Delta Apparel, Inc.

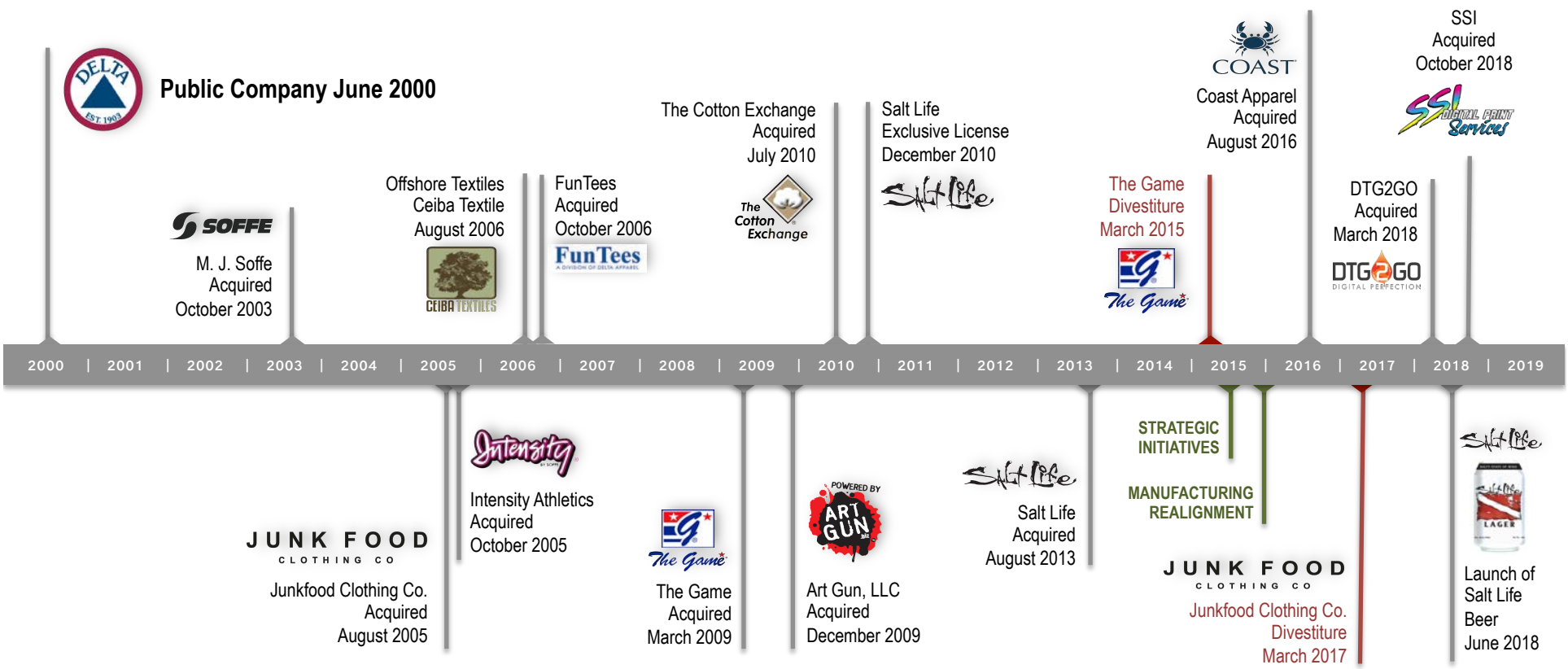
Investor Presentation

October 2019

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 Apparel, Inc.

DELTA GROUP
~$385M *

SALT LIFE GROUP
~$45M *

DTG2GO DIGITAL PERFECTION

SOFFE

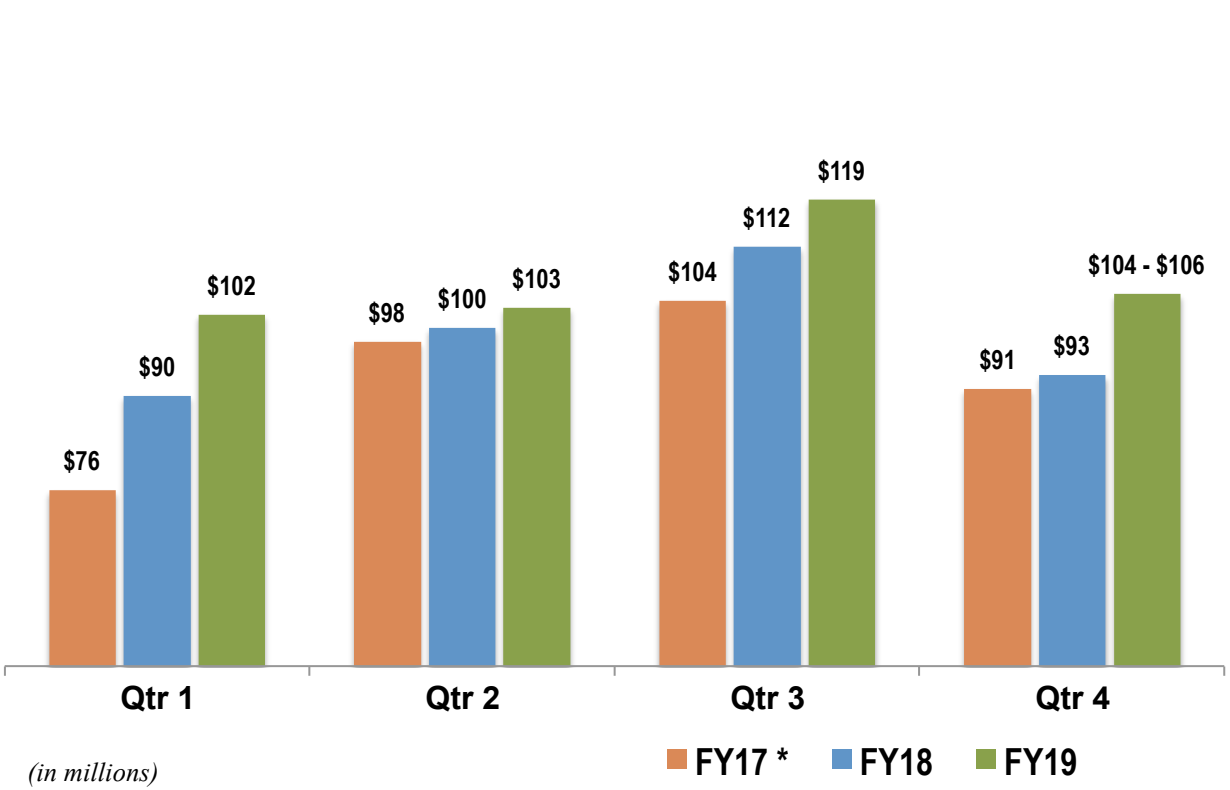
DELTA ACTIVEWEAR

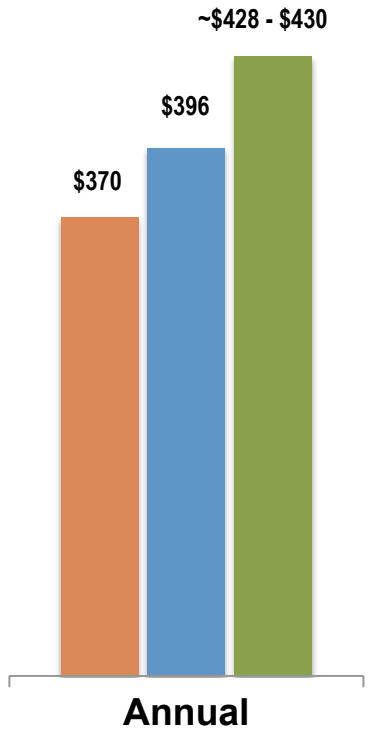
COAST

MANUFACTURING PLATFORM

** Approximate for FY19*

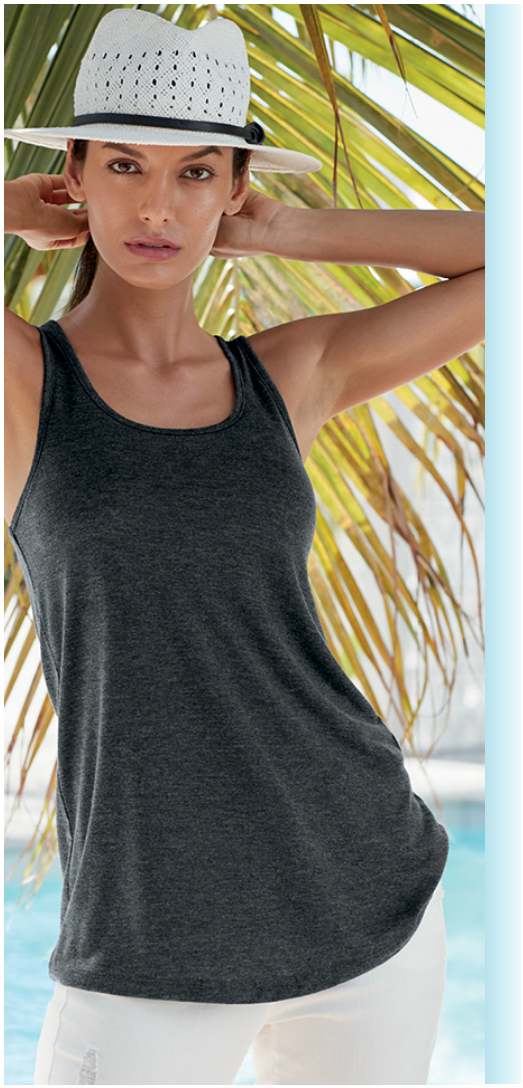
Delta Apparel, Inc. – Sales Growth





(in millions)

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



Growth Initiatives

- Strong core business, Delta Activewear, continues to gain market share and expand customer base
- 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
- Double-digit growth across our eCommerce sites; remains our most profitable sales channel

Delta Activewear
Catalog Core Basics
Catalog Fashion Basics
FunTees Private Label

Strong Core Business, Delta Activewear

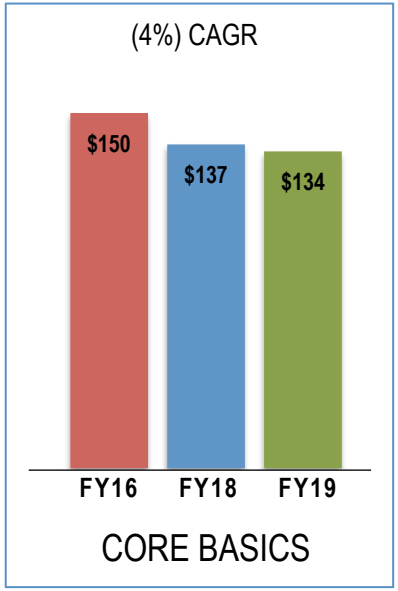
- Consistent 5% Sales CAGR over eighteen years
- Generating ~10% EBITDA margins

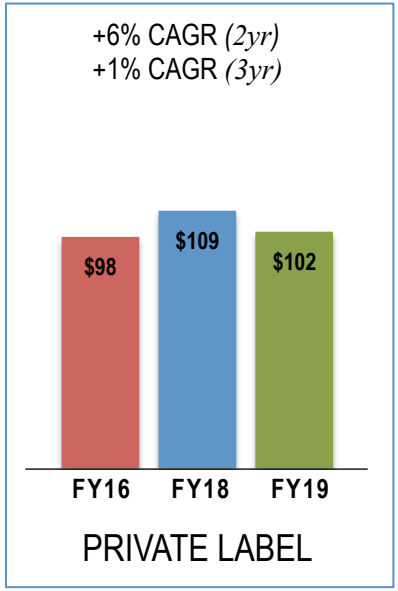
(in millions)

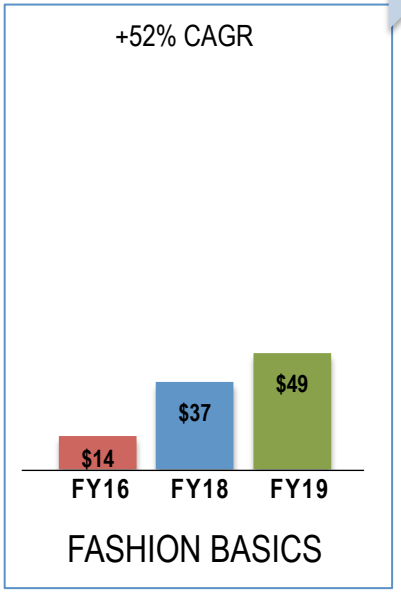
Strong Core Business, Delta Activewear

Strategically Expanding Margins

Lowest margins → **Highest margins**



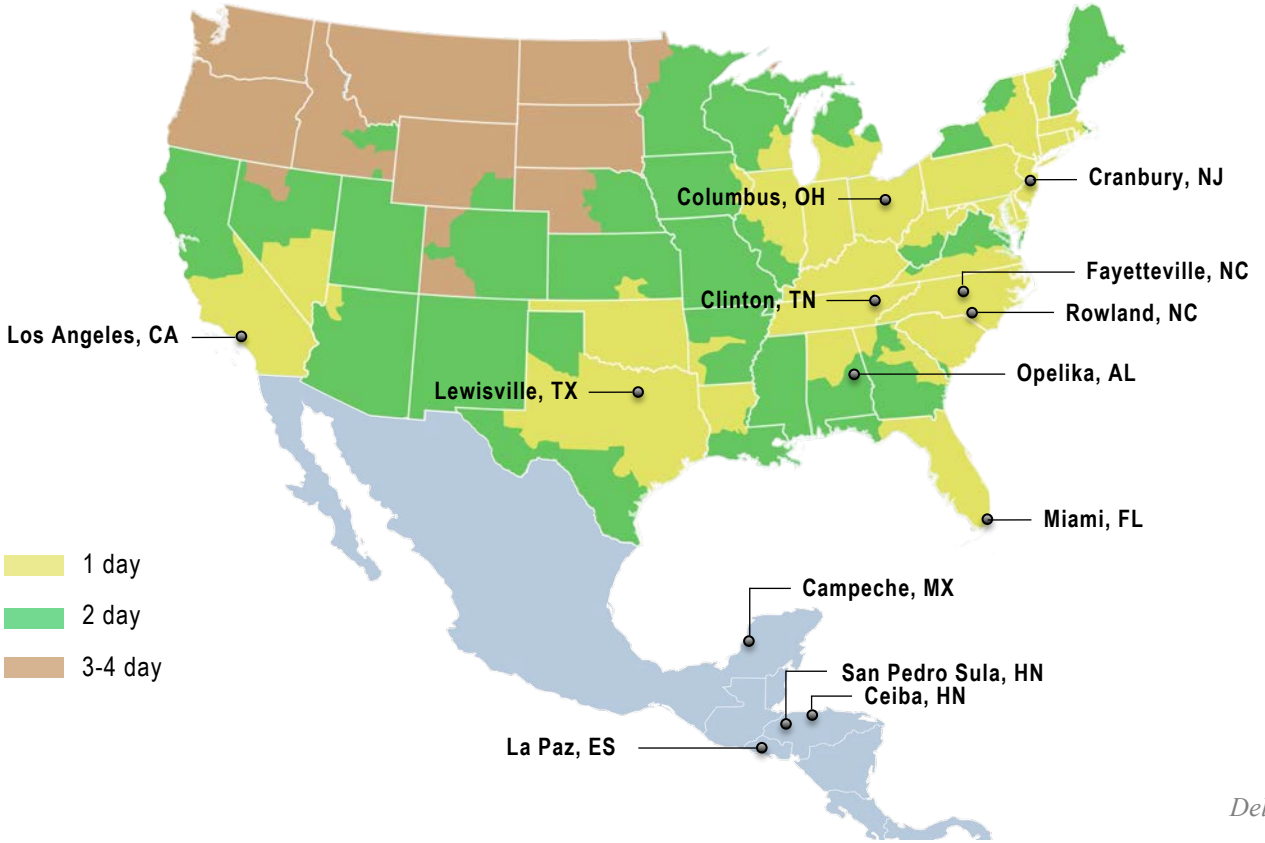




Sales

(in millions)

Strong Core Business, Delta Activewear

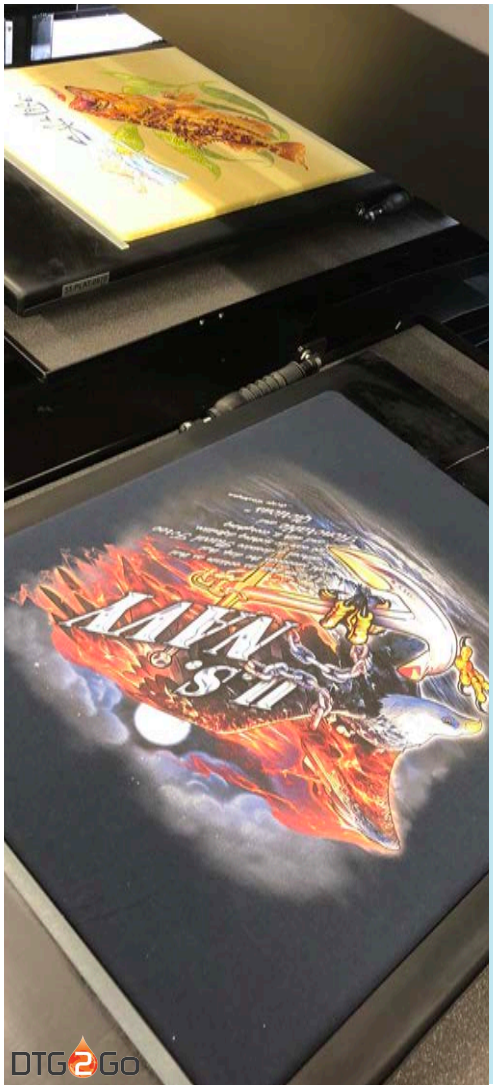


DISTRIBUTION

- 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

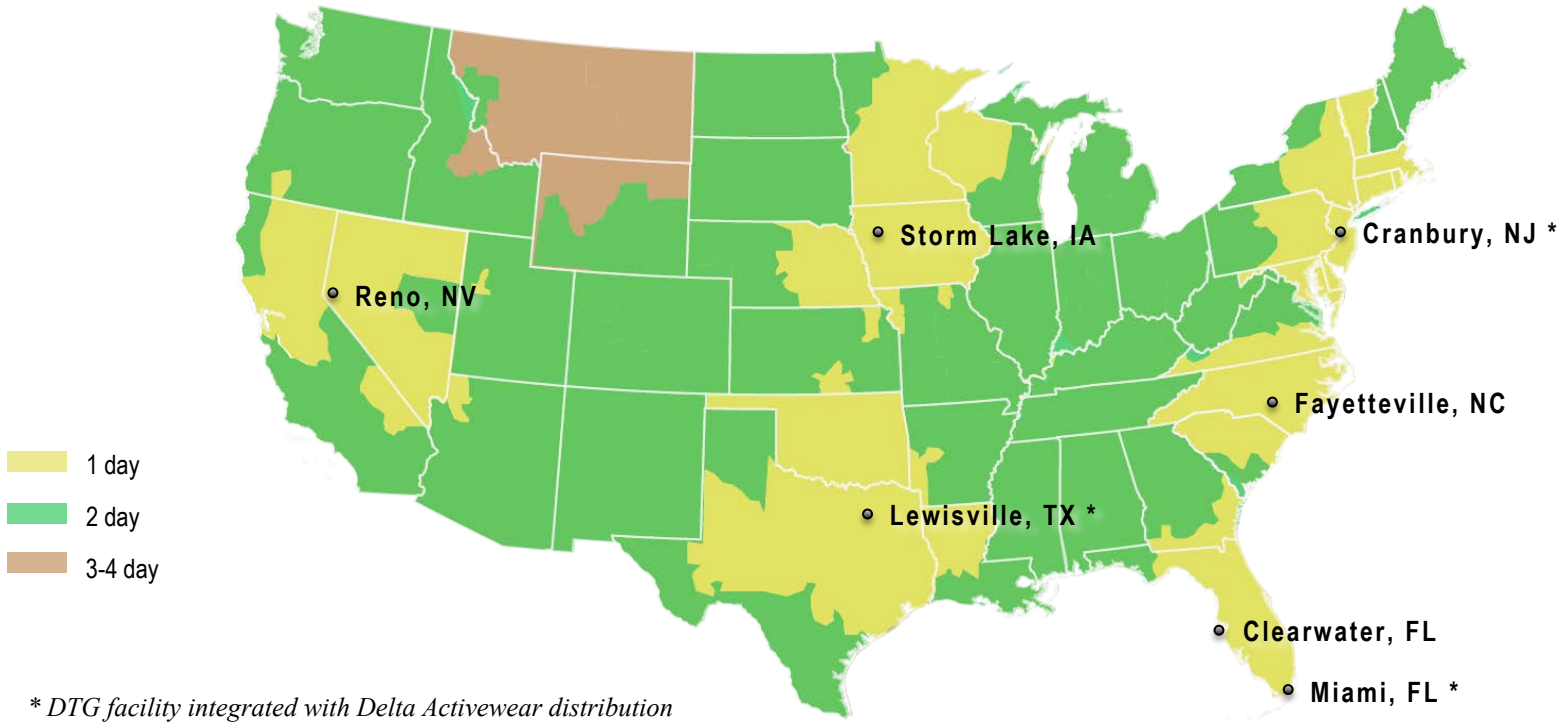


DTG2Go … Achieving 20%+ Sales CAGR

- **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
  - Ability to produce over 90,000 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

DTG2Go ...Achieving 20%+ Sales CAGR

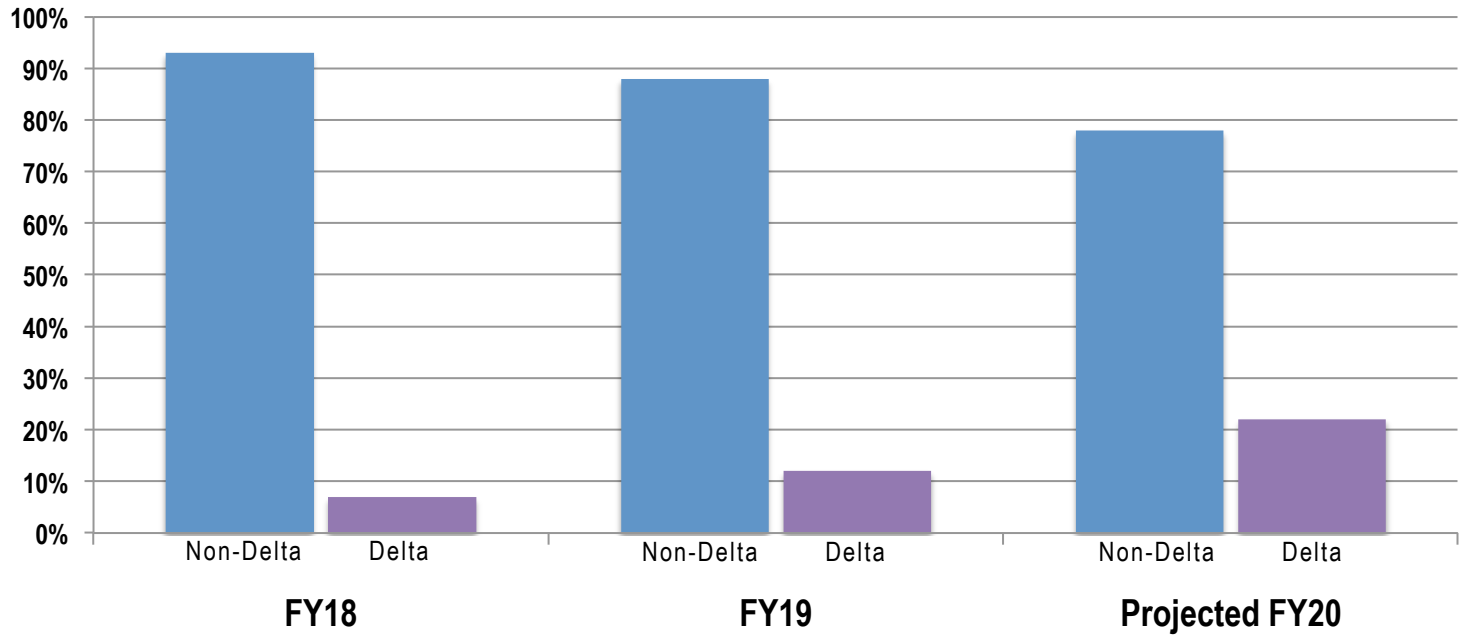
Reaching 99% of US population in 1-2 day ship with ~50% in 1 day



** DTG facility integrated with Delta Activewear distribution*

DTG2Go ...Achieving 20%+ Sales CAGR

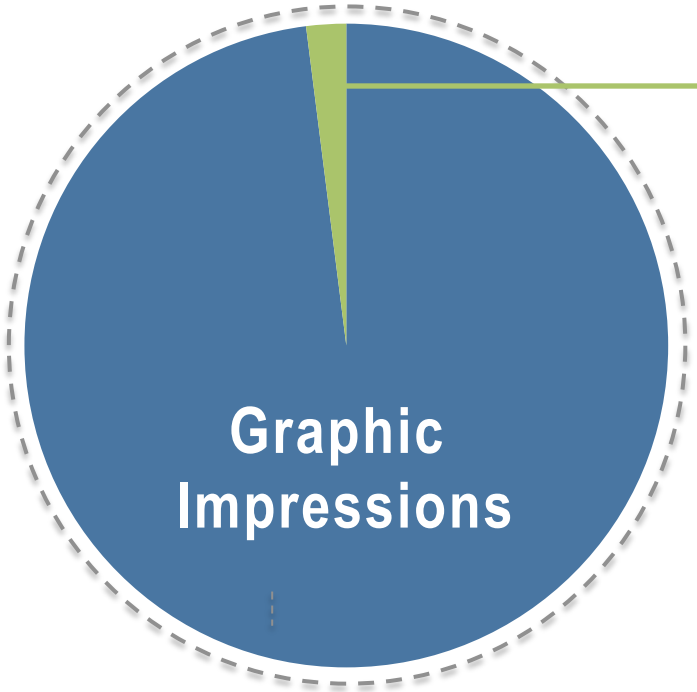
Transition Customers to Delta Products



DELTA
EST. 1903
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

DTG2Go ...Achieving 20%+ Sales CAGR

How large is the potential digital print market?

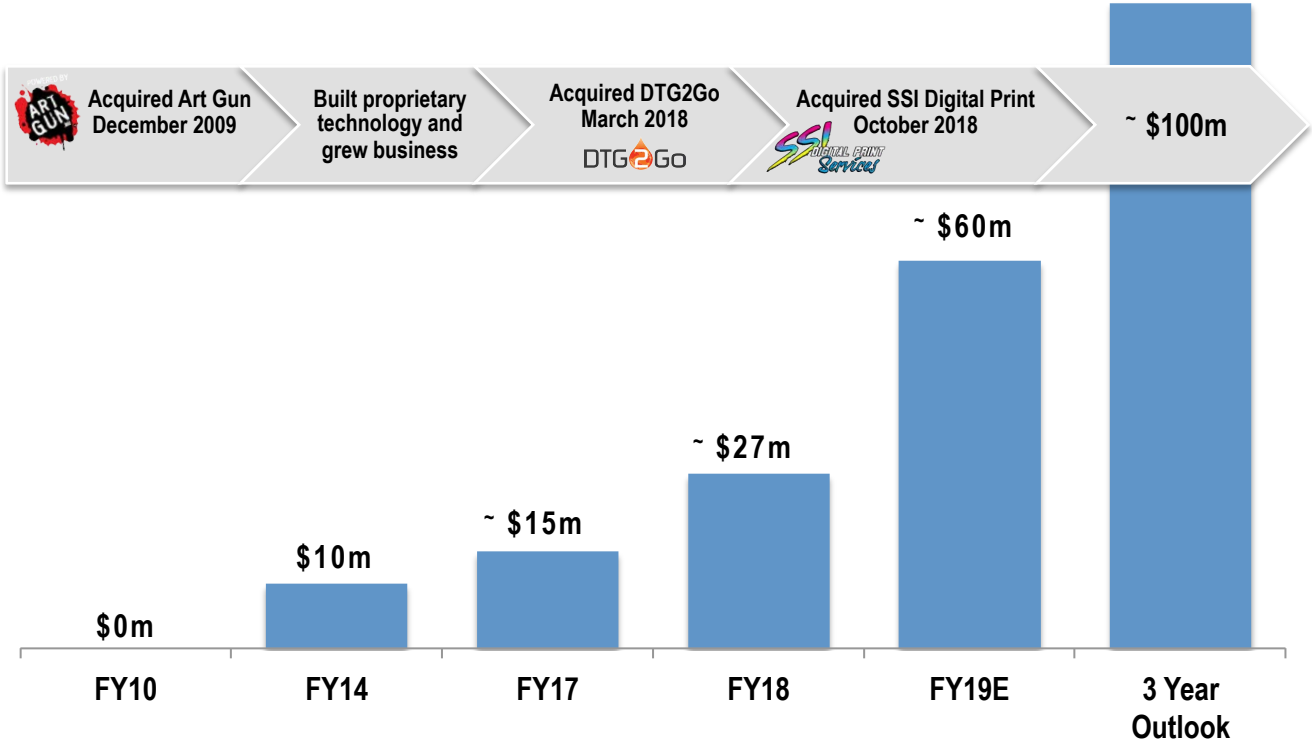


Digital Impressions < 5% of total

DTG2Go ...Achieving 20%+ Sales CAGR

	eCommerce	Promotional	Traditional Retail	Screen Printers
FY17	100%			
FY18	99%	1%		
FY19	98%	1%	1%	
FY20	86%	2%	10%	2%

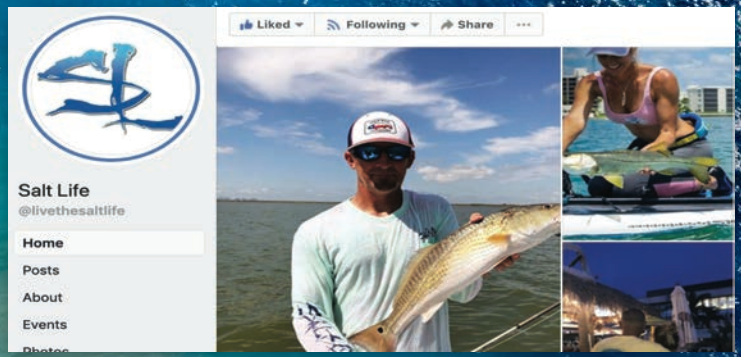
DTG2Go ... Achieving 20%+ Sales CAGR

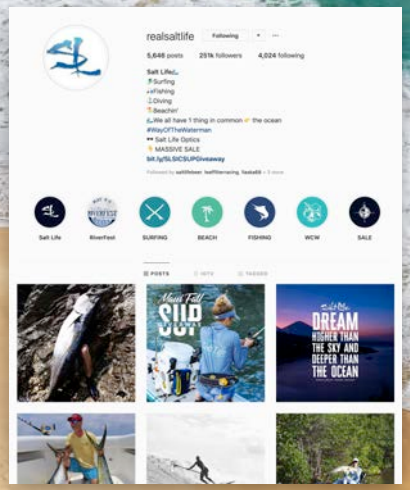


DTG2Go achieving double-digit operating profits with 20%+ EBITDA margins

SALT LIFE ...Positioned for Double-Digit Growth

1.1 MILLION
PAGE LIKES





TWITTER:
69.4K FOLLOWERS

INSTAGRAM:
251K FOLLOWERS

Over 2 Million Decals Sold

Salt Life Decals
Cumulative Decals Sold
1
1,000
2,000
3,000
4,000
5,000
6,000
7,000
8,00
9,000
10,000

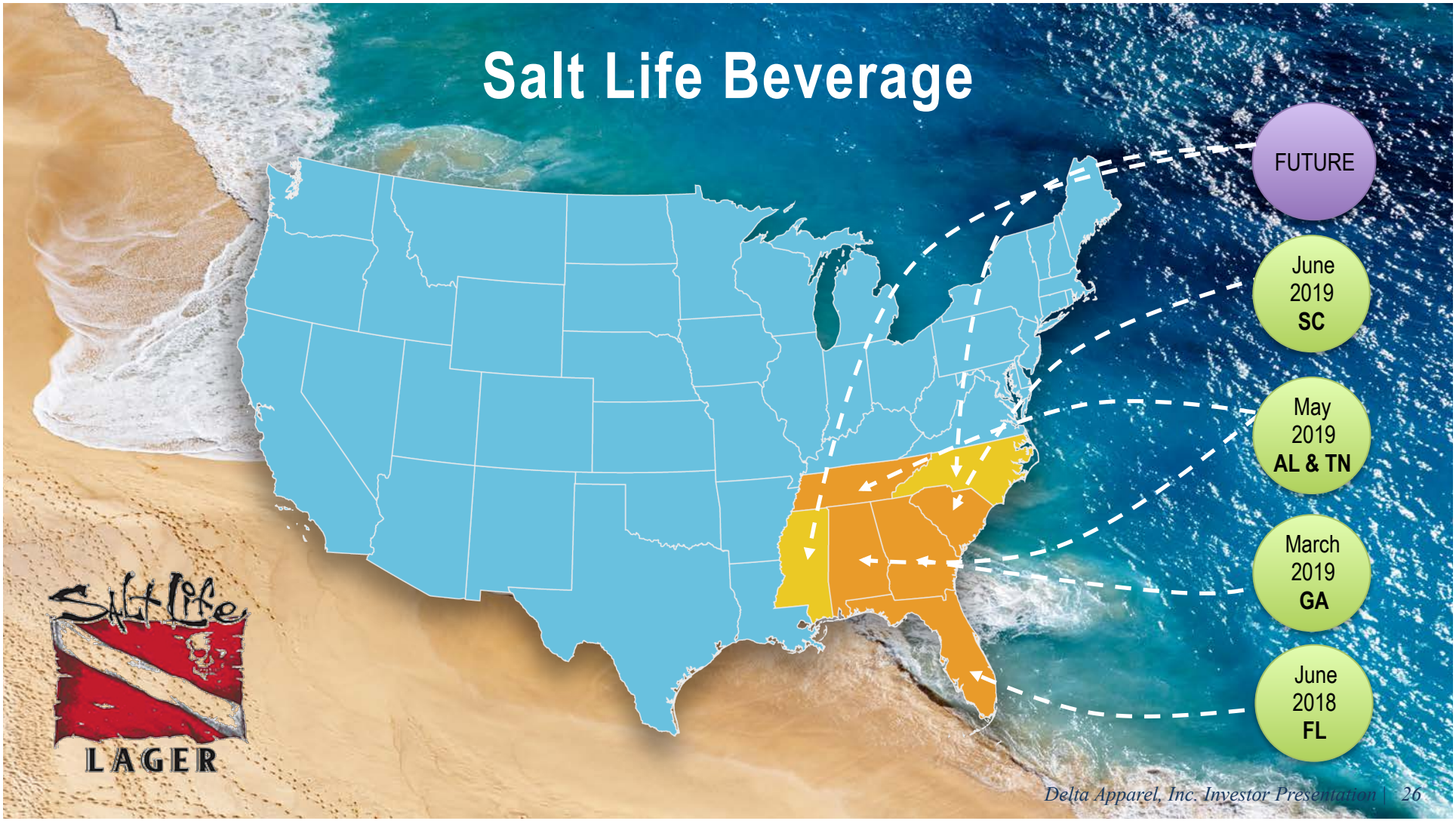
SLX
UVAPOR™
PERFORMANCE
FABRIC

SALT LIFE SLX – THUNDER JACKET AND PANTS

Salt Life
SUNGLASSES
SEA CLEARLY

Salt Life
SUNGLASSES
SEA CLEARLY

Salt Life
Swim


Salt Life Beverage
FUTURE
June 2019 SC
May 2019 AL & TN
March 2019 GA
June 2018 FL
Salt Life
LAGER

Salt Life Restaurants

Operated through Licensee

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

Salt Life Retail

EXISTING

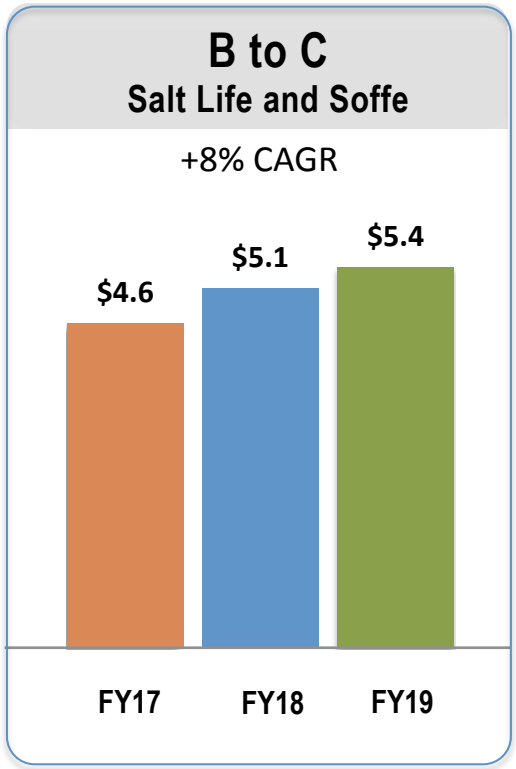
Orlando, Florida - NEW
Tampa, Florida
Daytona Beach, Florida
Jacksonville Beach, Florida
Huntington Beach, California
San Clemente, California
Columbus, Georgia

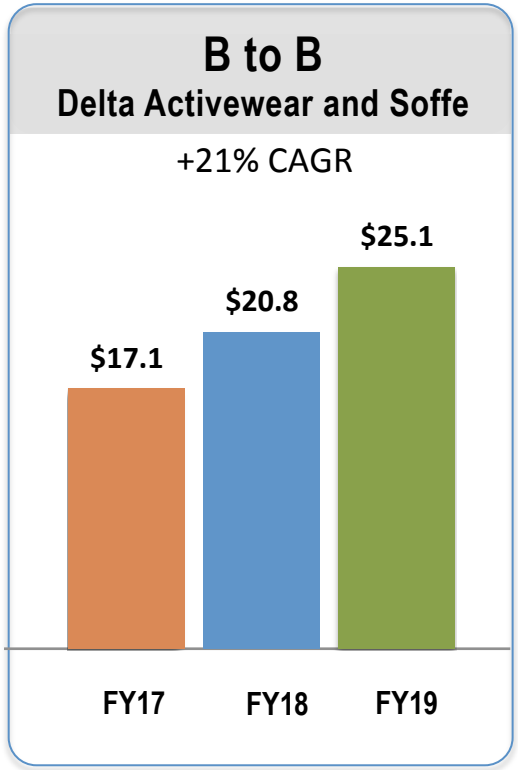
COMING SOON

Key West, Florida
Destin, Florida
North Palm Beach, Florida

SALT LIFE - Orlando, Florida

eCommerce – Sales Growth

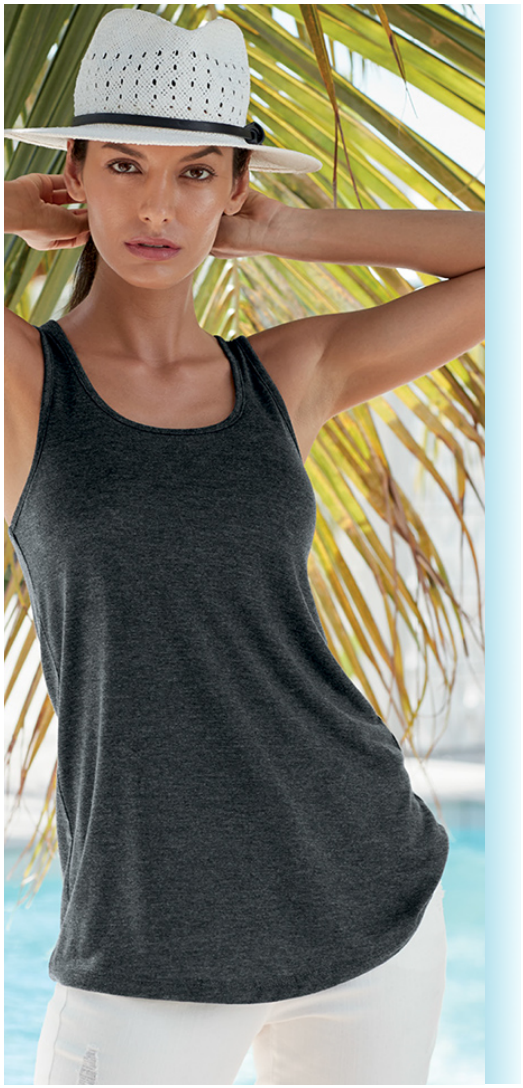




(in millions)

Uniquely Positioned….Tariffs

- Western hemisphere vertical manufacturing platform servicing both Delta Group and Salt Life Group
- Less than 5% of total sales are sourced from China
  - Opportunity to internally produce certain of these garments
- Expanding manufacturing capacities to support anticipated private label growth



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DELTA
EST. 1903
Q & A
DELTA
EST. 1903