



Oxford Industries, Inc. (OXM)

Updated June 12th, 2025 by Patrick Neuwirth

Key Metrics

Current Price:	\$43	5 Year Annual Expected Total Return:	10.1%	Market Cap:	\$646 M
Fair Value Price:	\$42	5 Year Growth Estimate:	5.0%	Ex-Dividend Date¹:	07/18/25
% Fair Value:	103%	5 Year Valuation Multiple Estimate:	-0.5%	Dividend Payment Date:	08/01/25
Dividend Yield:	6.4%	5 Year Price Target	\$54	Years Of Dividend Growth:	6
Dividend Risk Score:	F	Sector:	Consumer Discretionary	Rating:	Hold

Overview & Current Events

Oxford Industries, Inc. (OXM) is a leading apparel manufacturer specializing in premium lifestyle brands, including Tommy Bahama and Lilly Pulitzer. Tommy Bahama, the company's largest segment, offers men's and women's resort-inspired sportswear, accessories, and home goods, while Lilly Pulitzer designs upscale women's dresses and sportswear known for vibrant prints. Founded in 1942 and headquartered in Atlanta, Georgia, Oxford operates a diverse omnichannel distribution network, including retail stores, e-commerce, and wholesale partnerships. With 6,000 employees, the company focuses on high-quality craftsmanship and brand heritage to drive growth in the consumer cyclical apparel manufacturing industry.

On June 11th, 2025, Oxford Industries announced its first-quarter fiscal 2025 financial results for the period ended May 3rd, 2025. The company reported net earnings of \$26.2 million for Q1 FY25, compared to \$38.4 million in the prior-year quarter. Adjusted diluted earnings per share (EPS) declined to \$1.82 from \$2.66 in Q1 FY24, reflecting higher freight costs, increased markdowns, and a less favourable channel mix.

Quarterly net sales declined 1.3% year-over-year to \$393 million, down from \$398 million in the year-ago period. Lilly Pulitzer delivered 12% sales growth, while Johnny Was declined 15% and Tommy Bahama decreased 4%. Gross margin narrowed to 64.3% on an adjusted basis, compared to 65.4% a year earlier, due to elevated e-commerce freight costs, deeper discounting, and a wholesale-heavy sales mix. Adjusted operating income declined 32% to \$39 million, from \$57 million a year earlier.

However, persistent softness at Johnny Was and negative comps in key segments weighed on profitability, underscoring ongoing challenges in discretionary apparel demand. The quarter also saw the first full impact of newly imposed U.S. tariffs, which resulted in \$1 million of added costs and contributed to a projected \$2.00 per-share after-tax headwind for the full year. In response, Oxford is accelerating its supply chain diversification, with plans to reduce sourcing from China to below 10% by the end of fiscal 2026, down from 40% in FY2024.

Looking ahead, Oxford's management provided revised fiscal 2025 guidance with net sales expected between \$1.475 billion and \$1.515 billion, and adjusted EPS projected in the range of \$2.80 to \$3.20, reflecting a more cautious consumer, elevated tariffs (~\$2.00/share impact), and higher interest expense (~\$0.20–\$0.25/share impact). The company noted strong consumer engagement around key shopping occasions but anticipates continued demand volatility during off-peak periods. Oxford expects to open approximately 15 new stores and complete its new Lyons, Georgia distribution center in Q4 FY25.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$3.54	\$3.27	\$3.87	\$3.94	\$4.05	\$1.85	\$2.78	\$8.04	\$10.15	\$6.68	\$3.00	\$3.83
DPS	\$0.96	\$1.06	\$1.08	\$1.29	\$1.45	\$1.12	\$1.46	\$2.07	\$2.60	\$2.66	\$2.76	\$3.52
Shares²	16	16	17	17	17	17	17	17	16	16	15	15

¹ Estimated date

² Share count is in millions.

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The company has grown earnings by 7.3% per year in the last decade and 10.2% over the past five years. We expect earnings to grow on average by 5% per year for the next five years. The company has been able to increase its dividend for 6 consecutive years. Over the last five years, the average annual dividend growth rate is 19.8%. In March 2025, the company increased its quarterly dividend by 3% from \$0.67 to \$0.69 per share. Oxford Industries repurchased \$51 million worth of its shares during the first quarter of fiscal 2025, reducing outstanding shares by approximately 2.8% at an average price of approximately \$58.88. The company has not announced a new repurchase authorization.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	18.6	16.7	23.7	16.3	18.2	35.1	18.3	9.6	10.5	13.2	14.4	14.0
Avg. Yld.	1.5%	1.8%	1.4%	1.8%	1.9%	1.7%	1.4%	2.2%	2.5%	3.4%	6.4%	6.6%

During the past decade shares of Oxford Industries have traded with an average price-to-earnings ratio of about 18.0 and today, it stands at 14.4. We are using 14 times earnings as a fair value baseline, implying the potential for a valuation headwind. The company’s dividend yield is currently 6.4% which is above the average yield of 2.0% over the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	27%	32%	28%	33%	36%	61%	53%	26%	26%	40%	59%	59%

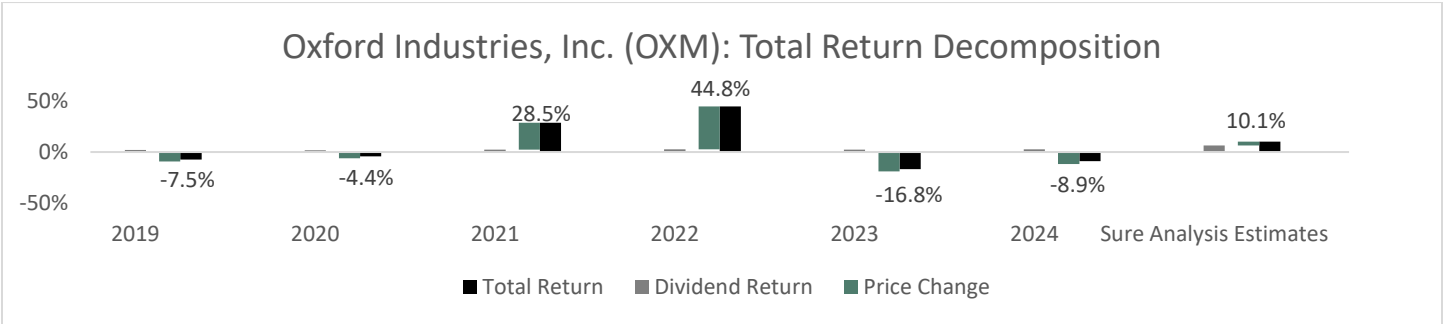
Over the past five years, Oxford Industries’ dividend payout ratio has averaged around 40%, supported by strong earnings and cash flow. The dividend remains well-covered, and with continued profitability, there is room for steady growth while keeping the payout ratio at a sustainable level.

Oxford Industries benefits from a portfolio of premium lifestyle brands that offer strong brand loyalty, full-price selling power, and a differentiated customer experience. Its focus on direct-to-consumer channels, supported by an omnichannel infrastructure and food & beverage integration, enhances margin resilience. The company maintains a healthy balance sheet, with \$118 million in long-term debt and \$8 million in cash at the end of Q1 FY2025, and interest expense of \$2 million as borrowing increased to fund investments and share repurchases. While macro softness and \$40 million in tariffs may pressure FY25 earnings, Oxford’s asset-light model, tight inventory control, and premium positioning provide flexibility. Progress on reducing China sourcing to under 10% by FY2026 should aid long-term margin recovery.

Final Thoughts & Recommendation

Oxford Industries stands out with its strong brands and healthy balance sheet. While FY25 will bring margin pressure, Oxford’s investments in omnichannel capabilities, new store openings, and supply chain modernization support long-term growth. We maintain a hold rating based on fair valuation and mid-single-digit earnings growth expectations.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	969	1,023	1,086	1,107	1,123	749	1,142	1,412	1,571	1,517
Gross Profit	557	580	613	637	645	415	706	889	996	955
Gross Margin	57.4%	56.7%	56.4%	57.5%	57.4%	55.4%	61.8%	63.0%	63.4%	62.9%
SG&A Exp.	474	505	541	561	566	493	574	692	821	855
D&A Exp.	36	42	42	41	39	40	40	48	64	68
Operating Profit	98	90	86	91	94	(63)	166	219	195	119
Operating Margin	10.1%	8.8%	7.9%	8.2%	8.3%	-8.5%	14.5%	15.5%	12.4%	7.8%
Net Profit	31	52	65	66	68	(96)	131	166	61	93
Net Margin	3.2%	5.1%	6.0%	6.0%	6.1%	-12.8%	11.5%	11.7%	3.9%	6.1%
Free Cash Flow	32	69	80	59	85	55	166	79	170	60
Income Tax	37	32	18	22	24	(30)	33	50	14	24

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	583	685	700	727	1,033	866	958	1,189	1,098	1,290
Cash & Equivalents	6	6	6	8	52	66	45	9	8	9
Accounts Receivable	59	58	68	69	58	30	32	44	63	72
Inventories	129	142	127	161	152	124	118	220	160	167
Goodwill & Int. Ass.	161	235	246	243	242	180	179	404	289	285
Total Liabilities	248	309	270	249	505	460	450	632	537	667
Accounts Payable	68	77	68	82	65	71	81	95	86	105
Long-Term Debt	44	92	46	13	-	-	-	119	29	31
Shareholder's Equity	334	376	430	478	529	406	508	556	561	623
LTD/E Ratio	0.13	0.24	0.11	0.03	-	-	-	0.21	0.05	0.05

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	5.1%	8.3%	9.4%	9.3%	7.8%	-10.1%	14.4%	15.4%	5.3%	7.8%
Return on Equity	9.8%	14.8%	16.2%	14.6%	13.6%	-20.5%	28.8%	31.2%	10.9%	15.7%
ROIC	7.9%	12.4%	13.8%	13.7%	13.4%	-20.5%	28.8%	28.0%	9.6%	14.9%
Shares Out.	16	16	17	17	17	17	17	17	16	16
Revenue/Share	58.54	61.42	64.91	65.76	66.38	45.18	67.70	86.82	98.80	95.82
FCF/Share	1.95	4.15	4.77	3.52	5.00	3.31	9.85	4.86	10.70	3.78

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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