


Q1 2016
Supplemental Information

Forward-Looking Statements and Non-GAAP Measures

Forward-Looking Statements:

Certain information contained in this presentation, including, but not limited to, sales, gross margin, free cash flows, EBITDA, capital expenditures and store counts for fiscal 2016 and beyond, constitute forward-looking statements under the federal securities laws. 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 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 January 30, 2016 filed on March 18, 2016 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 Income (Loss), Adjusted Net Income (Loss) Per Diluted Share, EBITDA, Free Cash Flow, Internal Rate of Return (IRR) and 4-wall 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.

Q1 2016 Highlights

DXL concept drives solid growth in sales and profitability

+5.8%

DXL comparable store sales

- *On top of +8.7% in Q1 2015*

+2.0%

Total comparable sales

- *On top of +5.5% in Q1 2015*

$8.4M

EBITDA

- *Versus $6.8M in Q1 2015*

Consistent Operating Model Drives Performance

First Quarter 2016 - Key Metrics

2.6%

Marketing expense as % of sales

➢ *Versus 3.0% of sales for Q1 2015*

+6.9%

Conversion rate of Casual Male customers

➢ *Versus Q1 2015*

43.2%

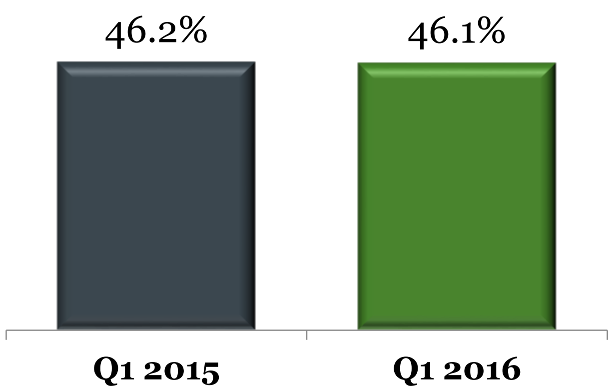
End-of-rack percentage of bottoms business

➢ *Up from 42.3% in Q1 2015*

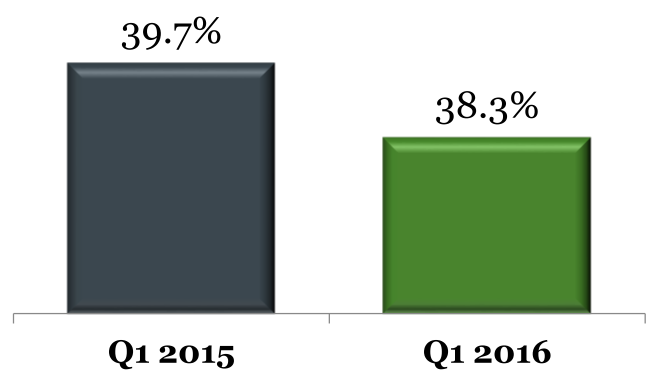
Income Statement Highlights

($ in millions, except per share data)

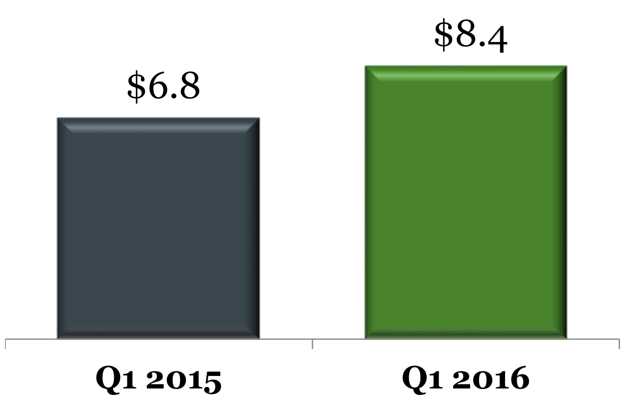
Gross Margin (% of Sales)



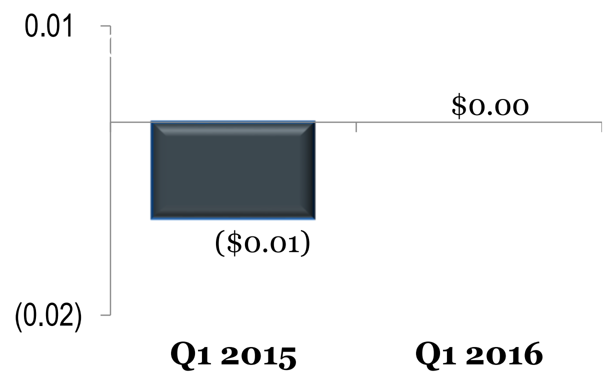
SG&A Expense (% of Sales)



EBITDA



Diluted EPS*



* Non-GAAP EPS, assuming a normalized tax rate, was $0.00 per diluted share for the first quarter of fiscal 2016, compared with $(0.01) per diluted share for the prior year's first quarter. See Appendix A for a reconciliation to its comparable GAAP measure.

Cash Flow And Balance Sheet Highlights

($ in millions)	Q1 2015	Q1 2016
Capital Expenditures:		
DXL stores	$7.3	$4.6
Other maintenance/infrastructure	2.3	1.5
Total	$9.6	$6.1
Inventory	**$123.8**	**$125.8**
Clearance inventory	8.2%	8.7%
Total debt*	**$71.8**	**$80.0**
Borrowings under credit facility*	$40.1	$56.2
Excess availability	$68.3	$55.0

- Lower CAPEX on smaller average DXL store footprint
- Opened 5 DXL stores in Q1 2016 versus 13 DXL stores in Q1 2015
- On track to open 31 DXL stores in fiscal 2016

** Net of unamortized debt issuance costs*

FY 2016 Guidance

($ in millions, except per share data)	Guidance
Sales	**$465.0~$472.0**
Total comparable sales increase	4.8%~5.5%
Gross margin	46.2%~46.5%
EBITDA*	**$31.0~$35.0**
Net loss per share, diluted	$(0.09)~breakeven
Adjusted net loss per share, diluted*	**$(0.05)~breakeven**
Total debt[1]	Reduced to $59.0~$64.0
Total Capital expenditures	Approximately $30.0
DXL capital expenditures	Approximately $20.6
Free cash flow*[1]	Increased to $5.0 to $10.0
Free cash flow before DXL capital expenditures[1]	Increased to $25.6 to 30.6

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

[1] Free Cash Flow guidance increased $5.0 million as a result of new inventory management initiatives, which will also reduce debt level expectations.

DXL Store Funding from Free Cash Flow

(in millions)	Q1 2016	Q1 2015
Cash flow (used for) operating activities (GAAP)	**$ (5.0)**	**$ (8.0)**
Capital expenditures, infrastructure projects	(1.5)	(2.3)
Free Cash Flow, before DXL capital expenditures	**$ (6.5)**	**$ (10.2)**
Capital expenditures for DXL stores	(4.6)	(7.3)
Free Cash Flow (non-GAAP basis)	**$ (11.1)**	**$ (17.5)**

- In fiscal 2016, continue to project DXL stores will be funded completely from Free Cash Flow vs. Revolving Credit Facility

Non-GAAP Reconciliation

The Company uses non–GAAP financial measures, such as “EBITDA,” ”Free Cash Flow,” “Adjusted net income (loss),” “Adjusted net income (loss) per share,” “4-Wall Cash Flow” and “IRR” (Internal Rate of Return) 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 EBITDA as Earnings before interest, taxes and depreciation and amortization. Free cash flow is defined as cash flow from operating activities less capital expenditures. Adjusted net income (loss) and Adjusted net income (loss) per share are calculated assuming a normalized tax rate of 40%. The Company’s 4-Wall Cash Flow represents the cash flow at the store level before depreciation expense, corporate overhead, interest and income taxes. IRR is the rate at which the net present value of cash flows from a project or investment equal zero. The Company calculates IRR by taking the initial investment in a store, which includes the build-out costs, net of tenant allowances, plus the cost of inventory at opening against the projected cash flows for the first 5 years.

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 RECONCILIATION OF EBITDA

	For the three months ended	
	April 30, 2016	May 2, 2015
(in millions)		
Net income (loss), GAAP basis	**$ 0.2**	**$ (0.6)**
Add back:		
Provision for income taxes	0.1	0.1
Interest expense	0.8	0.8
Depreciation and amortization	7.3	6.5
EBITDA, non-GAAP basis	**$ 8.4**	**$ 6.8**

GAAP TO NON-GAAP RECONCILIATION OF NET LOSS

	For the three months ended			
	April 30, 2016		May 2, 2015	
	$	Per diluted share	$	Per diluted share
(in thousands, except per share data)				
Net income (loss), GAAP basis	$ 214	$ 0.00	$ (574)	$ (0.01)
Add back: Actual income tax provision	57		61	
Income tax benefit, assuming normal tax rate of 40%	(108)		205	
Adjusted net income (loss), non-GAAP basis	$ 163	$ 0.00	$ (308)	$ (0.01)
Weighted average number of common shares outstanding on a diluted basis		49,880		49,019

The Adjusted loss per share for fiscal 2016 of breakeven to a net loss of $(0.05) per diluted share was calculated, assuming a normal tax benefit of approximately 40%, by taking the 2016 forecasted earnings of breakeven to a net loss of $(0.09) per diluted share and multiplying each by 40% to calculate an estimate income tax provision (benefit) of $0.00-$(0.04) per diluted share, resulting in an adjusted non-GAAP earnings of breakeven to $(0.05) per diluted share.

Non-GAAP Reconciliation, continued

GAAP TO NON-GAAP FREE CASH FLOW RECONCILIATION

(in millions)	For the three months ended April 30, 2016	For the three months ended May 2, 2015	Projected Fiscal 2016
Cash flow from operating activities (GAAP basis)	**$ (5.0)**	**$ (8.0)**	**$35.0-$40.0**
Capital expenditures, infrastructure projects	(1.5)	(2.3)	(9.4)
Free Cash Flow, before DXL capital expenditures	**$ (6.5)**	**$ (10.2)**	**$25.6-$30.6**
Capital expenditures for DXL stores	(4.6)	(7.3)	(20.6)
Free Cash Flow (non-GAAP basis)	**$ (11.1)**	**$ (17.5)**	**$5.0-$10.0**

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