

Stein Mart®



Investor Presentation
Third Quarter 2015

Forward Looking Statement

In the course of this presentation and in response to your questions, statements may be made as to certain matters that constitute forward-looking information that is subject to certain risk and uncertainties. Additional information concerning those factors that could cause actual results to differ from those in the forward-looking statements can be found in the company's annual report on Form 10-K for the year ended January 31, 2015 and most recent quarterly report on Form 10-Q.



KEY MESSAGES

- Sales growth initiatives
 - Increased brand penetration
 - Focused marketing and advertising
 - Credit card program
 - Ecommerce
 - Accelerated store growth
- Growing profitability
- A quality and stable leadership team
- Ability to return to and exceed our 2005 profitability levels



COMPANY OVERVIEW



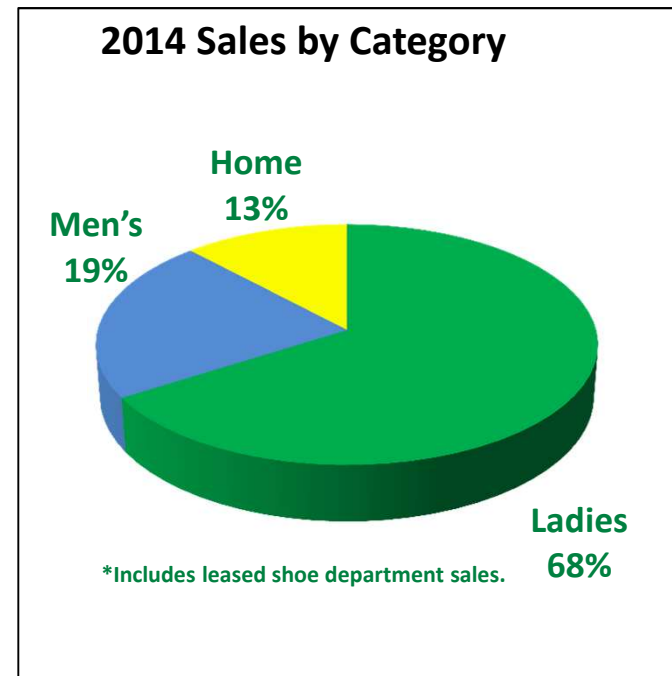
Company Fast Facts

- National retailer of fashion apparel for women and men, home, accessories and shoes
- Positioned between off-price and department/specialty stores
- 278 stores in 30 states
- 11,300 full and part-time associates
- Headquartered in Jacksonville, Florida
- Public company since 1992 (NASDAQ: SMRT)



Our Merchandise - *Fashion & Value for over 100 years*

- Focus on designer and national brands
- Every day low prices up to 60% off brand name and specialty merchandise
- Assortment edited for our customer
- Private label and proprietary/exclusive merchandise:
 - *Nina Home,*
 - *Peck & Peck in Ladies*
 - *Alan Flusser, Southern Pines and Island Republic in Men's*
- Shoe department exclusively supplied by DSW, Inc.



Merchandise Presentation

Merchandise displayed by category, brand, size



Department store appearance

Our Customer



- Female 35 - 65 years of age
- Style conscious and value seeking
- Above average income
- Typically married and college educated
- May be multi-cultural
- Highly loyal

Our Stores

- Convenient, off-mall in regional, community and neighborhood shopping centers where our customer lives & shops
- New stores average 32,000 total sq ft
 - Older stores average 35,000 sq ft
- Optimal co-tenants are other apparel retailers, higher-end grocers and better restaurants

Note: All stores are leased



Scottsdale, AZ



TURN-AROUND & GROWTH

Before the Recession

- Sales peaked in 2005
- Changed merchandising strategy in 2006-2007 to boost sales
 - Became too moderate in apparel and home areas (pricing and fashion)
 - Resulted in a loss of ~6% of sales between 2005 and 2007
- Additional 15% decline in sales during the Recession



Turn-Around of Profitability in 2009

- New CEO at end of 2008 returned the company to profitability
- Closed underperforming stores
 - 21 stores closed in 2008/2009
- Right-sized expenses to match lower sales
 - Savings of \$100 million in two-year period 2009-2010
- Returned to profitability in 2009



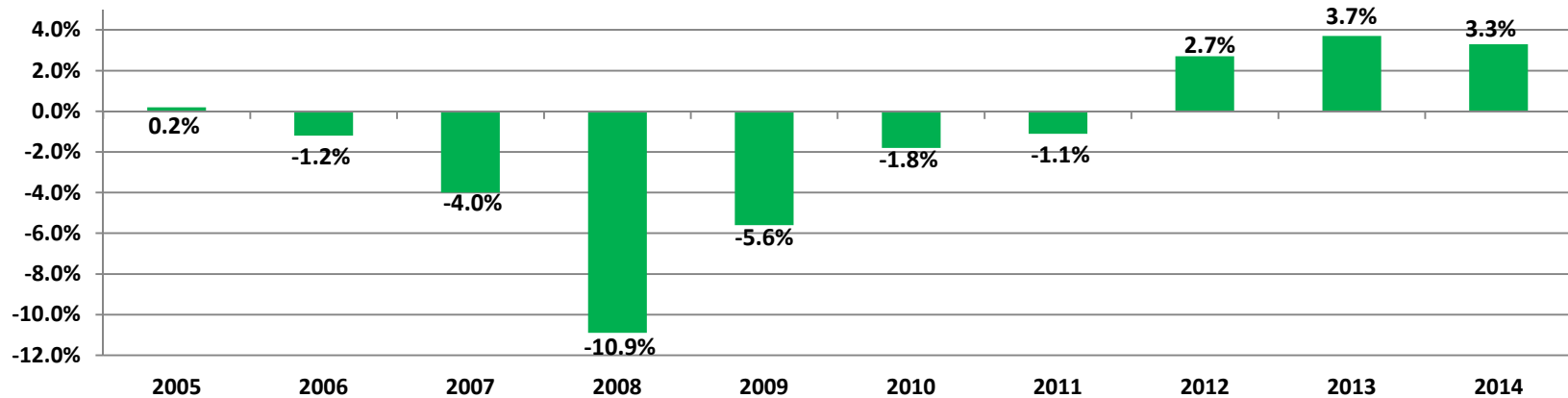
Turn-Around of Sales Starting in 2012

- New Merchandising Organization
 - Chief Merchandising Officer - January 2010
 - VPs/GMMs/Buying Teams - 2011
 - Increased and improved national brands
 - Reinvented Home area
 - Improved buying increased margins through higher markup and AUR
 - Sales trends turned positive in early 2012
- Jay Stein returned as CEO in September 2011
 - Reduced regular priced coupons to improve margins
 - Moved marketing from price to product-driven

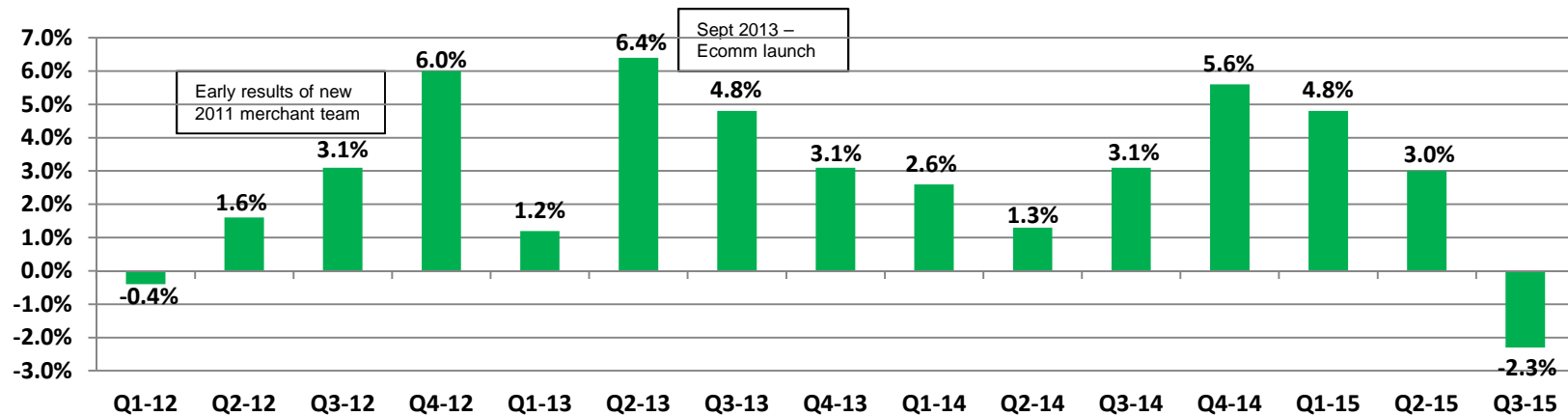


Historical Comparable Sales

Annual Comparable Store Sales:



Quarterly Comparable Store Sales Since 2012:



STORES & REAL ESTATE

Resuming Store Growth



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 PLAN*
BOY	262	268	280	276	267	264	262	263	264	270	278
Opened	12	14	6	2	2	3	6	4	9	10	12*
Closed	(6)	(2)	(10)	(11)	(5)	(5)	(5)	(3)	(3)	(2)	(2)
EOY	268	280	276	267	264	262	263	264	270	278	288
Relo	0	0	1	0	5	4	4	4	7	1	1

*Currently planning at least 12, with upside for fall 2016.



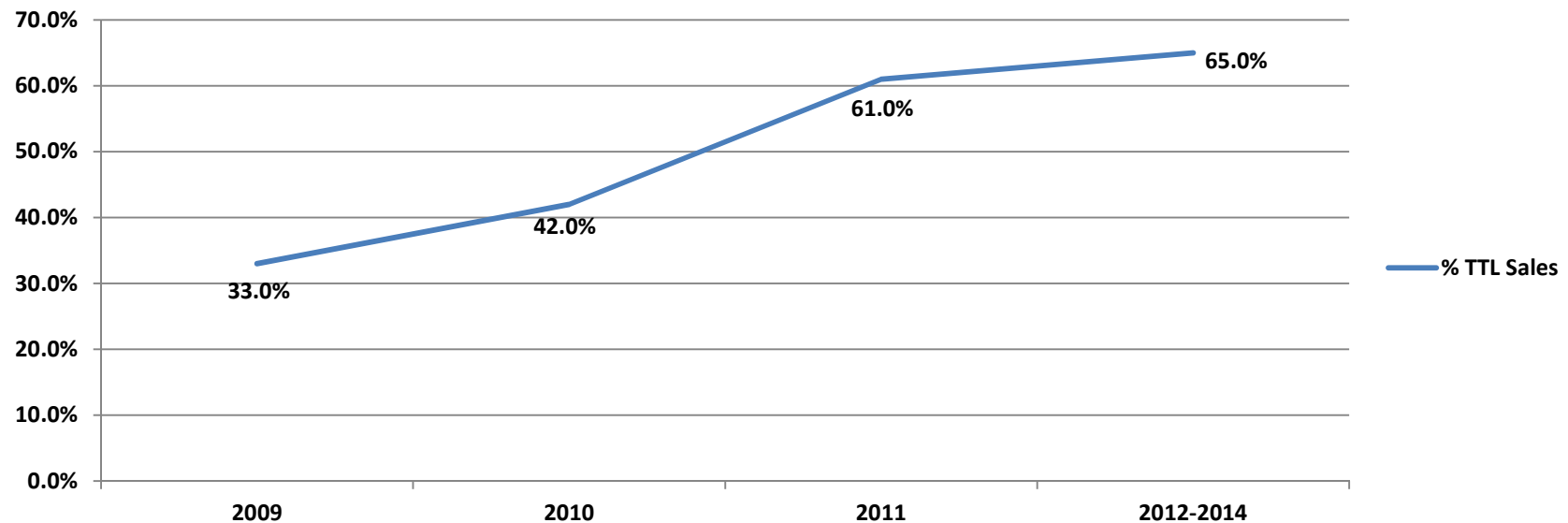
Real Estate Expansion



SALES GROWTH INITIATIVES

Increased Brand Penetration - *with Higher AURs*

National Brands % of Total Sales



- Added 350 + brands since 2009
- 10% private label - remainder un-branded
- Assortment is continually enhanced with updated styles, new brand additions and greater penetration of desired existing brands.



Designer and National Brands - *Over 350!*

Calvin Klein



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Adrienne Vittadini	Eileen Tracy	Joseph A.	Riedel
Alberto Makali	Etienne Aigner	Kasper	Robert Graham
Anne Klein	Evan Picone	Kenneth Cole	Robert Talbott
Ashworth	Fairway & Greene	Kut from the Cloth	Romeo & Juliet
August Silk	Free People	Laundry by Shelli Segal	Seven 7 Jeans
Avanti Towels	Godiva	Lenox (Linens)	Sonny Leigh
BCBG MAXAZRIA	Greg Norman	London Fog	Spanx
Betsy Johnson	Hartmarx	Lucky Brand	Steve Madden
Big Buddha	Hazel	Luigi Bormioli	Super Dry
Bobby Jones	Hickey Freeman	Maggie London	Sweet Shop
Buffalo Jeans	HOBO	Margaritaville	T Tahari
Bulova Watches	Hollander	Metrocane	Tahari
Callaway	Hudson	Michael Kors	Tallia
Calvin Klein	HUE	Muse	Ted Baker
Carlos Santana	Igloo	Nautica	The Sak
Coach	Ike Behar	Nicole	Thomas Dean
Columbia	Issac Mizrahi	Nike	Tommy Bahama
Core Bamboo	Ivanna Trump	Nine West	Tommy Hilfiger
Daniel Rainn	Izod	Not Your Daughters Jeans	Vaklco
Democracy	"J" by Jones	Original Penguin	Vera Bradley
Dooney and Bourke	Jack Nicklaus	OXO	Vince Camuto
DVF	Jessica Howard	Polo	Vineyard Vines
Eagle	Jessica Simpson	Quicksilver	Wacoal
Echo	Jhane Barnes	Ralph Lauren (Intimates)	WRK
ECI	Joan Vass	Raymond Waites (Linens)	XMI
Eileen West (Bath)	Jones N.Y. Collection	Report Collection	Yankee Candles

ANNE KLEIN

BCBG
MAXAZRIA

Bobby Jones®

JONES NEW YORK

NAUTICA

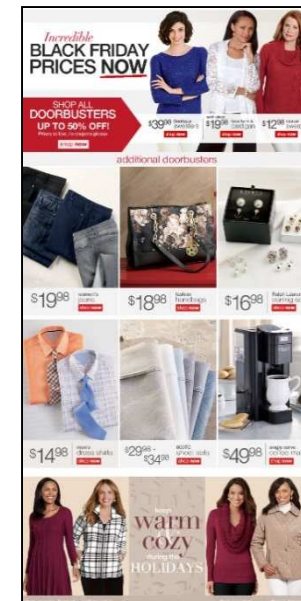
Credit Card Program - *Increasing Penetration*

- Private label card (launched in 2012) and co-branded MasterCard (began in 2006)
- Issued by our business partner Synchrony Financial, who bears credit risk
- Cardholders spend at least 35% more than other customers
- Penetration increased to 13.8% through Q3-2015 from 12.8% Q2-2015
 - 2014 penetration: 11.2%
 - 2013 penetration: 8.6%
 - Before private label card: 5%



E-commerce - *Launched September 2013*

- A significant selection (~80%) of stores' merchandise, plus unique items
- Marketing tool to reach customers
- Increases share of customer's spending through multi-channel approach
- 1.6 percent of sales YTD-2015
 - 1 percent of sales in fiscal 2014
 - Contributed 0.7 percent to comp sales
- Technology and fulfillment by eBay Enterprise

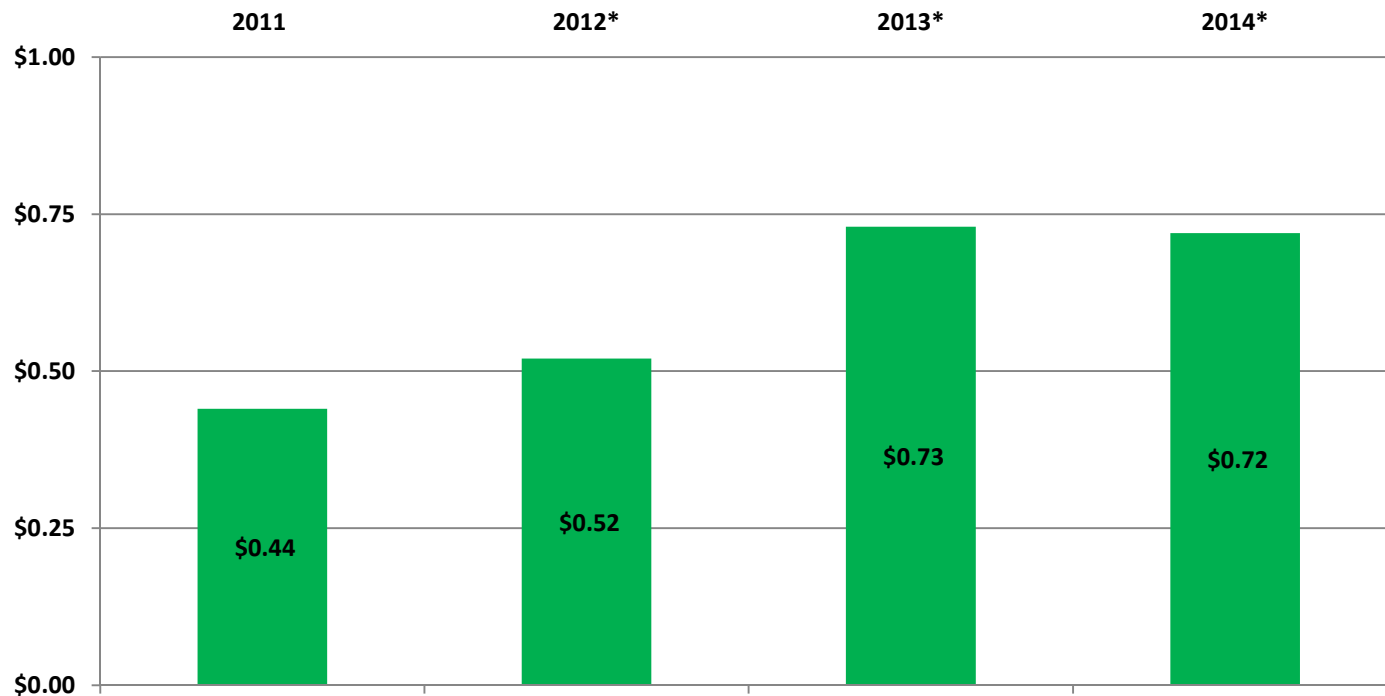


FINANCIAL RESULTS



Four-Year EPS

Earnings Per Diluted Share (Adjusted)



* EPS amounts include non-GAAP adjustments which are detailed in a non-GAAP reconciliation table included in our 3/12/15 earnings release.



First Nine Months 2015 Results

First Nine Months 2015

- Total sales: \$965.8 million, *up 3.8%*
- Comp sales: *+1.9%*
- Op income*: \$33.7 million, *up 11.5%*
- Gross profit rate: 28.9%
- Diluted EPS: \$0.37
- EBITDA~: \$58.4 million, *up 4.9%*

First Nine Months 2014

- Total sales: \$930.7 million
- Comp sales: *+2.3%*
- Op income*: \$30.2 million
- Gross profit rate: 29.3%
- Diluted EPS: \$0.32
- EBITDA~: \$55.6 million

*Adjusted for items which impacted 2015 and 2014 results as detailed in the non-GAAP reconciliation table (Note 1) included in our 11/19/2015 earnings release.

~EBITDA has been adjusted for items referred to in * above and for preopening costs of \$2.7 million and \$3.8 million in 2015 and 2014, respectively.



Third Quarter 2015 Results

Third Quarter 2015

- Total sales: \$300.7 million
- Comp sales: -2.3%
- Op income*: \$2.0 million, *up 12.1%*
- Gross profit rate: 27.3%
- Diluted loss per share: -\$0.01

Third Quarter 2014

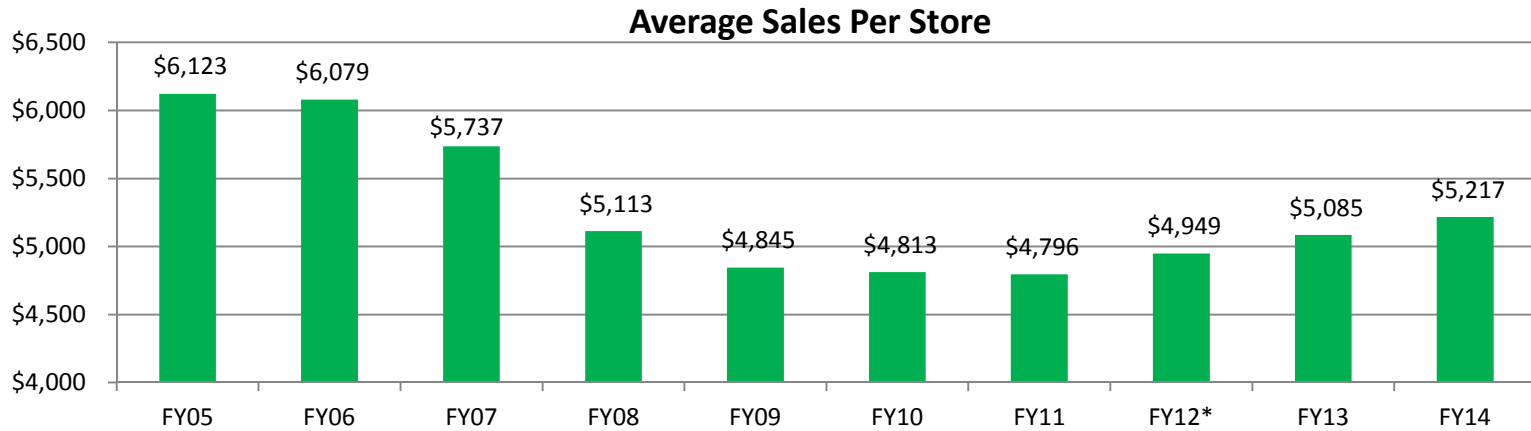
- Total sales: \$303.7 million
- Comp sales: +3.1%
- Op income*: \$1.8 million
- Gross profit rate: 27.8%
- Diluted loss per share: -\$0.03

*Adjusted for items which impacted 2015 and 2014 results as detailed in the non-GAAP reconciliation table (Note 1) included in our 11/19/2015 earnings release.

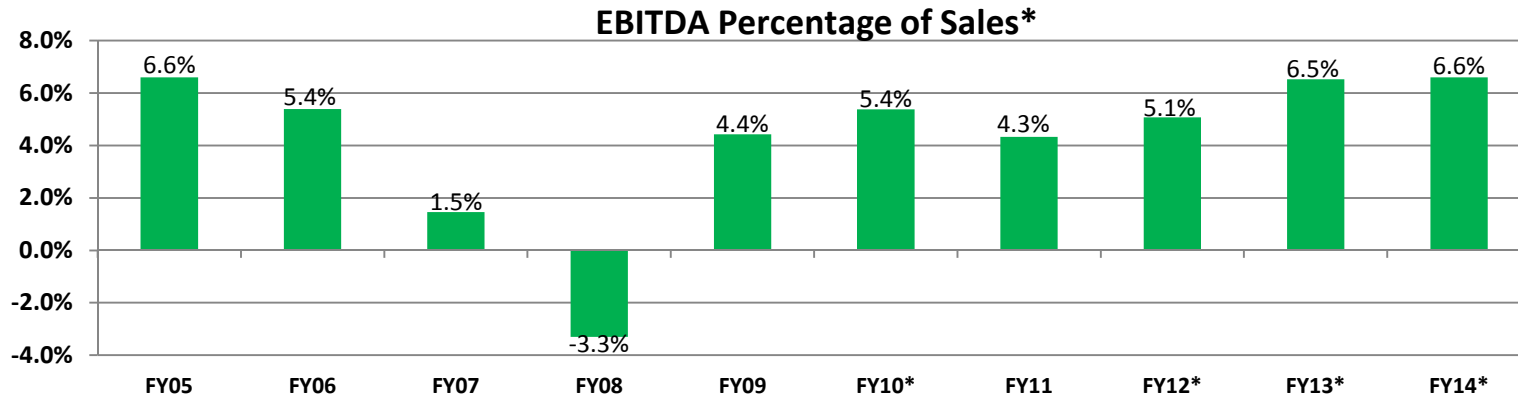


Increasing EBITDA and Average Sales Per Store

Opportunity to exceed peak 2005 sales & increase return on sales



*Excludes 53rd week in fiscal 2012.



*EBITDA in these calculations has been adjusted to exclude the following special items:

- 2010 - \$8.5M gift card cumulative breakage gain.
- 2012 to 2014 - adjusted for the items detailed in the non-GAAP reconciliation table included in our 3/12/15 earnings release.

Financial Position & Valuation

- Strong cash flow from operations
- \$5 per share recapitalization dividend - Feb. 2015
 - \$170 of \$226 million funded with debt
 - Balance sheet more efficient
 - Increases return on equity
- \$275 million credit facility (February 2015)
 - Debt will be \$150M to \$200M in 2015
 - Unused availability of \$75M to \$140M
- Continuing quarterly dividend of \$0.30/year
- Enterprise Value - \$535.3M (as of 11/18/15)
- EV/EBITDA* multiple – 6.0



*For last 12 months ended 10/31/15. EBITDA adjusted for items which impacted 2015 and 2014 results as detailed in the non-GAAP reconciliation table (Note 1) included in our 11/19/15 earnings release.

Growth Investments - Capital Expenditures Spending

Capital Expenditures, Net of TIA*

	2013	2014	2015 Plan
Gross capital expenditures:			
New and relocated stores	\$7,300	\$10,700	\$19,000
Existing stores	10,800	13,000	12,700
Information systems	17,700	15,700	13,600
Other	500	800	1,400
Total gross expenditures	36,300	40,200	46,700
Tenant improvement allowances	3,400	3,500	13,000
Net expenditures	\$32,900	\$36,700	\$33,700

*TIA – Tenant improvement allowances



2015 Updated Outlook

- 10 new stores and 2 closings for 278 at year-end
- Q4 sales to increase 3 to 4% above comps
- Gross profit rate lower than 2014 due to:
 - higher preopening costs for new Spring 2016 stores
 - a more promotional fall selling season
- SG&A expenses \$6-8 million > last year's \$338 million (excluding investigation costs)
- \$3.5 million interest expense on new debt
- Tax rate same as YTD third quarter rate of 38.7



Our Leadership Team

“Our quality management team has helped put us on a successful path.” – Jay Stein

- **CEO, Jay Stein** (founder who returned as CEO September 2011)
 - Changed our promotional focus from sale-price to product-driven
- **President and COO, Hunt Hawkins** (1994) – Genesco
 - Led our Oracle and Supply Chain transition initiatives
- **CFO, Greg Kleffner** (August 2009) - Kellwood, Arthur Andersen
 - Strengthened our internal controls and real estate selection process
- **E.V.P., Director of Stores, Gary Pierce** (May 2010) – Belk, Dillard’s
 - Ensures that our stores execute our sales strategies with a focus on cost-efficiency and customer-service
- **S.V.P. Marketing , Glori Katz** (April 2008) - Sears, Jockey International, J. Walter Thompson
 - Raised the productivity of our marketing investment



SUMMARY OF INVESTMENT OPPORTUNITY

- Specific sales growth initiatives
 - Increased brand penetration
 - Credit card program
 - Ecommerce
 - Accelerated store growth
- Growing profitability
- Growing sales to leverage expenses
 - Ability to return to and exceed 2005 profitability levels
- Quality leadership team



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Contact Information

Linda Tasseff, Director of Investor Relations

Office: 904-858-2639

Cell: 904-910-1867

E-mail: ltasseff@steinmart.com

Greg Kleffner, EVP, Chief Financial Officer

Office: 904-346-1500

E-mail: investorrelations@steinmart.com

