



# INVESTOR PRESENTATION

JUNE 2018

summer®  
A family of brands.

# Safe Harbor

Certain statements in this presentation that are not historical fact may be deemed “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, and Summer intends that such forward-looking statements be subject to the safe harbor created thereby. Such forward-looking statements include statements regarding the market position of Summer; the growth prospects of Summer; anticipated sales and operating results; the development of new products; demand for Summer’s products; and Summer’s business strategy. Summer cautions that these statements are qualified by important factors that could cause actual results to differ materially from those reflected by such forward-looking statements. Such factors include the concentration of Summer’s business with retail customers; the ability of Summer to compete in its industry; Summer’s dependence on key personnel; Summer’s reliance on foreign suppliers; the costs associated with pursuing and integrating strategic acquisitions; the costs associated with protecting intellectual property; and other risks as detailed in Summer’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, and subsequent filings with the Securities and Exchange Commission. The information contained in this presentation is accurate as of the date set forth on the cover page. Summer assumes no obligation to update the information contained in this presentation.

# Investor Highlights

- Transformation underway: streamlined & focused operations
- Improved EBITDA and delivered positive operating income
  - Exited non-core, low-margin areas & licensing agreements
  - Slashed \$4M in annual costs
  - Pivoted on TRU bankruptcy/liquidation
  - Refinanced for significant new liquidity (close & fund by end of June)
  - Invested in strategic initiatives

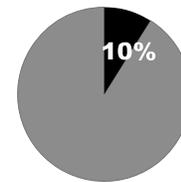
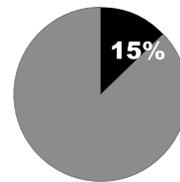
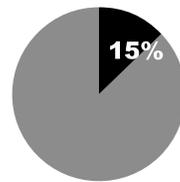
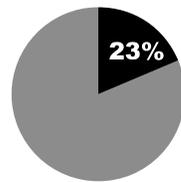
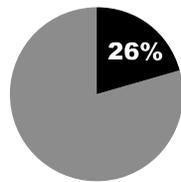
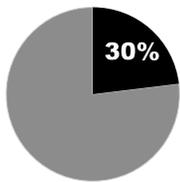
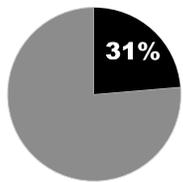
# About Summer

- **Portfolio of brands** positioned to appeal to multiple consumer demographics
- Supporting the evolving needs of families everywhere
- Investing to empower those brands



## Portfolio of products

"WIN BIGGER"							"EXPLORE"
Specialty Blankets	Bath	Potty	Gates	Monitors	Positioners	Strollers	Gear

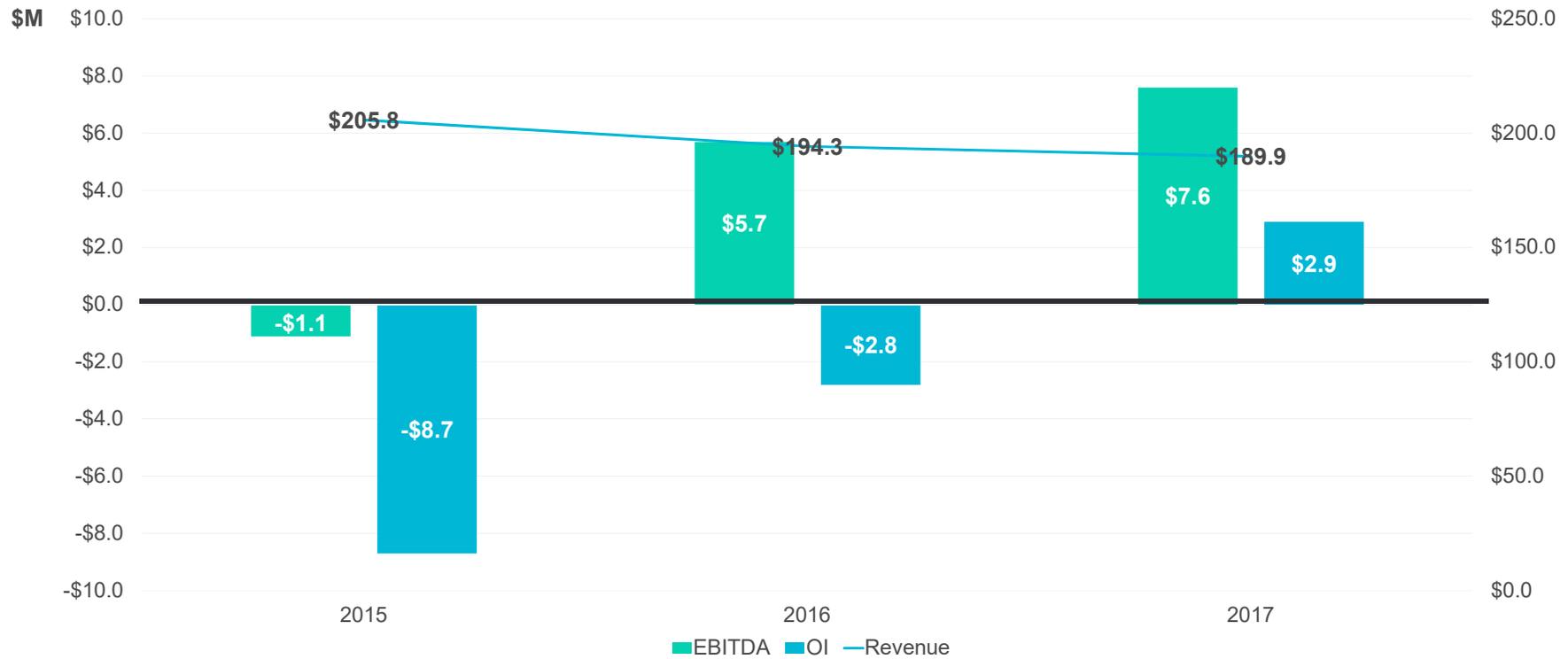


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# Transformation Highlights: Financials

## 3-YEAR REVENUE, EBITDA, OI



# Strategic Pillars for Growth

## 1 Improve Operating Focus

- Streamline operations
- Simplify the business

## 2 Develop Talent & Organization

- Right-size the organization
- Invest in skillsets needed to support growth

## 3 Deliver Growth

- Growth through Brands
- Growth through Product
- Growth through Distribution

# Improve Operating Focus & Develop Organization

- Streamline operations
  - Reducing SKU's while improving inventory quality – prioritize categories
  - Investing \$1M in distribution facility to reduce annual costs by \$700k/year
- Simplify the business
  - Reduce bureaucratic processes – restructuring to support time to market
  - Implementing Project Lifecycle Management for consistency
- Right-size the organization: \$1M in savings from HC reduction
- Investing in skillsets needed to support growth

# Deliver Growth from Brands

- Implementation of new marketing communications approach

## The M.O.M. Squad: National PR, Advertising, & Social Media Activation

- 30k YouTube Views
- 92M Earned Media Impressions & counting
- 100M+ Earned/Paid Impressions & counting



# Deliver Growth from Brands

- Increased utilization of existing Brands
  - Successful multi-brand strategy to gain incremental placement in specialty blankets at mass channels of distribution



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# Deliver Growth from Product

- Category Strategy

- “Win Bigger” = categories we currently lead in
- “Explore” = under evaluation for growth potential
- “Opportunistic” = categories we can disrupt through innovation and speed to market



My Bath Seat



Comfy Deluxe 3-in-1  
Bath Tub



My Size Potty





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# Deliver Growth from Product



Baby Pixel

Glimpse

## MONITORS

## STROLLERS



3D mini



3D pac CS+

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summer  
infant

SwaddleMe

BornFree

# Deliver Growth from Product

- NEW! Exclusive partnership at mass channel of distribution
- Home décor story to address how consumers shop
- Added **5 incremental placements**



**SAFETY GATES**



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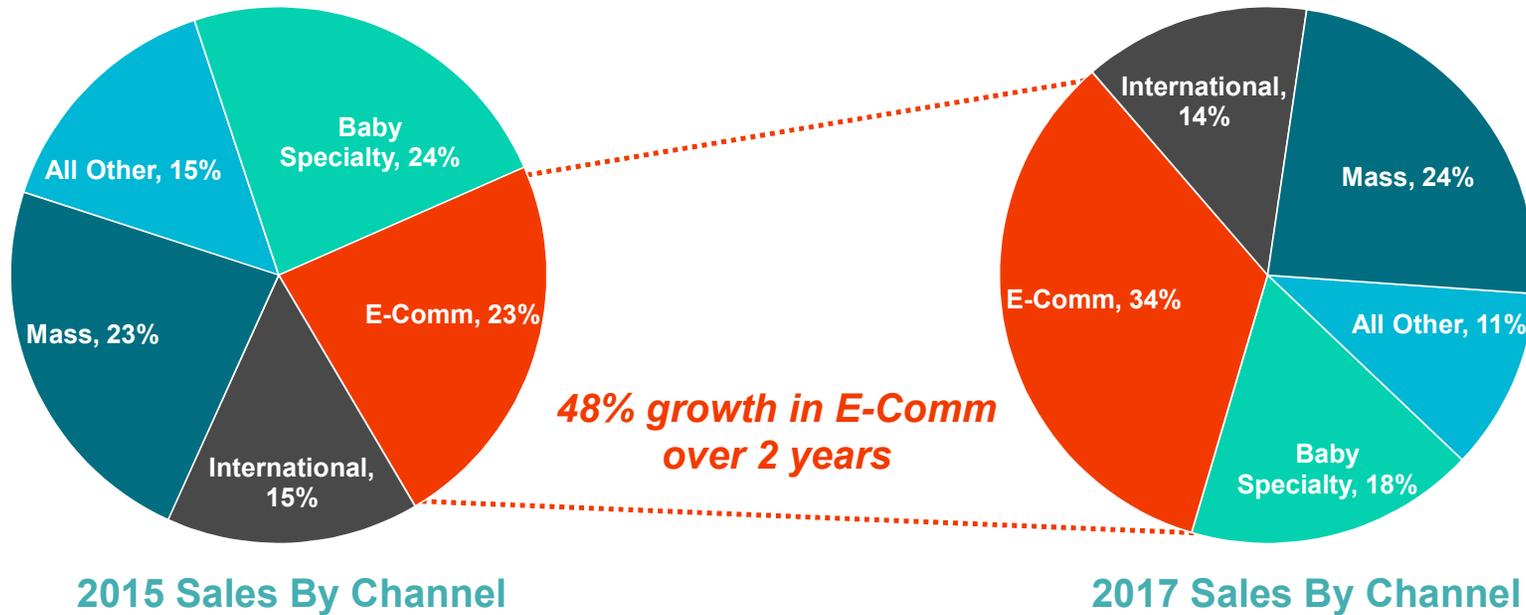
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SwaddleMe

BornFree

# Deliver Growth from Distribution

- Positioned for growth in North America
  - Through differentiated brand and derivative product offerings for ever-changing market dynamics



# Deliver Growth from Distribution

- Building for growth internationally
  - Addition of industry veteran as Vice President, International Sales
  - Employing regional market experts
  - Creation + activation of worldwide distributor network



# New Capital Structure

- \$60M ABL – 2%
- \$17.5M Term – 9%
- Low amortization – 5%/year
- Limited covenants – Springing FCCR test
- Provides liquidity for foreseeable future, including strategic initiatives
- Significant flexibility due to light covenants
- \$20M accordion for growth
- Financing to close & fund by end of June



# First Quarter Performance

\$ 000s

	<b>Three Months Ended</b>	
	<b>March 31, 2018</b>	<b>April 1, 2017</b>
Net sales	\$ 42,055	\$ 47,340
Cost of goods sold	28,463	32,051
Gross profit	\$ 13,592	\$ 15,289
General and administrative expenses <sup>(1)</sup>	12,588	9,272
Selling expense	2,678	3,911
Depreciation and amortization	1,001	1,056
Operating (loss)/income	\$ (2,675)	\$ 1,050
Interest expense	773	724
(Loss)/income before taxes	\$ (3,448)	\$ 326
Income tax (benefit)/provision	(741)	156
Net (loss)/income	\$ (2,707)	\$ 170
(Loss)/income per diluted share	\$ (0.15)	\$ 0.01
Shares used in fully diluted EPS	18,649,415	18,599,386

<sup>(1)</sup> Includes stock based compensation expense

# Summary

- Evolution of company moving forward
- EBITDA & Operating Income has improved
- Activation of 3 Strategic Pillars to position company for sustainable growth
- New Capital Structure removes barriers to accomplishing strategic goals

# Appendix



# Use of Non-GAAP Financial Metrics

This presentation includes certain financial information not derived in accordance with generally accepted accounting principles (“GAAP”). This presentation includes references to EBITDA, which is defined as income before interest and taxes plus depreciation, amortization, deal-related fees and non-cash stock option expense. Summer believes that the presentation of this non-GAAP measure provides information that is useful to investors as it indicates more clearly the ability of Summer’s assets to generate cash sufficient to pay interest on its indebtedness, meet capital expenditure and working capital requirements and otherwise meet its obligations as they become due. This presentation includes references to adjusted EBITDA and adjusted earnings per diluted share. Adjusted EBITDA is defined as income before interest and taxes plus depreciation, amortization, non-cash stock option expense and bank permitted add-backs.

Recipients of the presentation and other interested persons are advised to read all reports and other filings made by Summer with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and Securities Exchange Act of 1934, as amended, including, but not limited to, Summer’s Annual Report on Form 10-K for the year ended December 30, 2017. You can obtain a copy of any of these filings, without charge, by directing a request to Summer Infant, Inc., 1275 Park East Drive, Woonsocket, RI 02895, or on the Internet at the SEC’s website, [www.sec.gov](http://www.sec.gov).

# Balance Sheet

	<b>March 31, 2018</b>	<b>December 30, 2017</b>
	(unaudited)	
\$ 000s		
Cash and cash equivalents	\$ 812	\$ 681
Trade receivables, net	29,223	36,640
Inventory, net	28,724	34,035
Property and equipment, net	9,583	9,640
Intangible assets, net	13,854	14,046
Other assets	<u>3,818</u>	<u>2,988</u>
Total assets	\$ <u><u>86,014</u></u>	\$ <u><u>98,030</u></u>
Accounts payable	\$ 22,305	\$ 24,642
Accrued expenses	6,189	9,818
Current portion of long-term debt	4,916	3,250
Long term debt, less current portion <sup>(1)</sup>	39,035	43,772
Other long term liabilities	<u>2,587</u>	<u>2,906</u>
Total liabilities	75,032	84,388
Total stockholders' equity	<u>10,982</u>	<u>13,642</u>
Total liabilities and stockholders' equity	\$ <u><u>86,014</u></u>	\$ <u><u>98,030</u></u>

<sup>(1)</sup> Under U.S. GAAP, long term debt is reported net of unamortized financing fees. As a result, reported long term debt is reduced by \$1,002 and \$1,127 of unamortized financing fees in the periods ending March 31, 2018 and December 30, 2017, respectively.

# EBITDA Reconciliation

\$ 000s

	Three Months Ended	
	March 31, 2018	April 1, 2017
Reconciliation of Adjusted EBITDA		
Net (loss)/income (GAAP)	\$ (2,707)	\$ 170
Plus: interest expense	773	724
Plus: (benefit)/provision for income taxes	(741)	156
Plus: depreciation and amortization	1,001	1,056
Plus: non-cash stock based compensation expense	99	85
Plus: permitted add-backs	2,931	169
Adjusted EBITDA (Non-GAAP)	<u>\$ 1,356</u>	<u>\$ 2,360</u>
Reconciliation of Adjusted EPS		
Net (loss)/income (GAAP)	\$ (2,707)	\$ 170
Plus: permitted add-backs	2,931	169
Tax impact of items impacting comparability	(616)	(57)
Adjusted Net (loss)/income (Non-GAAP)	<u>\$ (392)</u>	<u>\$ 282</u>
Adjusted (loss)/income per diluted share (Non-GAAP)	<u>\$ (0.02)</u>	<u>\$ 0.02</u>