



Delta Apparel, Inc.

Investor Presentation

March 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.



Delta Apparel, Inc.

June 2000
Public Company

- 9 acquisitions
- 2 divestitures
- Mfg realignment

FY00 Sales
\$114.5m

FY17 Sales
\$385.1m

DTG2GO
DTG2Go
Acquisition

Launch
Salt Life Beer




SSI
Acquisition



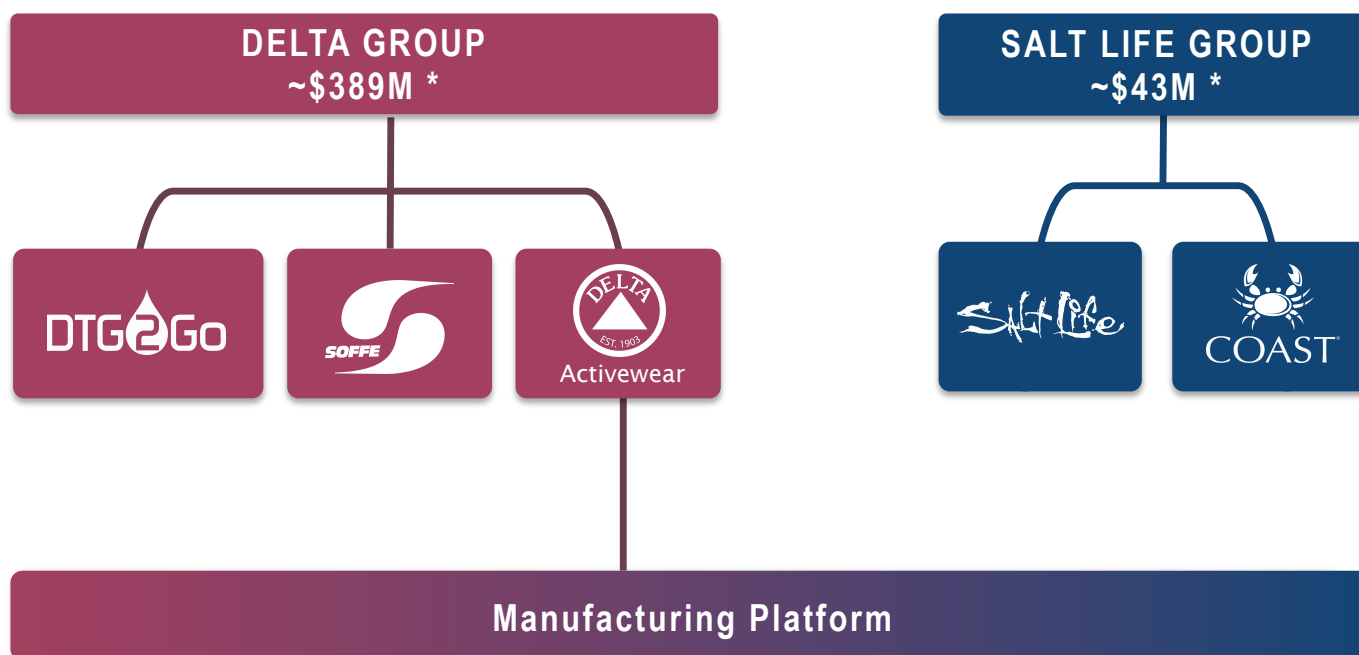
Salt Life
Salt Life
Retail
Initiative

FY19 Sales
\$431.7m


Launch
Distributor
Model



Delta Apparel, Inc.



** FY19 Results*

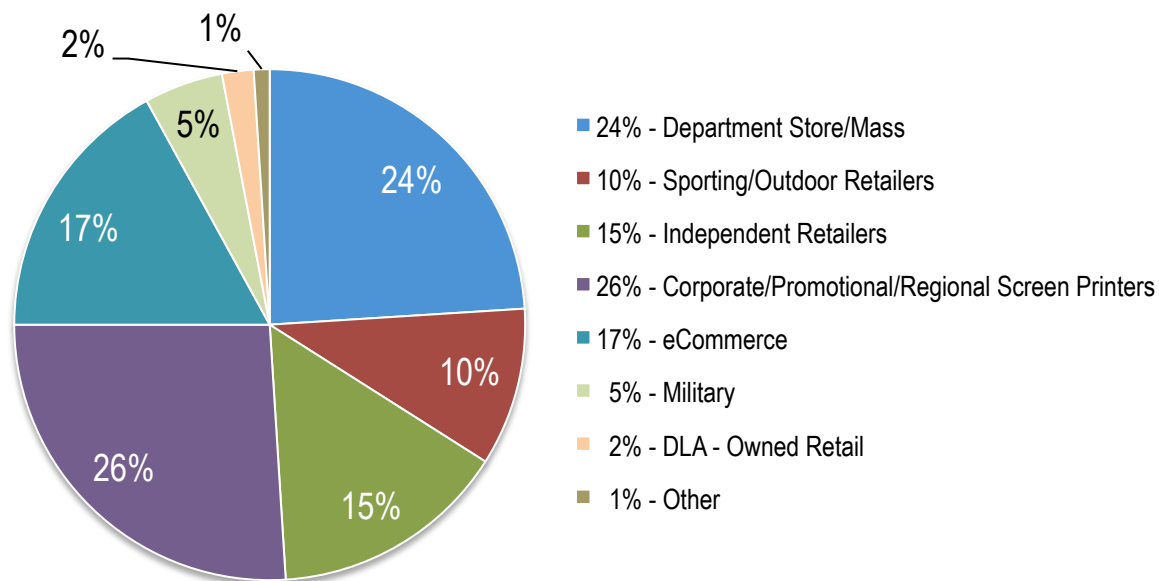


Delta Apparel, Inc.

Diversified Sales Channel

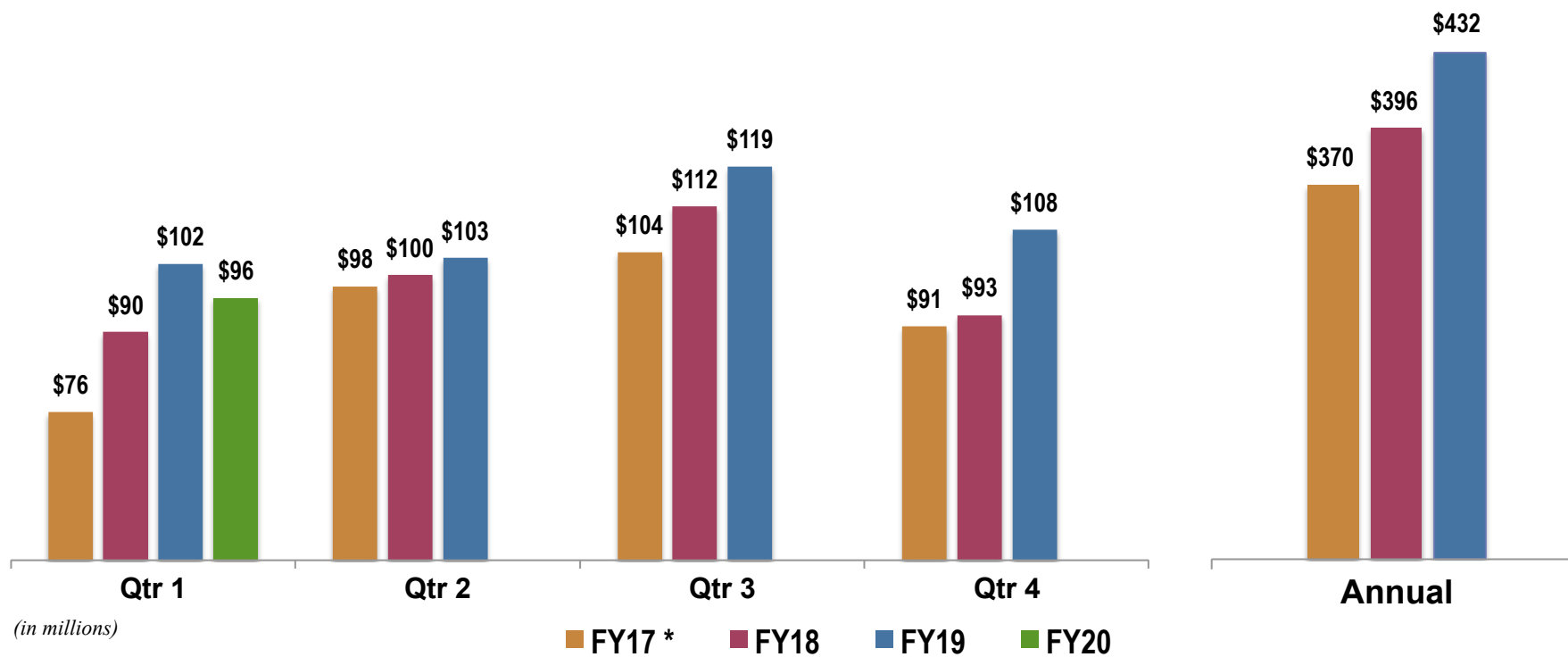
Diversified Distribution Model

Limited exposure to traditional brick and mortar, particularly department stores and mass merchants





Delta Apparel, Inc. – Sales Growth



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



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



**Broaden the
strong core
business,
Delta Activewear**

Catalog Core Basics



FunTees Private Label



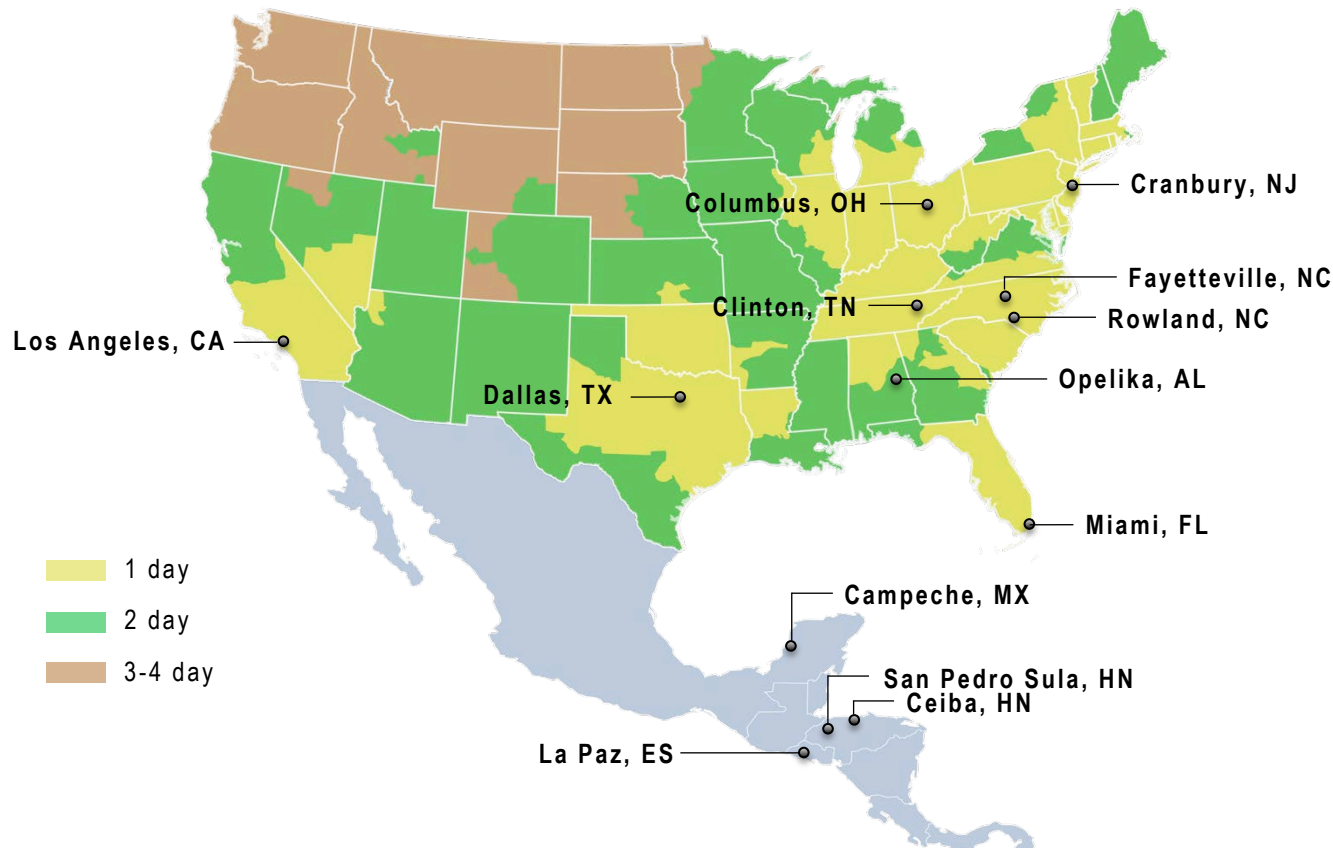
Catalog Fashion Basics



Delta Activewear



Distribution and Manufacturing Platform



DISTRIBUTION

- Clinton, TN
- Columbus, OH
- Cranbury, NJ
- Fayetteville, NC
- Dallas, 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

Jack Nicklaus



Callaway Golf



Original Penguin



Sourced Branded Products

Burnside



Sierra Pacific



Dri Duck



Sourced Branded Products

Outdoor Cap



Sourced Branded Products

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**



DTG2Go

**Revolutionize the retail landscape
with DTG2Go's cutting edge
technology**

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

Brick and Mortar Challenges



On demand economy:

keeping up with the ever changing consumer expectations



Merchandise limitations:

balance between selection and excess inventory



Markdowns and excess inventory:

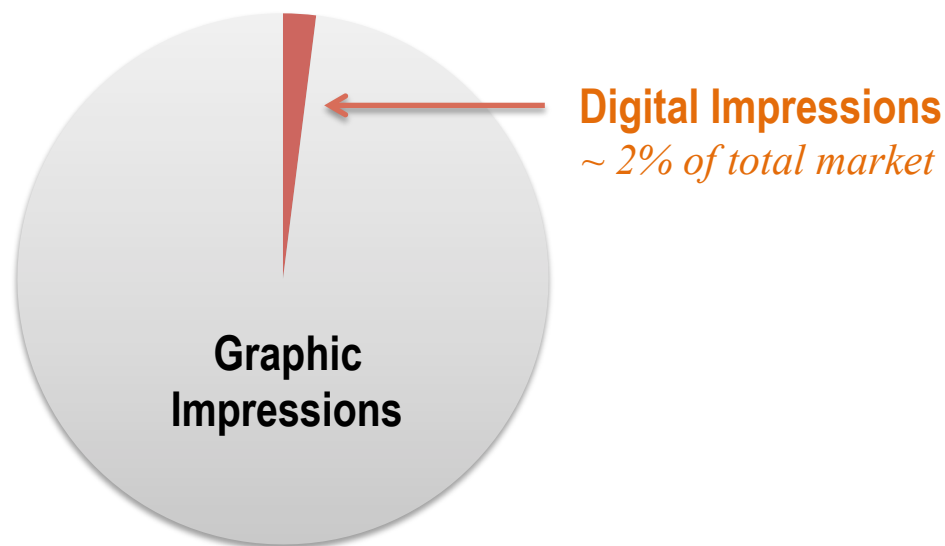
significant lost margins from liquidating excess inventory

Solution



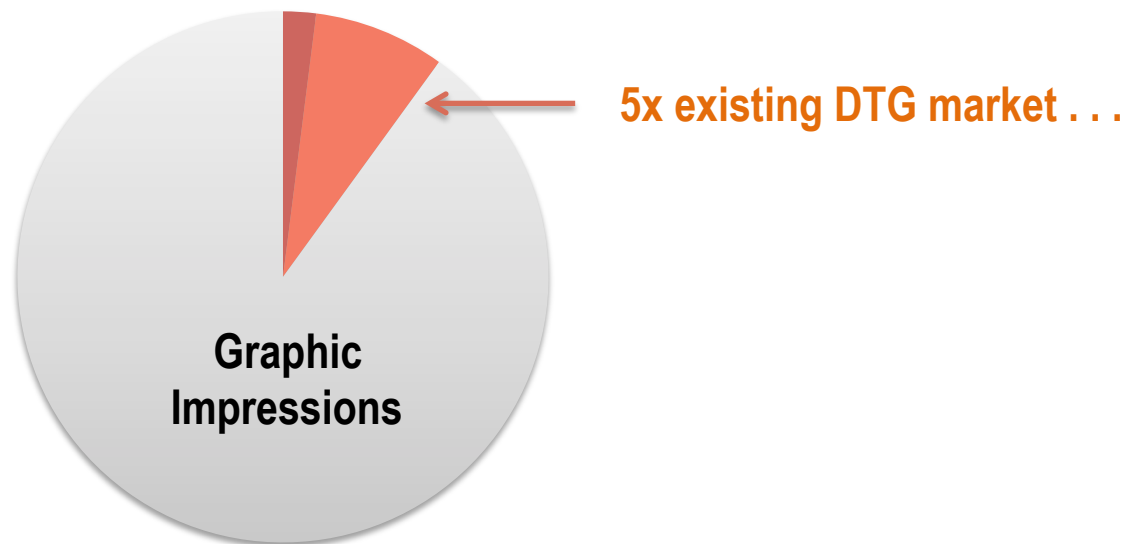
DTG Market Opportunity

In 2018, the global tee shirt market was over 15 billion units
- U.S. consumption is about 30% of global market



DTG Market Opportunity

If Digital Print grows to 10% of market . . .





DTG2Go

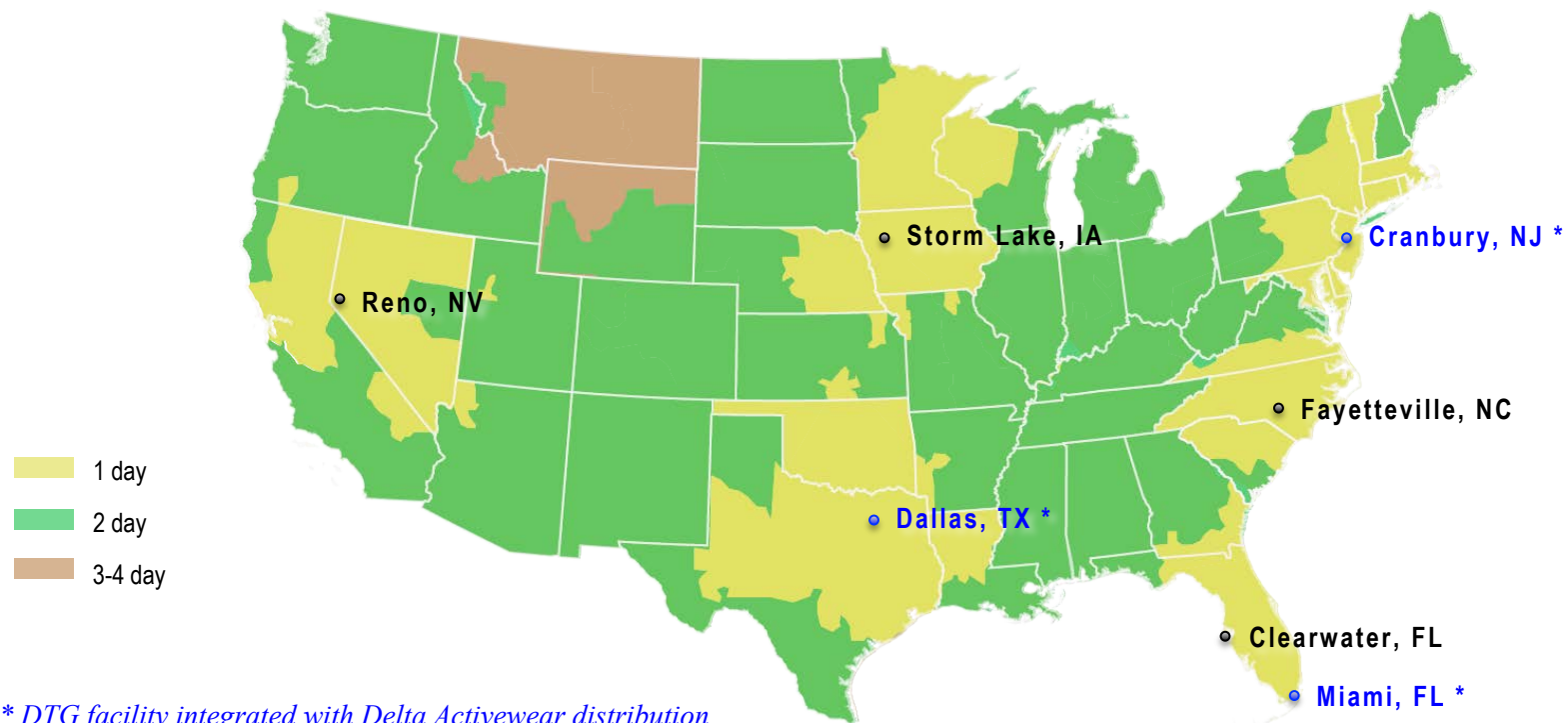
Digital Decoration

- **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

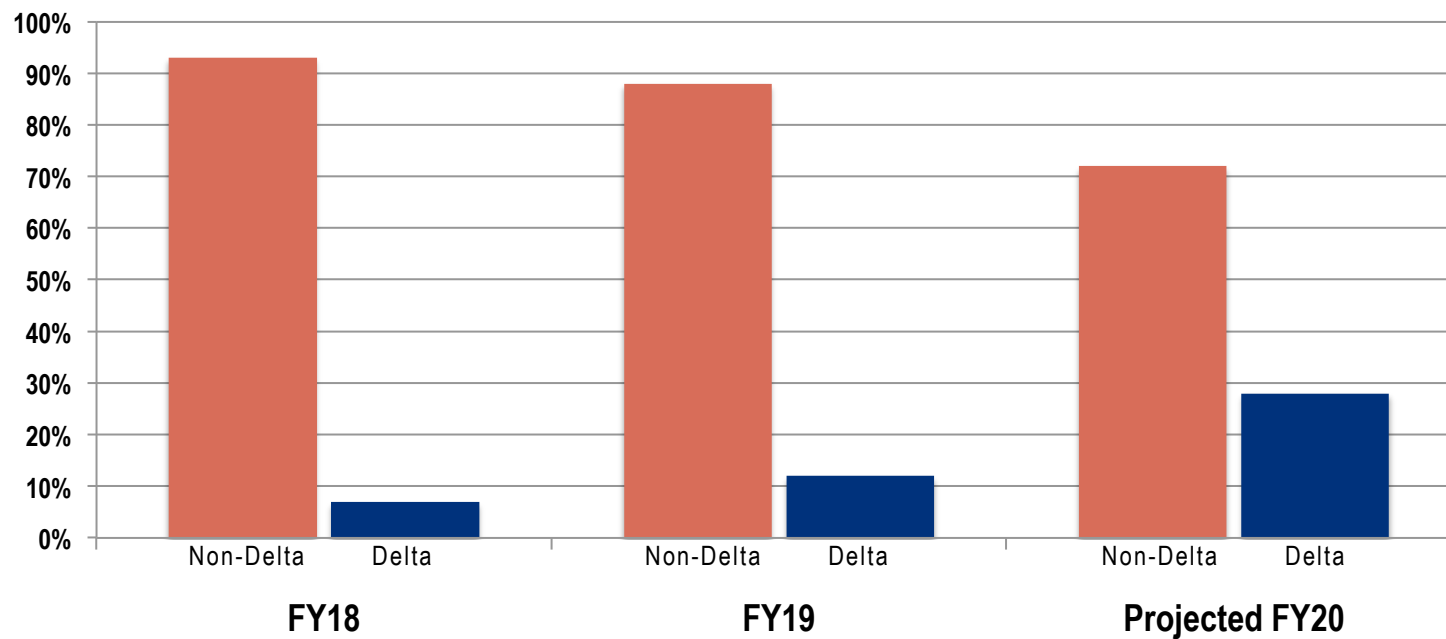
Reaching 99% of US population in 1-2 day ship with ~50% in 1 day





Digital Decoration

Transition Customers to Delta Products



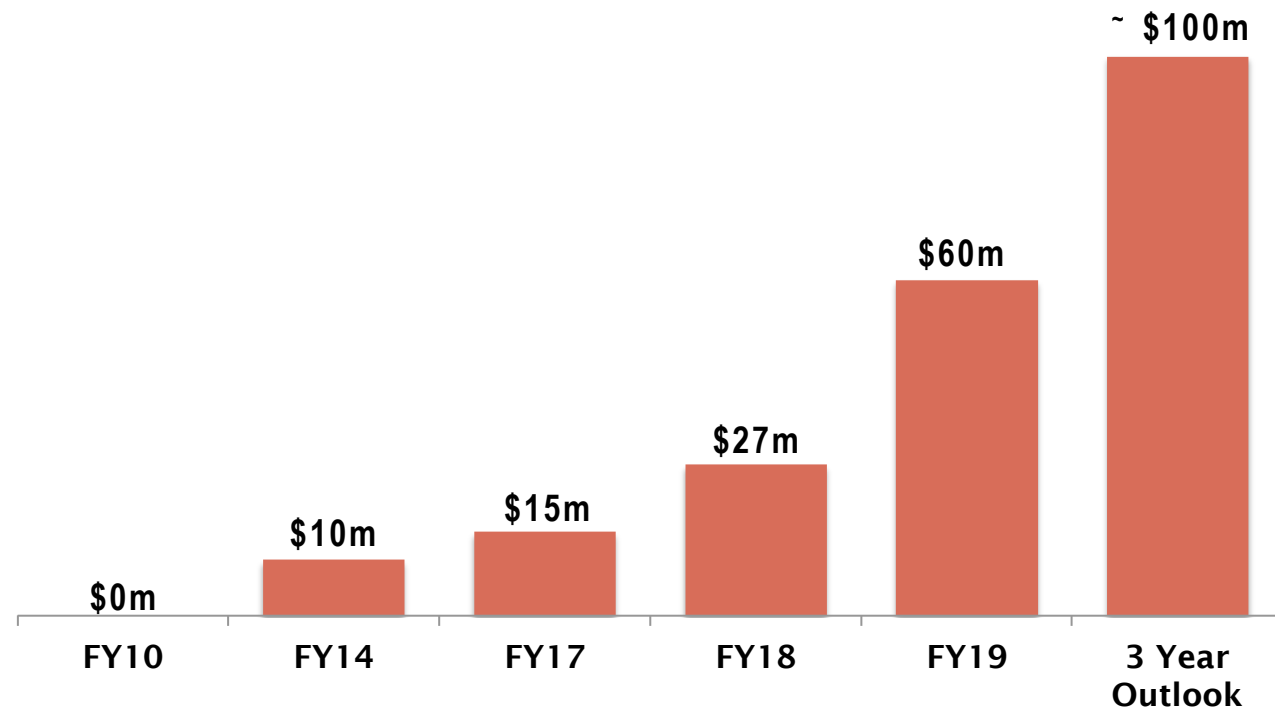


Digital Decoration

	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

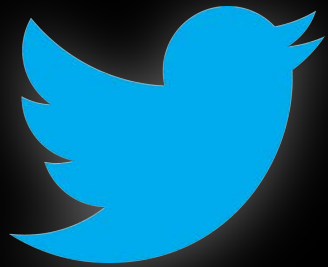
Salt Life

**Connect with
consumers who love
the ocean with our
aspirational lifestyle
brand, Salt Life**



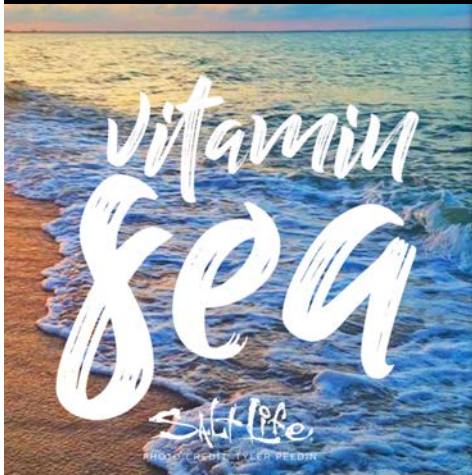
Salt Life ...Connecting with Consumers





@realsaltlife

50k Tweets
71k Followers



@realsaltlife

89k Subscribers
30,175,804 views



@livethesaltlife

1.2m Page Likes
1.2m Following



Instagram

@realsaltlife

269k Followers
6,128 Posts



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

SALT LIFE
**Over 2 million
decals sold**



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Salt Life Wholesale

Shop-in-Shops
Ron-Jon
Cocoa Beach, Florida
March 2020

March 2020

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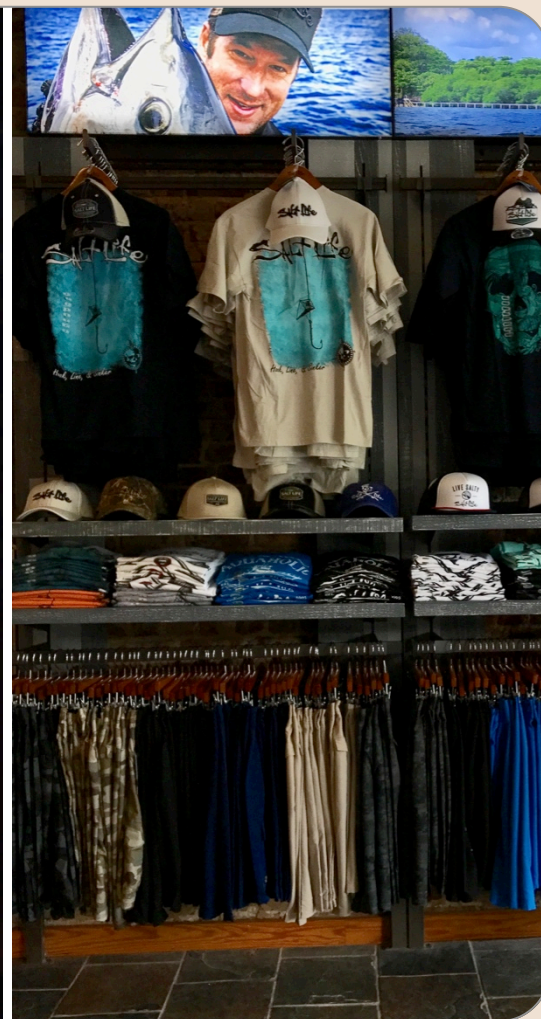
Salt Life Retail

EXISTING

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

COMING SOON

Estero, Florida
West Palm Beach, Florida



Salt Life Retail

Salt Life Outlet Store
Destin, Florida
March 2020

March 2020

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Salt Life Retail

Salt Life Retail Store
Charleston, South Carolina
March 2020

March 2020

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Salt Life Retail

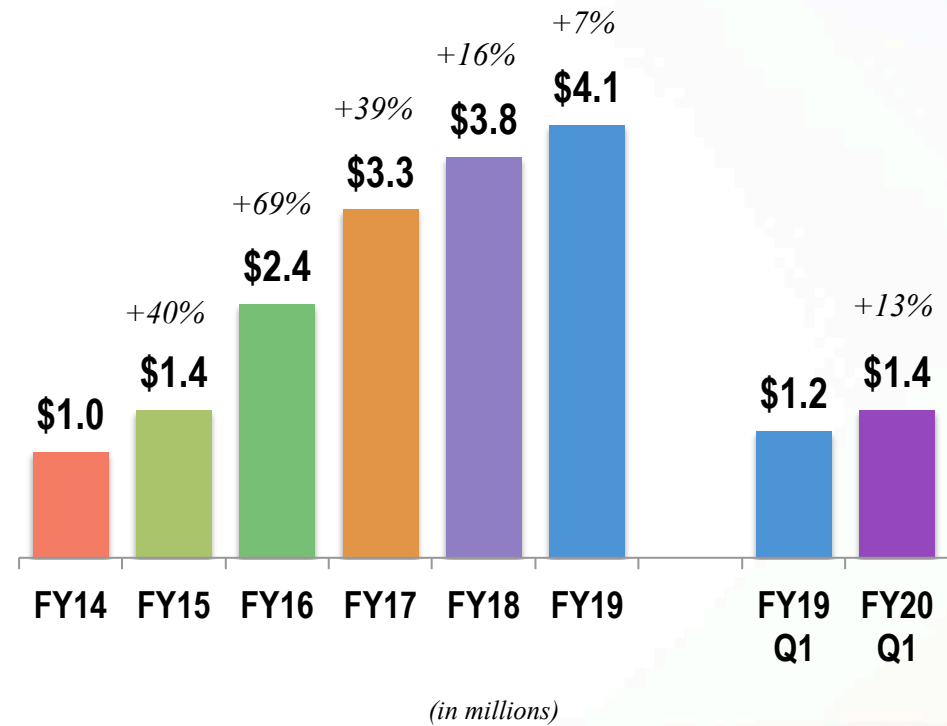
Salt Life Retail Store
Key West, Florida
November 2019

March 2020

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eCommerce – Sales Growth

+24% CAGR

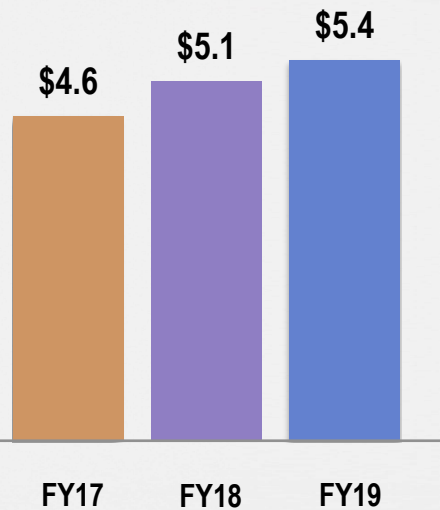




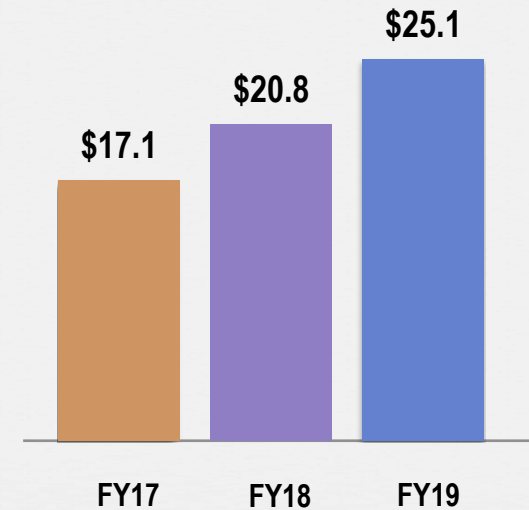
**Accelerate growth across
our most profitable sales
channel, our B2B and B2C
eCommerce sites**

eCommerce – Sales Growth

B to C
Salt Life and Soffe
+8% CAGR



B to B
Delta Activewear and Soffe
+21% CAGR



(in millions)

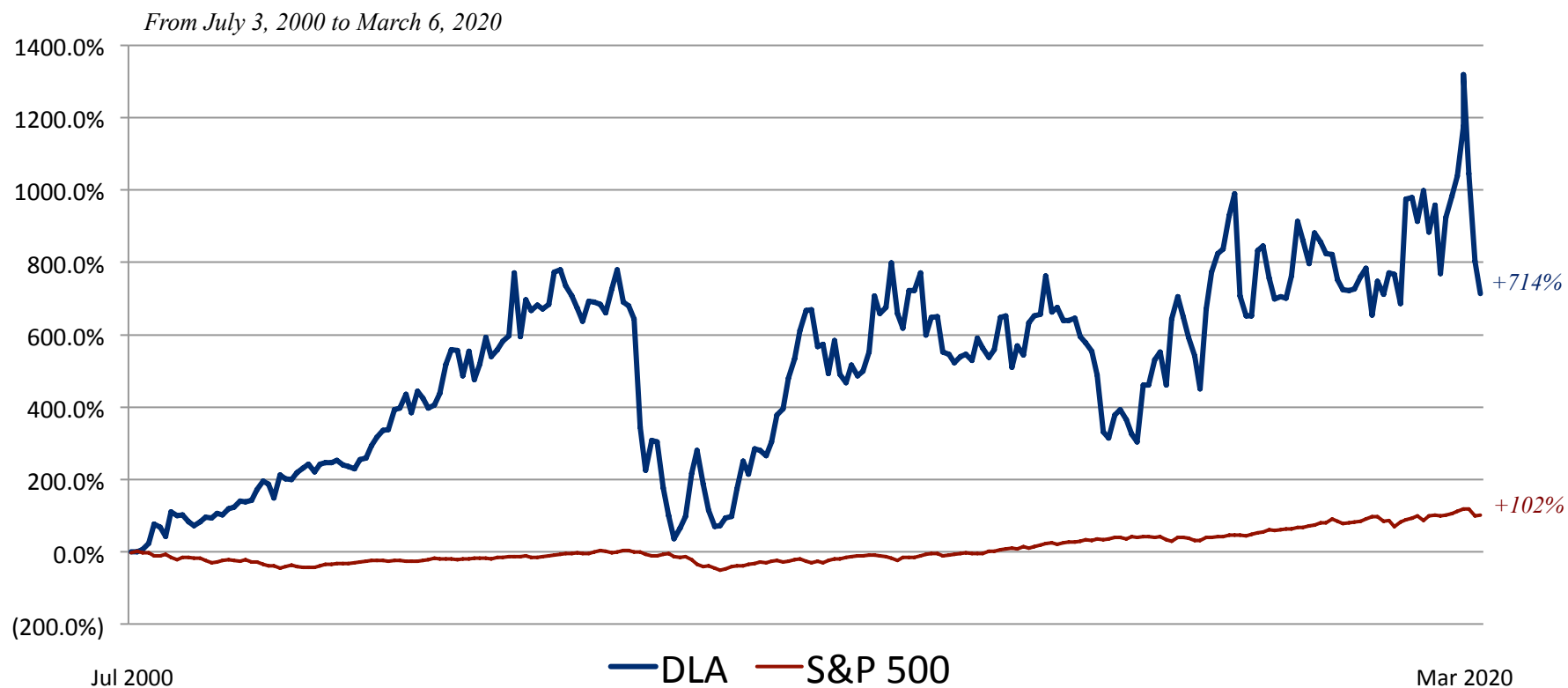


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Stock Comparison



Q&A

