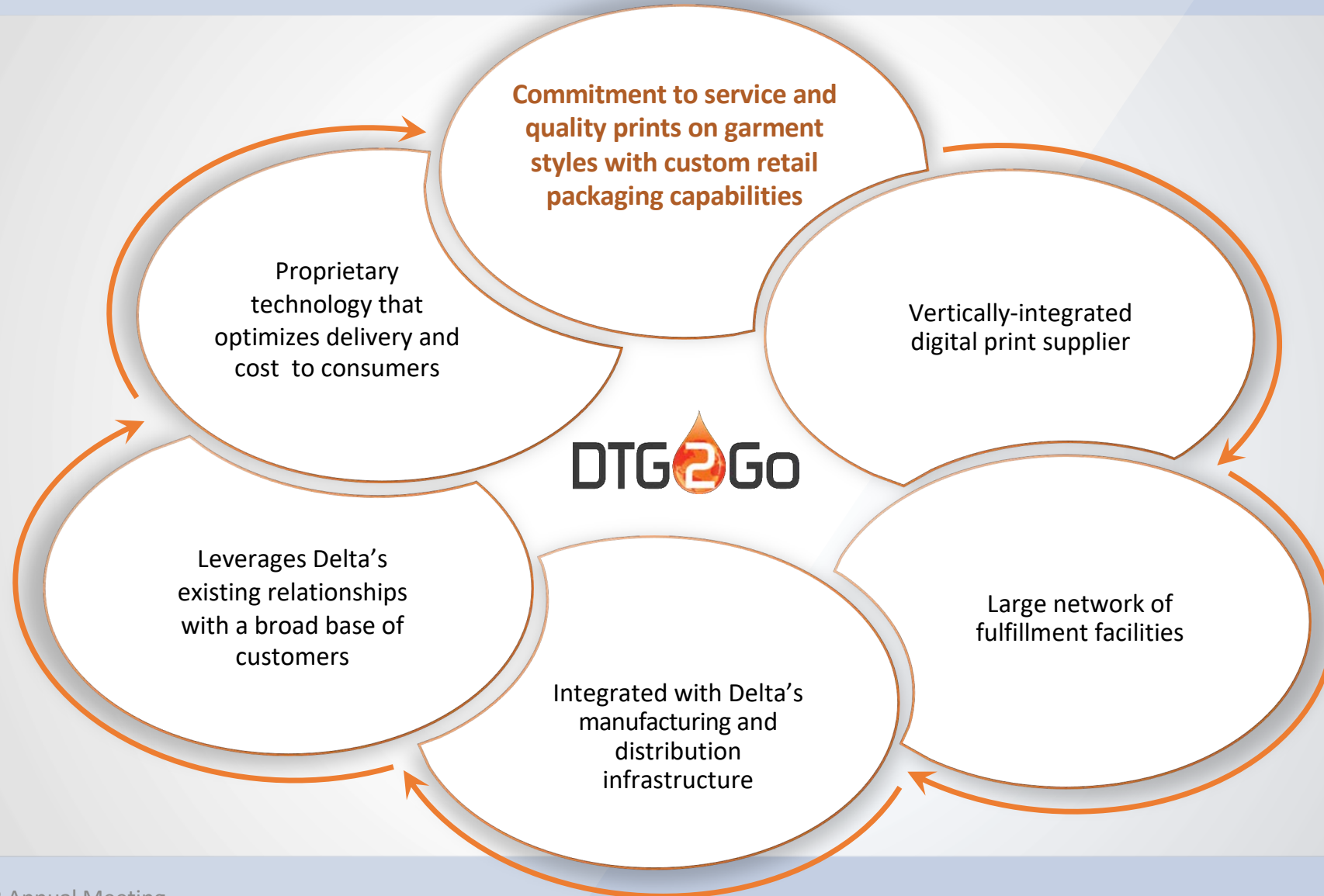


- Salt Life
- Delta Sourced
- Decals
- Sourced Fashion
- Sourced Accessories
- Licensed Restaurants
- Licensed Beer

- Retailers
- Wholesalers
- eCommerce



MARKET LEADER IN ON-DEMAND DIGITAL PRINT & FULFILLMENT

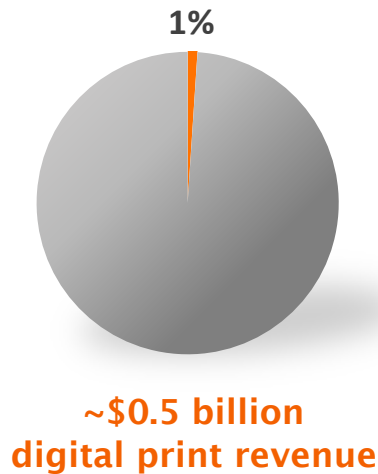


DIGITAL PRINT MARKET OPPORTUNITY

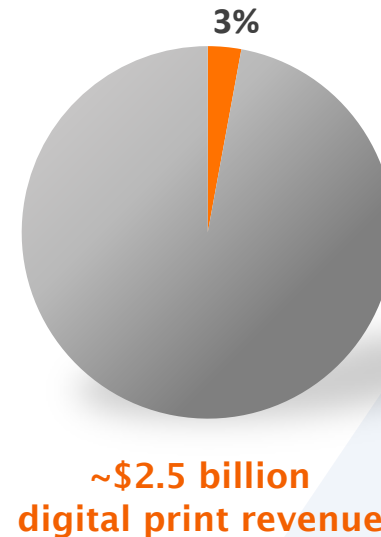


Decorated Impressions *

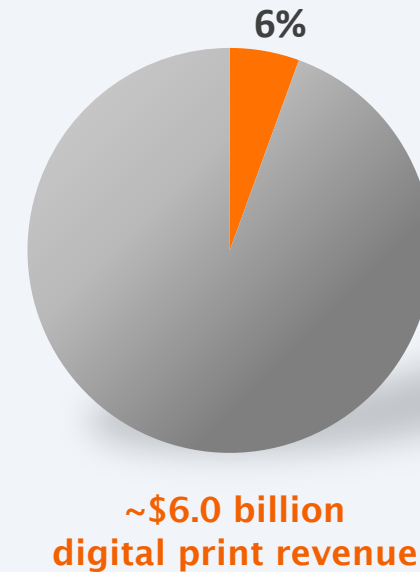
2018
~15 billion impressions



2023
~25 billion impressions



2028
~30 billion impressions



■ Digital ■ Screen & Others

* Grandview Research projects 11% CAGR in global decorated apparel through 2023

Salt Life



SOCIAL MEDIA

SaltLife



Instagram-Logo
<https://logoloo>

56k Tweets
73k Followers


<https://logoloo>
<https://logoloo>

@realsaltlife



107k Subscribers
40,060,409 Views

@realsaltlife



1.2m Page Likes
6,635 Posts

@livethesaltlife



322k Followers
8,093 Posts

@realsaltlife

DIRECT-TO-CONSUMER PROFITABILITY EXPANSION



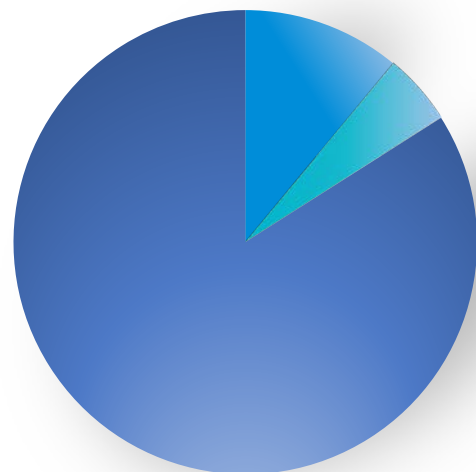
% of Sales by Channel

Expectations of Operating Profit

eCommerce	Retail	Wholesale
20% - 22%	10% - 12%	8% - 10%

25% FY22 Q1 Organic Growth

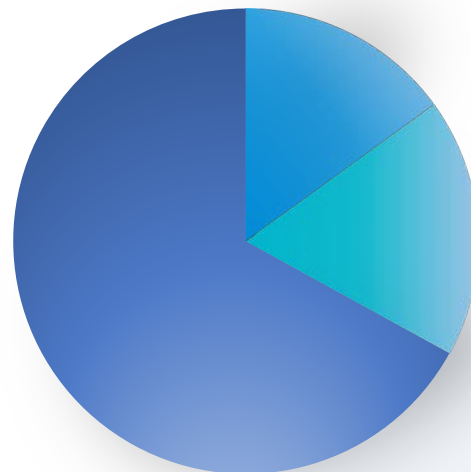
Past



~9.5%

Operating Profit

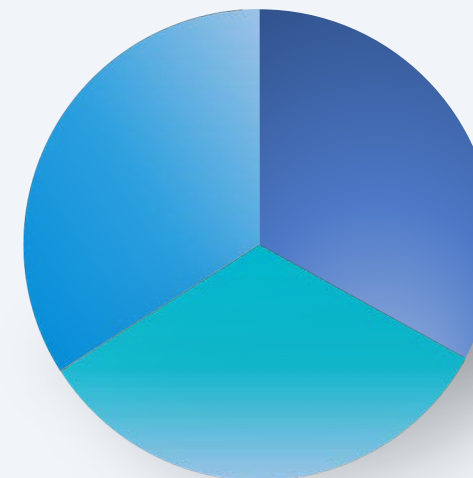
Current



~10.5%

Operating Profit

Target



~13.5%

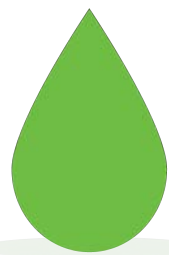
Operating Profit

CONSERVING THE ENVIRONMENT



**Down
18%**

**Energy
Efficiency**



**Down
27%**

**Water
Management**



**Greater
than
90%**

**Waste Water
Recycling**



**Down
4%**

**Waste
Reduction**



**Restrictive
Substances
List ("RSL")**

**Safe
Chemistry**

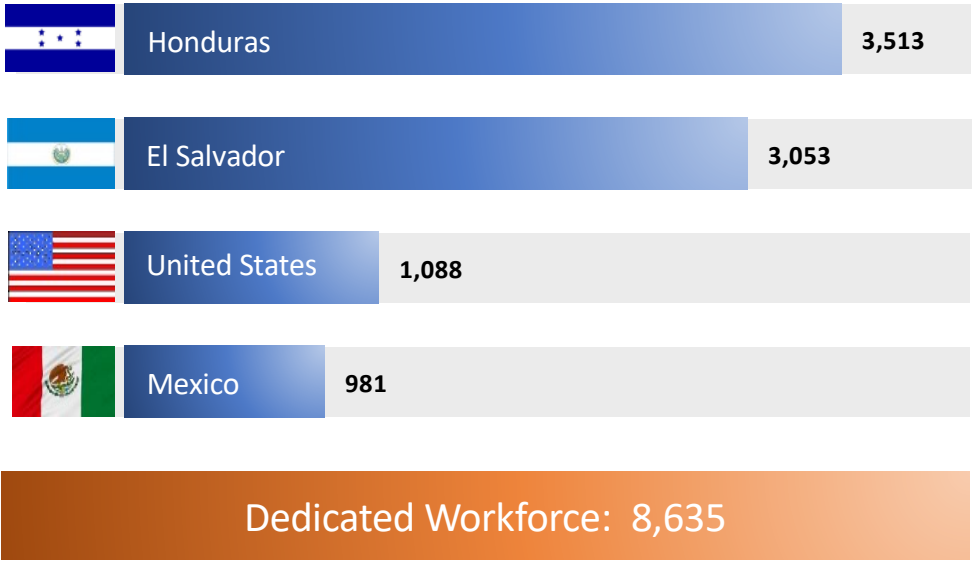
**Greater
than
90%**

**Responsible
Sourcing**

OUR PEOPLE

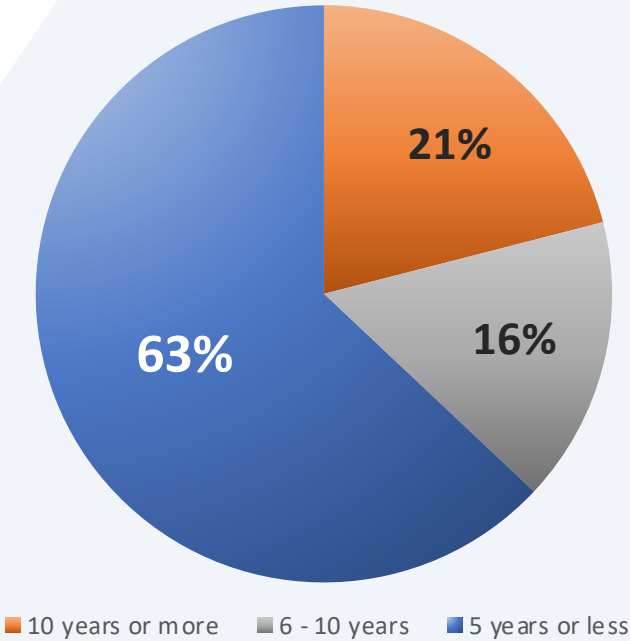


Our greatest asset . . .



December 31, 2021

Employee Tenure



NON-GAAP RECONCILIATION



	Fiscal 2021		Fiscal 2020	
	GAAP Measure	GAAP Measure		Non-GAAP Measure
	Reported	Reported	COVID-Related Expenses ⁽¹⁾	Adjusted *
Gross Profit	101,880	68,375	14,700	83,075
Gross Margins	23.3%	17.9%	3.9%	21.8%
Operating Income	32,711	(7,075)	25,200	18,125
Operating Income Margins	7.5%	(1.9%)	6.6%	4.8%
Net Earnings (Loss) Attributable to Shareholders	20,296	(10,577)	19,152	8,575
Diluted Net Earnings (Loss) per Common Share **	\$2.86	(\$1.53)	\$2.73	\$1.22

* Adjusted results are financial measures that are not in accordance with GAAP and exclude the above normalized adjustments. See below for a discussion of each of these adjustments.

** Reported earnings per share are calculated based on diluted weighted average shares of 7,093 thousand shares and 6,922 shares for fiscal years 2021 and 2020, respectively. Adjustments and adjusted earnings per share are calculated based on diluted weighted average shares of 7,093 thousand shares and 7,008 thousand shares for fiscal years 2021 and 2020, respectively.

⁽¹⁾ Approximately \$25.2 million of expenses associated with the impacts from the COVID-19 pandemic and primarily related to the curtailment of manufacturing operations (\$11.9 million), incremental costs to right size production to new forecasted demand (\$2.6 million), increased accounts receivable and inventory reserves related to the heightened risks in the market as the U.S. continues its recovery (\$6.6 million), and other expenses (\$4.1 million).



Delta Apparel, Inc

Thank You

