



FY 2015

Supplemental Information

FORWARD LOOKING STATEMENTS AND NON-GAAP MEASURES

Forward Looking Statements:

Certain information contained in this presentation, including, but not limited to, future store projections of sales, sales per square foot, gross margin, occupancy and selling, general administrative expenses, EBITDA from continuing operations as well four-wall cash flow, 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 implement the Company's business plan for increased profitability and growth in the Company's retail stores sales and direct-to-consumer business, the failure to achieve improvement in the Company's competitive position, changes in or miscalculation of 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, increases in raw material costs from inflation and other factors, the interruption of merchandise flow from the Company's distribution facility, competitive pressures, and the adverse effects of natural disasters, war, acts of terrorism or threats of either, or other armed conflict, 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 31, 2015 filed on March 25, 2015 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:

EBITDA from continuing operations, free cash flow, Adjusted loss and Adjusted loss per share 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, where applicable.

FISCAL 2015 HIGHLIGHTS

Results reflect strength of DXL model

+9.7%

DXL comparable store sales

➤ *On top of +13.7% in fiscal 2014*

+4.8%

Total comparable sales

➤ *On top of +6.4% in fiscal 2014*

\$23.3M

EBITDA from continuing operations

➤ *Versus \$15.2M in fiscal 2014*

SUCCESSFUL MARKETING DRIVES PERFORMANCE

Key metrics continue to improve

38%

Brand awareness

➤ *Versus 13% in spring 2013*

5.3%

Marketing expense as % of sales

➤ *Projecting 4.5% of sales for fiscal 2016*

+5%

Conversion rate of Casual Male customers

46.4%

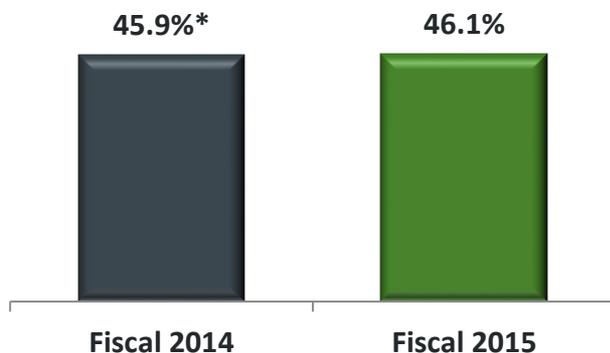
End-of-rack percentage of bottoms business

➤ *Up from 43.4% in Q4 2014*

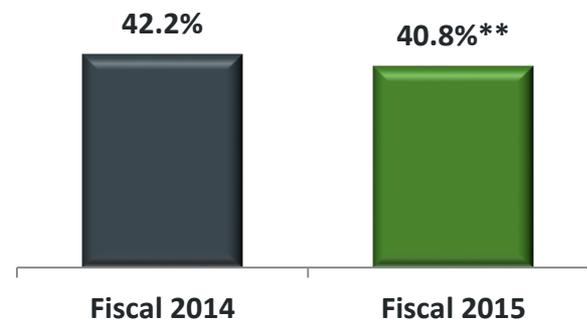
INCOME STATEMENT HIGHLIGHTS

(\$ in millions, except per share data)

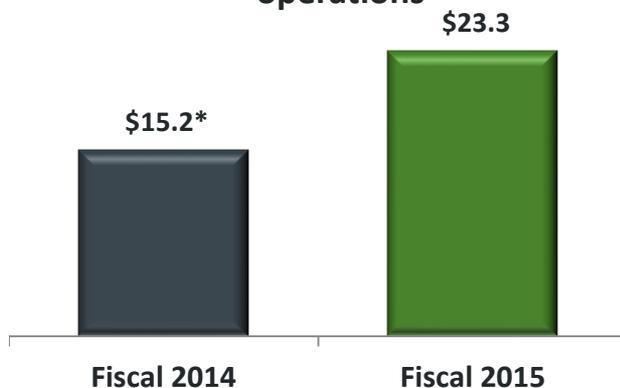
Gross Margin (% of Sales)



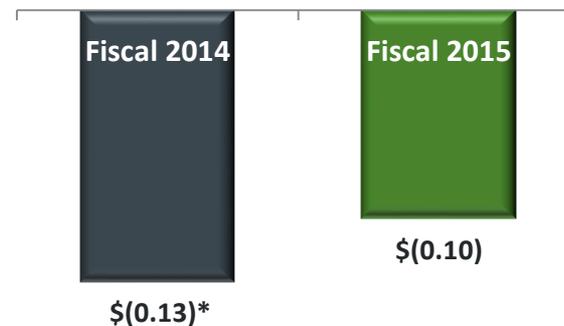
SG&A Expense (% of Sales)



EBITDA from continuing operations



Diluted Non-GAAP EPS from continuing operations***



* Fiscal 2014 includes a \$2.5 million early lease termination payment that was received in Q4 2014

** Fiscal 2015 includes a \$1.4 million accrual in Q4 for the probable payout of performance awards under the long-term incentive plan

*** Diluted non-GAAP EPS from continuing operations reflects GAAP EPS that has been affected for a normalized tax rate of 40%, see Appendix A

CASH FLOW AND BALANCE SHEET HIGHLIGHTS

(\$ in millions)

| | FY 2015 | FY 2014 |
|--|-------------|-------------|
| Capital Expenditures: | | |
| DXL stores | \$20.1 | \$30.4 |
| Other maintenance/infrastructure | <u>13.3</u> | <u>10.5</u> |
| Total | \$33.4 | \$40.9 |
| Inventory* | \$125.0 | \$115.2 |
| Clearance inventory | 8.1% | 8.4% |
| Total debt* | \$68.1 | \$52.3 |
| Borrowings under credit facility* | \$42.0 | \$18.8 |
| Excess availability* | \$66.0 | \$77.9 |

Lower CAPEX on smaller average DXL store footprint

Opened 3 DXL retail stores in Q4; 36 total DXL stores in fiscal 2015

Plan to open 31 DXL stores in fiscal 2016

* At 1/30/16 and 1/31/15, respectively

FY 2016 OUTLOOK

Continuing to deliver performance in line with our plan

Reaching more customers who stay longer, spend more money and shop more often

Stable operating model generates consistent, predictable results

Focused on solid top line performance, accelerated EBITDA growth

Continue to utilize free cash flow to grow DXL concept

FY 2016 GUIDANCE

(\$ in millions, except per share data)

| | Guidance |
|---|-----------------------------|
| Sales | \$465.0~472.0 |
| Total comp 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 |
| Non-GAAP net loss per share, diluted | \$(0.05)~breakeven |
| Total Capital expenditures | Approximately \$30.0 |
| DXL capital expenditures | Approximately \$20.6 |
| Total debt | \$64.0~\$69.0 |
| Free cash flow before DXL capital expenditures | \$20.6-25.6 |
| Free cash flow | Breakeven to \$5.0 |

Summary

Very pleased with fourth-quarter and full-year performance

Exceeded our initial 2015 plan across the board

Produced positive free cash flow of \$5.1 million before capital expenditures for DXL stores of \$20.1 million

Consistent, predictable model built on 5+ years' experience with DXL concept

Expect continued improvement in 2016

➤ **Substantial increase in EBITDA**

NON-GAAP RECONCILIATION

In addition to Operating Income (Loss) determined in accordance with United States Generally Accepted Accounting Principles (GAAP), the Company uses non-GAAP financial measures, such as "EBITDA from continuing operations," "Free Cash Flow," "Adjusted loss" and "Adjusted loss per 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 EBITDA as Earnings before interest, taxes and depreciation and amortization. EBITDA from continuing operations is before discontinued operations. Free cash flow is defined as cash flow from operating activities less capital expenditures. Adjusted loss and Adjusted loss per share is calculated assuming a normalized tax rate of 40%. 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.

EBITDA from Continuing Operations

| | For the year ended | |
|--|--------------------|------------------|
| | January 30, 2016 | January 31, 2015 |
| <i>(in millions)</i> | | |
| Net income (loss), GAAP basis | \$ (8.4) | \$ (12.3) |
| Add back: | | |
| Provision for income taxes | 0.3 | 0.2 |
| Interest expense | 3.1 | 2.1 |
| Depreciation and amortization | 28.4 | 24.0 |
| EBITDA, non-GAAP basis | 23.3 | 14.1 |
| Loss from discontinued operations | - | (1.1) |
| EBITDA from continuing operations, non-GAAP basis | \$ 23.3 | \$ 15.2 |

Adjusted loss and Adjusted loss per share

| | For the year ended | | | |
|---|--------------------|------------------|------------------|------------------|
| | January 30, 2016 | | January 31, 2015 | |
| | \$ | share | \$ | share |
| <i>(in million, except per share data)</i> | | | | |
| Loss from continuing operations | \$ (8.4) | \$ (0.17) | \$ (11.2) | \$ (0.23) |
| Add back: Actual income tax provision | 0.3 | - | 0.2 | - |
| Income tax benefit (provision), assuming normal tax rate of 40% | 3.3 | - | 4.4 | - |
| Adjusted loss from continuing operations | \$ (4.9) | \$ (0.10) | \$ (6.6) | \$ (0.13) |
| Loss from discontinued operations | - | - | (1.1) | (0.02) |
| Adjusted loss, non-GAAP basis | \$ (4.9) | \$ (0.10) | \$ (7.7) | \$ (0.16) |
| Weighted average number of common shares outstanding on a diluted basis | | 49.1 | | 48.7 |

Free Cash Flow

| | Fiscal 2015 | Fiscal 2014 | Projected |
|---|------------------|------------------|----------------------|
| | | | Fiscal 2016 |
| <i>(in millions)</i> | | | |
| Cash flow from operating activities (GAAP basis) | \$ 18.4 | \$ 13.8 | \$30.0-\$35.0 |
| Capital expenditures, infrastructure projects | (13.3) | (10.5) | (9.4) |
| Free Cash Flow before DXL capital expenditures | \$ 5.1 | \$ 3.3 | \$20.6-\$25.6 |
| Capital expenditures for DXL stores | (20.1) | (30.4) | (20.6) |
| Free Cash Flow (non-GAAP basis) | \$ (15.0) | \$ (27.1) | \$0.0-\$5.0 |

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