

# OXFORD

Investor Presentation  
December 2018



*Tommy Bahama*

*Lilly Pulitzer®*



**SOUTHERN TIDE**



**LANIER APPAREL**

## **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; 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; costs of products as well as the raw materials used in those products; costs of labor; acquisition and disposition activities, including our ability to timely recognize our expected synergies from any acquisitions we pursue; expected outcomes of pending or potential litigation and regulatory actions; access to capital and/or credit markets; and factors that could affect our consolidated effective tax rate, including the impact of the recently enacted U.S. Tax Reform. 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 February 3, 2018 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 consolidated 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 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 at the end of the Company's March 28, 2018 and December 12, 2018 press releases.

## **Basis of Presentation**

All financial results and outlook information included in this release, unless otherwise noted, are from continuing operations and all per share amounts are on a diluted basis. Fiscal 2017, which ended February 3, 2018, was a 53-week year with the extra week included in the fourth quarter. Fiscal 2018 and Fiscal 2016 are 52-week years.

## **Comparable Store Sales**

The Company's disclosures about comparable store sales include sales from its full-price stores and e-commerce sites, excluding sales associated with e-commerce flash clearance sales. Because fiscal 2017 had 53 weeks, each fiscal week in fiscal 2018 starts and ends one calendar week later than in fiscal 2017. To provide a more accurate assessment of the Company's fiscal 2018 comparable store productivity, the Company presents fiscal 2018 comparable store sales on a calendar-adjusted basis by comparing the fiscal 2018 period to the comparable calendar period in the preceding year. Thus, comparable store sales for the third quarter of fiscal 2018 compare sales in the 13-week period ended November 3, 2018 to the 13-week period ended November 4, 2017.

## **OUR MISSION**

To maximize long-term shareholder value

# OXFORD

## OUR STRATEGY

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

## INVESTMENT HIGHLIGHTS

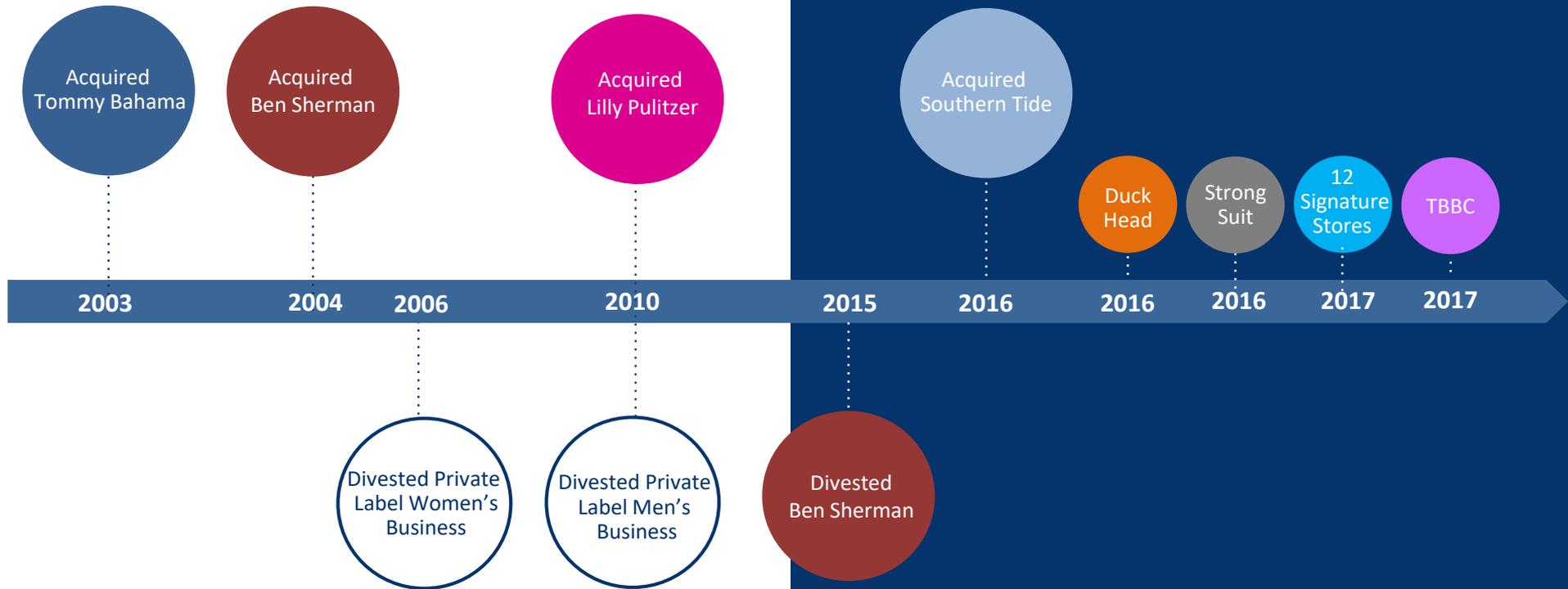
- Focus on owning powerful brands that can drive sustained, profitable growth
- Excellent organic growth opportunities
- Appetite for carefully vetted acquisitions
- Solid capital structure in place to support growth
- Experienced, long-term management team
- Paid dividend every quarter since 1960

## COMPETITIVE ADVANTAGES

- Brand Authenticity
  - Tommy Bahama's "Live the Island Life"
  - Lilly Pulitzer's "Palm Beach Resort Chic"
  - Southern Tide's "Southern, Coastal, Premium"
- Experiential Attributes
  - Tommy Bahama's Restaurants, Bars and Grills
  - Unique in-store experience
  - Associated with Resort and Vacation Travel
- Innovation
  - Styling, Design, Fabrication
  - Marketing, Social Media
- White Space
  - Consumer Demographic
  - Geographic

## OUR STRATEGY

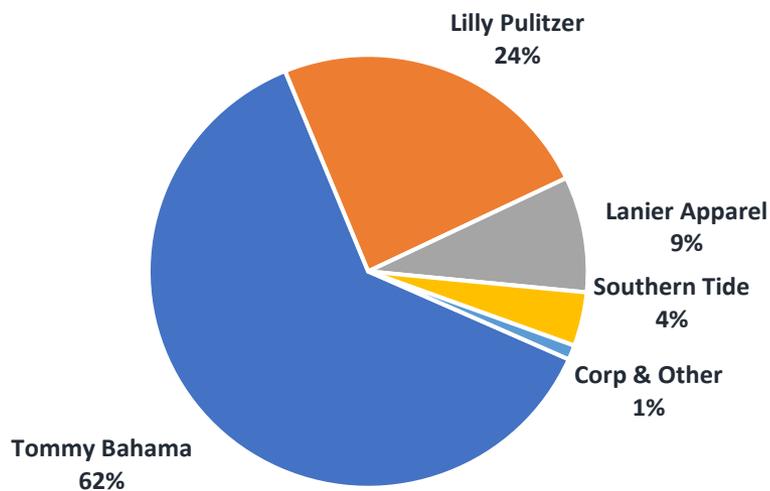
To own, develop and use powerful, emotional brands to drive sustained, profitable growth



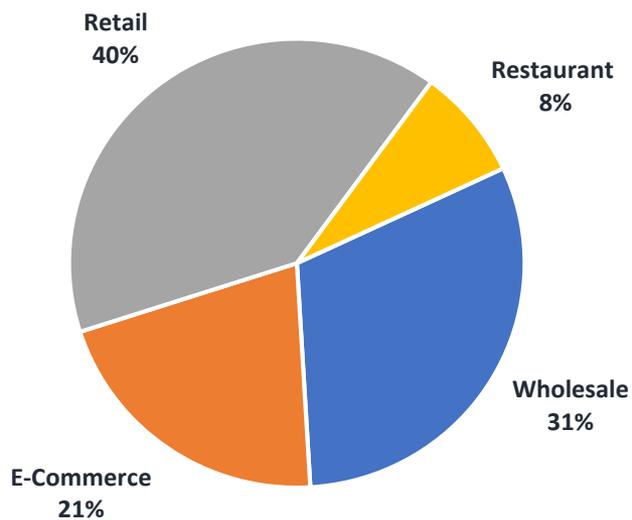
*Note: As mentioned previously, we have adapted our acquisition strategy to include smaller acquisitions to address the consumer's desire for uniqueness and authenticity.*

# OXFORD

## TTM REVENUE BY OPERATING GROUP



## TTM REVENUE BY DISTRIBUTION CHANNEL



|                        | Fiscal 2017 | Fiscal 2016 |
|------------------------|-------------|-------------|
| Net Sales              | \$1.09 B    | \$1.02 B    |
| Operating Income       | \$86.0 MM   | \$89.9 MM   |
| Operating Margin       | 7.9%        | 8.8%        |
| EPS                    | \$3.87      | \$3.27      |
| Operating Income (adj) | \$97.8 MM   | \$89.6 MM   |
| Operating Margin (adj) | 9.0%        | 8.8%        |
| EPS (adj)              | \$3.66      | \$3.30      |

|                        | 1 <sup>st</sup> NINE MOS<br>FY18 | 1 <sup>st</sup> NINE MOS<br>FY17 |
|------------------------|----------------------------------|----------------------------------|
| Net Sales              | \$808.9 MM                       | \$793.0 MM                       |
| Operating Income       | \$68.6 MM                        | \$67.5 MM                        |
| Operating Margin       | 8.5%                             | 8.5%                             |
| EPS                    | \$2.95                           | \$2.45                           |
| Operating Income (adj) | \$74.2 MM                        | \$74.3 MM                        |
| Operating Margin (adj) | 9.2%                             | 9.4%                             |
| EPS (adj)              | \$3.24                           | \$2.73                           |

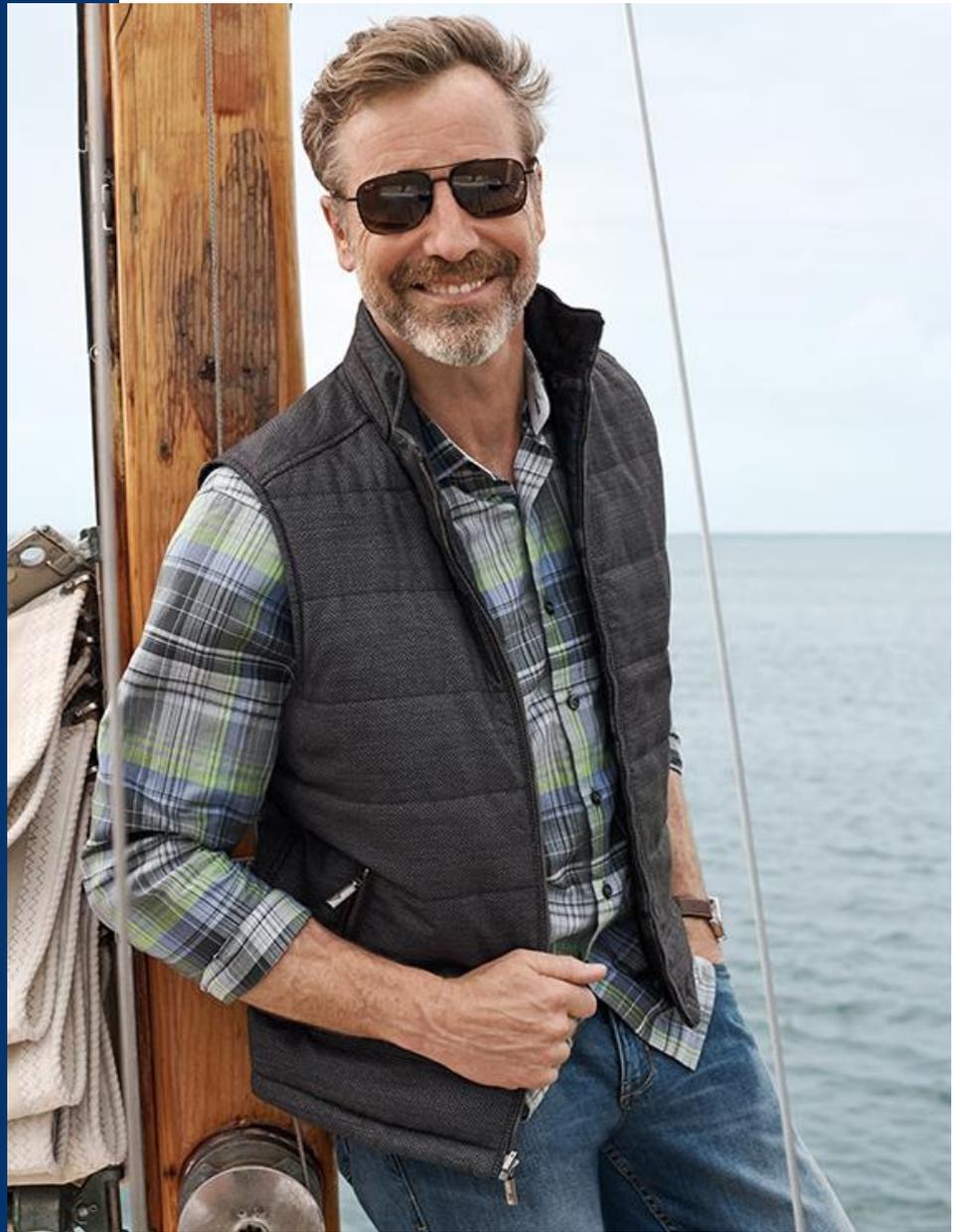
Please note:

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

1<sup>st</sup> NINE MOS FY18 GAAP results include \$0.19 per share of costs associated with the restructuring and downsizing of Tommy Bahama's operations in Japan.



*Tommy Bahama*

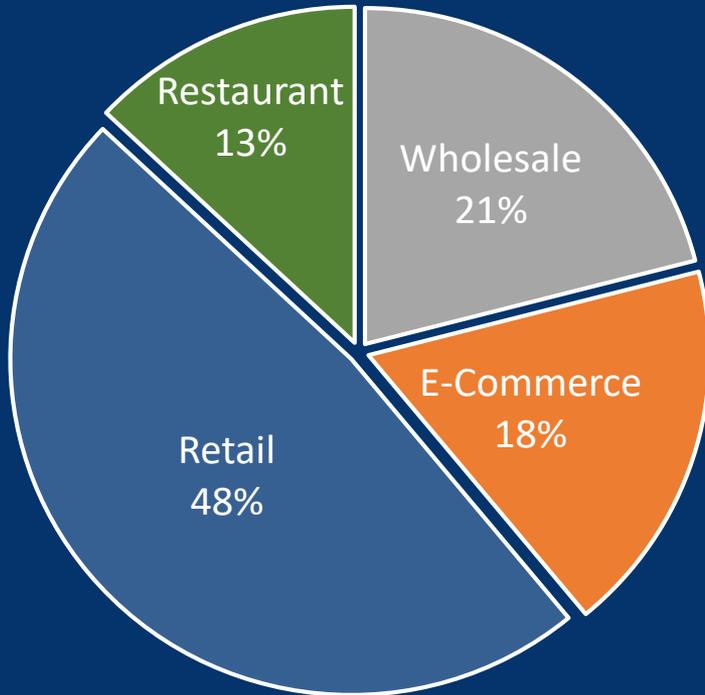




*Tommy Bahama*

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

### TTM Revenue by Distribution Channel



|                        | Fiscal 2017 | Fiscal 2016 |
|------------------------|-------------|-------------|
| Net Sales              | \$686.0 MM  | \$658.9 MM  |
| Operating Income       | \$55.0 MM   | \$44.1 MM   |
| Operating Margin       | 8.0%        | 6.7%        |
| Operating Income (adj) | \$56.5 MM   | \$45.6 MM   |
| Operating Margin (adj) | 8.2%        | 6.9%        |

|                        | 1 <sup>ST</sup> NINE MOS<br>FY18 | 1 <sup>ST</sup> NINE MOS<br>FY17 |
|------------------------|----------------------------------|----------------------------------|
| Net Sales              | \$483.0 MM                       | \$484.0 MM                       |
| Operating Income       | \$29.8 MM                        | \$32.1 MM                        |
| Operating Margin       | 6.2%                             | 6.6%                             |
| Operating Income (adj) | \$34.6 MM                        | \$33.2 MM                        |
| Operating Margin (adj) | 7.2%                             | 6.9%                             |

#### As of November 3, 2018

|                             | U.S.                 | International      |
|-----------------------------|----------------------|--------------------|
| Full-price retail stores    | 94                   | 19                 |
| Retail/restaurant locations | 17                   | 0                  |
| Outlets                     | 34                   | 4                  |
| <b>Total stores</b>         | <b>145 vs LY 143</b> | <b>23 vs LY 24</b> |

#### Fiscal 2017 DTC

Sales per square foot (full-price retail stores) - \$610

Majority of stores located in lifestyle center, street front or resort locations

Women's 30% of full-price DTC sales

#### Fiscal 2017 Wholesale

1,800+ doors

13% of Tommy Bahama sales to department stores



# INTERNATIONAL LOCATIONS

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

VANCOUVER (2) ●  
● CALGARY  
CALGARY  
PORT CARLING  
WILLOWDALE  
VAUGHN ●  
TORONTO, SHERWAY  
OAKVILLE

PANAMA (2) ●

QATAR  
ABU DHABI (1) ●  
DUBAI (3) ●

● TOKYO  
YOKOHAMA  
● SHANGHAI  
● HONG KONG (2)

PORT DOUGLAS  
● CAIRNS  
● NOOSA HEADS  
HARBOUR TOWN ● PACIFIC FAIR  
MARINA MIRAGE ● BYRON BAY  
● MANLY BEACH ● SYDNEY  
BIRKENHEAD POINT

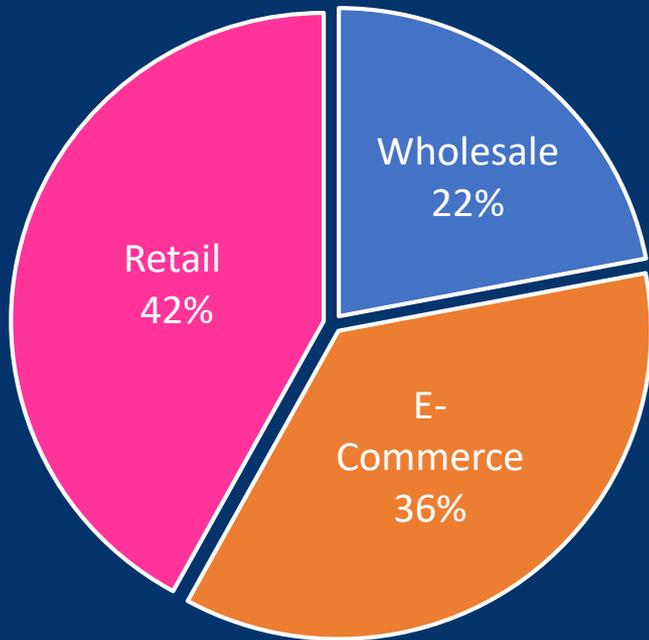
Lilly Pulitzer®





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

### TTM Revenue by Distribution Channel



|                        | Fiscal 2017 | Fiscal 2016 |
|------------------------|-------------|-------------|
| Net Sales              | \$248.9 MM  | \$233.3 MM  |
| Operating Income       | \$46.6 MM   | \$52.0 MM   |
| Operating Margin       | 18.7%       | 22.3%       |
| Operating Income (adj) | \$48.7 MM   | \$52.0 MM   |
| Operating Margin (adj) | 19.6%       | 22.3%       |

|                        | 1 <sup>ST</sup> NINE MOS<br>FY18 | 1 <sup>ST</sup> NINE MOS<br>FY17 |
|------------------------|----------------------------------|----------------------------------|
| Net Sales              | \$208.5 MM                       | \$192.0 MM                       |
| Operating Income       | \$43.8 MM                        | \$43.6 MM                        |
| Operating Margin       | 21.0%                            | 22.7%                            |
| Operating Income (adj) | \$44.1 MM                        | \$45.4 MM                        |
| Operating Margin (adj) | 21.2%                            | 23.6%                            |

**As of November 3, 2018**

Retail stores – 60 vs 57 LY

**Fiscal 2017 DTC**

Sales per square foot - \$800

2/3 of stores in lifestyle center, street front or resort locations

**Fiscal 2017 Wholesale**

≈250 doors

54 Signature Store locations

7% of Lilly Pulitzer sales to department stores

# Lilly Pulitzer STORE MAP



## LEGEND

-  Retail Store
-  Signature & Premier Specialty
-  National Store
-  Corporate Office



**SOUTHERN TIDE**





# SOUTHERN TIDE®

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

## TTM Revenue by Distribution Channel



|                         | Fiscal 2017 | Fiscal 2016 |
|-------------------------|-------------|-------------|
| Net Sales               | \$40.9 MM   | \$27.4 MM   |
| Operating Income (Loss) | \$4.5 MM    | (\$0.3) MM  |
| Operating Margin        | 11.0%       | (1.0)%      |
| Operating Income (adj)  | \$4.8 MM    | \$3.1 MM    |
| Operating Margin (adj)  | 11.7%       | 11.3%       |

*Note: Acquired on 4-19-16  
41 weeks included in fiscal 2016*

|                        | 1 <sup>ST</sup> NINE MOS<br>FY18 | 1 <sup>ST</sup> NINE MOS<br>FY17 |
|------------------------|----------------------------------|----------------------------------|
| Net Sales              | \$34.7 MM                        | \$31.3 MM                        |
| Operating Income       | \$4.4 MM                         | \$3.8 MM                         |
| Operating Margin       | 12.7%                            | 12.0%                            |
| Operating Income (adj) | \$4.6 MM                         | \$4.0 MM                         |
| Operating Margin (adj) | 13.3%                            | 12.7%                            |

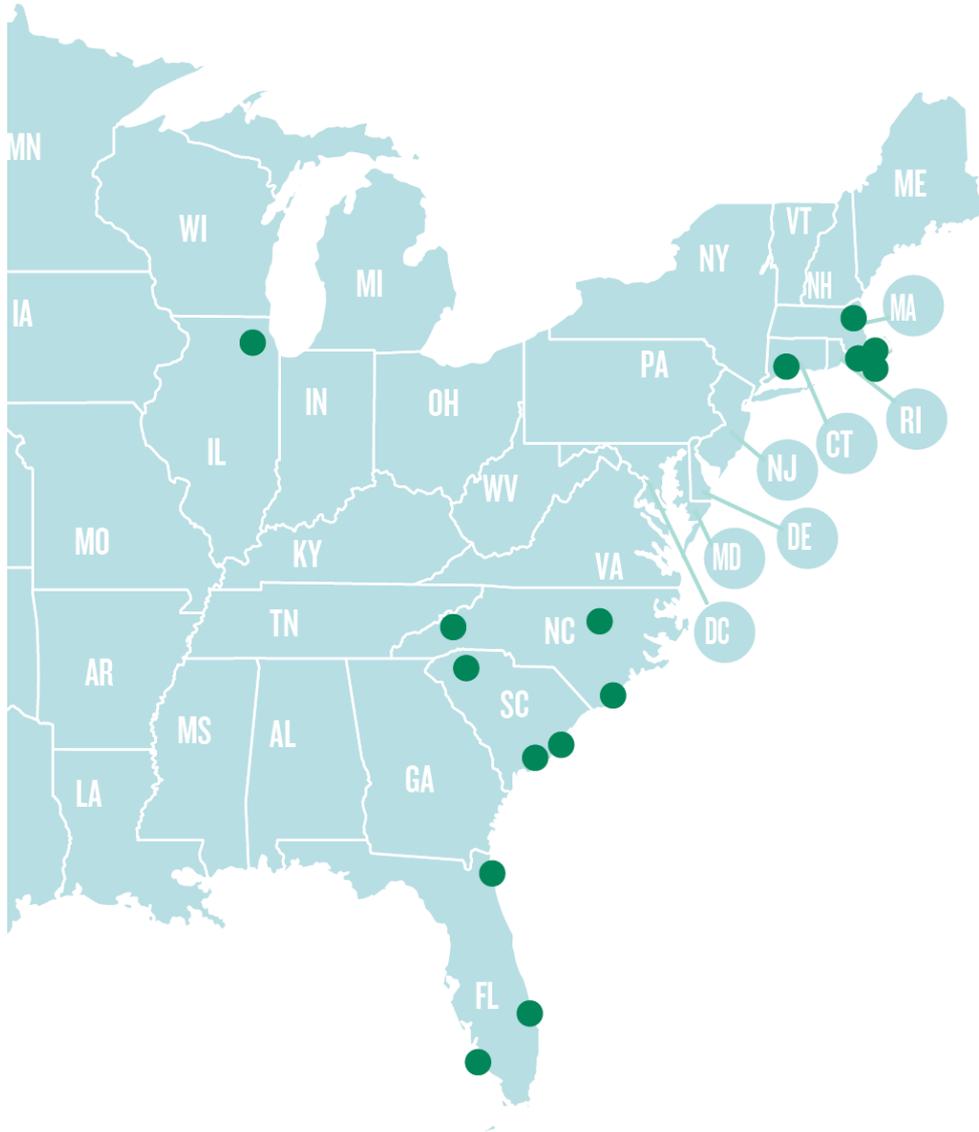
### Fiscal 2017

≈1,050 wholesale doors

15% of Southern Tide sales to department stores

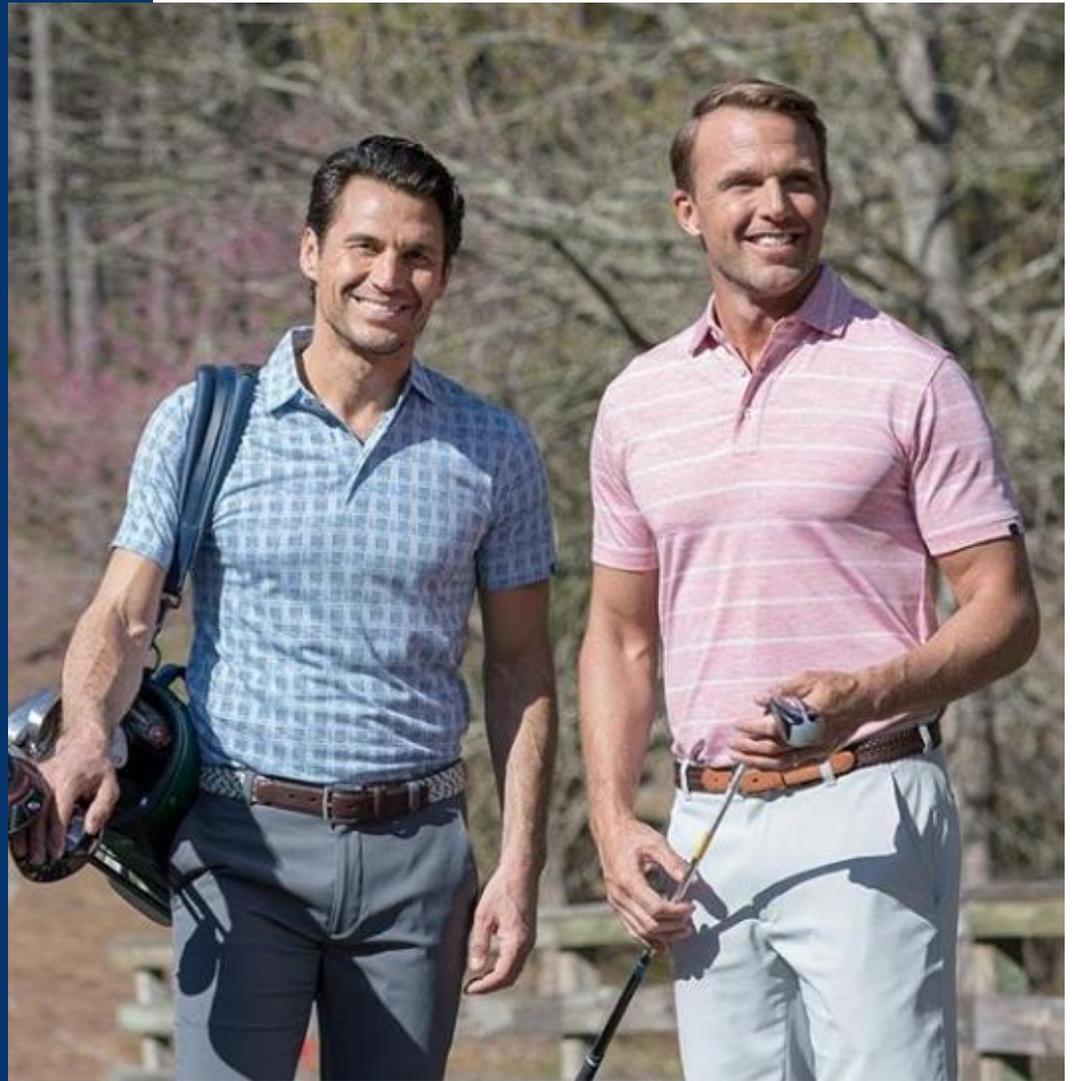
Women’s approximately 13% of total revenue

# Southern Tide Signature Stores\*



|                   |         |
|-------------------|---------|
| Kiawah Island, SC | 2015    |
| Greenville, SC    | 2016    |
| Naperville, IL    | 2016    |
| Raleigh, NC       | 2017    |
| Asheville, NC     | 2017    |
| Vero Beach, FL    | 2017    |
| Wilmington, NC    | 2017    |
| Nantucket, MA     | Feb-18  |
| Chatham, MA       | Mar-18  |
| Mashpee, MA       | Mar-18  |
| Westport, CT      | Apr-18  |
| Mt. Pleasant, SC  | Jun-18  |
| Lynnfield, MA     | Aug-18  |
| Amelia Island, SC | Sept-18 |
| Naples, FL        | Oct-18  |

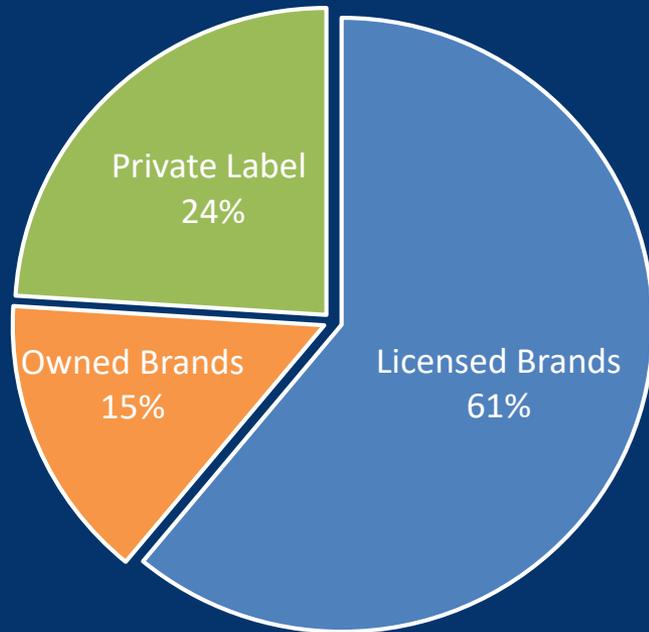
*\*Signature Stores are wholesale specialty stores named "Southern Tide" and prominently featuring Southern Tide product*





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

### Revenue by Category



|                  | Fiscal 2017 | Fiscal 2016 |
|------------------|-------------|-------------|
| Net Sales        | \$106.9 MM  | \$100.8 MM  |
| Operating Income | \$6.5 MM    | \$7.0 MM    |
| Operating Margin | 6.1%        | 6.9%        |

|                  | 1 <sup>ST</sup> NINE MOS<br>FY18 | 1 <sup>ST</sup> NINE MOS<br>FY17 |
|------------------|----------------------------------|----------------------------------|
| Net Sales        | \$72.8 MM                        | \$84.3 MM                        |
| Operating Income | \$3.4 MM                         | \$6.7 MM                         |
| Operating Margin | 4.7%                             | 7.9%                             |

Owned Brands

- Oxford (formerly known as Oxford Golf)
- Billy London
- Strong Suit
- Duck Head

Licensed Brands

- Kenneth Cole
- Dockers
- Geoffrey Beene
- Nick Graham
- Cole Haan

Fiscal 2017 Wholesale

- Over 5,000 doors
- 1/3 of Lanier Apparel sales to department stores
- Customers include: Macy's, Burlington, Costco, Men's Wearhouse, Belk

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

- At November 3, 2018, \$32 million of borrowings compared to \$72 million last year
- \$225 million of availability under \$325 million revolving credit facility
- Weighted average borrowing rate of 3.9% as of November 3, 2018
- In fiscal 2017, cash flow from operations was \$119 million; free cash flow was \$80 million
- On March 28, 2018, announced 26% increase to quarterly dividend to \$0.34 per share from \$0.27.
- Capital expenditures are expected to be approximately \$45 million in fiscal 2018 primarily relating to IT initiatives, including additional omni-channel capabilities, new retail stores and restaurants, and investments to remodel existing restaurants and stores

## **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**