

# OXFORD

Investor Presentation  
December, 2017

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*Tommy Bahama*

*Lilly Pulitzer®*



**SOUTHERN TIDE**



## Introductions:

**K. Scott Grassmyer**

EVP – Finance, CFO

**Jevon T. Strasser**

Director of Financial Reporting

## **Safe Harbor**

This presentation includes statements that constitute forward-looking statements within the meaning of the federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which are not historical in nature. We intend for all forward-looking statements contained herein or on our website, and all subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf, to be covered by the safe harbor provisions for forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Such statements are subject to a number of risks, uncertainties and assumptions including, without limitation, competitive conditions, which may be impacted by evolving consumer shopping patterns; the impact of economic conditions on consumer demand and spending for apparel and related products, particularly in light of general economic uncertainty; demand for our products; timing of shipments requested by our wholesale customers; expected pricing levels; retention of and disciplined execution by key management; the timing and cost of store openings and of planned capital expenditures; weather; changes in international, federal or state tax, trade and other laws and regulations, including the impact of potential federal tax reform in the United States; costs of products as well as the raw materials used in those products; costs of labor; acquisition and disposition activities; expected outcomes of pending or potential litigation and regulatory actions; access to capital and/or credit markets; our ability to timely recognize our expected synergies from any acquisitions we pursue; and factors that could affect our consolidated effective tax rate such as the results of foreign operations or stock based compensation. Forward-looking statements reflect our expectations at the time such forward-looking statements are made, based on information available at such time, and are not guarantees of performance. Although we believe that the expectations reflected in such forward-looking statements are reasonable, these expectations could prove inaccurate as such statements involve risks and uncertainties, many of which are beyond our ability to control or predict. Should one or more of these risks or uncertainties, or other risks or uncertainties not currently known to us or that we currently deem to be immaterial, materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Important factors relating to these risks and uncertainties include, but are not limited to, those described in Part I, Item 1A. contained in our Annual Report on Form 10-K for the period ended January 28, 2017 under the heading "Risk Factors" and those described from time to time in our future reports filed with the SEC. You should not place undue reliance on forward-looking statements, which speak only as of the date on which they are made. We disclaim any intention, obligation or duty to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## **Non-GAAP Financial Information**

The Company reports its consolidated financial statements in accordance with generally accepted accounting principles (GAAP). To supplement these financial results, management believes that a presentation and discussion of certain financial measures on an adjusted basis, which exclude certain non-operating or discrete gains, charges or other items, may provide a more meaningful basis on which investors may compare the Company's ongoing results of operations between periods. These measures may include adjusted earnings, adjusted earnings per share, adjusted gross profit, adjusted gross margin, adjusted SG&A, adjusted operating income, adjusted operating margin and free cash flow, among others. Management uses these non-GAAP financial measures in making financial, operational and planning decisions to evaluate the Company's ongoing performance. Management also uses these adjusted financial measures to discuss its business with investment and other financial institutions, its board of directors and others. Reconciliations of these adjusted measures to the most directly comparable financial measures calculated in accordance with GAAP are presented in tables included at the end of the Company's March 23, 2017 and December 5, 2017 press releases.

## **Basis of Presentation**

All financial results and outlook information included in this presentation, unless otherwise noted, are from continuing operations and all per share amounts are on a diluted basis. The results from the Ben Sherman business, which was sold on July 17, 2015, are reflected as discontinued operations for all periods presented. Note that Fiscal 2017, which ends February 3, 2018, is a 53-week year with the extra week included in the fourth quarter.

## **Comparable Store Sales**

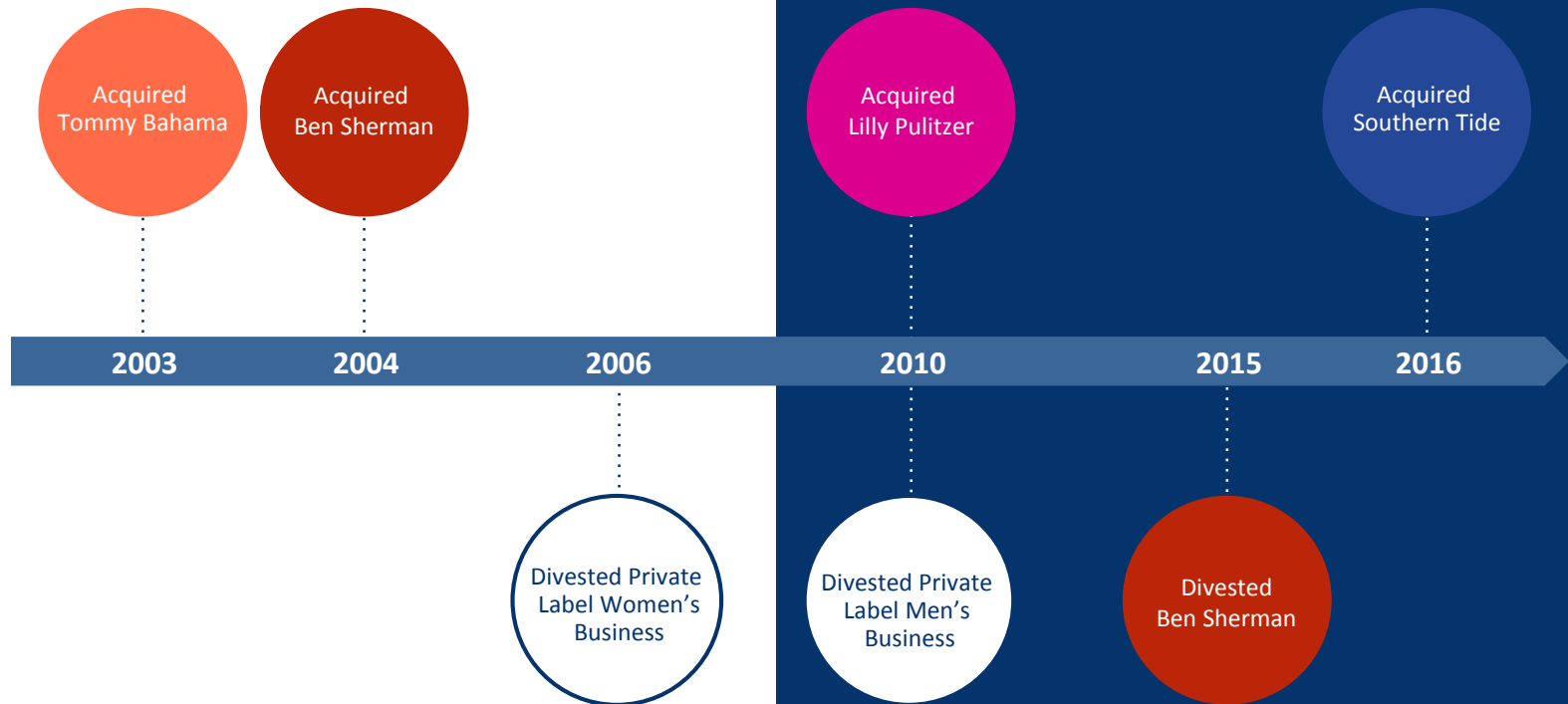
Our disclosures about comparable store sales include sales from our full-price stores and e-commerce sites, excluding sales associated with e-commerce flash clearance sales. Definitions and calculations of comparable store sales differ among companies in the retail industry, and therefore comparable store sales metrics disclosed by us may not be comparable to the metrics disclosed by other companies.

## **OUR MISSION**

To maximize long-term shareholder value

## OUR STRATEGY

To own, develop and use powerful, emotional brands to drive sustained, profitable growth

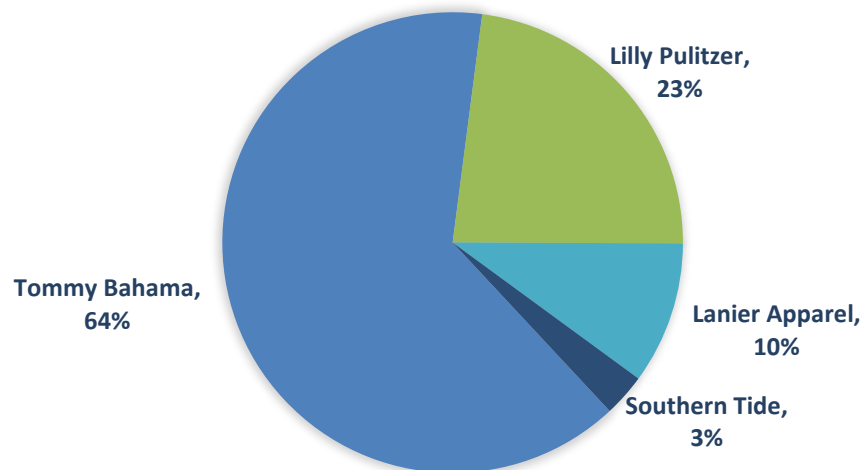


## INVESTMENT HIGHLIGHTS

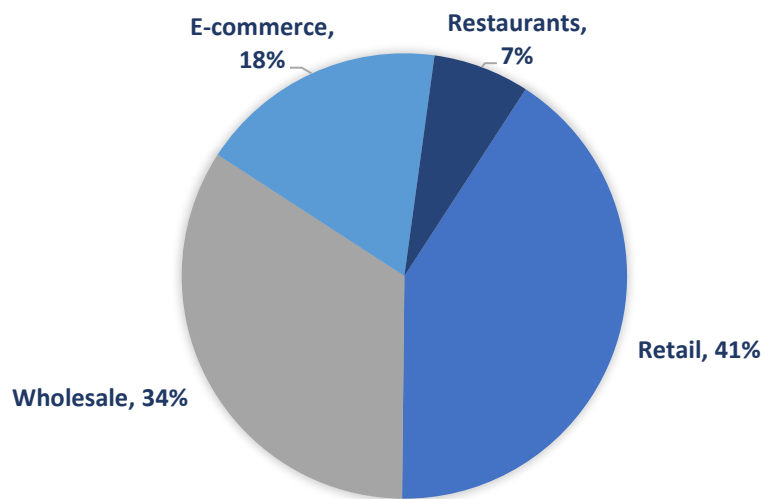
- Focus on owning powerful brands that can drive sustained, profitable growth
- Excellent organic growth opportunities
- Appetite for carefully vetted acquisitions
- Solid capital structure in place to support growth
- Experienced, long-term management team
- Paid dividend every quarter since 1960

# OXFORD

## Fiscal 2016 Revenue by Operating Group



## Fiscal 2016 Revenue by Distribution Channel



	Fiscal 2016	Fiscal 2015
Net Sales	\$1.023 B	\$969.3 MM
Operating Income	\$89.9 MM	\$97.5 MM
Operating Income (adj)	\$89.6 MM	\$99.3 MM
Operating Margin	8.8%	10.1%
Operating Margin (adj)	8.8%	10.2%
EPS from Continuing Ops	\$3.27	\$3.54
EPS from Continuing Ops (adj)	\$3.30	\$3.64

	First 9 Months FY17	First 9 Months FY16
Net Sales	\$793.0 MM	\$761.5 MM
Operating Income	\$67.5MM	\$70.4 MM
Operating Income (adj)	\$74.3 MM	\$72.9 MM
Operating Margin	8.5%	9.2%
Operating Margin (adj)	9.4%	9.6%
EPS from Continuing Ops	\$2.45	\$2.55
EPS from Continuing Ops (adj)	\$2.73	\$2.67

Note: 2016 results include ~41 weeks of the operations of Southern Tide, which was acquired on April 19, 2016.



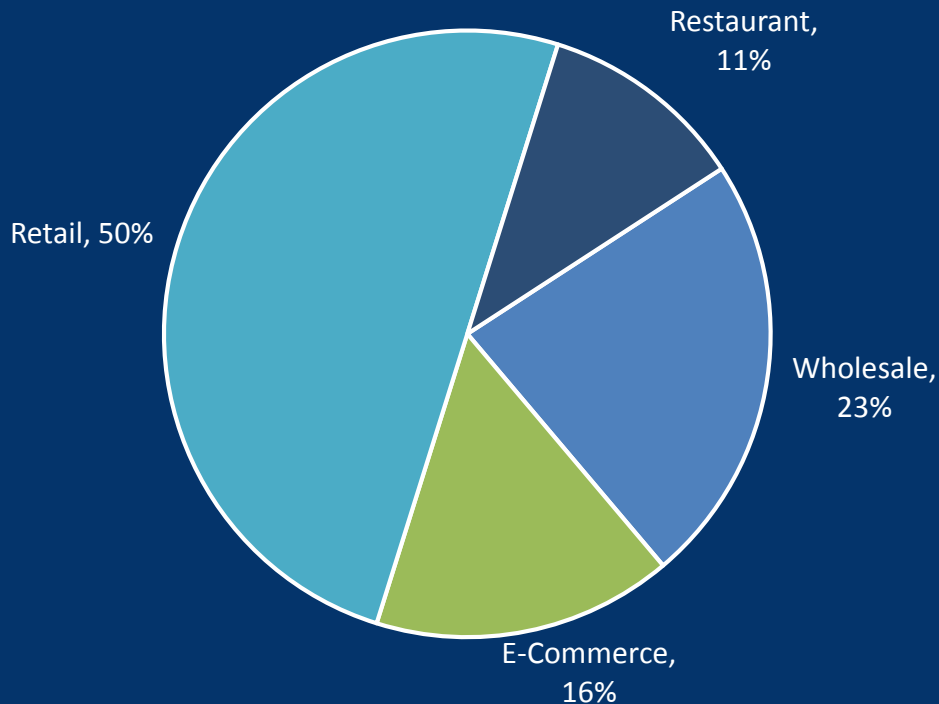
*Tommy Bahama*





*"The island inspired lifestyle brand that defines relaxed, sophisticated style."*

## Revenue by Distribution Channel



	Fiscal 2016	Fiscal 2015
Net Sales	\$658.9 MM	\$658.5 MM
Operating Income	\$44.1 MM	\$66.0 MM
Operating Income (adj)	\$45.6 MM	\$67.5 MM
Operating Margin	6.7%	10.0%
Operating Margin (adj)	6.9%	10.3%

	First 9 Months FY17	First 9 Months FY16
Net Sales	\$484.0 MM	\$472.8 MM
Operating Income	\$32.1 MM	\$26.8 MM
Operating Income (adj)	\$33.2 MM	\$27.9 MM
Operating Margin	6.6%	5.7%
Operating Margin (adj)	6.9%	5.9%

### As of October 28, 2017

Full-price retail stores	111
Retail/restaurant locations	18
<u>Outlets</u>	<u>38</u>
<b>Total stores</b>	<b>167</b>

### Fiscal 2016

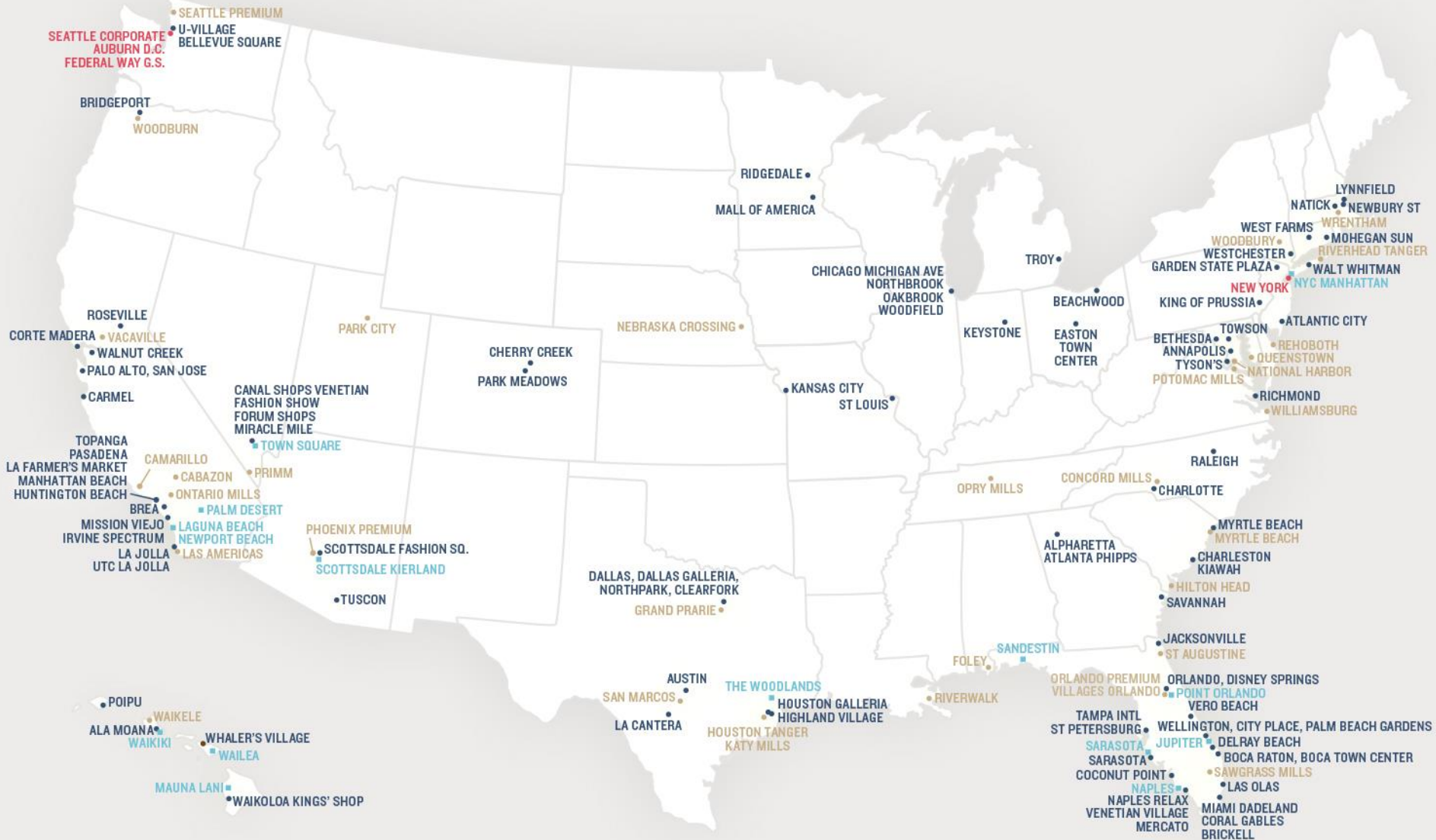
Sales per square foot (full-price retail stores) - \$605  
 55% in lifestyle center, street front or resort locations  
 Women's ~28% of DTC sales

### Fiscal 2016 Wholesale

Over 2,000 doors  
 ~2/3 of wholesale sales with department stores  
 Customers include: Nordstrom, Macy's, Dillard's, Hudson's Bay, Belk, Specialty Stores

# U.S. LOCATIONS

● RETAIL ● OUTLET ■ ISLAND (RESTAURANT + RETAIL) ● CORPORATE



# INTERNATIONAL LOCATIONS

● RETAIL ● OUTLET ■ ISLAND (RESTAURANT + RETAIL)



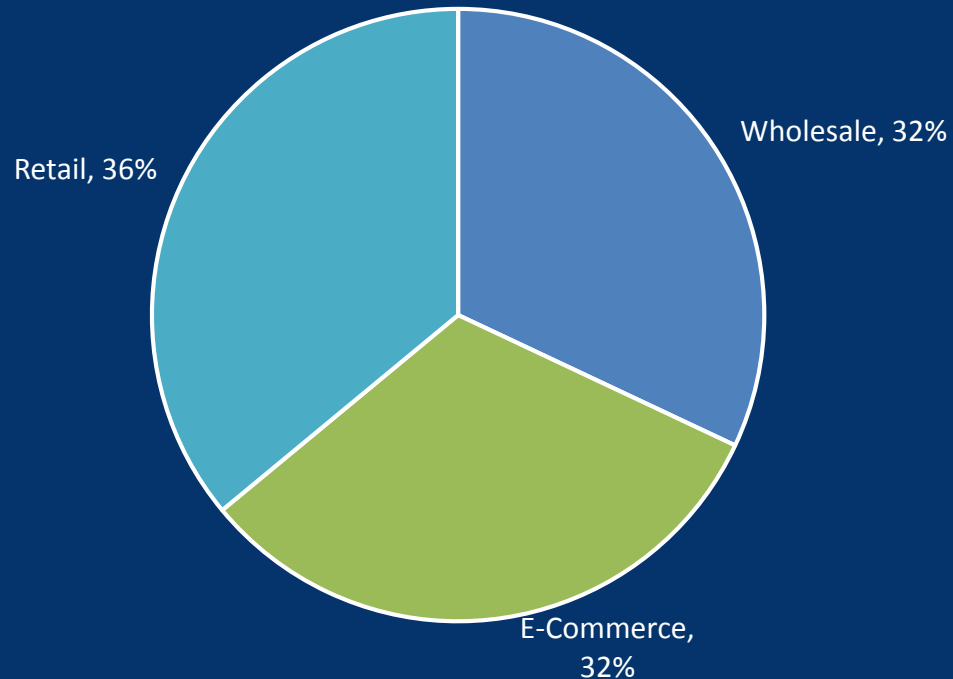
Lilly Pulitzer®





*"Authentic resortwear born in Palm Beach, ignited by the spontaneous, bohemian spirit of Lilly Pulitzer"*

## Revenue by Distribution Channel



	Fiscal 2016	Fiscal 2015
Net Sales	\$233.3 MM	\$204.6 MM
Operating Income	\$52.0 MM	\$42.5 MM
Operating Margin	22.3%	20.8%

	First 9 Months FY17	First 9 Months FY16
Net Sales	\$192.0 MM	\$186.8 MM
Operating Income	\$43.6 MM	\$49.6 MM
Operating Income (adj.)	\$45.4 MM	\$49.6 MM
Operating Margin	22.7%	26.6%
Operating Margin (adj.)	23.6%	26.6%

### As of October 28, 2017

Retail stores - 57

### Fiscal 2016

Sales per square foot - \$840

50% in lifestyle center, street front or resort locations

### Fiscal 2016 Wholesale

Over 250 doors

~40% of wholesale sales from Signature Store locations

~1/3 of wholesale sales with department stores

Customers include: Belk, Dillard's, Nordstrom, Amazon, Specialty Stores

**NOTE:** During the First Nine Months of Fiscal 2017, Lilly Pulitzer added 17 new store locations, which consisted of 5 new Lilly Pulitzer stores and the acquisition of 12 Signature Stores.

# *Lilly Pulitzer* STORE MAP



## LEGEND



Retail Store



Signature & Premier Specialty



Majors Store



Corporate Office



SOUTHERN TIDE

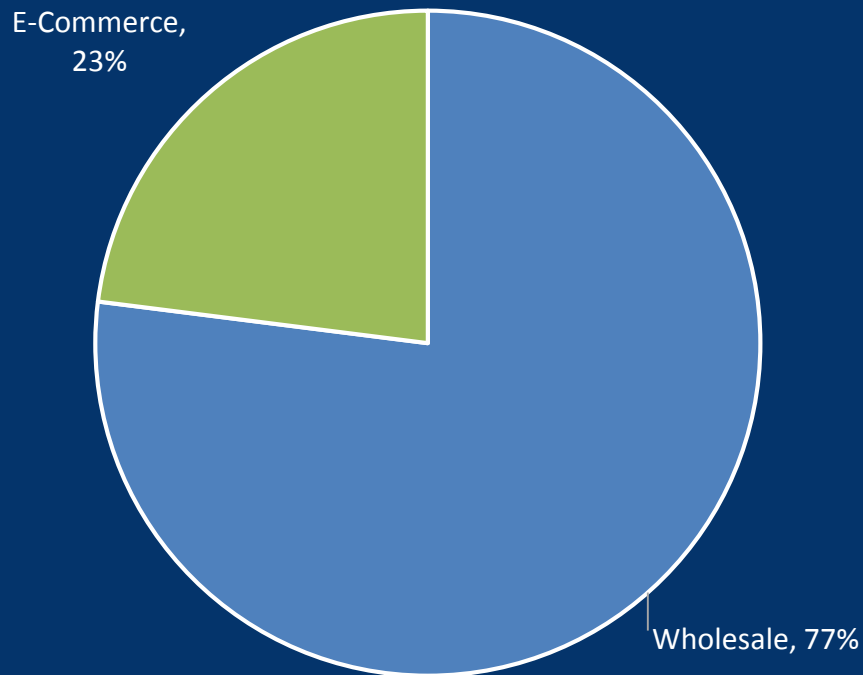




## SOUTHERN TIDE®

*"Distinctive lifestyle brand that is classic, authentic, and built with a purpose."*

### Revenue by Distribution Channel



#### Fiscal 2016

Net Sales	\$27.4 MM
Operating Income	(\$0.3) MM
Operating Income (adj)	\$3.1 MM
Operating Margin	(-1.0)%
Operating Margin (adj)	11.3%

	First 9 Months FY17	First 9 Months FY16
--	------------------------	------------------------

Net Sales	\$31.3 MM	\$19.3 MM
Operating Income (Loss)	\$3.8 MM	(\$0.4 MM)
Operating Income (adj)	\$4.0 MM	\$2.5 MM
Operating Margin	12.0%	(2.2%)
Operating Margin (adj)	12.7%	13.1%

*Note: Acquired Southern Tide on April 19, 2016; 41 weeks in fiscal 2016*

#### As of October 28, 2017

5 Signature Stores

#### Fiscal 2016

~1,000 wholesale doors

~10% with department stores

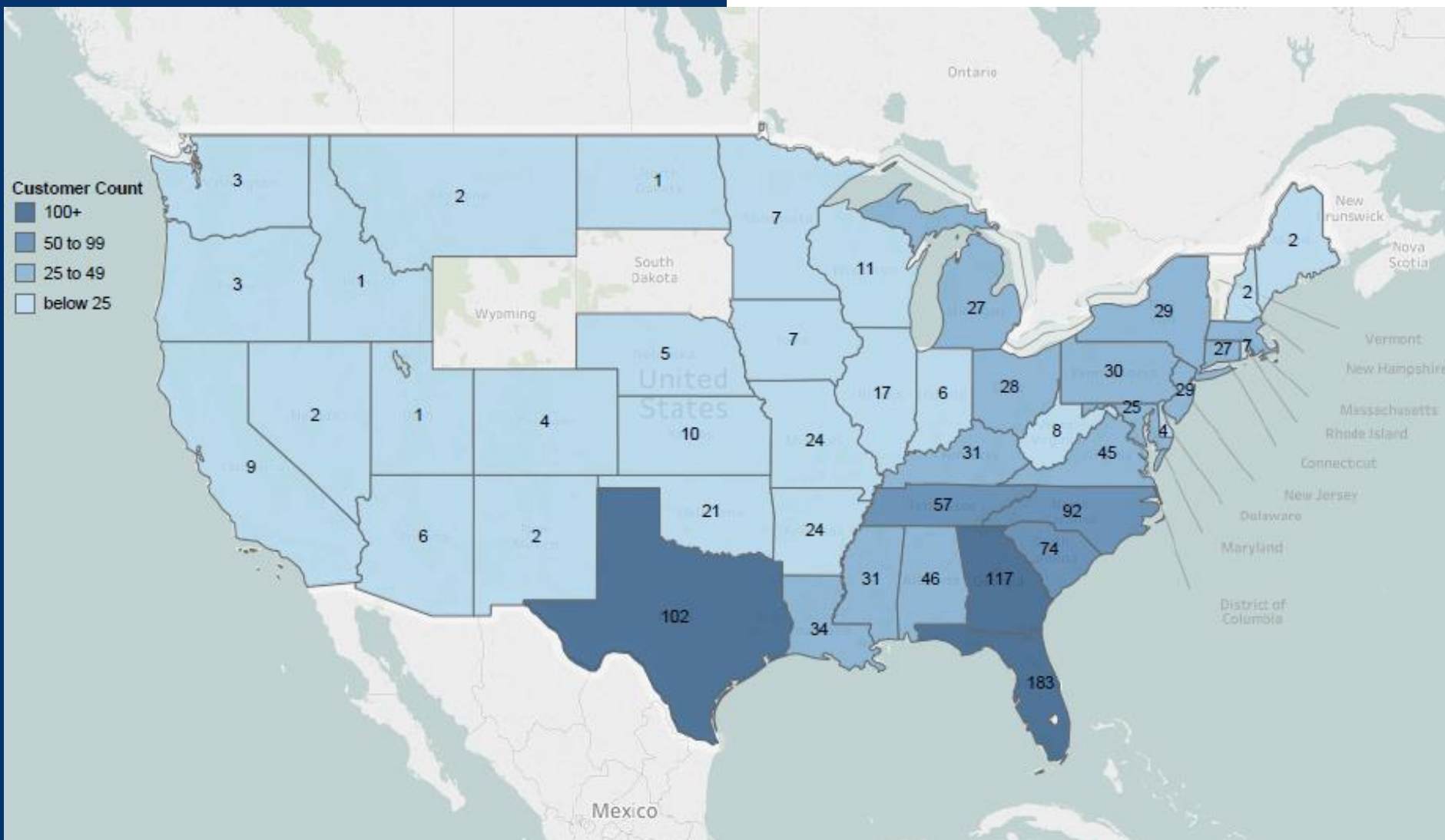
Customers include: Nordstrom, Von Maur, Dillard's, Specialty Stores, Signature Stores

Women's approximately 9% of total revenue

# WHOLESALE DOORS



SOUTHERN TIDE

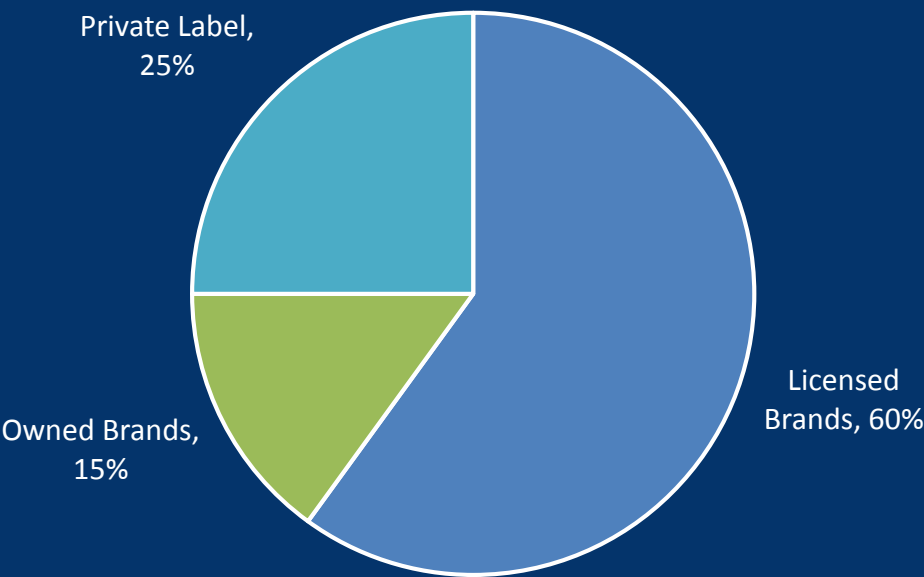






*"A demand led business that provides a platform for multiple brands and labels."*

Revenue by Category



	Fiscal 2016	Fiscal 2015
Net Sales	\$100.8 MM	\$105.1 MM
Operating Income	\$7.0 MM	\$7.7 MM
Operating Margin	6.9%	7.3%

	First 9 Months FY17	First 9 Months FY16
Net Sales	\$84.3 MM	\$81.2 MM
Operating Income	\$6.7 MM	\$6.6 MM
Operating Margin	7.9%	8.1%

- Owned Brands**  
 Oxford (formerly known as Oxford Golf)  
 Billy London  
 Strong Suit  
 Duck Head
- Licensed Brands**  
 Kenneth Cole  
 Dockers  
 Geoffrey Beene  
 Nick Graham
- Wholesale**  
 Over 5,000 doors  
 ~40% of wholesale sales with department stores  
 Customers include: Macy's, Burlington, Costco, Bon-Ton, Belk

## **Solid Capital Structure and Cash Flow to Support Growth Strategy**

- At October 28, 2017, \$205 million of availability under \$325 million revolving credit facility
- Weighted average borrowing rate of 2.7% as of October 28, 2017
- Capital expenditures are expected to be approximately \$40 million in fiscal 2017
  - IT initiatives, including additional omni-channel capabilities
  - New retail stores and restaurants
  - Store relocation and remodeling
- In fiscal 2016, cash flow from operations increased 13% to \$119 million; free cash flow increased to \$69 million compared to \$32 million in the prior year. Strong cash flow from operations continues in fiscal 2017.
- Dividends paid in fiscal 2016 totaled \$1.08 per share

## **Investment Highlights**

- **Focus on owning powerful brands that can drive sustained profitable growth**
- **Excellent organic growth opportunities**
- **Appetite for carefully vetted acquisitions**
- **Solid capital structure in place to support growth**
- **Experienced, long-term management team**
- **Paid dividend every quarter since 1960**