





DXL
MENS APPAREL

ICR Conference
January 15, 2019

Forward-Looking Statements and Non-GAAP disclosures

Forward-Looking Statements:

Certain information contained in this presentation constitute forward-looking statements under the federal securities laws and include statements regarding the Company's expectations with respect to its growth opportunities and long-term objectives, with respect to sales, gross margin, SG&A expenses, free cash flows, EBITDA, Adjusted EBITDA, Adjusted EBITDA margin and capital expenditures for fiscal 2018 and the development of its wholesale business channel. The discussion of forward-looking information requires management of the Company to make certain estimates and assumptions regarding the Company's strategic direction and the effect of such plans on the Company's financial results. Such forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those indicated. Such risks and uncertainties may include, but are not limited to: the failure to execute the Company's DXL strategy and grow market share, failure to successfully grow our wholesale business, failure to compete successfully with our competitors, failure to predict fashion trends, extreme or unseasonable weather conditions, economic downturns, a weakness in overall consumer demand, trade and security restrictions and political or financial instability in countries where goods are manufactured, fluctuations in price, availability and quality of raw material, the interruption of merchandise flow from the Company's distribution facility, and the adverse effects of general economic conditions, political issues abroad, natural disasters, war and acts of terrorism on the United States and international economies. These, and other risks and uncertainties, are detailed in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended February 3, 2018 filed on March 23, 2018 and other Company filings with the Securities and Exchange Commission. The Company assumes no duty to update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

Non-GAAP Measures:

Adjusted Net Loss, Adjusted Net Loss Per Diluted Share, EBITDA, Adjusted EBITDA, Adjusting EBITDA margin, Free Cash Flow are non-GAAP measures. The Company believes that these non-GAAP measures are useful as additional means for investors to evaluate the Company's operating results, when reviewed in conjunction with the Company's GAAP financial statements. Please see Appendix A for additional information concerning these non-GAAP measures and a reconciliation to their respective GAAP measures, as applicable.

Agenda

- DXL Today
- Key Objectives and Strategies
    1. Grow market share and top-line sales
    2. Launch a new wholesale distribution channel
    3. Improve operating efficiency and productivity

DXL Today

DXL offers a premium, personalized shopping experience with a mix of designer and private label brands

BUILT TO FIT

VIDEO

[Brief video featuring the Company’s broad merchandise offering]

Some facts & figures…

- 231 DXL Retail locations; avg. age < 5 yrs. old
- 95 CMXL and 5 Rochester locations
- Annual sales > $470.0 million
- 21% e-commerce penetration
- Adjusted EBITDA margin % improving

1. Grow market share and top-line sales

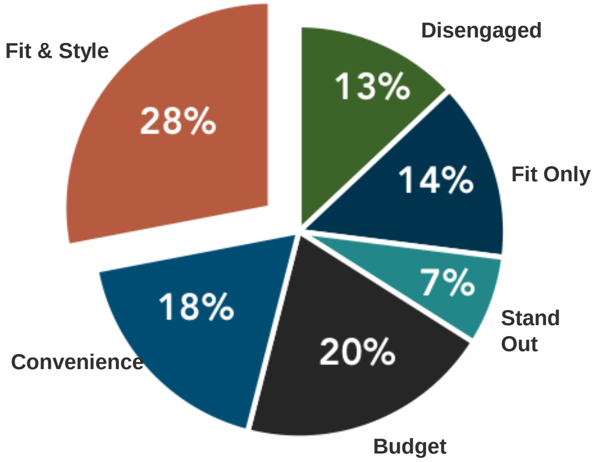
- Customer segmentation
- New marketing activities
- New merchandising initiatives
- Customer experience innovation
- Rebranding of Casual Male XL stores to DXL

Customer Segmentation

Using consumer data to drive strategy

- A six-month market segmentation and market analysis project completed in October 2018
  - 4k Big & Tall men
  - Combination of on-line, in-home and focus group interviews
  - Goals
    - Understand overall market structure and key competitors
    - Understand their daily lives, shopping habits, style choices, top brands/retailers – and find the highest potential target on which to focus

The Big & Tall market can be categorized into 6 distinct segments



The "Fit & Style" segment is a strong target for DXL.

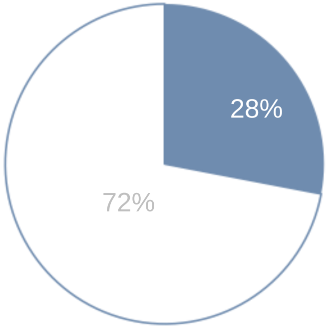
– Interested in style, trends, what's new
– Engaged in the category, shopping process
– Looks for guidance and assistance

DXL GROUP

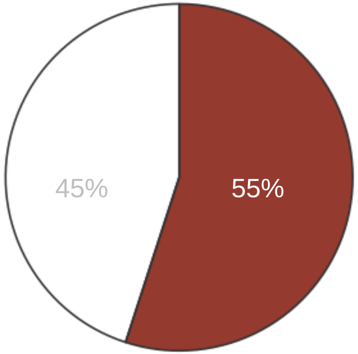
Source: DXL Segmentation Research, 2018 via Upstart Innovation

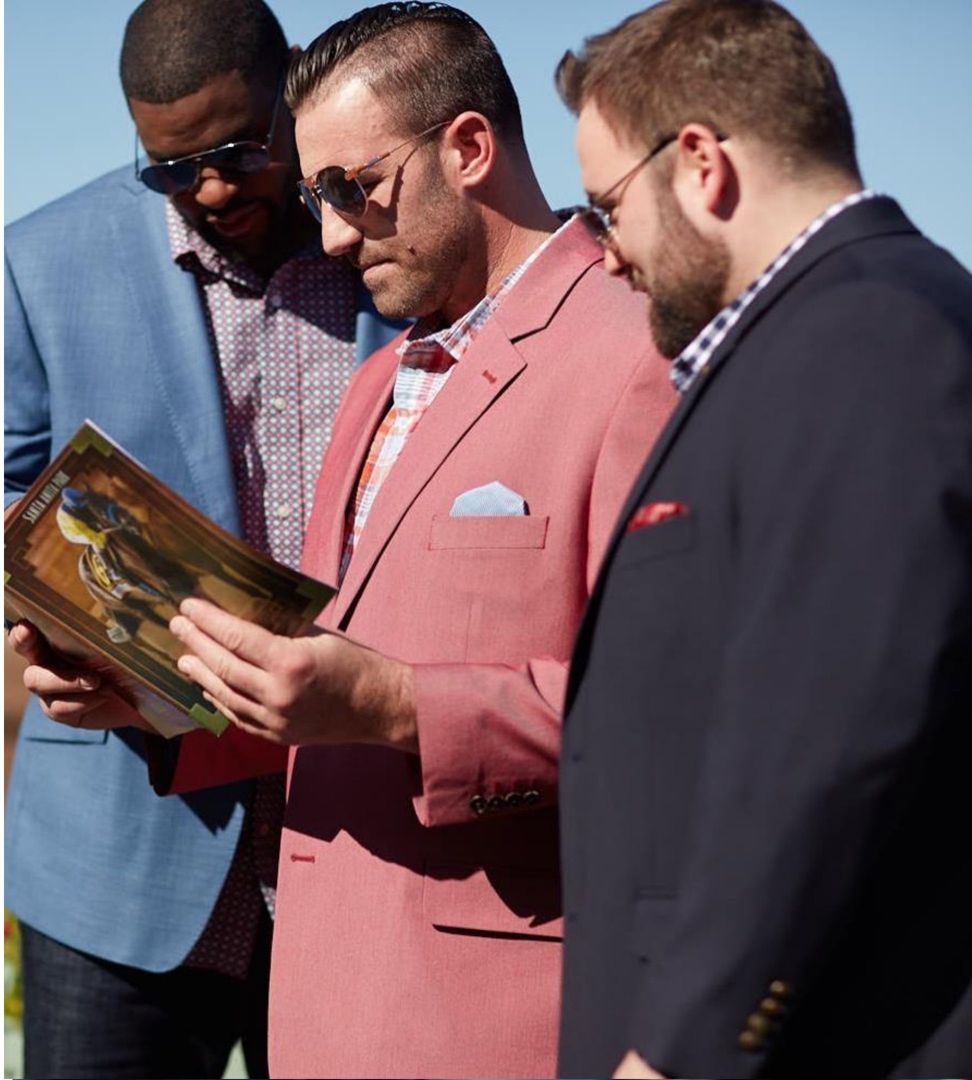
We can now efficiently focus on our highest potential customers to drive profitable growth

28% of the Big & Tall Market



55% of Category Spending

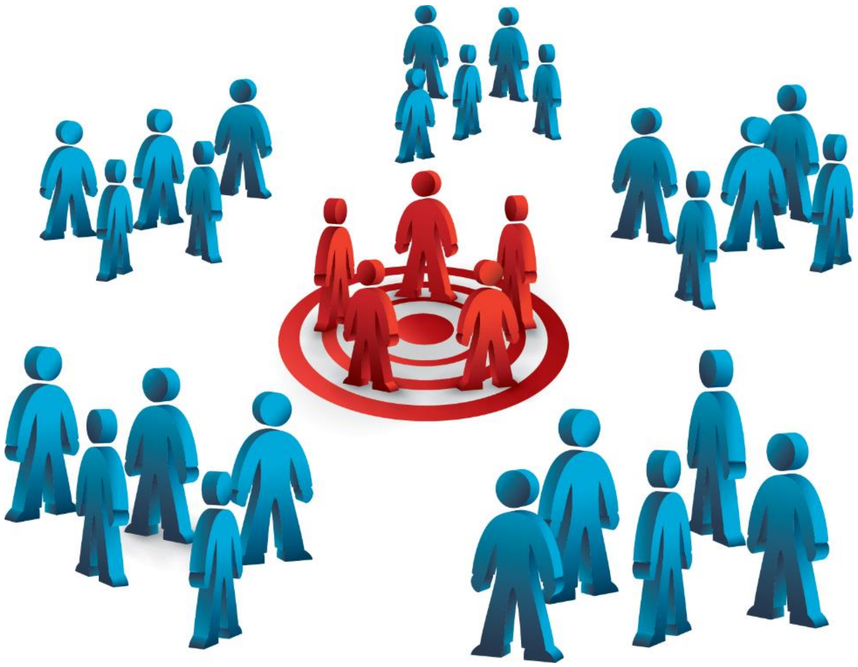




DXL GROUP

Source: DXL Segmentation Research, 2018 via Upstart Innovation

Our marketing is pivoting to a more targeted, personalized, data-driven model.

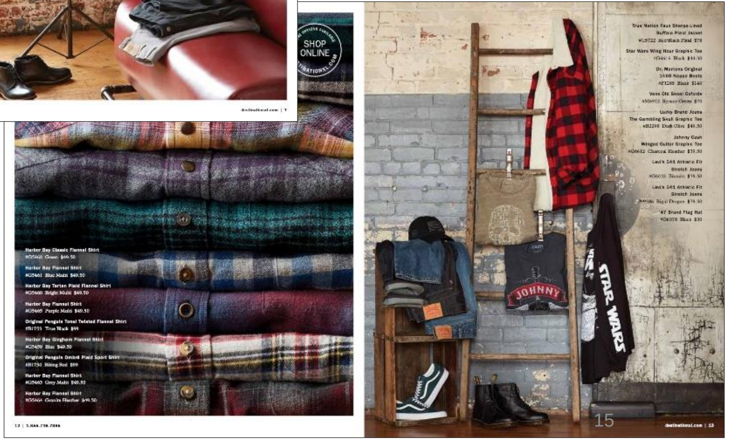


- Future efforts will focus on leveraging data to acquire new Fit and Style customers in the digital space
- DXL will then create ongoing, personalized communication based on our understanding of his shopping habits and style needs
- In fiscal 2019, DXL is upgrading its CRM systems

New Marketing Activities

We have introduced an updated creative look and feel to better connect with this target customer

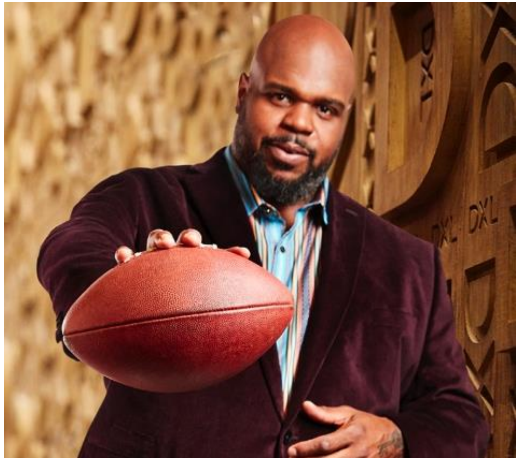
- Younger, more contemporary, more aspirational
- Elevated style in model selection, photography
- More focus on fashion styles



…and a premium lookbook/catalog brought the brand to life

- Test program in 2018
- Rollout in 2019

Collaborations with XL athletes – the biggest influence for the Big & Tall customer



Vince Wilfork • November, 2018

Brian Urlacher • November, 2018

WWE (Sheamus and Cesaro) • December, 2018

Content leveraged across digital advertising, social media and dxl.com

New Merchandising Initiatives

New merchandising strategies are catering to this Fit and Style customer.

- Everyday basics now complemented with a growing percentage of “fashion” styles with strong results to date
- Merchandise assortment now consists of **over 100** national brands and 9 private label brands
- Very positive results with new marquee brands The North Face and Vineyard Vines

THE NORTH FACE

vineyard vines

NATIONAL BRANDS

POLO RALPH LAUREN
UGG
adidas
Levi's
LACOSTE
Callaway GOLF
MICHAEL KORS
O'NEILL
UNDER ARMOUR
TALLIA est. 1893
PAUL & SHARK yachting
BUFFALO DAVID BITTON
LUCKY BRAND EST. 1990
Reebok
Brooks Brothers
KENNETH COLE
Columbia
Psycho Bunny
COLE HAAN
JACK VICTOR
Robert Graham
JOE'S
GEOFFREY BEENE

PRIVATE LABEL BRANDS

OAK HILL
SYNRGY
HARBOR BAY
28
TRUE NATION
SOCIETY OF ONE
GS

DXL GROUP

Customer Experience Innovation

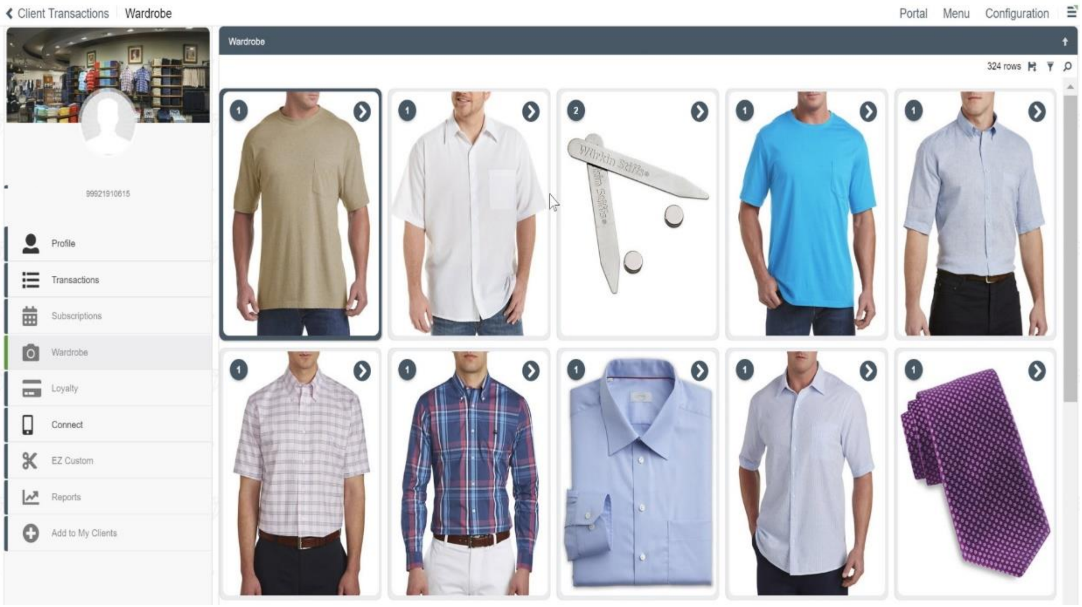
The DXL store experience is best-in-class - recent innovations provide an even greater guest experience

DXL **Clienteling** program

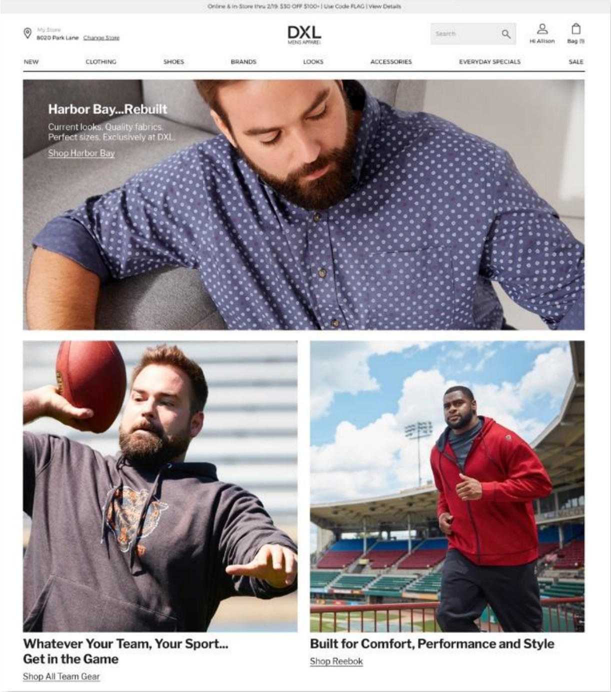
- The DXL clienteling program allows associates to “look into a guest closet” and see all of his purchases in stores and on-line – including pictures of each item purchased

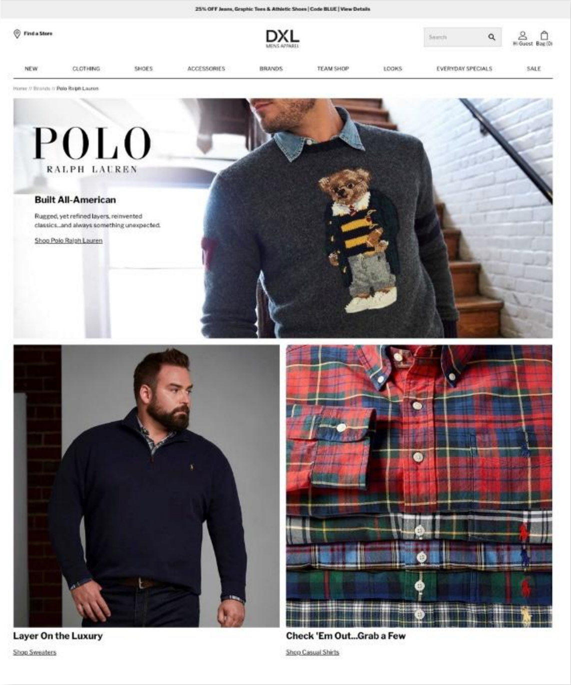
DXL **Universe** program

- Allows store associates to easily access the company’s full merchandise assortment online and add items to the store sale -- completed in a single, seamless transaction.



In September, the DXL e-commerce site was relaunched to provide customers an enhanced browsing and buying experience.





Rebranding of Casual Male XL to DXL

Mesquite, TX • 2018

Strategy going forward

- To date, we have rebranded 5 Casual Male XL stores to DXL
- Leverages brand awareness and marketing investment in DXL
- Of the 95 remaining, 60 potential conversions
- Expect to rebrand 10-15 stores annually
- Capital expenditures significantly less than a new store
- Expectations of 20% comp sales with a strong ROI

DXL GROUP

2. Launch a new wholesale distribution channel

DXL Private Label
Oak Hill Collection

For other men’s apparel retailers, DXL can provide unique value

- DXL is the expert in Big & Tall apparel – it’s all we do
- We currently develop 9 of our own private label lines
- Merchandise construction includes DXL fit specifications
- DXL return rate is less than 10%

DXL Private Label
Harbor Bay Collection

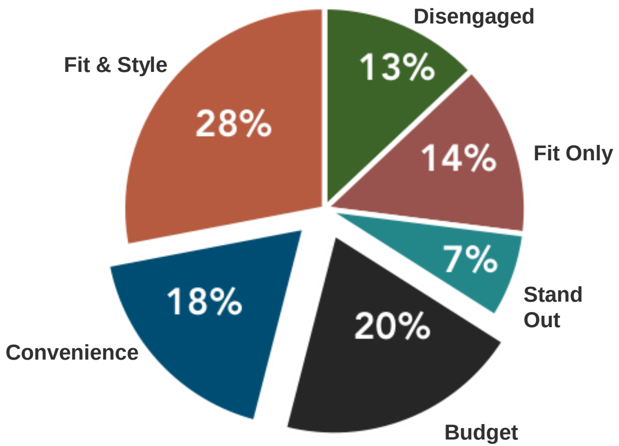
Wholesale distribution will provide a third revenue stream for DXL

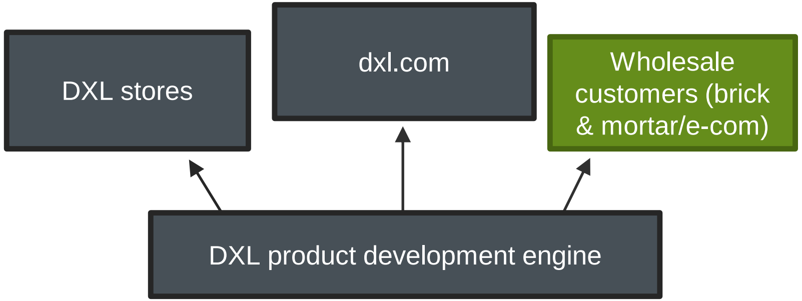
- Allows us to access new customers who don't currently shop at DXL
  - Budget/convenience customers
  - Women/gift givers buying for men
  - Store buyers not located near a DXL

- Creates awareness of the DXL brand via high-traffic shopping environments

- Lowers input costs – more units reduce overall product cost structure

- Leverages existing infrastructure including DXL design, product development, and sourcing





DXL GROUP

As part of this initiative, DXL has been selected as the provider of Men's Big & Tall sizes for the Amazon Private Brand, Amazon Essentials.

- DXL will provide a range of styles 2XL and above
- Branding communicates "Amazon Essentials fit by DXL"
- The assortment is currently available on Amazon.com

www.amazon.com/AmazonEssentials/BigandTall

3. Improve operating efficiency and productivity

Long-Term Objective: Improving Operating Efficiency

	LONG-TERM GOAL	FISCAL 2018 ESTIMATE*	FISCAL 2017 ACTUAL
Sales	100.0%	100.0%	100.0%
Gross Margin %	46.5%	44.9%	45.0%
SGA%- Customer Facing	21.5%	23.3%	24.7%
SGA%- Corporate Support	15.0%	16.1%	16.6%
Adjusted EBITDA %	**10.0%**	5.5%	3.7%

- All of our strategic and tactical decisions are being made with the objective to drive the business to a 10% EBITDA margin.
- We are progressing toward this goal through corporate restructuring, efficient marketing spend, rationalize unproductive stores, and improved gross margin.

* *Fiscal 2018 assumes mid-point of guidance*

DXL GROUP

Long-Term Objective: Improving Cash Flow

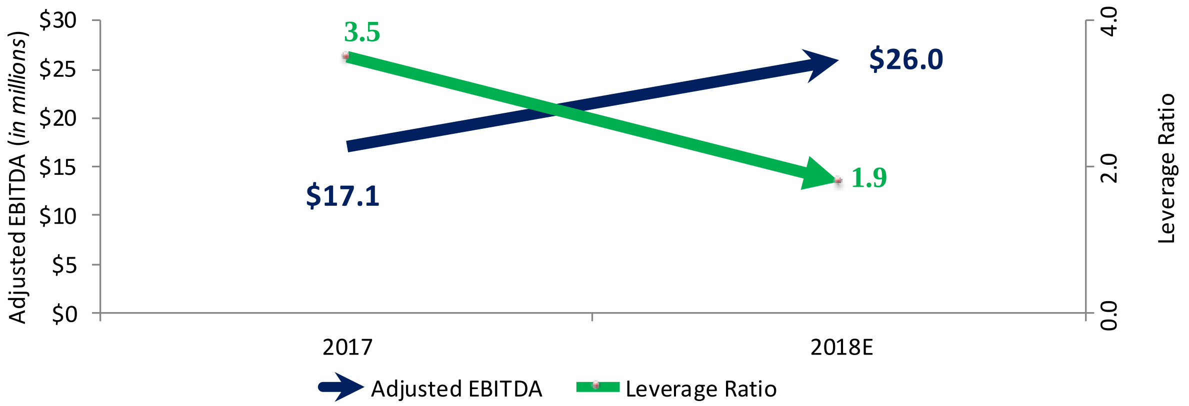
	LONG-TERM GOAL	FISCAL 2018 ESTIMATE*	FISCAL 2017 ACTUAL
Adjusted EBITDA	10.0%	5.5%	3.7%
Restructuring & CEO Transition Costs		0.8%	
EBITDA	10.0%	4.7%	3.7%
Capital Expenditures	-2.1%	-2.2%	-3.6%
Interest & Taxes	-0.1%	-0.7%	-0.7%
Working Capital	-0.8%	0.7%	2.5%
Free Cash Flow	**7.0%**	2.6%	1.8%

- With our store buildout essentially complete, we expect our Capital Expenditures to settle in at approximately 2% of Sales and another 1% annually for working capital, interest, and taxes
- Our long term goal is to deliver a cash generating business of approximately 7% annually

* *Fiscal 2018 assumes mid-point of guidance*

DXL GROUP

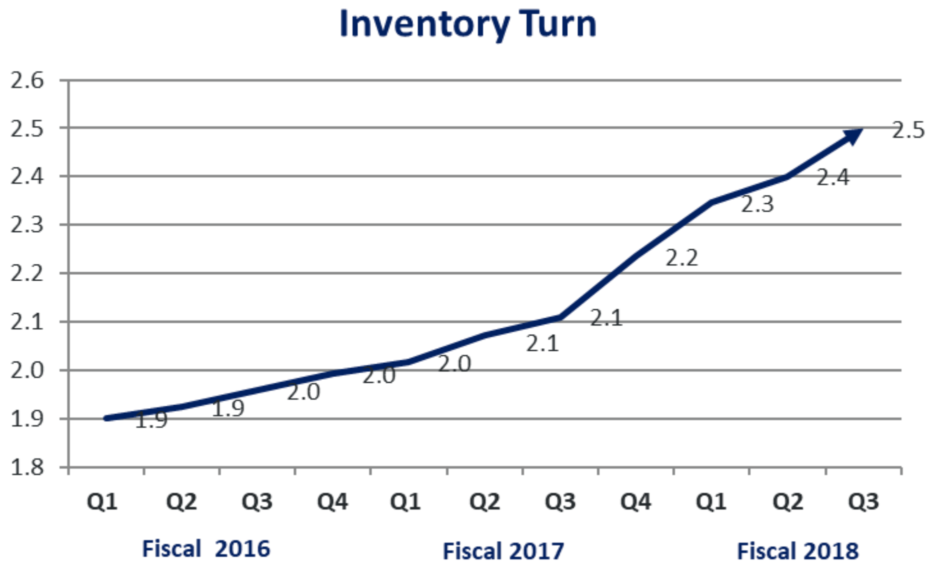
Long-Term Objective: Improving Leverage



Fiscal Year:	2017	2018E(3)
Total Debt (1)	$59.9	$50.0
Adjusted EBITDA (2)	$17.1	$26.0
Debt/Adj. EBITDA	3.5	1.9

(1) Gross, before unamortized debt issuance costs.
(2) Adjusted EBITDA is a non-GAAP measure. See appendix A for a reconciliation of this non-GAAP measure.
(3) Assuming mid-point of adjusted EBITDA guidance and a corresponding $9.9m decrease in total debt.

Long-term Objective: Improving Inventory Productivity



- Our inventory turnover has improved from 1.9 at the beginning of fiscal 2016 to 2.5 in the third quarter of 2018.
- Inventory turnover has improved 32% over the past three years.

Key Objectives and Strategies

1. Grow market share and top-line sales
2. Launch a new wholesale distribution channel
3. Improve operating efficiency and productivity

Q3 2018
Financial Results

Financial Highlights: Q3 2018

3.4%

Comparable sales increased in Q3

Total sales increase of 3.2% Q3' 18 vs. Q3' 17, increases in comparable sales and non comp sales partially offset by closed stores. Q3'18 sales also benefited from a shift in weeks due to the 53rd week in FY17

21.2%

E-commerce sales as a percentage of total sales, on a trailing twelve-month basis, vs. 20.8% for trailing twelve-month at end of Q3' 17

$(2.0) M

Net loss for Q3

•Versus a net loss of $(5.7)m in Q3' 17

•On an adjusted basis:

- Adjusted net loss of $(1.0) m in Q3' 18 vs.
- Adjusted net loss of $(4.2)m in Q3' 17

Financial Highlights: First Nine Months 2018

3.0%

Comparable sales for YTD

Total sales increase of 3.1% YTD 2018 vs. YTD 2017

$20.7M

Adjusted EBITDA *

Vs. $12.1m for YTD 2017

$(6.3)M

Net loss for YTD

Versus a net loss of $(15.5) million YTD 2017

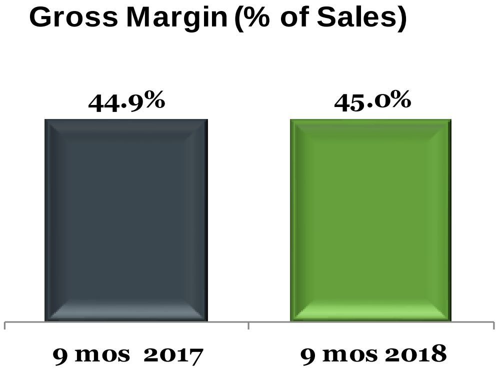
YTD 2018 includes corporate restructuring charge of $2.5m

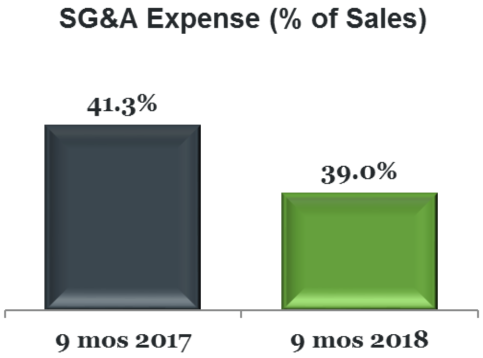
YTD 2017 includes asset impairment charge of $1.7m

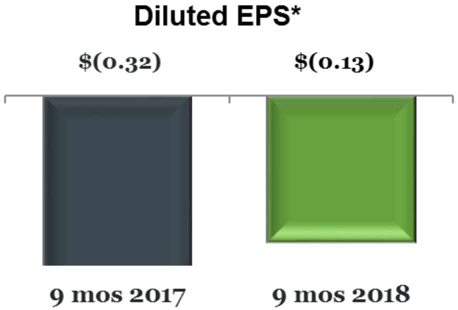
Inventory has decreased by $3.5m, or 2.9%, as compared to the end of the third quarter of last year. Over a two-year basis, inventory has decreased by $11.8m, or 9.2% from the end of the third quarter of FY ‘16

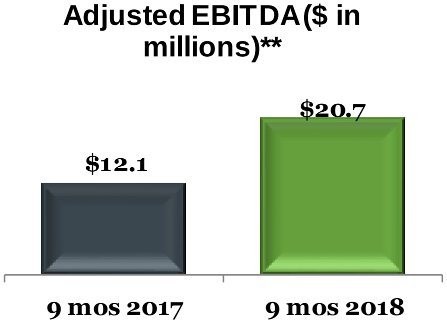
DXL GROUP

Financial Highlights: Nine Months 2018 YOY









* On a non-GAAP basis, Adjusted EPS, assuming a normalized 26% tax rate and before corporate restructuring and asset impairments, was $(0.06) per diluted share for the first nine months of 2018, compared with $(0.21) per diluted share for the first nine months of 2017. See Appendix A for a reconciliation to its comparable GAAP measure.

** Adjusted EBITDA is a non-GAAP measure; see Appendix A for a reconciliation to its comparable GAAP measure.

Financial Highlights: Cash Flow & Balance Sheet

($ in millions, except %)	YTD Q3 2017	YTD Q3 2018
Capital Expenditures:		
DXL stores	$12.6	$1.8
Other maintenance/infrastructure	5.8	8.0
Total	$18.4	$9.8
Inventory	**$119.9**	**$116.4**
Clearance inventory	9.7%	11.7%
Total debt, net of unamortized debt issuance costs	**$81.4**	**$72.0**
Borrowings under revolving credit facility	$68.2	$57.3
Excess availability	$38.2	$45.4

- Decrease in DXL CAPEX due to fewer DXL openings than in the prior year, offset slightly by an increase in CAPEX related to IT and website initiatives.
- Inventory decrease of $3.5M, or 2.9% as compared to Q3' 17 as a result of inventory optimization project.
- In Q2'18, New $140M, 5 YR secured facility with Bank of America. Includes $125M Revolving loan facility and $15M FILO term facility. Borrowing rates on revolving facility decreased 25 basis points. Borrowing rates on FILO term loan improved 350 to 375 basis points from prior Term Loan facility.

Financial Highlights: FY 2018 Guidance

($ in millions, except per share data)	Guidance
Sales	**$470.0~$474.0**
Total comparable sales increase	2.5-3.5%
Gross margin	44.9%
Adjusted EBITDA*	**$24.0~$27.0**
Net loss per share, diluted	$(0.20)~$(0.26)
Adjusted net loss per diluted share *	**$(0.08)~$(0.13)**
Total Capital expenditures	Approximately $10.7
DXL capital expenditures	Approximately $1.8
Free cash flow*	$10.0 to $14.0
Free cash flow before DXL capital expenditures*	$11.8 to $15.8

* Adjusted EBITDA, Adjusted net loss per diluted share, Free Cash Flow and Free Cash Flow before DXL expenditures are non-GAAP measures. See Appendix A for a reconciliation of these non-GAAP measures to their comparable GAAP measures.

Non-GAAP Reconciliation

Appendix A

- The Company uses non−GAAP financial measures, such as “Adjusted EBITDA,” ”Free Cash Flow,” “Free Cash Flow before DXL Capital Expenditures,” “Adjusted net income (loss)” and “Adjusted net income (loss) per diluted share” in assessing its operating performance. The Company believes that these non−GAAP measures serve as an appropriate measure to be used in evaluating the performance of its business. The Company defines adjusted EBITDA as Earnings before interest, taxes and depreciation and amortization before restructuring charges, asset impairment charges and CEO transition costs. Free cash flow is defined as cash flow from operating activities less capital expenditures. Adjusted net income (loss) and Adjusted net income (loss) per diluted share are calculated assuming a normalized tax rate of 26% and are before restructuring charges, asset impairment charges and CEO transition costs.
- These measures as defined by the Company may not be comparable to similarly titled measures reported by other companies. The Company does not intend for non−GAAP financial measures to be considered in isolation or as a substitute for other measures prepared in accordance with GAAP. The following tables provide a reconciliation of for each of these Non-GAAP measures.

GAAP TO NON-GAAP NET LOSS TO ADJUSTED EBITDA

	For the three months ended		For the nine months ended	
	November 3, 2018	October 28, 2017	November 3, 2018	October 28, 2017
(in millions)				
Net loss (GAAP basis)	$ (2.0)	$ (5.7)	$ (6.3)	$ (15.5)
Add back:				
Corporate restructuring	0.3	-	1.9	-
CEO transition costs	0.4	-	0.6	-
Impairment of assets	-	-	-	1.7
Provision for income taxes	-	-	-	0.1
Interest expense	0.8	0.9	2.6	2.5
Depreciation and amortization	7.2	7.7	21.9	23.3
Adjusted EBITDA (non-GAAP basis)	$ 6.6	$ 2.8	$ 20.7	$ 12.1

GAAP TO NON-GAAP NET INCOME (LOSS) TO ADJUSTED NET INCOME (LOSS)

	For the three months ended				For the nine months ended			
	November 3, 2018		October 28, 2017		November 3, 2018		October 28, 2017	
	$	Per diluted share	$	Per diluted share	$	Per diluted share	$	Per diluted share
(in thousands, except per share data)								
Net loss (GAAP basis)	$ (2,005)	$ (0.04)	$ (5,706)	$ (0.12)	$ (6,300)	$ (0.13)	$ (15,502)	$ (0.32)
Adjust:								
Corporate restructuring	262	$ 0.01	-	-	1,922	$ 0.04	-	-
CEO transition costs	430	$ 0.01	-	-	530	$ 0.01	-	-
Impairment of assets	-	-	-	-	-	-	1,718	$ 0.04
Add back actual income tax provision (benefit)	(22)	-	-	-	(19)	-	64	-
Add income tax benefit, assuming a normal tax rate of 26%	347	$ 0.01	1,484	$ 0.03	1,005	$ 0.02	3,567	$ 0.07
Adjusted net loss (non-GAAP basis)	$ (988)	$ (0.02)	$ (4,222)	$ (0.09)	$ (2,862)	$ (0.06)	$ (10,153)	$ (0.21)
Weighted average number of common shares outstanding:								
diluted basis for a net loss position		49,352		48,607		49,068		48,966

DXL GROUP

Non-GAAP Reconciliation Cont.

GAAP TO NON-GAAP FREE CASH FLOW RECONCILIATION

(in millions)	For the nine months ended November 3, 2018	For the nine months ended October 28, 2017
Cash flow from operating activities (GAAP basis)	$ (1.3)	$ 5.2
Capital expenditures, infrastructure projects	(8.0)	(5.8)
Capital expenditures for DXL stores	(1.8)	(12.6)
Free Cash Flow (non-GAAP basis)	$ (11.1)	$ (13.2)

2018 FORECAST GAAP TO NON-GAAP RECONCILIATIONS

(in millions, except per share data)	Projected Fiscal 2018	*per diluted share*
Net loss (GAAP basis)	$(9.8)-$(12.8)	
Add back:		
Restructuring charge	1.9	
CEO transition costs	2.1	
Provision for income taxes	0.1	
Interest expense	3.4	
Depreciation and amortization	29.3	
Adjusted EBITDA (non-GAAP basis)	$24.0-$27.0	
Net loss (GAAP basis)	$(9.8)-$(12.8)	$(0.20)-$(0.26)
Add back:		
Restructuring charge	1.9	$0.04
CEO transition costs	2.1	$0.04
Add back tax provision and record benefit assuming 26%	1.8 -2.7	$0.04-$0.05
Adjusted net loss (non-GAAP basis)	$(4.0) -$(6.1)	$(0.08)-$(0.13)
Weighted average common shares outstanding - diluted	49.1	
Cash flow from operating activities (GAAP basis)	$22.5 -$26.5	
Capital expenditures, infrastructure projects	(10.7)	
Capital expenditures for DXL stores	(1.8)	
Free Cash Flow (non-GAAP basis)	$10.0-$14.0	

INVESTOR CONTACT

Tom Filandro

Managing Director, ICR

646-277-1235 (D)

Tom.Filandro@ICRINC.com

www.dxl.com