

*The Strength
Is In Us.*

Delta Apparel, Inc.
Annual Meeting
February 11, 2016



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 and headwear.





Fiscal 2015 Review

Strategic Initiatives

- Key Initiatives Completed to Reduce Fixed Cost
 - Reduced Fixed Admin Salary Cost - \$7 million annually
 - Adjusted Selling Cost Structure - \$1 million annually
 - Amended Benefit Structure - \$500k+ annually
 - Increased Production in Lower Cost Facilities
 - Rationalization of Non-Strategic Areas
 - Closed Canada distribution
 - Sale of *The Game* business

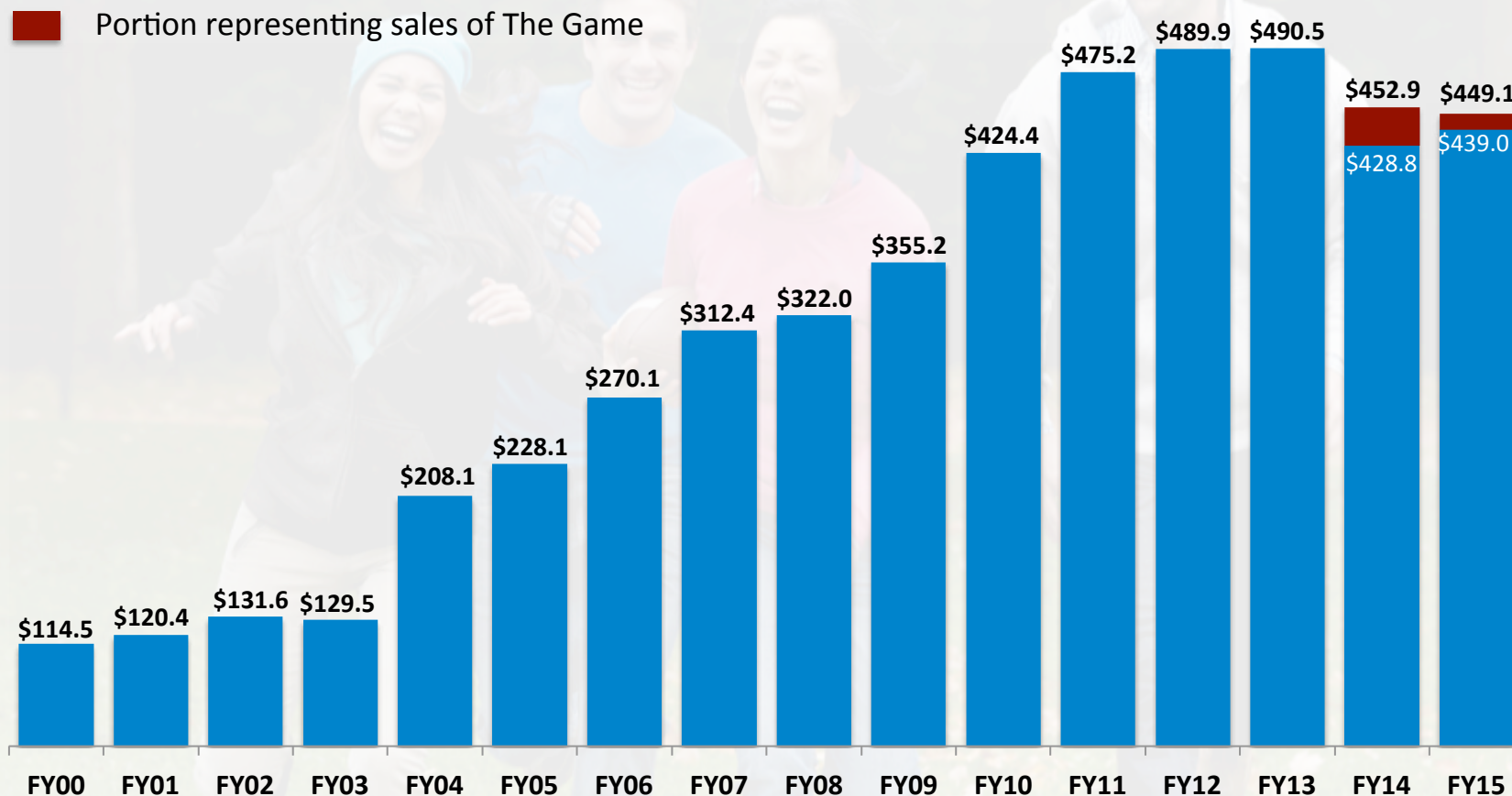


Sale of *The Game* Business

- Recognized Pre-Tax Gain of \$5.6 million
- Value of Business ~ \$21 million
 - ~ 160% of Book Value
 - ~ 85% of Sales
- De-Levered Balance Sheet
- Management Focused 100% on Salt Life Growth



Sales

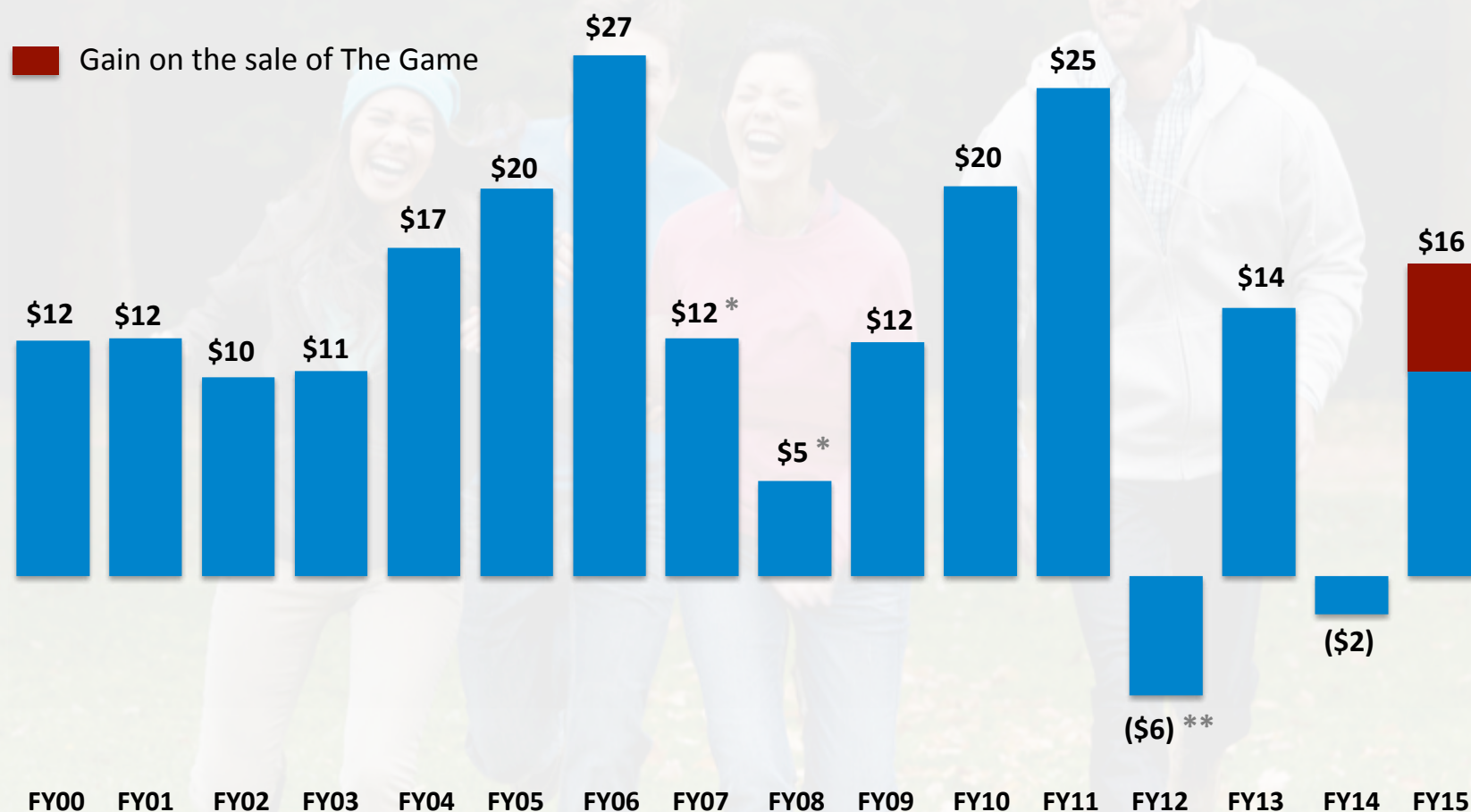


(in millions)

Note: FY00 through FY13 are June FYE; FY14 is September FYE.



Operating Profit



(in millions)

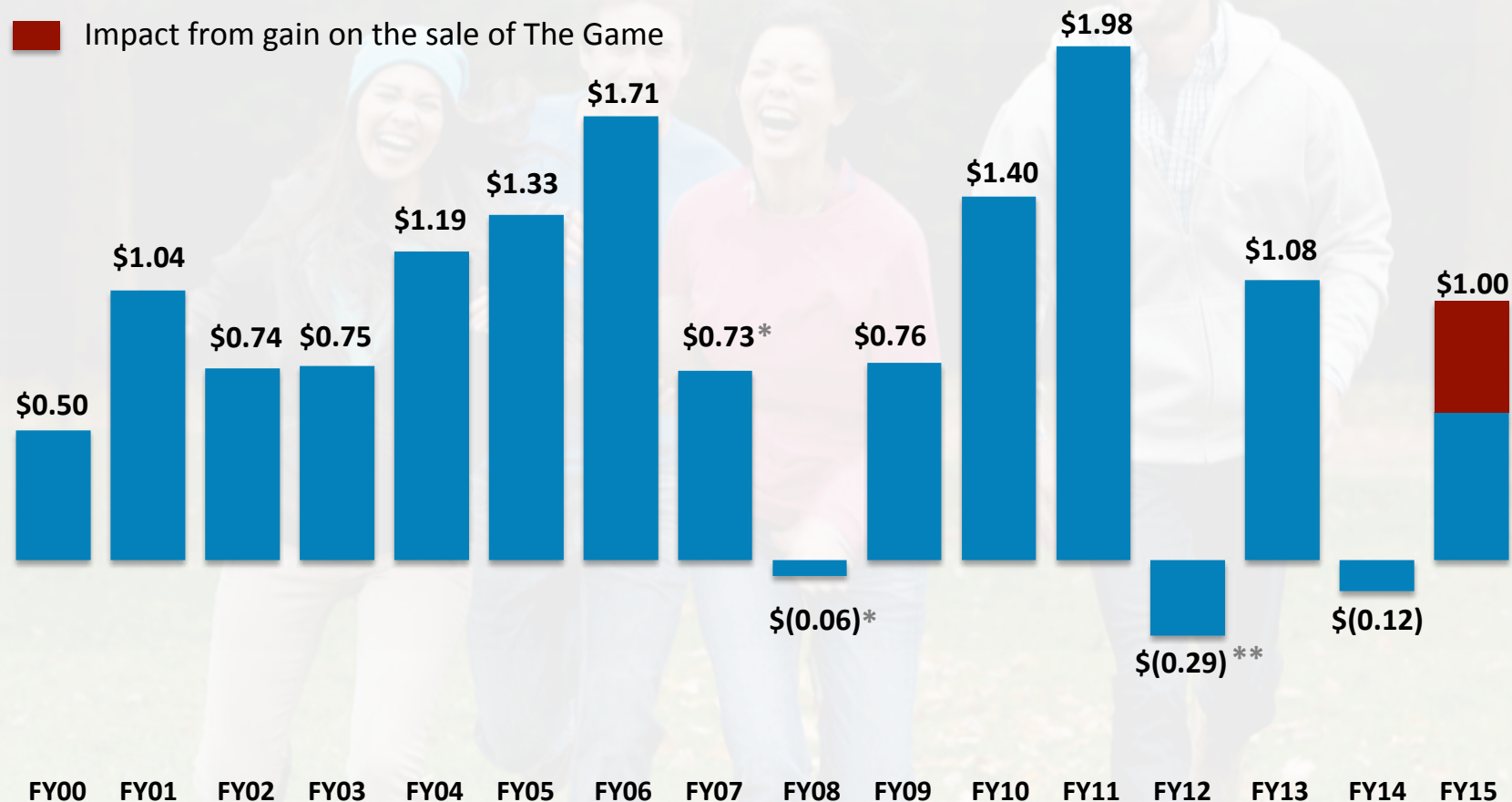
Note: FY00 through FY13 are June FYE; FY14 is September FYE.

* Impacted by restructuring activities

** Impacted by cotton costs



Diluted EPS



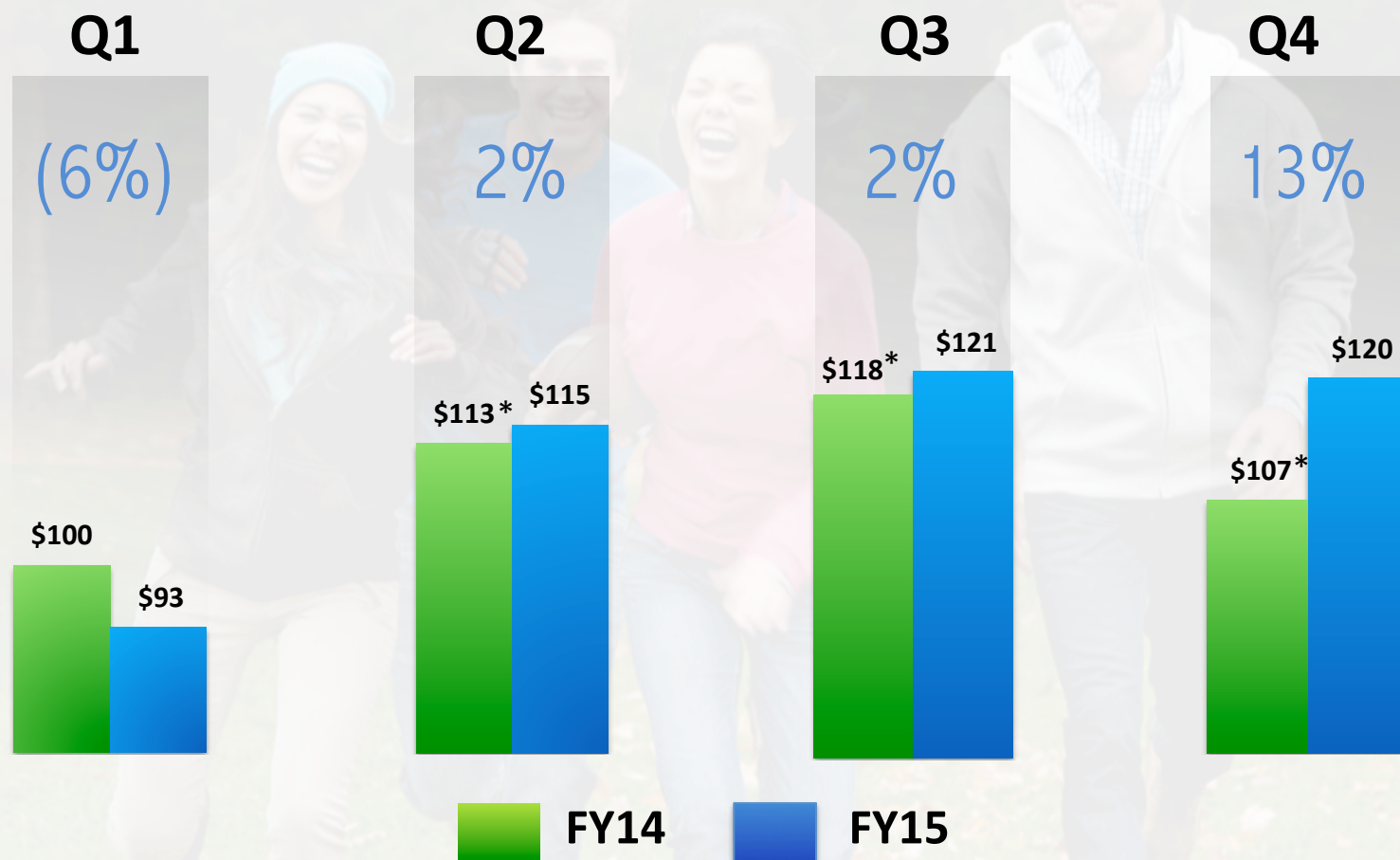
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Sales Growth

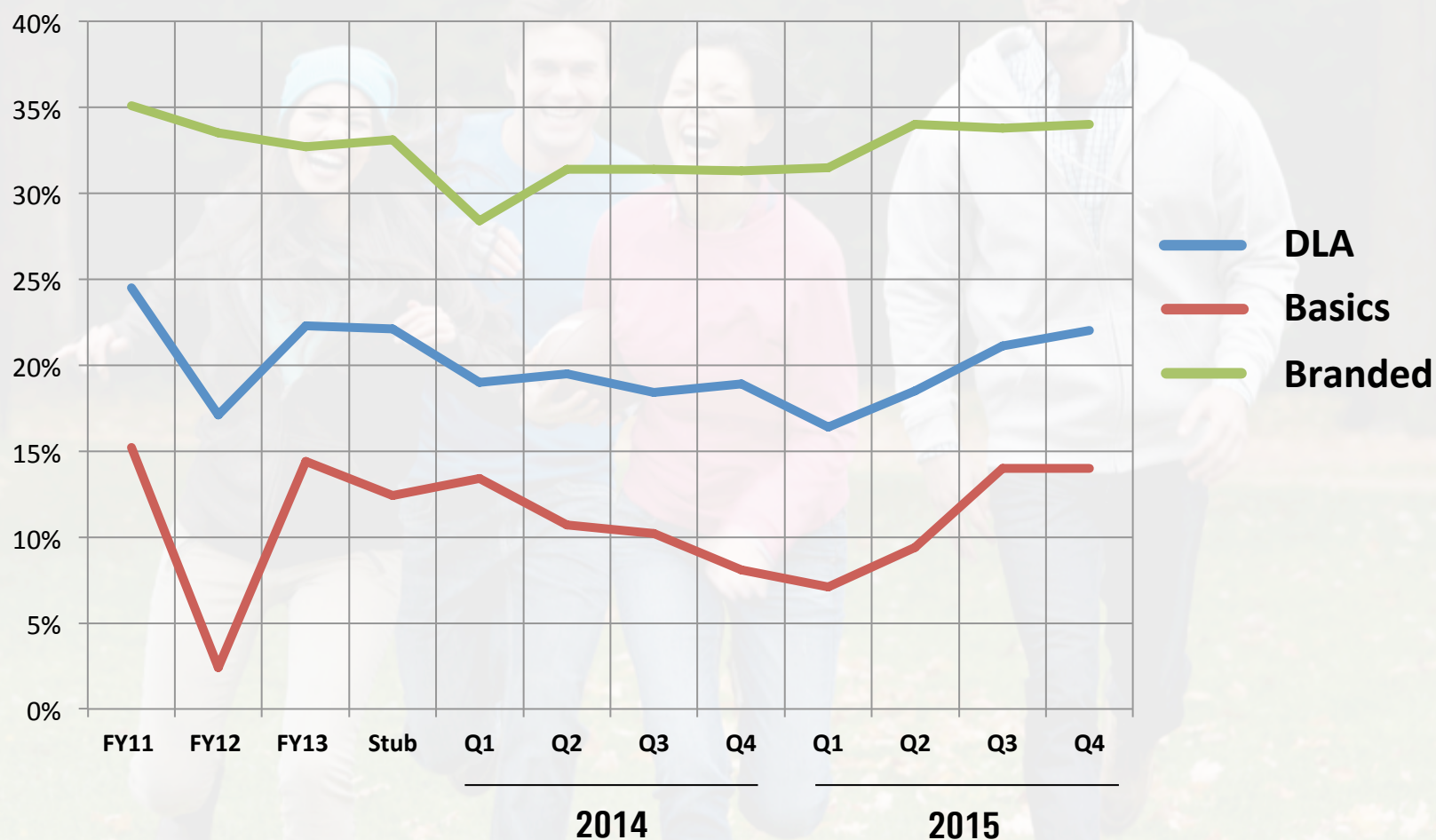


(in millions)

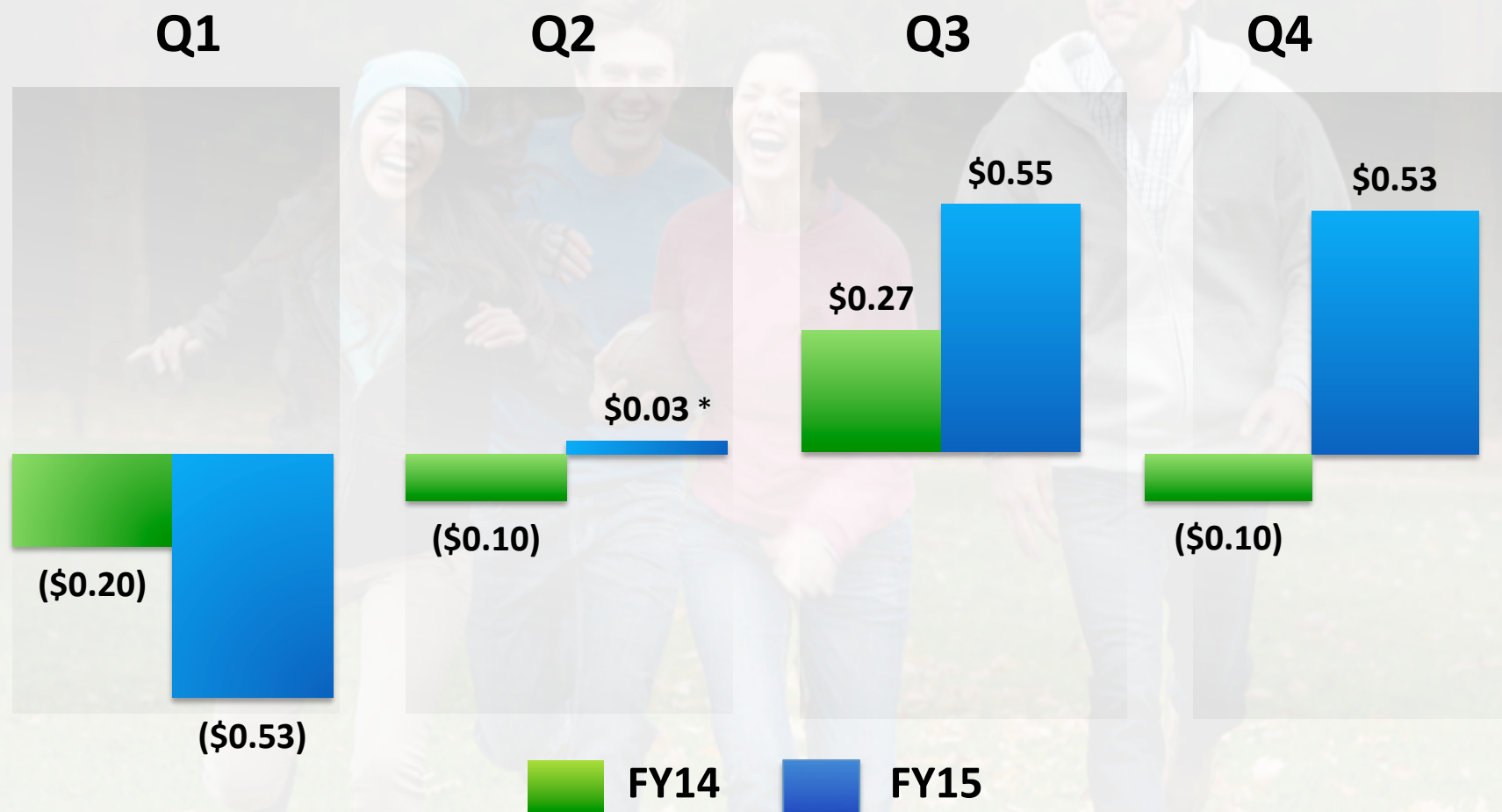
* Adjusted for impact of the sale of The Game



Gross Margin Expansion



Diluted EPS Growth



* Excludes the gain on the sale of The Game



Improved Balance Sheet

- Debt Reduction of Nearly \$28 million
 - Leveraged under 4.9x Trailing EBITDA
- Inventory Reduction of Almost \$14 million
 - Reduced Units
 - Lower Product Costs
- Capital Spending in FY15 of \$7.8 million
 - Depr & Amort, including Non-Cash Comp, in FY15 of \$11.4 million
- Stock Repurchases in FY15 of \$2.1 million





Fiscal Year 2016

FY16 Business Goals

- Leverage Assets/Expertise across Business Units
- Build Salt Life Consumer Engagement
 - Digital Media & YouTube Channel
 - Flagship Store in California
 - Expansion of Restaurants
- eCommerce Sales Growth
- Manufacturing Platform Expansion & Efficiencies
- Improved Operating Profit in all Business Units
 - Spending Controls
 - Favorable Energy and Raw Material Costs



Delta Activewear

- Success with New Catalog Products
 - Racerback Tanks
 - Snow Heather Fleece
- Growth in Full-Package Programs
- Private Label Expansion
 - New Programs with Existing Customers
 - New Customers



Manufacturing Platform

- New Production Capabilities
 - Open Width Manufacturing
 - Performance Fabrics
- Increased Textile Capacity
- Expanded Screen Print Capabilities and Output



eCommerce Digital Print & Fulfillment

AUTOMATED END-TO-END

- Innovative Technology
- State of the Art Equipment
- Mass Customization Capacity
- Quality Assurance
- Speed to Market



Junk Food Web Exclusives

JUNK FOOD
CLOTHING CO



WOMENS

MENS

KIDS

STRAY HEART

SALE

STORE

BLOG



WEB EXCLUSIVE



WEB EXCLUSIVE



WEB EXCLUSIVE



WEB EXCLUSIVE



WEB EXCLUSIVE



WEB EXCLUSIVE



WEB EXCLUSIVE



WEB EXCLUSIVE



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WEB EXCLUSIVE



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Junk Food Retail Activations

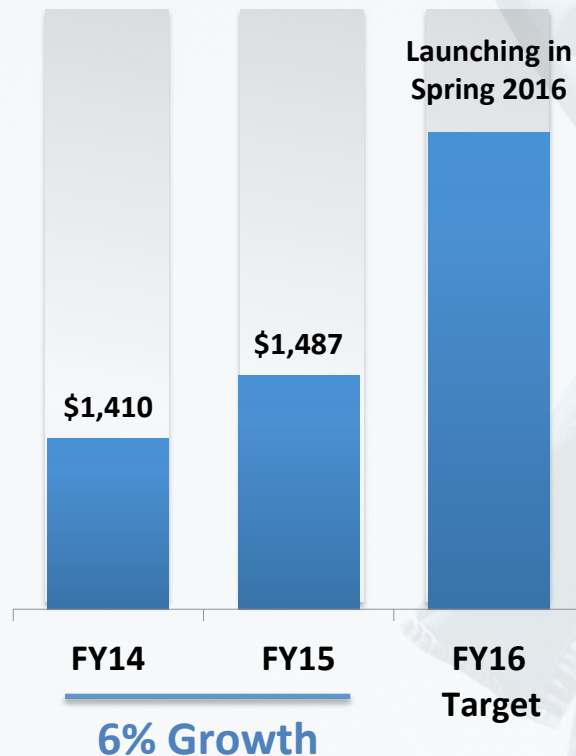


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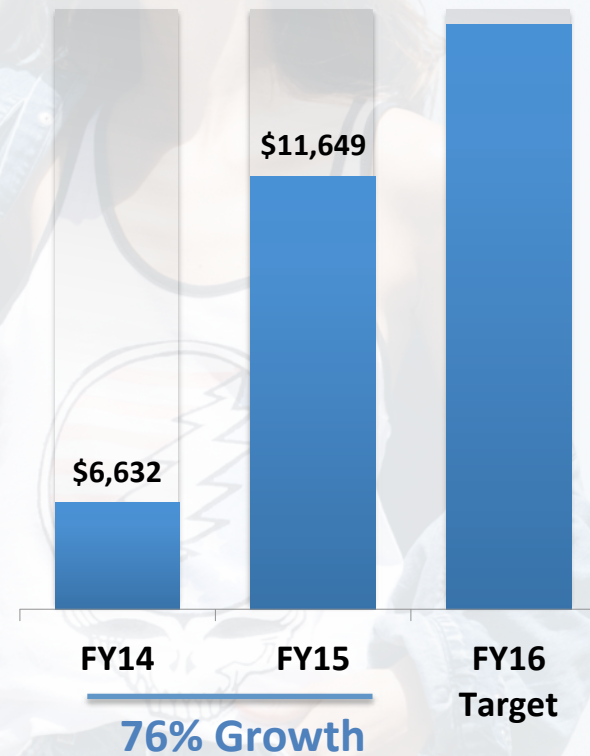
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eCommerce Growth – B2B

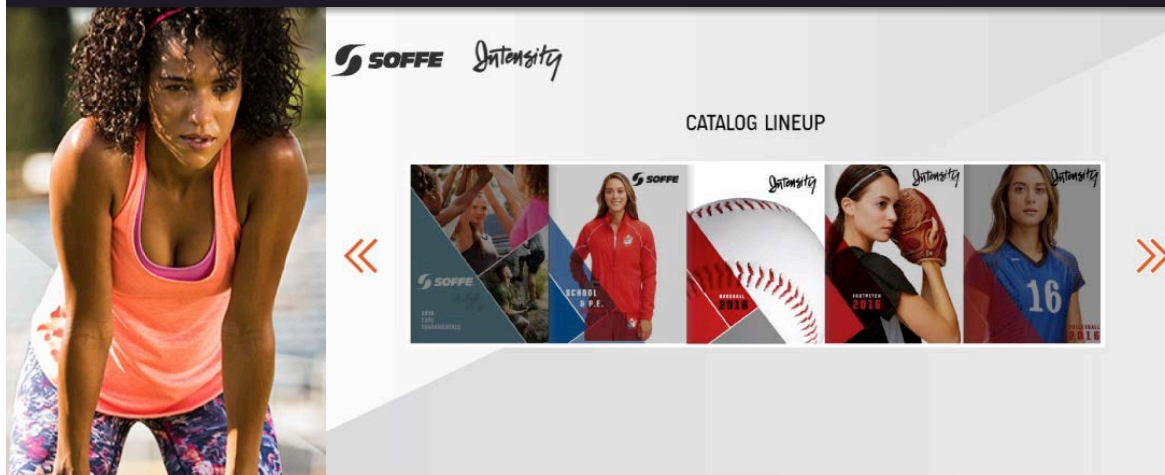
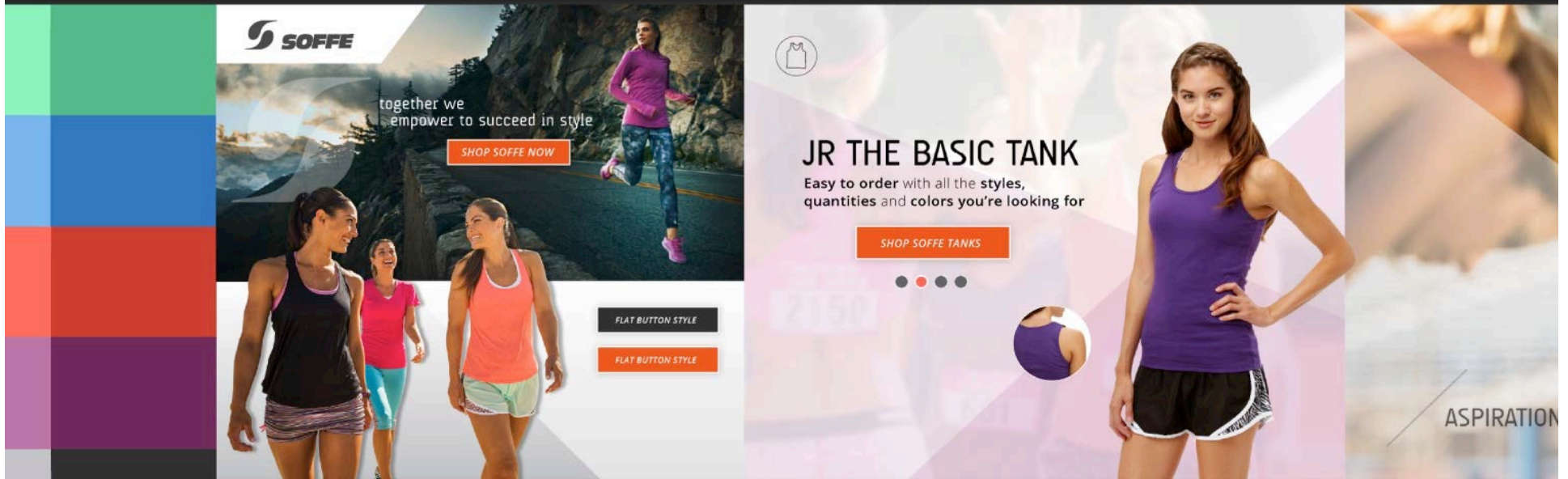
SOFFE



DELTA ACTIVEWEAR



Soffe Enhanced B2B Site

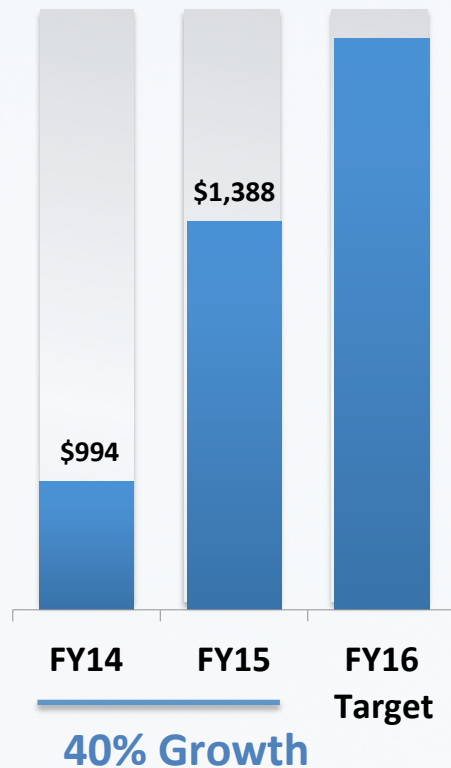


- **Make it easier to do business with Soffe**
 - Amplified and Personalized Customer Experience
 - Brand Overhaul and User-Interface Redesign
 - Personalized Tools to Streamline Communication With Soffe's Customers (Product Configurator Tool)
- **Self Sufficient Customers**
- **Fast, Easy, and Accurate Ordering and Lookups**



eCommerce Growth – B2C

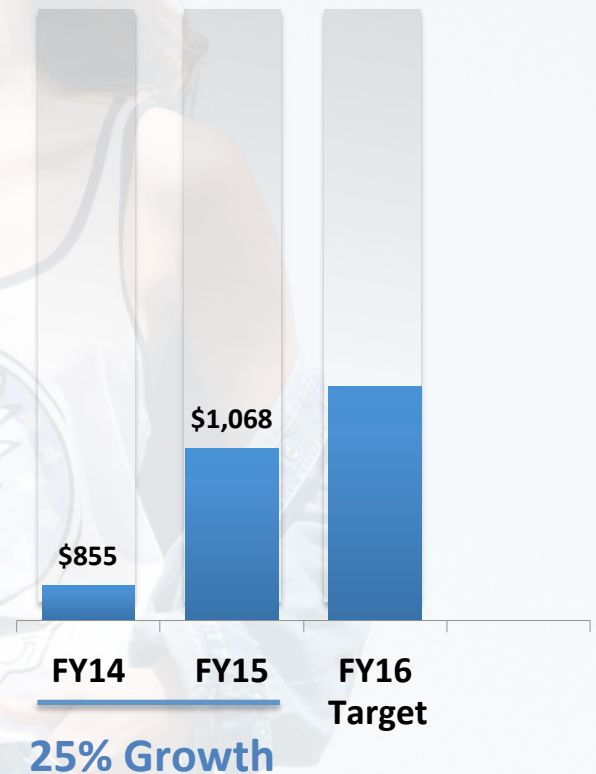
SALT LIFE



JUNKFOOD

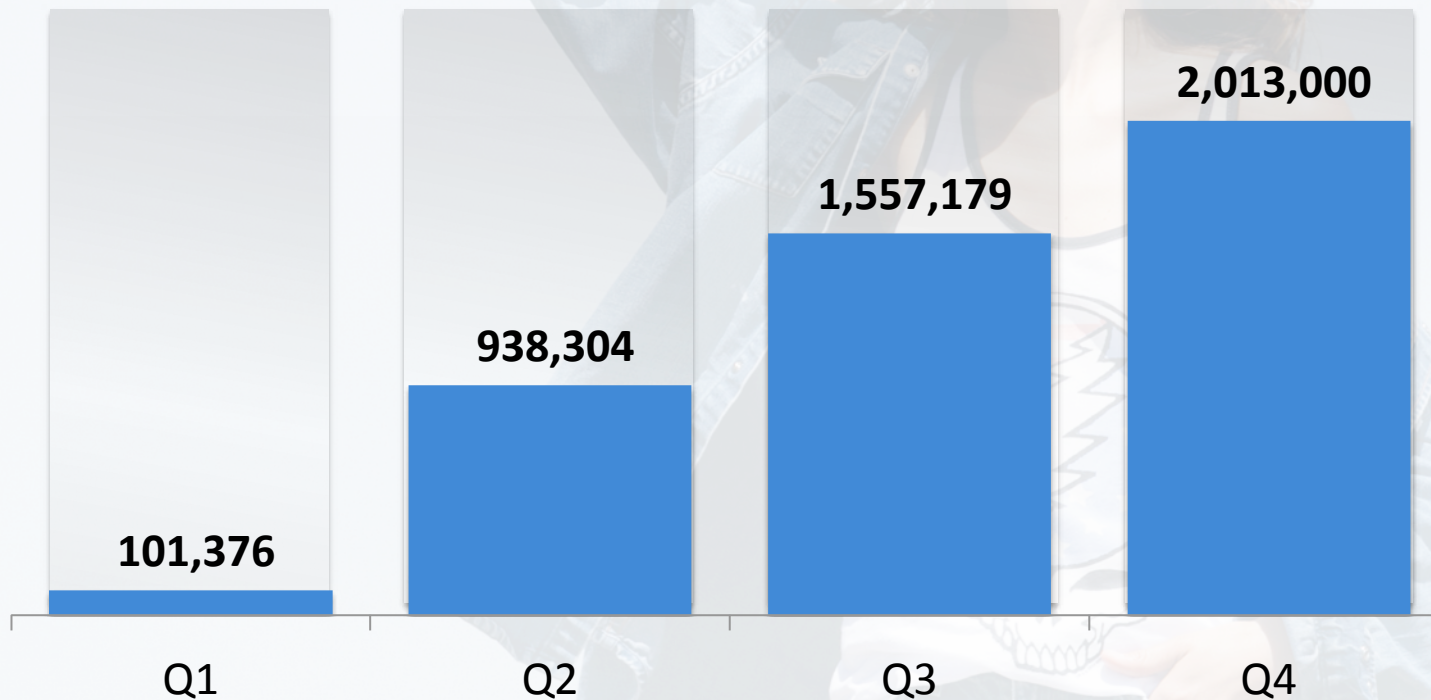


SOFFE



Salt Life YouTube Media

Quarterly Views



New Concept Shops

Average 20% Boost in Sales with Concept Shop
New Shops with Beall's, Academy, and Other Independents



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Salt Life Retail Store

Flagship Store – Jacksonville Beach, Florida – Open

Flagship Store – San Clemente, California – Opening Summer 2016

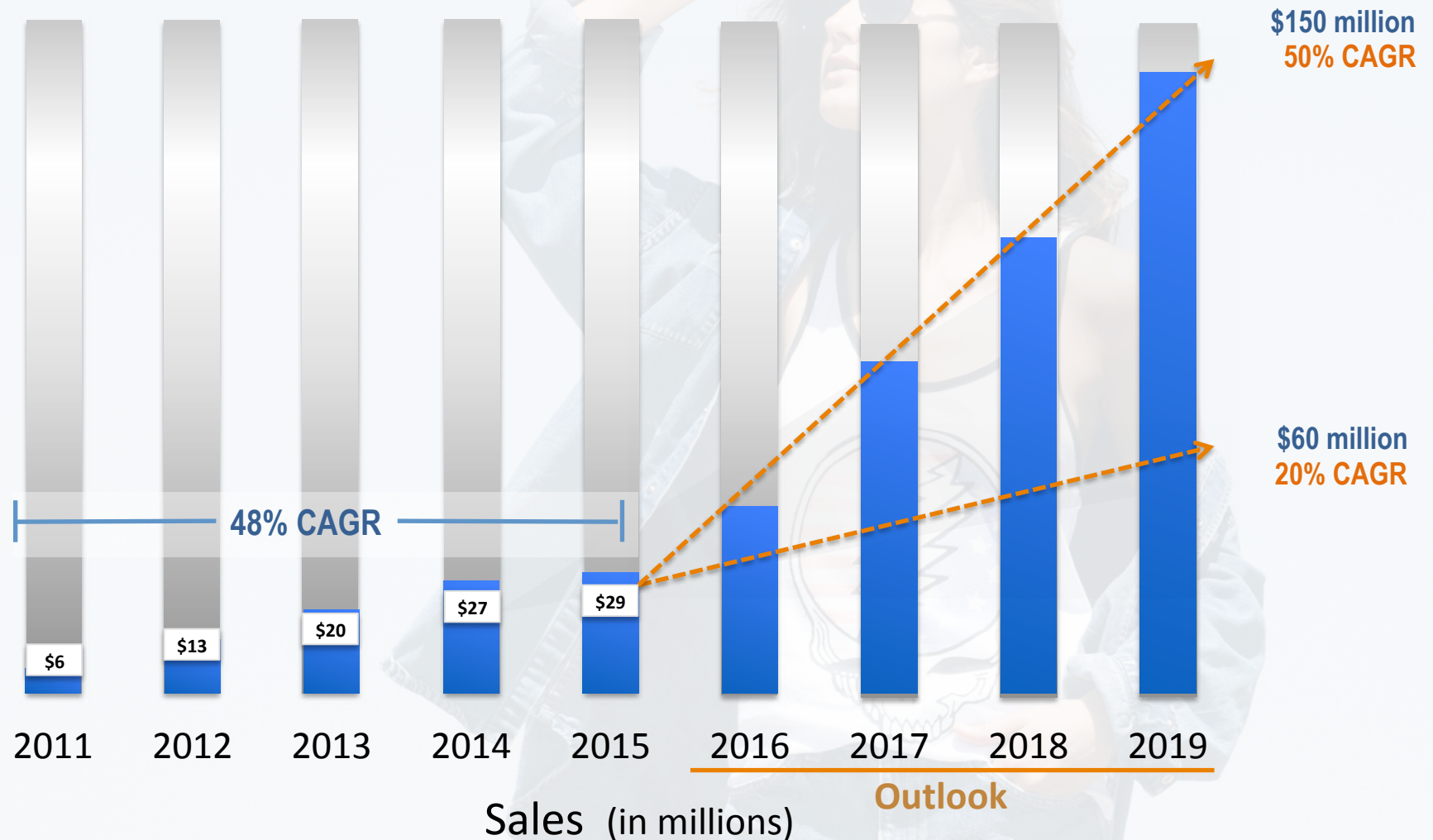
In-Store Shop – Abbott Kinney Blvd, Venice, California – Opening Summer 2016



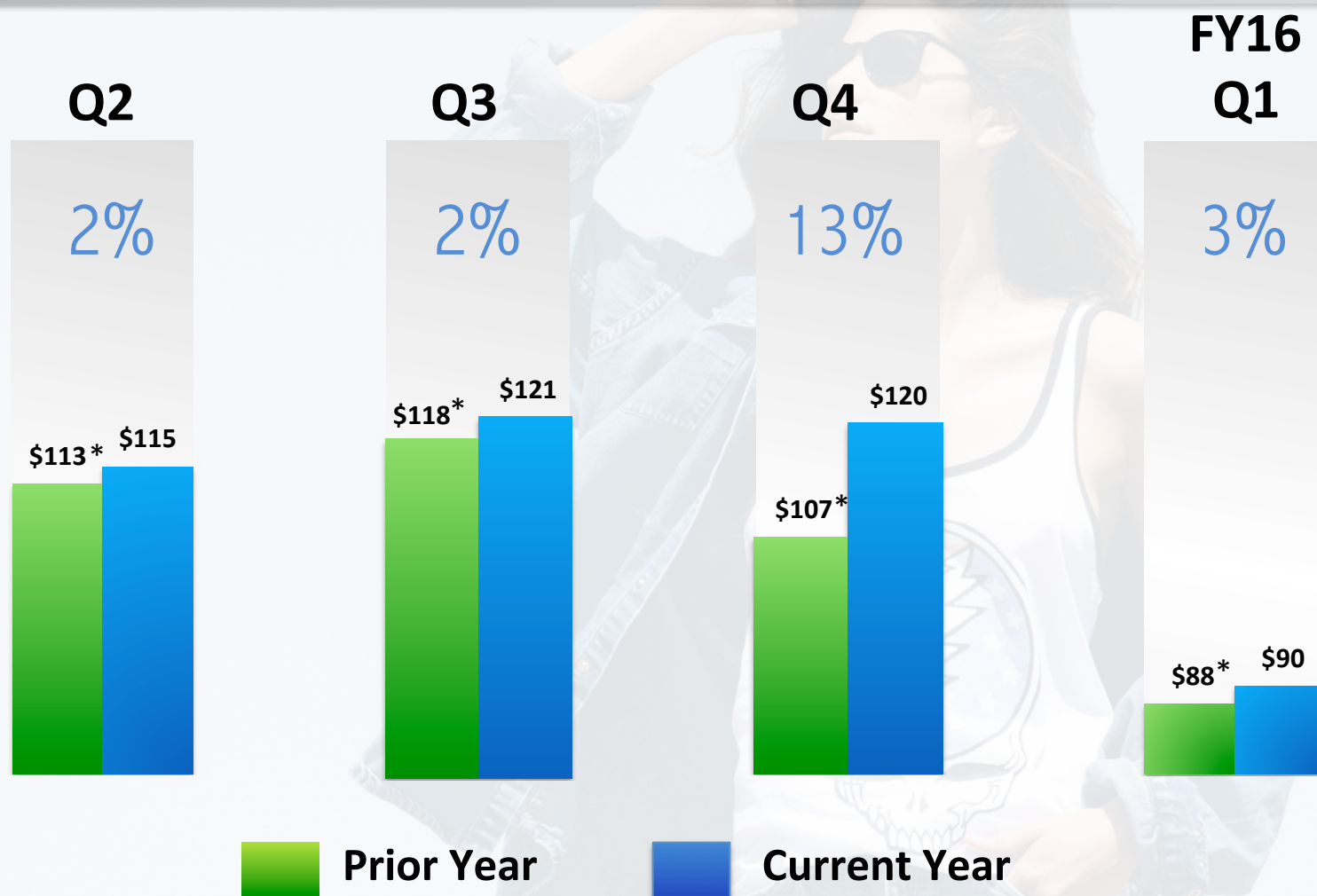
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Salt Life Growth Potential



Sales Growth Trend

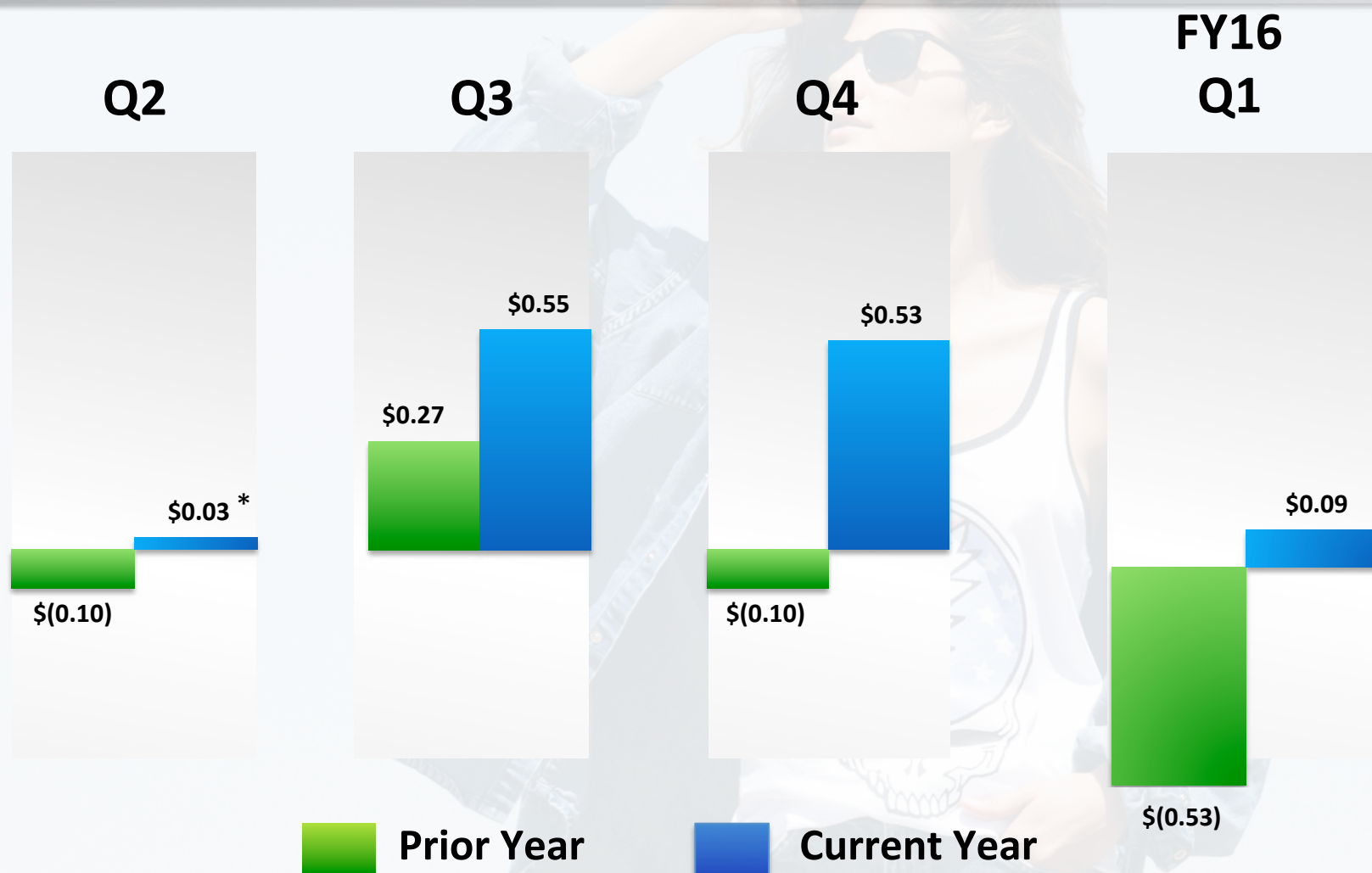


(in millions)

* Adjusted for impact of the sale of The Game



EPS Growth Trend

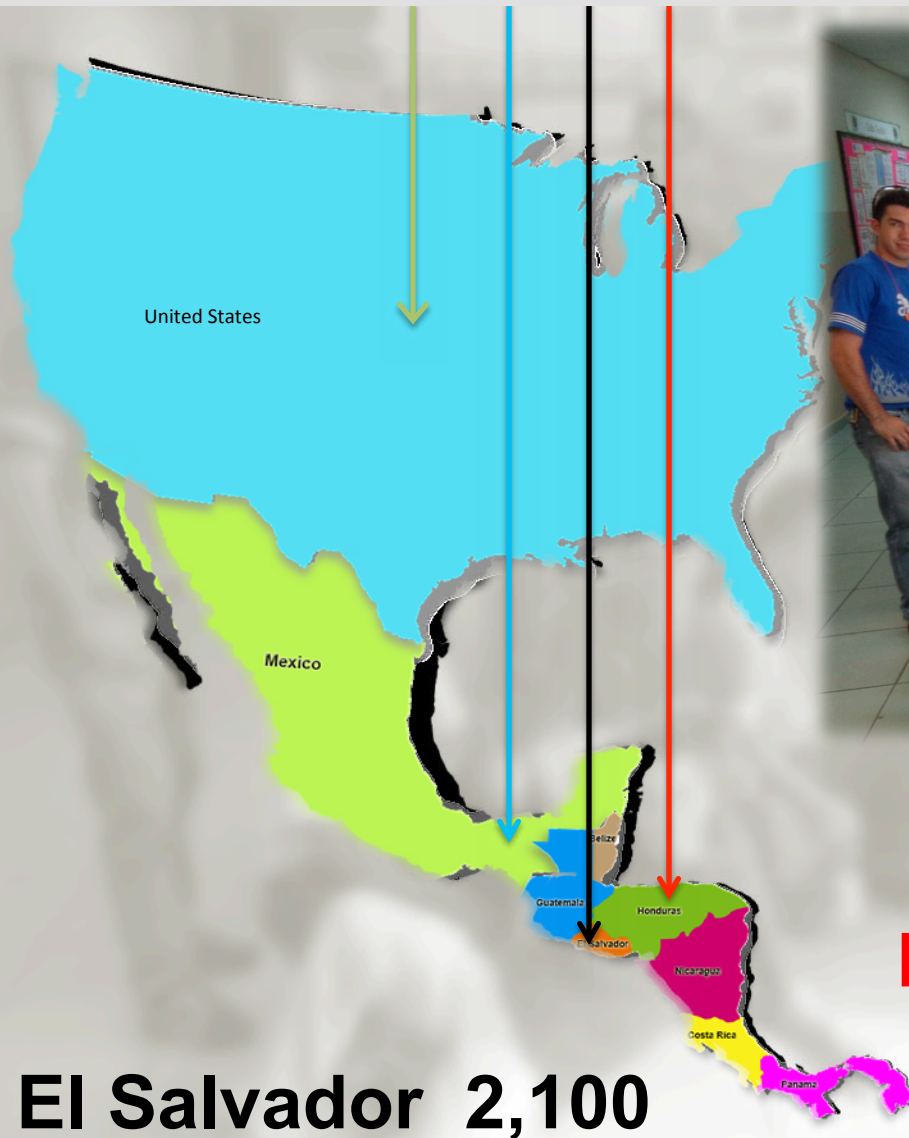


(in millions)

* Excludes the gain on the sale of The Game



Our People



United States 1,200

Honduras 3,100

Mexico 1,100

El Salvador 2,100





**Team
Graduation**



**Employee
of the
Year**

**RECOGNITION
REWARDS**

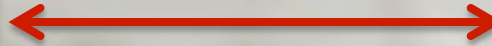
**Seniority
Award**

**Best Production
Team**



ALWAYS

Christmas



Children's

Day

Working Safely



CELEBRATE



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On-Site Medical Care

- ✓ Preventive Medical Examinations
- ✓ Care of Work Related Injuries
- ✓ Treatment of Non-Work Related Injuries and Illnesses
- ✓ Prenatal Counseling and Care
- ✓ Health Fairs - Early Detection for Employees and Dependents
- ✓ Medications



12 Registered Nurses

8 Certified Doctors



Personal Emergency Fund

- ✓ Medical Bills
- ✓ Natural Disaster Recovery
- ✓ Home Fires



7 Fully Equipped Clinics



Human Rights Advocates

FOR OUR

Associates
Customers
Licensing
Partners



**Occupational
Safety and Health
Administration**



**FAIR LABOR
ASSOCIATION**



27 Successful Annual Compliance Audits



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DLA Stock Price History



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Deborah H. Merrill
CFO and President, Delta Basics

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