

# 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.

. . . an international design, marketing, manufacturing and sourcing company that features a diverse portfolio of lifestyle basic and branded activewear apparel, headwear and accessories.





# Delta Apparel, Inc.

**DELTA GROUP** ~\$360 million



Activewear

Activewear

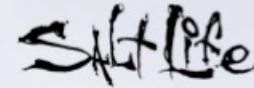


**FunTees**  
A DIVISION OF DELTA APPAREL



Manufacturing

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





## Investment Highlights

- ▲ 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
- ▲ Generating strong free cash flows
- ▲ Solid balance sheet
- ▲ Ongoing share repurchase program

## DTG2Go ...Poised for 20% Sales CAGR

- ▲ Industry leader in digital print and fulfillment capabilities
  - Innovative technology
  - Ability to print over 50,000 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

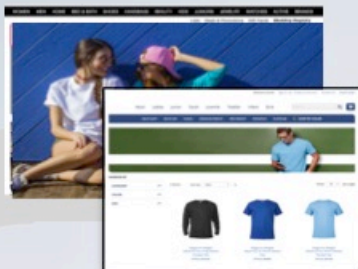




# DTG2Go Automated On-Demand Process

1

Consumer purchases from Partner website



2

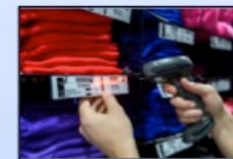
Consumer pays Partner for order



3

DTG2GO  
DIGITAL PERFECTION

- Pick blank garment
- Digitally print graphic
- Quality check order
- Ship directly to consumer



PICK



PRINT



SHIP

(Branded Packaging)



QA

6

DTG2Go invoices Partner



5

Consumer receives order



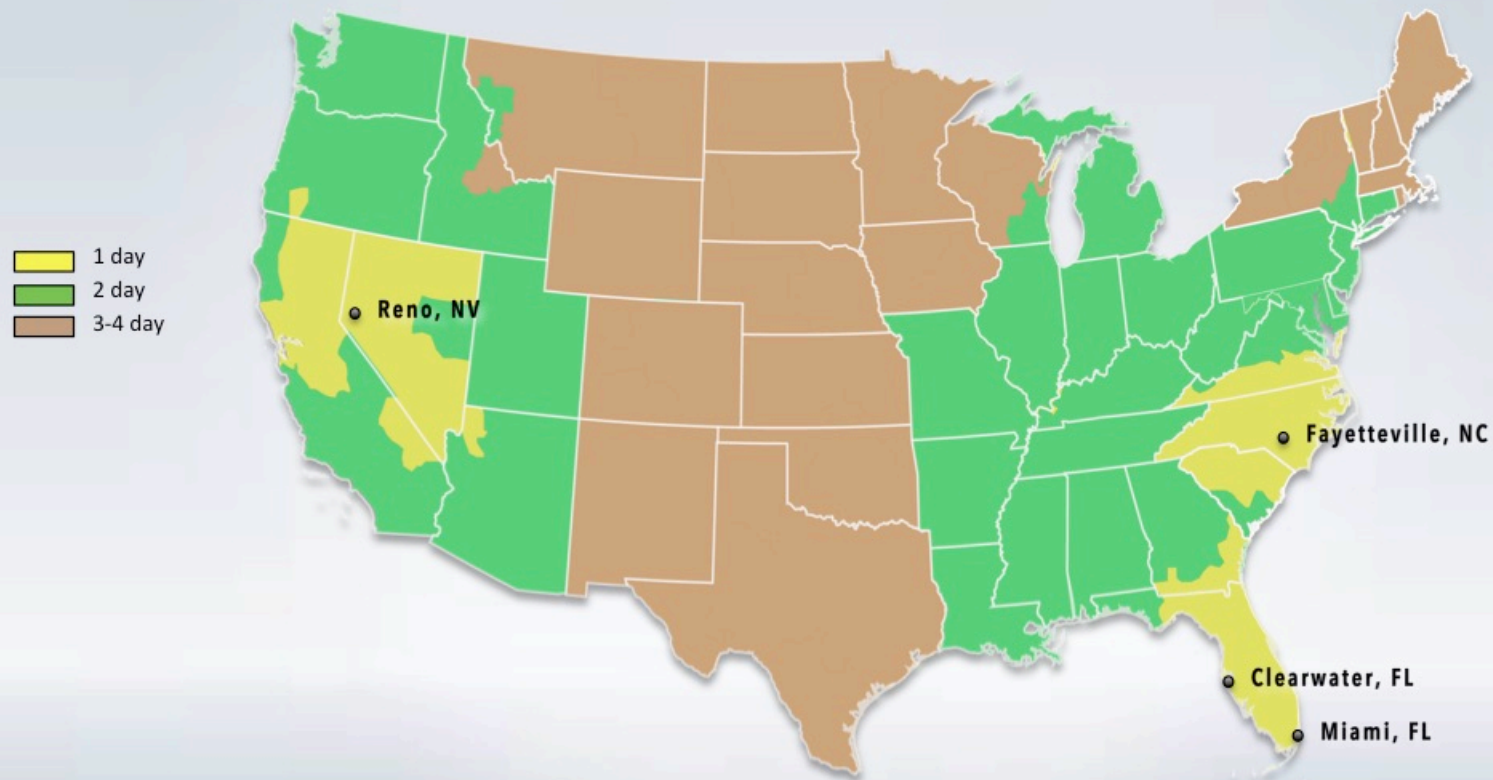
4

Product shipped to consumer within 24-48 hours



# DTG2Go ...Poised for 20% Sales CAGR

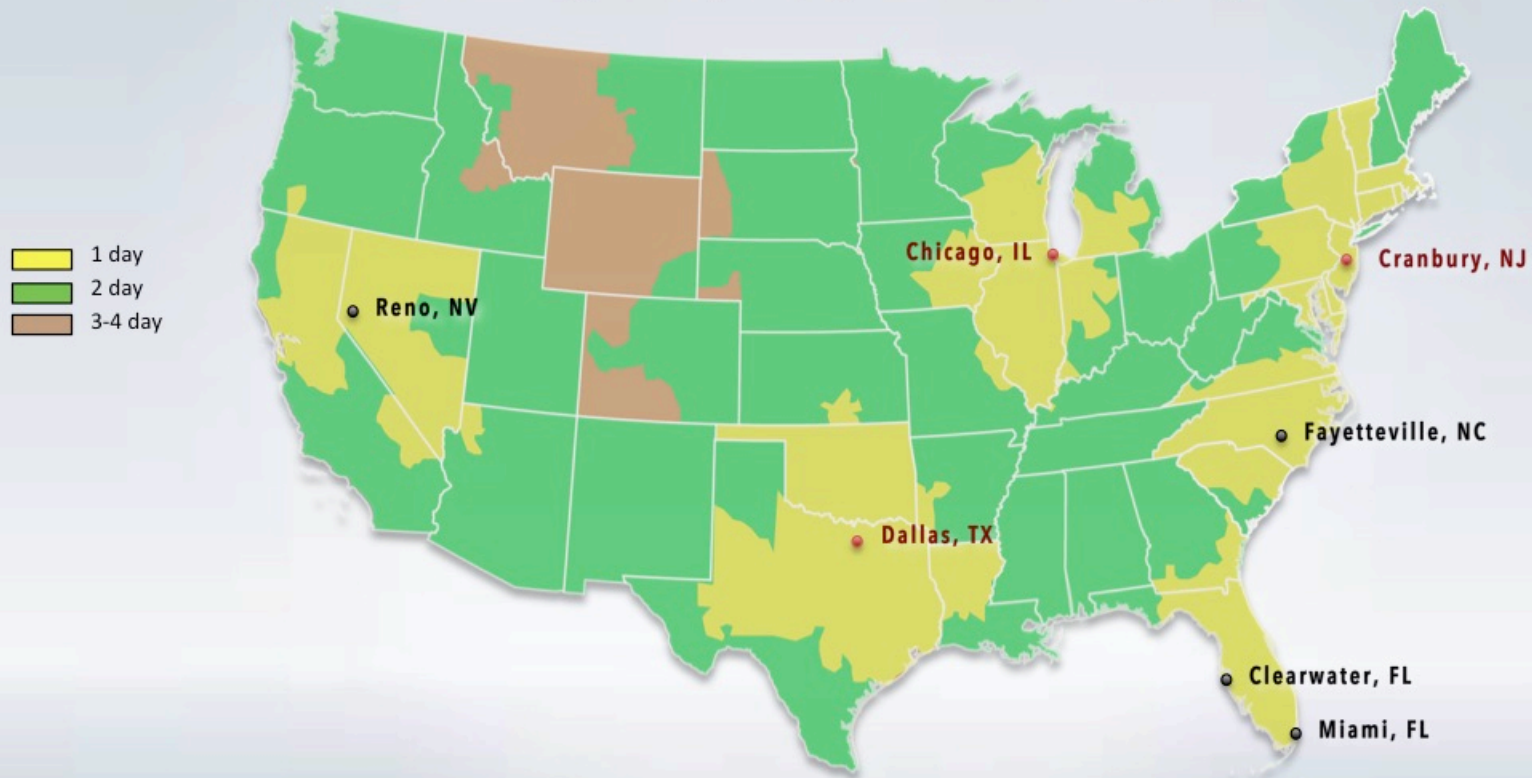
*Reaching over 75% of US population in 1-2 day ship*





# DTG2Go ...Poised for 20% Sales CAGR

*Future expansion opportunities within existing facilities  
Reaching 99% of US population in 1-2 day ship*



# 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 will provide revolutionary software to help capture digital print opportunity

## Large International Brands

- Growing interest in on-demand digital print
- Adds flexibility to offer unlimited designs and use existing creative library

# DTG2Go ...Poised for 20% Sales CAGR

## Sales Growth



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



DELTA APPAREL, INC.

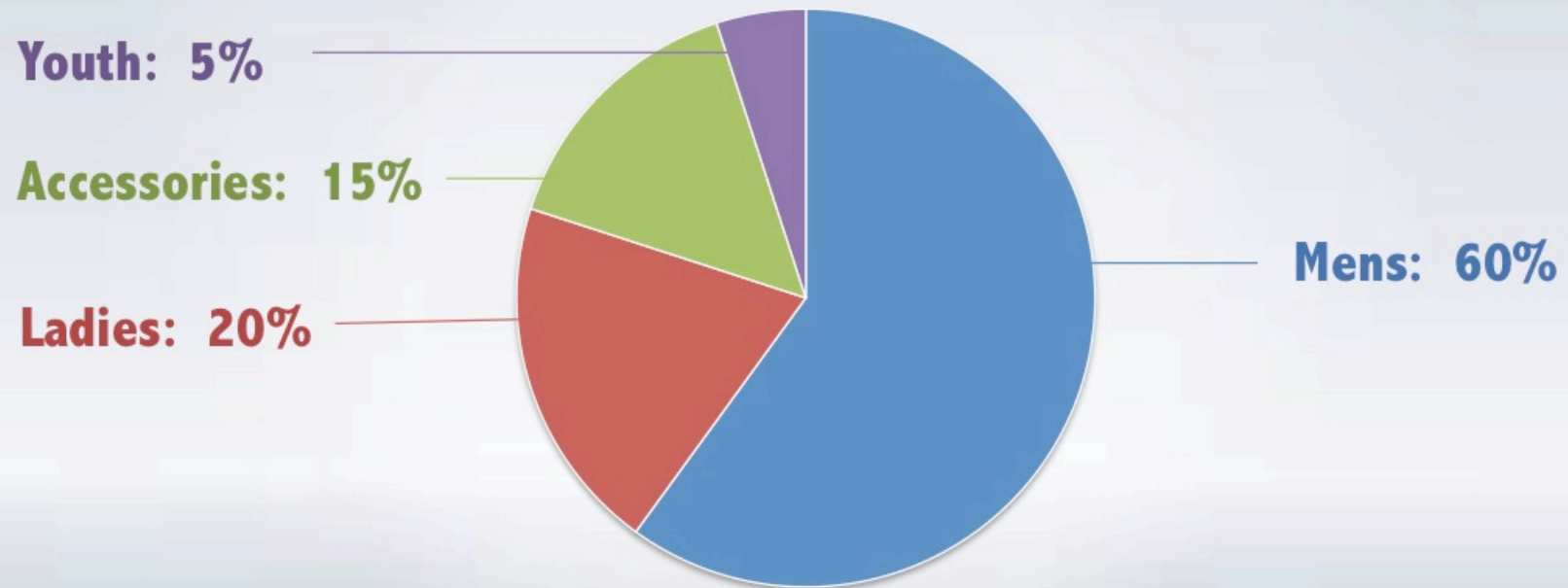
# Salt Life...Positioned for Double-Digit Growth



# *Salt Life*...Positioned for Double-Digit Growth




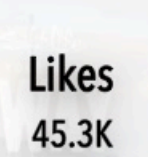





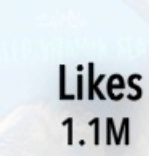




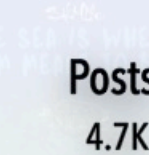








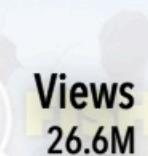



*Reaching a wide demographic mix of consumers who embrace a lifestyle of water sports and beach activities*

## Direct-to-Consumer Sales Mix





# DELTA APPAREL, INC.

 <p>@realsaltlife</p>	 <p><b>Tweets</b> 40.9K</p>	 <p><b>Followers</b> 65.2K</p>	 <p><b>Likes</b> 45.3K</p>			
 <p>@livethesaltlife</p>	 <p><b>Followers</b> 1.1M</p>	 <p><b>Likes</b> 1.1M</p>				
 <p>@realsaltlife</p>	 <p><b>Posts</b> 4.7K</p>	 <p><b>Followers</b> 213K</p>				
 <p>@realsaltlife</p>	 <p><b>Videos</b> 66k</p>	 <p><b>Subscribers</b> 76.6K</p>	 <p><b>Views</b> 26.6M</p>			



Our Brand Ambassadors reach  
an additional 7 million  
followers to bring our total  
reach to over  
**- 8.3 MILLION FOLLOWERS -**

**JAKE OWEN**

*Salt Life*

*Brand Ambassador*



## Over 2 Million Decals Sold





# **Salt Life...Positioned for Double-Digit Growth**

- ▲ **Broader reach with new key national retailers**
  - Dillards
  - The Buckle
- ▲ **New regional and independent accounts**
  - Scheels
  - Olympia
  - International accounts
- ▲ **Expansion of Salt Life branded retail doors**
  - Tampa, FL (total of 6 stores now open)
  - Targeting 12 additional stores within 3 years
- ▲ **Growth of Saltlife.com**
- ▲ **Product extensions**
  - Performance
  - Ladies swimwear (*through licensee*)
  - Optics
  - Beverage



## Salt Life Retail Doors



DELTA APPAREL, INC.

# Salt Life - Tampa, Florida

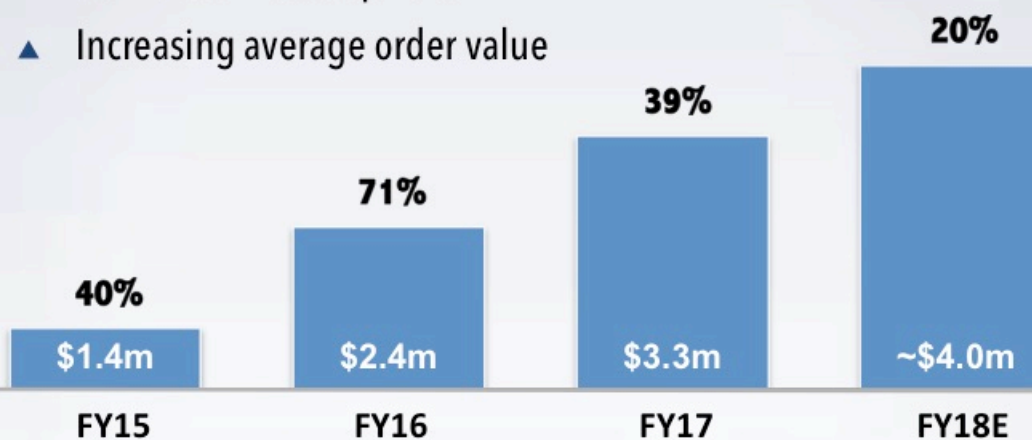




## *Salt Life* eCommerce

*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



DELTA APPAREL, INC.

# Live in the Moment.

**SLX**  
**UVAPOR**™  
**PERFORMANCE WEAR**

Salt Life team members, Sarah Jarrett and Peter Miller diving in the latest SLX UVapor performance clothing.

*Salt Life*

See more at [saltlife.com](http://saltlife.com)





DELTA APPAREL, INC.

Salt Life  
SWIM



# Salt Life Beverage

- ▲ Rolled out throughout Florida – Summer 2018
  - Sold in over 2,200 doors in Florida

- 900 Publix doors
- 300 Winn Dixie doors
- Regional & independent stores
- Restaurants and bars

- ▲ Expanding distribution in 2019

- Georgia
- Alabama
- North Carolina
- South Carolina





DELTA APPAREL, INC.

# Salt Life Restaurants

*Operated through Licensee*

**Existing Locations:**

St. Augustine Beach, FL  
Jacksonville Beach, FL

**Future Location:**

Fernandina Beach, FL



# DLA Sales and Earnings Growth

YTD June

**Note:** Comparison excludes \$9.4m prior year sales and prior year gain on sale of since-divested Junkfood Clothing Company. Also excludes FY18 Q1 discrete impact from tax reform.



# **Solid Balance Sheet**

**As of FY18 June**

- ▲ Decreased inventory by \$5 million since FY17
  - Lower inventory units more than offset cotton and inflationary cost increases
- ▲ Capital spending of \$10.2m; D&A of \$9.2m
- ▲ Repurchased 283k shares of DLA stock for \$5.7m
- ▲ Debt leverage ~3.7x
  - Financed \$11.3m acquisition in March 2018





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