

# 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.





# Fiscal 2018 Accomplishments

- Grew sales year-over-year and significantly improved profitability
- Solidified our industry-leading position in the digital print and fulfillment market with DTG2Go
- Increased consumer awareness of Salt Life brand with expansion into new products, including Salt Life Lager
- Achieved 10% sales growth in our core Delta Catalog business and record revenue in our FunTees private label business
- Improved operating cash flows by nearly \$7 million to \$20.9 million
- Repurchased 464k shares of DLA stock for \$9 million under our Share Repurchase Program
- Realigned our business into the Delta Group and Salt Life Group to further leverage our core expertise and more efficiently manage the business



# Delta Apparel, Inc.

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

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



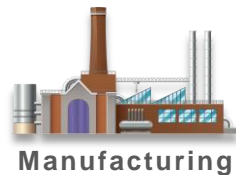
Activewear



Activewear



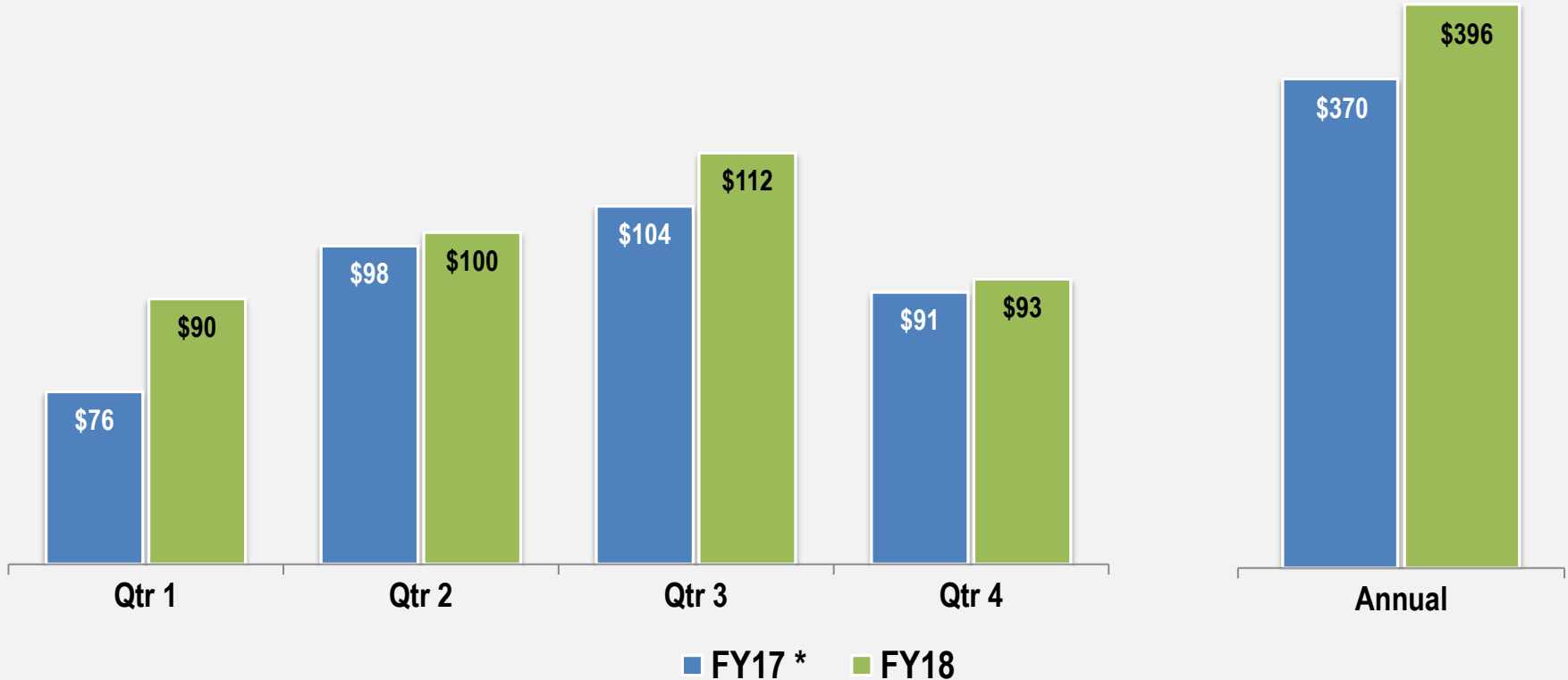
**FunTees**  
A DIVISION OF DELTA APPAREL



Manufacturing

\* Based on FY18 results

# Delta Apparel, Inc. – Sales Growth

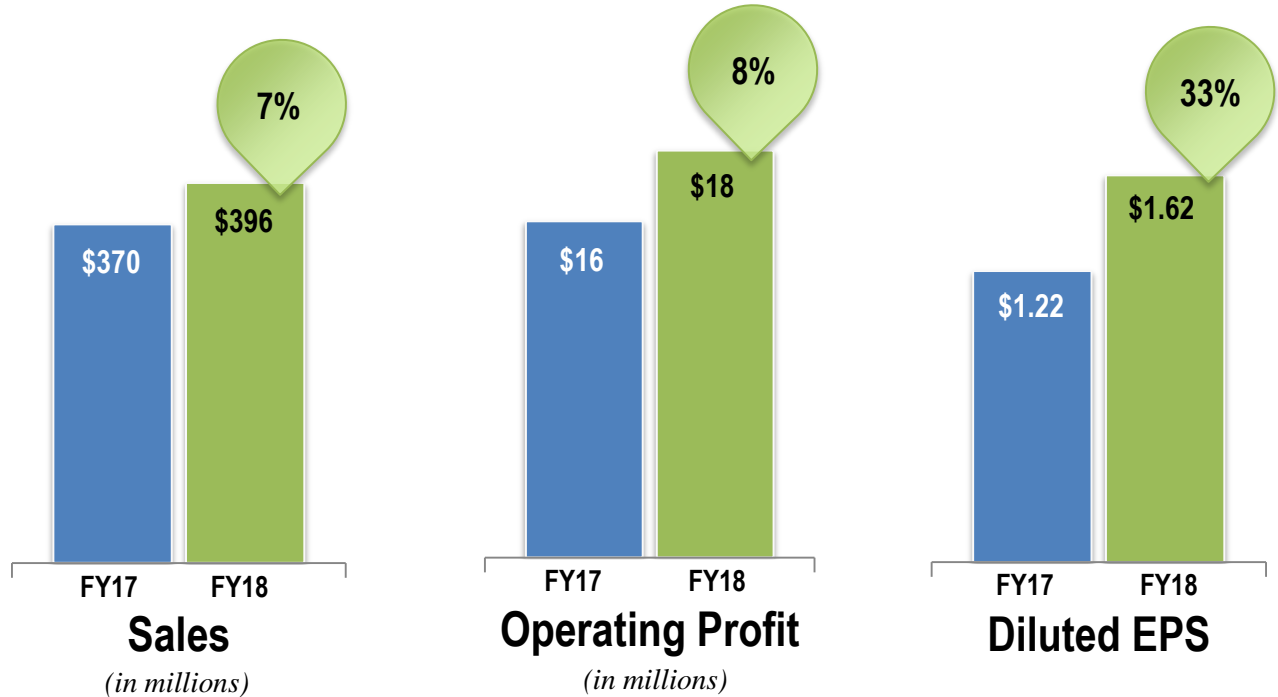


(in millions)

\* Excludes sales from the since-divested Junkfood business



# 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.*

# 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





# Fiscal 2019 Growth Initiatives

- 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
- Our heritage brand, Softe, is achieving strong growth across its sales channels
- Double-digit growth across our eCommerce sites; remain our most profitable sales channel



# DTG2Go ... Poised for 20% Sales CAGR



Acquired Art Gun  
December 2009

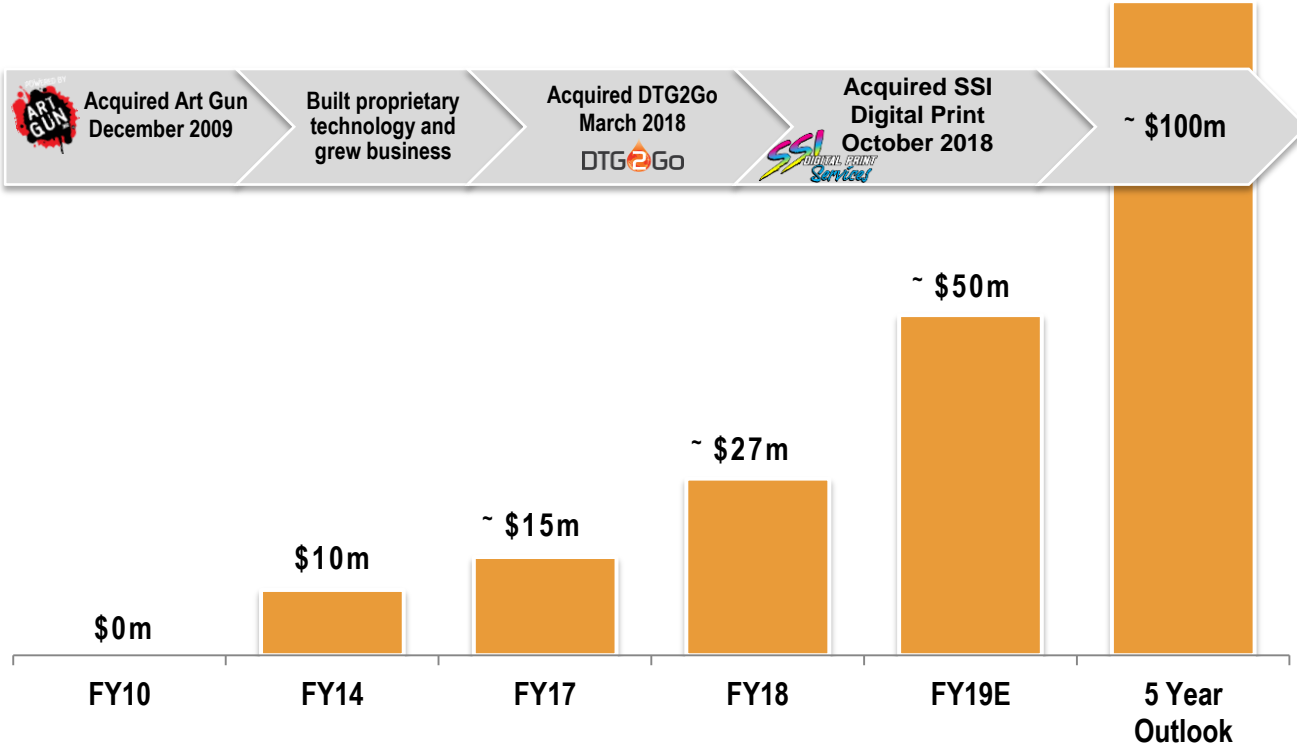
Built proprietary  
technology and  
grew business

Acquired DTG2Go  
March 2018  
DTG2Go



Acquired SSI  
Digital Print  
October 2018

~ \$100m



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

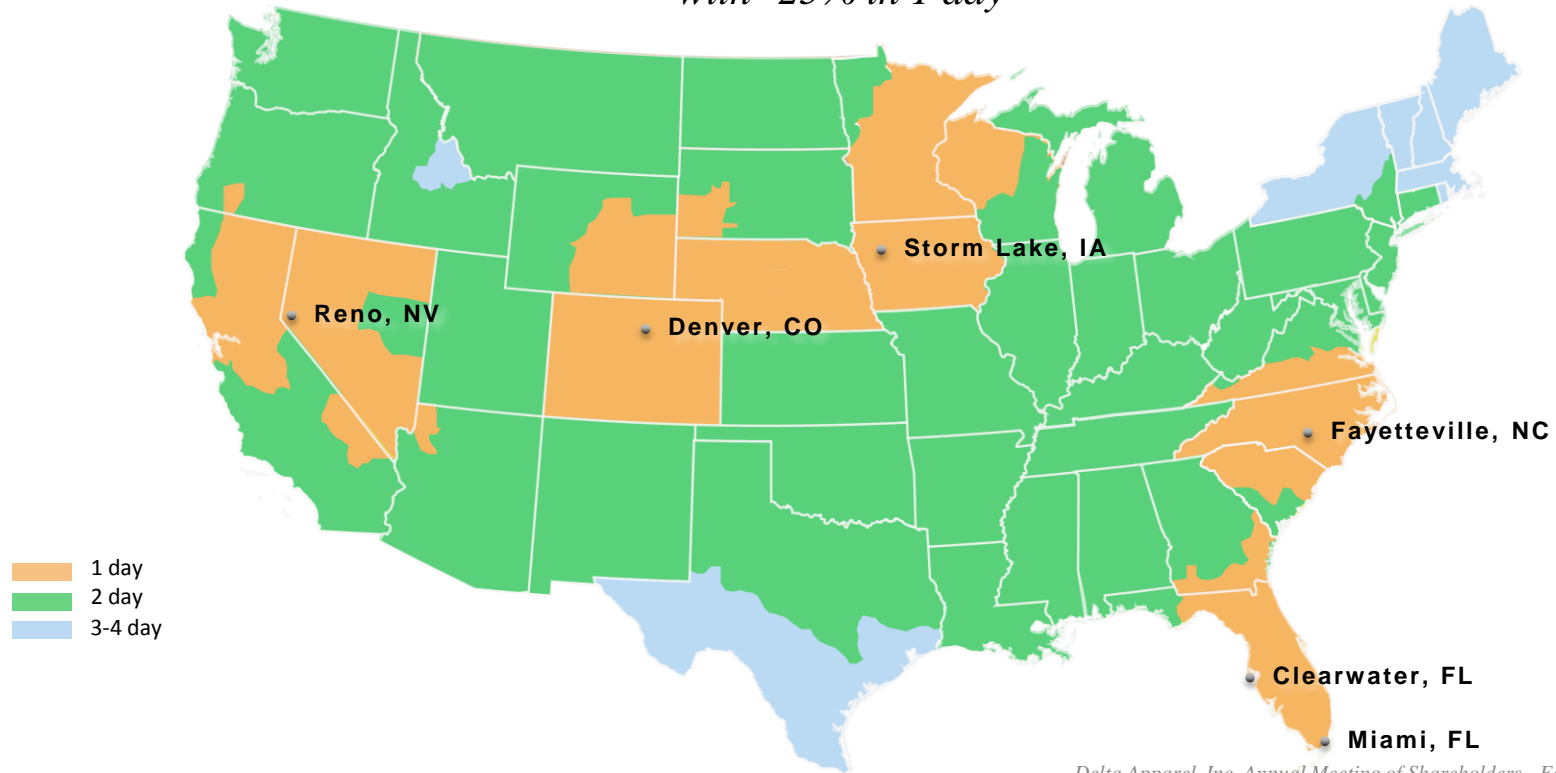
# DTG<sup>2</sup>Go... Poised for 20% Sales CAGR

- **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



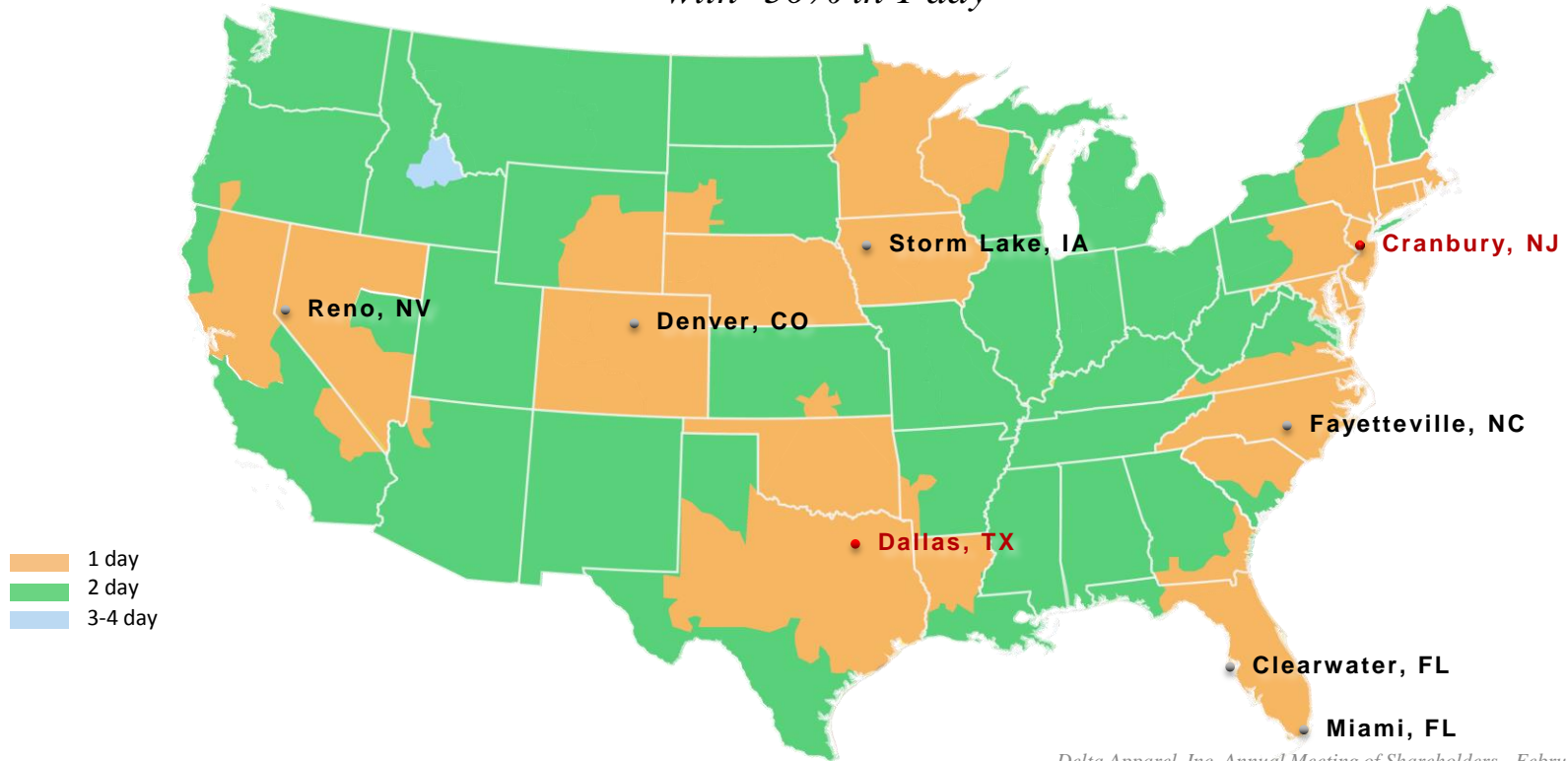
# DTG2Go ...Poised for 20% Sales CAGR

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



# DTG2Go ...Poised for 20% Sales CAGR

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





# 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

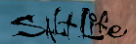
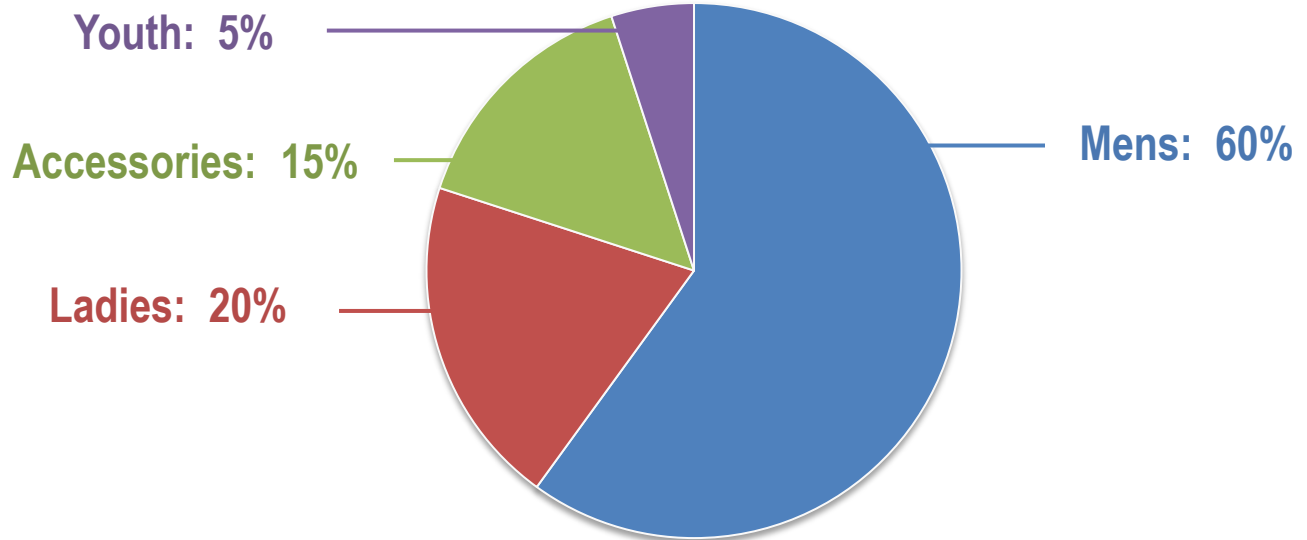
# ...Positioned for Double-Digit Growth



# Salt 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



@livethesaltlife

**Followers**  
1.1M

**Likes**  
1.1M

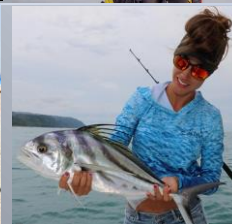


Instagram

@realsaltlife

**Posts**  
4.7K

**Followers**  
213K



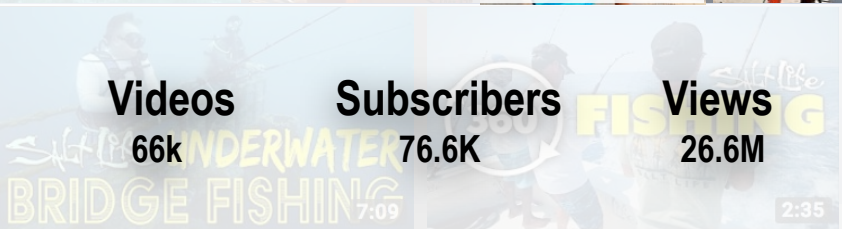
@realsaltlife

**Videos**  
66K

**Subscribers**  
76.6K

**Views**  
26.6M

**Minutes Watched**  
36.4M +







**Over 2 Million Decals Sold**



# Salt Life - Tampa, Florida

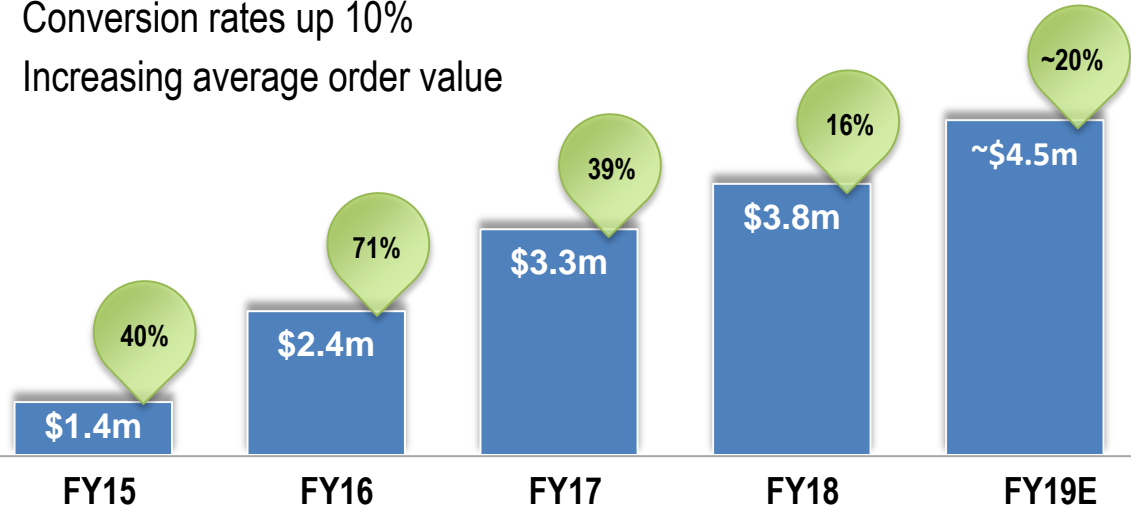




# SaltLife eCommerce

*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 woman with long, wavy brown hair is smiling and wearing dark sunglasses. She is wearing a black bikini top with the 'Salt Life' logo in a colorful script. Her right hand is raised to her forehead. The background is a bright blue sky and a turquoise ocean.

Salt Life

SWIM & OPTICS



# 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*

Fernandina Beach, FL - NEW

St. Augustine Beach, FL

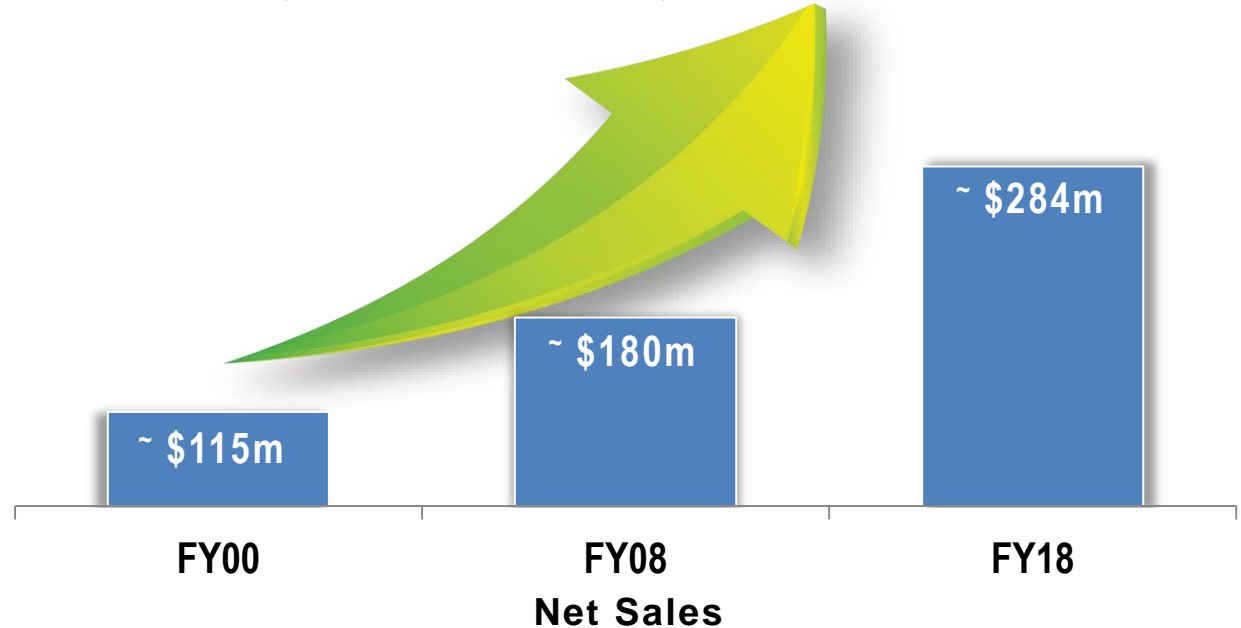
Jacksonville Beach, FL





## Strong Core Business, Delta Activewear

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





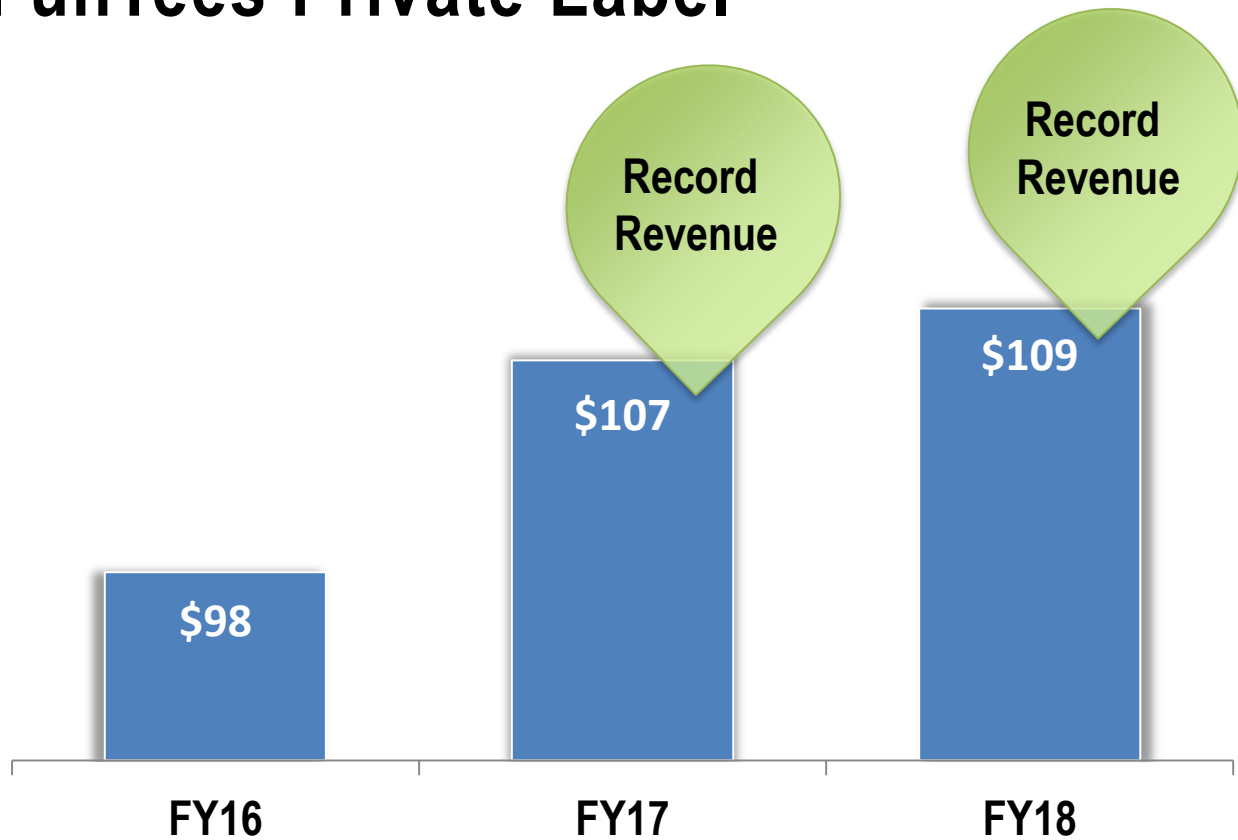


# Fashion Basics



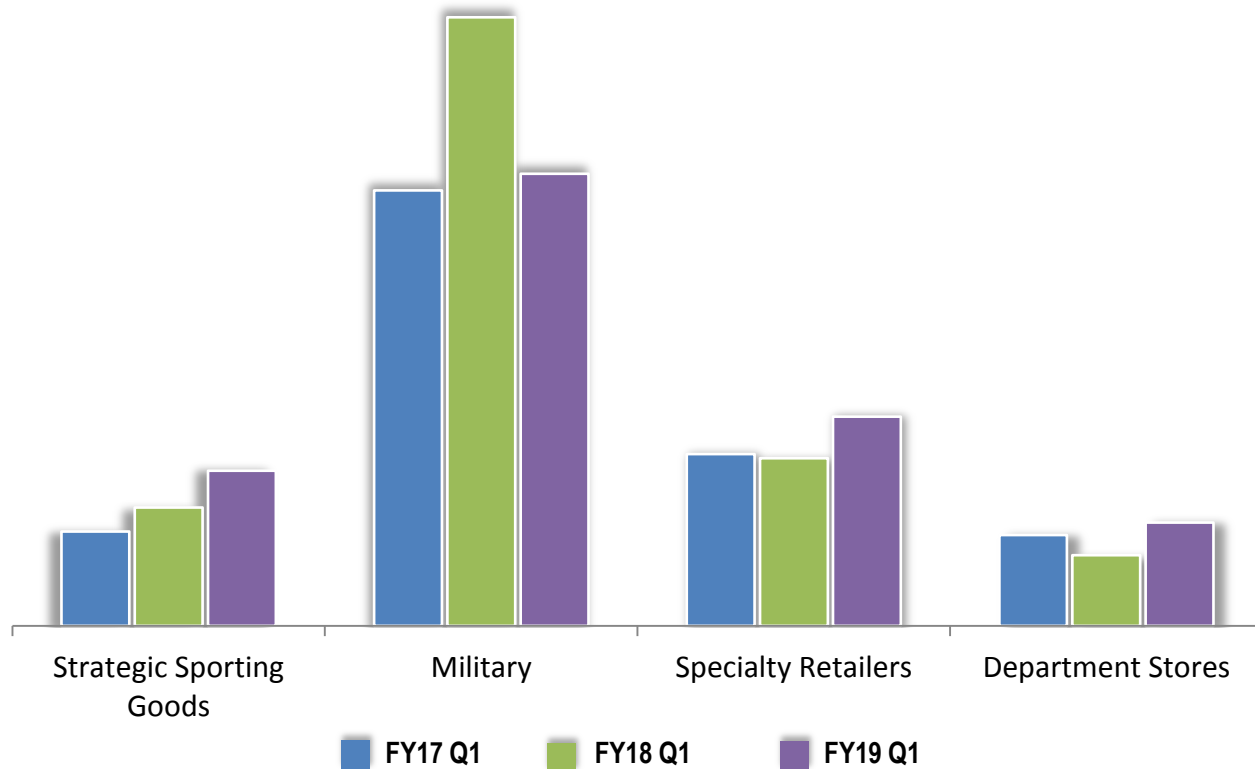


# FunTees Private Label





# Sales Growth by Channel





# New Military Opportunities



NavyTimes News Pay & Benefits Flashpoints Pentagon & Congress Off Duty Education & Training

Your Navy

## New Navy PT gear is here – what you need to know!

By: Mark D. Faram January 3



### New Navy Physical Training Uniform



The Navy's recruiting slogan is on the back of the service's new PT shirt. (Mark D. Faram/Staff)



A Navy eagle perches atop an anchor on the right breast of the new physical training shirt. (Mark D. Faram/Staff)

### Nexcom

- New optional PT "Forged by the Sea"
- New unit tees
- #1 decorated "Pride" vendor outperforming UA and Nike

### Marines

- New decorated assortment
- Continued PT support

### USCG

- Unit Tee Programs

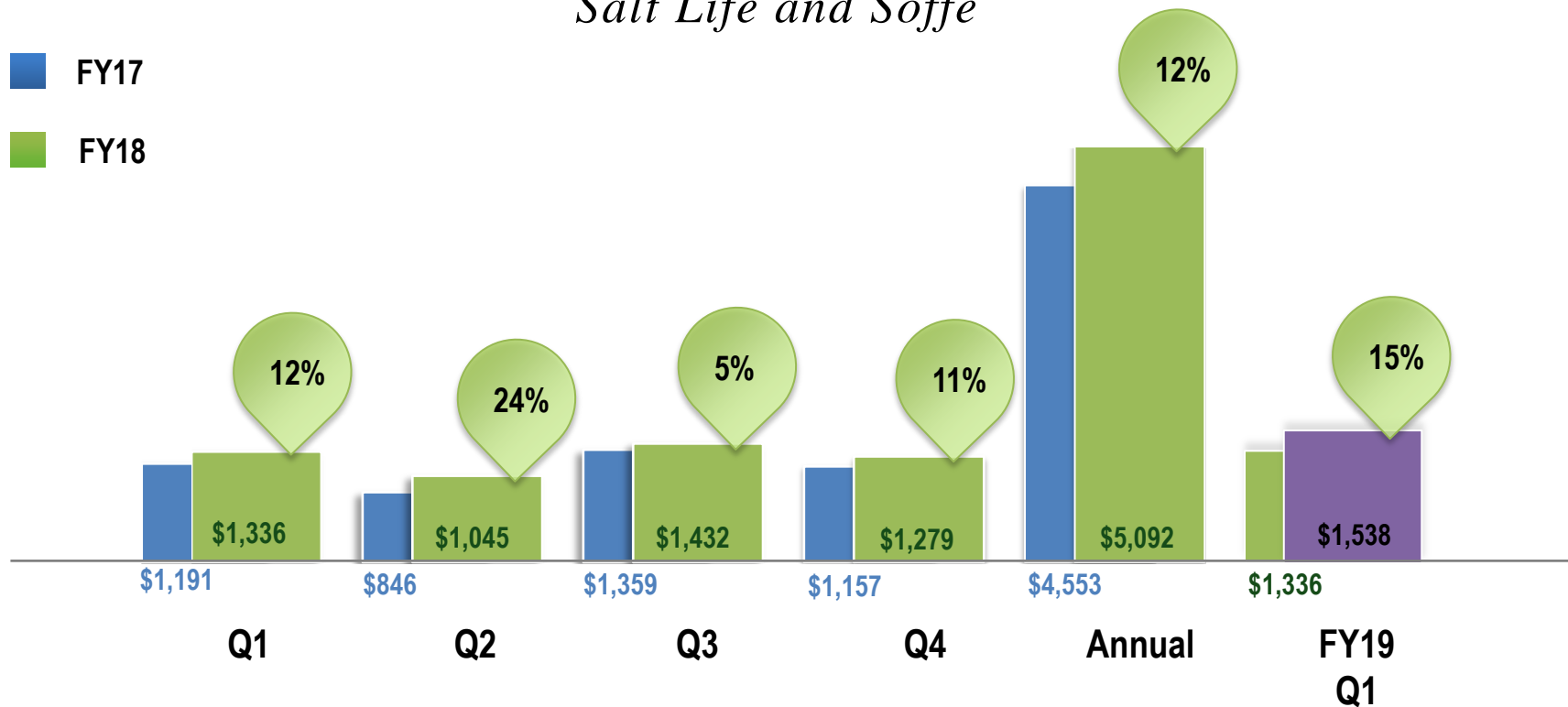
### AAFES

- Sales continue to increase

# eCommerce – Sales Growth

B to C

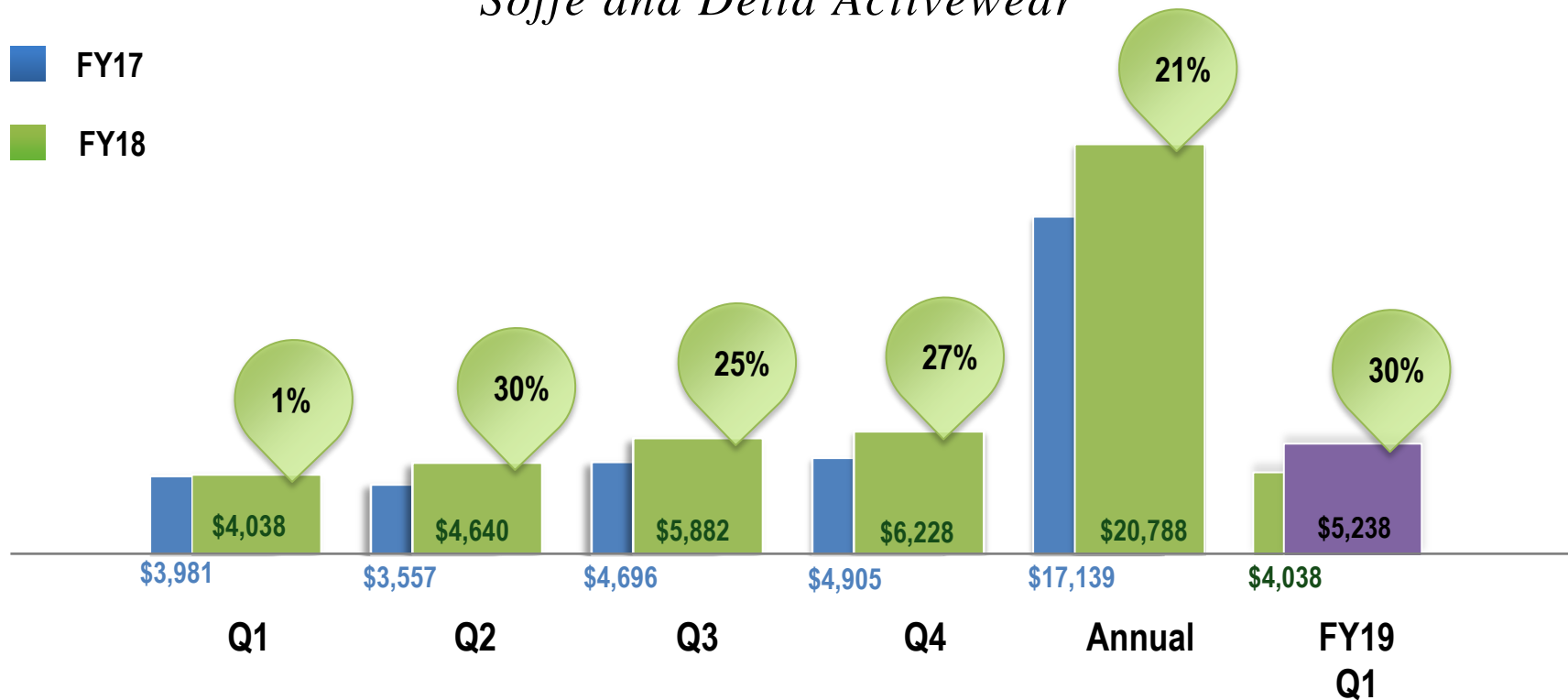
*Salt Life and Soffe*



# eCommerce – Sales Growth

B to B

*Soffe and Delta Activewear*

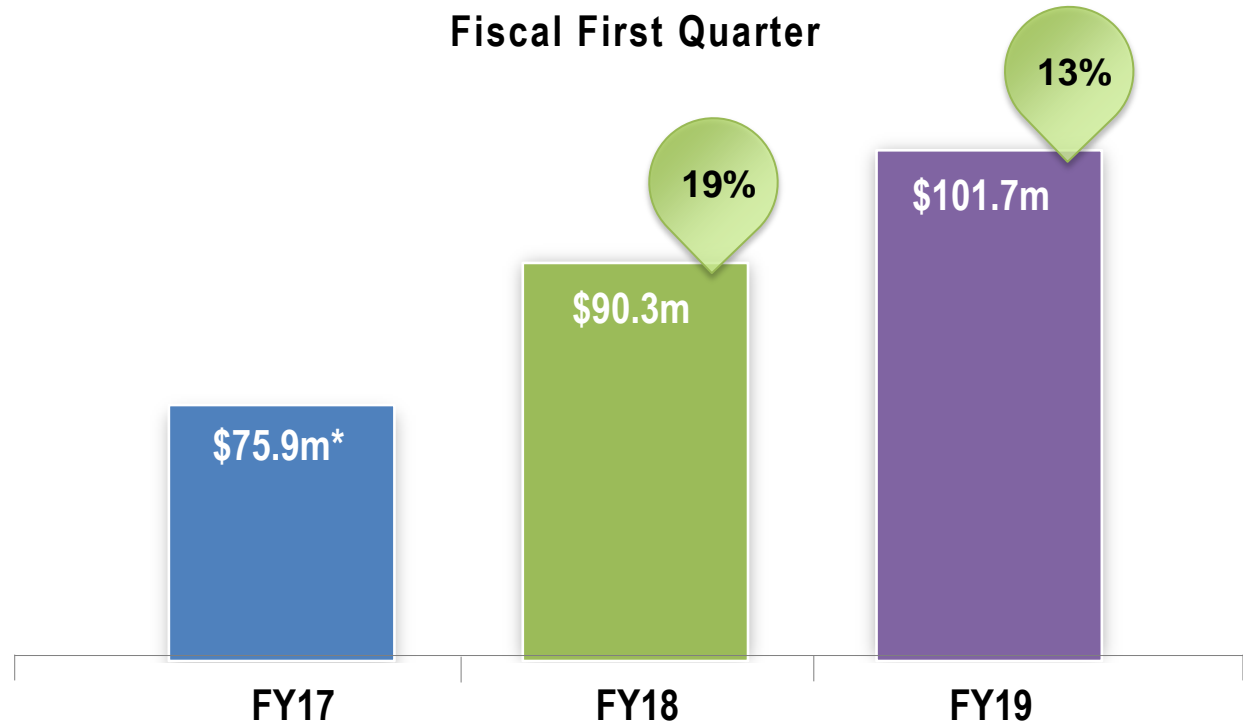






# DLA Sales Growth

Fiscal First Quarter

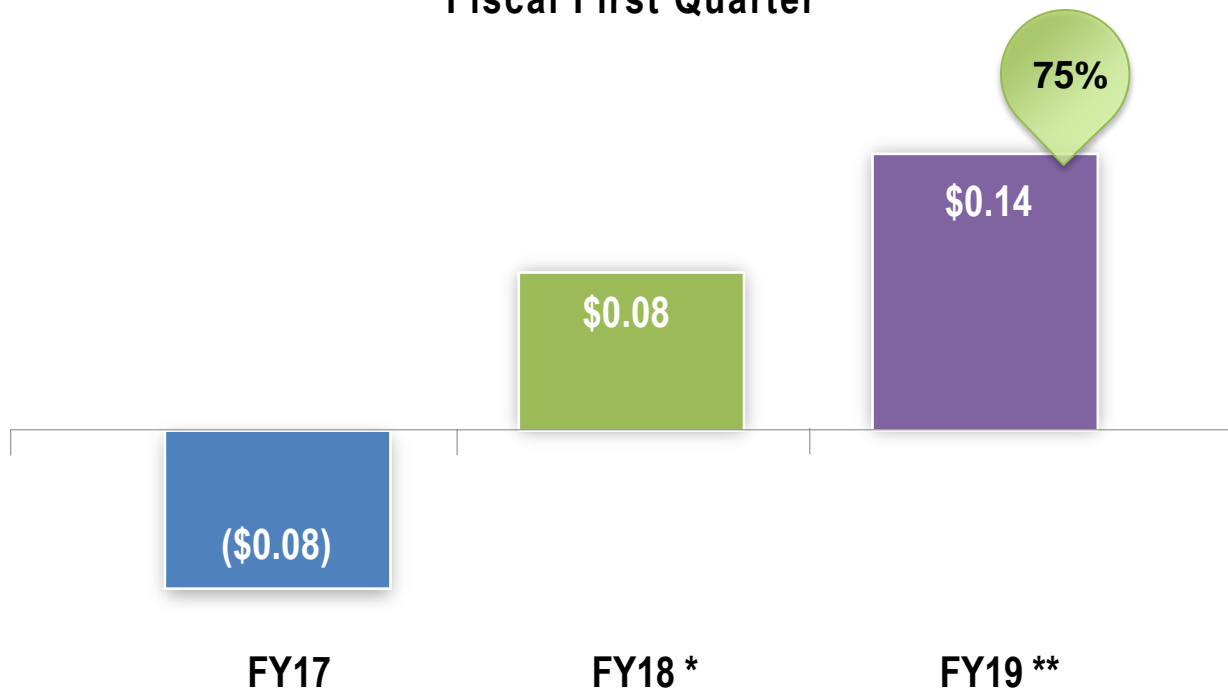


\* Excludes \$9.4m of sales from since-divested Junkfood Clothing Company.



# DLA Earnings Growth

Fiscal First Quarter



\* Excludes \$10.6 million impact of U.S. Tax Reform

\*\* Excludes \$0.31 impact of litigation settlement

# Our People



DELTA CORTES

*Mother's Day Celebration*

TEXTILES LA PAZ



*Valentine's Day Celebration*

CEIBA TEXTILES



*Employee Appreciation Day*

DELTA CAMPECHE



*Birthday Celebration*



# Our People

## CAMPECHE SPORTSWEAR



*15-year employee  
celebration*

## DELTA CAMPECHE



*15-year employee  
celebration*

## TEXTILES LA PAZ



*20-year employee  
celebration*

# Our People



DELTA CORTES  
*Reforestation Project*

## CEIBA TEXTILES



*Children's Day Celebration*

## DELTA HONDURAS



*Safety Celebration*

## DELTA CORTES



*Safety Celebration*

# Our People

## SOFFE



*Holiday celebration*

## NJ DISTRIBUTION CENTER

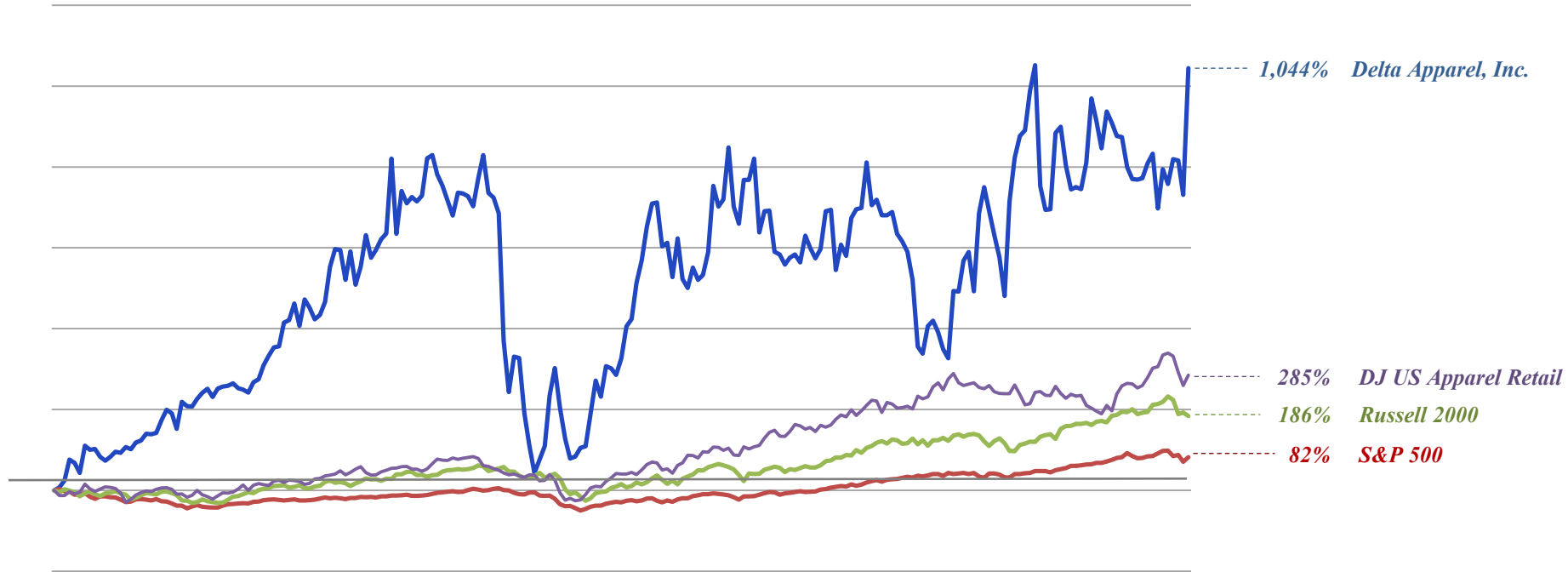


*Safety celebration*



# Shareholder Value

From July 2000



As of close 1/30/19



**Questions?**