Xcel Brands, Inc. Announces Fourth Quarter and Year-End 2024 Financial Results, Shows Improvements as a Result of Its “Project Fundamentals” Restructuring Program

May 28, 2025 at 9:00 AM EDT

- ***Fourth quarter 2024 net loss of $7.1 million, compared with a net loss of $6.8 million for the prior year quarter.***
- ***Net loss on a non-GAAP basis was $1.6 million for the fourth quarter 2024, representing a 53% improvement from the fourth quarter of 2023 non-GAAP net loss of $3.5 million.***
- ***Net loss on a non-GAAP basis was $5.1 million for the full year 2024, representing a 58% improvement from 2023 non-GAAP net loss of $12.2 million.***
- ***Adjusted EBITDA for the fourth quarter 2024 was negative $0.8 million, compared with Adjusted EBITDA of negative $1.2 million for the fourth quarter 2023, representing a 31% improvement.***
- ***Adjusted EBITDA for the full year 2024 was negative $3.5 million, compared with Adjusted EBITDA of negative $5.7 million for 2023, representing a 40% improvement.***

NEW YORK, May 28, 2025 (GLOBE NEWSWIRE) -- Xcel Brands, Inc. (NASDAQ: XELB) (“Xcel” or the “Company”), a media and consumer products company with significant expertise in livestream shopping and social commerce, today announced its financial results for the quarter ended March 31, 2025, and the quarter and fiscal year ended December 31, 2024.

Robert W. D'Loren, Chairman and Chief Executive Officer of Xcel commented, “Despite headwinds in the industry from tariffs and other external forces, I am extremely pleased with where we are headed given our recent new brand launches. The social media following of our brand portfolio has grown from 5 million to 45 million followers over the past five months. We believe this positions us well to drive new business growth and is a significant step toward our goal of reaching 100 million followers across our brands”.

Fourth Quarter 2024 Financial Results

Total revenue for the fourth quarter of 2024 was $1.2 million, representing a decrease of approximately $1.1 million (-47%) from the fourth quarter of 2023. This decrease was predominantly driven by a decline in net licensing revenue – specifically, the June 30, 2024 divestiture of the Lori Goldstein brand, partially offset by increased licensing revenues generated by the Company’s other brands.

Net loss attributable to Xcel Brands stockholders for the quarter was approximately $7.1 million, or $(3.00) per share, compared with a net loss of $6.8 million, or $(3.43) per share, for the prior year quarter.

After adjusting for certain cash and non-cash items, results on a non-GAAP basis were a net loss of approximately $1.6 million, or $(0.69) per share for the current quarter and a net loss of approximately $3.5 million, or $(1.76) per share, for the prior year quarter.

Adjusted EBITDA also improved on a year-over-year basis, from negative $1.2 million in the prior year quarter to negative $0.8 million for the current quarter – an improvement of 31%.

Full Year 2024 Financial Results

Total revenue for the fiscal year was $8.3 million, representing a decrease of approximately $9.5 million (-53%) from fiscal year 2023. This decline was predominantly driven by the decrease in net product sales due to the Company’s discontinuance of its wholesale businesses as part of its Project Fundamentals plan in 2023.

Net loss attributable to Xcel Brands stockholders for the year ended December 31, 2024, was approximately $22.4 million, or $(9.84) per share, compared with a net loss of $21.1 million, or ($10.68) per diluted share, for the prior year. The fiscal year 2024 period includes significant one-off non-cash items, including a $3.8 million gain on the divestiture of the Lori Goldstein brand, a $3.5 million charge related to the exit and sublease of the Company’s prior office space, and $10.0 million of charges stemming from the valuation of and contractual contingent obligations related IM Topco, LLC.

After adjusting for certain cash and non-cash items, results on a non-GAAP basis were a net loss of approximately $5.1 million, or ($2.23) per share for the current year and a net loss of approximately $12.2 million, or ($6.17) per share, for the prior year.

Adjusted EBITDA improved significantly on a year-over-year basis, from negative $5.7 million in fiscal year 2023 to negative $3.5 million for fiscal year 2024; this 40% improvement was attributable to the restructuring of the business and entry into the new long-term license agreements in 2023 for the Halston, Judith Ripka, C Wonder, and Longaberger brands.

Balance Sheet

The Company's balance sheet at December 31, 2024, reflected stockholders' equity of approximately $28 million, unrestricted cash and cash equivalents of approximately $1.3 million, and a working capital (exclusive of the current portion of lease obligations, deferred revenue, and contingent obligations payable in shares or via other non-cash means) of approximately $1.0 million. The Company's balance sheet at December 31, 2024, also reflected $6.6 million of long-term debt.

In April 2025, the Company refinanced its term loan debt, resulting in a net increase of approximately $3.0 million in the Company's liquidity.

Conference Call and Webcast

The Company will host a conference call with members of the executive management team to discuss these results and together with the first quarter of 2025 results. Details of the date and time of this call will be released shortly

About Xcel Brands

Xcel Brands, Inc. (NASDAQ: XELB) is a media and consumer products company engaged in the design, licensing, marketing, live streaming, and social commerce sales of branded apparel, footwear, accessories, fine jewelry, home goods and other consumer products, and the acquisition of dynamic consumer lifestyle brands. Xcel was founded in 2011 with a vision to reimagine shopping, entertainment, and social media as social commerce. Xcel owns the Halston, Judith Ripka, and C Wonder brands, as well as the TowerHill by Christie Brinkley co-branded collaboration and LB70 by Lloyd Boston co-branded collaboration, and also holds noncontrolling interests in the Isaac Mizrahi brand and Orme Live. Xcel also owns and manages the Longaberger brand through its controlling interest in Longaberger Licensing, LLC. Xcel is pioneering a true modern consumer products sales strategy which includes the promotion and sale of products under its brands through interactive television, digital live-stream shopping, social commerce, brick-and-mortar retailers, and e-commerce channels to be everywhere its customers shop. The company's brands have generated in excess of $5 billion in retail sales via livestreaming in interactive television and digital channels alone, and over 20,000 hours of live-stream and social commerce. Headquartered in New York City, Xcel Brands is led by an executive team with significant live streaming, production, merchandising, design, marketing, retailing, and licensing experience, and a proven track record of success in elevating branded consumer products companies. www.xcelbrands.com

Forward Looking Statements

This press release contains forward-looking statements. All statements other than statements of historical fact contained in this press release, including statements regarding future events, our future financial performance, business strategy and plans and objectives of management for future operations, are forward-looking statements. We have attempted to identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "ongoing," "could," "estimates," "expects," "intends," "may," "appears," "suggests," "future," "likely," "goal," "plans," "potential," "projects," "predicts," "seeks," "should," "would," "guidance," "confident" or "will" or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements regarding our anticipated revenue, expenses, profitability, strategic plans and capital needs. These statements are based on information available to us on the date hereof and our current expectations, estimates and projections and are not guarantees of future performance. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors, including, without limitation, the risks discussed in the "Risk Factors" section and elsewhere in the Company's Annual Report on form 10-K for the year ended December 31, 2023 and its other filings with the SEC, which may cause our or our industry's actual results, levels of activity, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time, and it is not possible for us to predict all risk factors, nor can we address the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause our actual results to differ materially from those contained in any forward-looking statements. You should not place undue reliance on any forward-looking statements. Except as expressly required by the federal securities laws, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

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Non-GAAP net income and non-GAAP diluted EPS are non-GAAP unaudited terms. We define non-GAAP net income as net income (loss) attributable to Xcel Brands, Inc. stockholders, exclusive of asset impairment charges, amortization of trademarks, income (loss) from equity method investments, reduction in equity ownership and carrying value of IM Topco, LLC, stock-based compensation and cost of licensee warrants, loss on extinguishment of debt, gains on sales of assets and investments, gain on lease termination, and income taxes. Non-GAAP net income and non-GAAP diluted EPS measures do not include the tax effect of the aforementioned adjusting items, due to the nature of these items and the Company's tax strategy.

Adjusted EBITDA is a non-GAAP unaudited measure, which we define as net (loss) income attributable to Xcel Brands, Inc. stockholders before interest and finance expenses (including loss on extinguishment of debt, if any), accretion of lease liability for exited leases, income taxes, other state and local franchise taxes, depreciation and amortization, income (loss) from equity method investments, reduction in equity ownership and carrying value of IM Topco, LLC, asset impairment charges, stock-based compensation and cost of licensee warrants, gains on sales of assets and investments, gain on lease termination, and costs associated with restructuring of operations. Costs associated with restructuring of operations include operating losses generated by certain of our businesses that have been restructured or discontinued (i.e., wholesale apparel and fine jewelry), as well as non-cash charges associated with the restructuring of certain contractual arrangements.

Management uses non-GAAP net income, non-GAAP diluted EPS, and Adjusted EBITDA as measures of operating performance to assist in comparing performance from period to period on a consistent basis and to identify business trends relating to our results of operations. Management believes non-GAAP net income, non-GAAP diluted EPS, and Adjusted EBITDA are also useful because these measures adjust for certain costs and other events that management believes are not representative of our core business operating results, and thus these non-GAAP measures provide supplemental information to assist investors in evaluating our financial results.

Non-GAAP net income, non-GAAP diluted EPS, and Adjusted EBITDA should not be considered in isolation or as alternatives to net income, earnings per share, or any other measure of financial performance calculated and presented in accordance with GAAP. Given that non-GAAP net income, non-GAAP diluted EPS, and Adjusted EBITDA are financial measures not deemed to be in accordance with GAAP and are susceptible to varying calculations, our non-GAAP net income, non-GAAP diluted EPS, and Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in our industry, because other companies may calculate these measures in a different manner than we do. In evaluating non-GAAP net income, non-GAAP diluted EPS, and Adjusted EBITDA, you should be aware that in the future we may or may not incur expenses similar to some of the adjustments in this document. Our presentation of non-GAAP net income, non-GAAP diluted EPS, and Adjusted

EBITDA does not imply that our future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating our performance, you should consider non-GAAP net income, non-GAAP diluted EPS, and Adjusted EBITDA alongside other financial performance measures, including our net income and other GAAP results, and not rely on any single financial measure.

Xcel Brands, Inc. and Subsidiaries
Unaudited Consolidated Statements of Operations
(in thousands, except share and per share data)

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2024	2023	2024	2023
Revenues				
Net licensing revenue	$ 1,397	$ 2,125	$ 7,912	$ 9,156
Net sales	-188	162	347	8,599
Net revenue	1,209	2,287	8,259	17,755
Cost of goods sold (sales)	0	200	445	6,918
Gross profit	1,209	2,087	7,814	10,837
Operating costs and expenses				
Salaries, benefits and employment taxes	1,145	2,063	5,916	9,910
Other selling, general and administrative expenses	1,705	3,442	6,842	13,261
Total direct operating costs and expenses	2,850	5,505	12,758	23,171
Other expense, including non-cash expenses				
Depreciation and amortization	903	1,694	4,947	6,954
Asset impairment charges	-	-	3,483	100
Loss from equity method investment	5,940	515	7,623	2,060
Contingent reduction in equity ownership of IM Topco, LLC	-2,041		4,213	
Gain on sale of limited partner ownership	-	(8)	-	(359)
Gain on Lease Liability		-	-	(445)
Gain on divestiture of Lori Goldstein Brand	-	-	(3,801)	-
Operating loss	(6,443)	(5,619)	(21,409)	(20,644)
Interest and finance expense				
Interest expense	198	99	618	113
Other interest and finance charges	8	265	26	268
Loss on extinguishment of debt	287	-	287	-
Total interest and finance expense	493	364	931	381
Loss before income taxes	(6,936)	(5,983)	(22,340)	(21,025)
Income tax provision (benefit)	220	1,212	220	1,212
Net loss	**(7,156)**	**(7,195)**	**(22,560)**	**(22,237)**
Less: Net loss attributable to noncontrolling interest	(73)	(398)	(165)	(1,185)
Net loss attributable to Xcel Brands, Inc. stockholders	**$ (7,083)**	**$ (6,797)**	**$ (22,395)**	**$ (21,052)**
Loss per common share attributed to Xcel Brands, Inc. stockholders:				
Basic net loss per share	$ (3.00)	$ (3.43)	$ (9.84)	$ (10.68)
Weighted average number of common shares outstanding:				
Basic and diluted weighted average common shares outstanding	2,361,028	1,979,413	2,275,332	1,971,072

Xcel Brands, Inc. and Subsidiaries
Unaudited Consolidated Balance Sheets

(in thousands, except share and per share data)

	December 31, 2024	December 31, 2023
Assets		
Current Assets:		
Cash and cash equivalents	$ 1,254	$ 2,998
Accounts receivable, net	2,269	3,454
Inventory	0	453
Prepaid expenses and other current assets	520	398
Total current assets	4,043	7,303
Property and equipment, net	182	634
Operating lease right-of-use assets	3,751	4,453
Trademarks and other intangibles, net	34,759	41,520
Equity method investment	10,110	17,735
Other assets	911	15
Total non-current assets	49,713	64,357
Total Assets	**$ 53,756**	**$ 71,660**
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	$ 2,734	$ 2,236
Deferred revenue	1,380	889
Accrued income taxes payable	554	372
Current portion of operating lease obligation	1,513	1,258
Current portion of long-term debt	-	750
Current portion of contingent obligations	4,213	964
Total current liabilities	10,394	6,469
Long-Term Liabilities:		
Deferred revenue	2,667	3,556
Long-term portion of operating lease obligation	5,297	4,021
Long-term debt, net, less current portion	6,569	3,971
Current portion of contingent obligations	-	5,432
Other long-term liabilities	431	40
Total long-term liabilities	14,964	17,020
Total Liabilities	25,358	23,489
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, $.001 par value, 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock, $.001 par value, 50,000,000 shares authorized, and 19,795,053 and 19,624,860 shares issued and outstanding at December 31, 2023 and December 31, 2022, respectively	2	2
Paid-in capital	106,666	103,879
Accumulated deficit	(76,244)	(53,849)
Total Xcel Brands, Inc. stockholders' equity	30,424	50,032
Noncontrolling interest	(2,026)	(1,861)
Total Stockholders' Equity	28,398	48,171
Total Liabilities and Stockholders' Equity	**$ 53,756**	**$ 71,660**

Xcel Brands, Inc. and Subsidiaries

Unaudited Consolidated Statements of Cash Flows

(in thousands)

For the Year Ended December 31,

	2024	2023
Cash flows from operating activities		
Net loss	$ (22,560)	$ (22,237)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization expense	4,947	6,954
Asset impairment charges	3,483	100
Amortization of deferred finance costs	115	22
Stock-based compensation	403	242
Provision for doubtful accounts	17	75
Contingent reduction in equity ownership of IM Topco, LLC	4,213	-
Loss from equity method investment	7,623	2,060
Loss on early extinguishment of debt	287	-
Deferred income tax provision (benefit)	-	1,107
Gain on sale of limited partner ownership interest	-	(359)
Gain on settlement of lease liability	-	(445)
Gain on divestiture of Lori Goldstein brand	(3,801)	-
Changes in operating assets and liabilities:		
Accounts receivable	1,168	1,581
Inventory	453	2,391
Prepaid expenses and other assets	(279)	1,034
Deferred revenue	(398)	4,356
Accounts payable, accrued expenses and other current liabilities	16	(2,936)
Lease-related assets and liabilities	(794)	(525)
Other Liabilities	391	35
Net cash used in operating activities	(4,716)	(6,545)
Cash flows from investing activities		
Capital contribution to equity method investee	-	(150)
Net proceeds from the sale of assets	-	459
Purchase of property and equipment	(112)	(100)
Net cash provided by investing activities	(112)	209
Cash flows from financing activities		
Proceeds from public offering and private placement transactions, net of transaction costs	1,902	-
Proceeds from long-term debt	7,950	5,000
Proceeds from exercise of stock options	-	27
Shares repurchased including vested restricted stock in exchange for withholding taxes	(107)	-
Payment of deferred finance costs	(922)	(301)
Payment of long-term debt	(5,000)	-
Net cash provided by (used in) financing activities	3,823	4,726
Net decrease in cash and cash equivalents	(1,005)	(1,610)
Cash and cash equivalents at beginning of year	2,998	4,608
Cash and cash equivalents at end of year	$ 1,993	$ 2,998
Reconciliation to amounts on consolidated balance sheets:		
Cash and cash equivalents	1,254	2,998
Restricted cash (reported in other non-current assets)	739	-
Total cash, cash equivalents, and restricted cash	$ 1,993	$ 2,998

($ in thousands)	**Three Months Ended**		**For the Twelve Months Ended**	
	December 31, 2024	**December 31, 2023**	**December 31, 2024**	**December 31, 2023**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Net loss attributable to Xcel Brands, Inc. stockholders	$ (7,083)	$ (6,797)	$ (22,395)	$ (21,052)
Asset impairment		-	3,483	100

Amortization of trademarks	876	1,520	4,790	6,085
Loss from equity method investments	5,940	515	7,623	2,060
Stock-based compensation and cost of licensee warrants	165	58	509	242
Loss on early extinguishment of debt	287	-	287	-
Contingent reduction in equity ownership of IM Topco, LLC	(2,041)	-	4,213	-
Gain on the sale of assets	-	(8)	(3,801)	(359)
Gain on lease termination	-	-	-	(445)
Income tax provision (benefit)	220	1,212	220	1,212
Non-GAAP net (loss)	$ (1,636)	$ (3,500)	$ (5,071)	$ (12,157)

	Three Months Ended		For the Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Diluted loss per share attributable to Xcel Brand Inc. stockholders	$ (3.00)	$ (3.43)	$ (9.84)	$ (10.68)
Asset impairment	-	-	1.53	0.05
Amortization of trademarks	0.37	0.77	2.10	3.09
Loss from equity method investments	2.52	0.26	3.35	1.05
Stock-based compensation and cost of licensee warrants	0.07	0.03	0.22	0.12
Loss on early extinguishment of debt	0.12	-	0.13	-
Contingent reduction in equity ownership of IM Topco, LLC	(0.86)	-	1.85	-
Gain on the sale of assets	-	-	(1.67)	(0.18)
Gain on lease termination	-	-	-	(0.23)
Deferred income tax benefit	0.09	0.61	0.10	0.61
Non-GAAP diluted EPS	$ (0.69)	$ (1.76)	$ (2.23)	$ (6.17)
Non-GAAP weighted average diluted shares	2,361,028	1,979,413	2,275,332	1,971,072

	Three Months Ended		For the Twelve Months Ended	
($ in thousands)	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net loss attributable to Xcel Brands, Inc. stockholders	$ (7,083)	$ (6,797)	$ (22,395)	$ (21,052)
Asset impairment	-	-	3,483	100
Depreciation and amortization	903	1,694	4,947	6,954
Loss from equity method investments	5,940	515	7,623	2,060
Interest and finance expense	206	363	644	381
Income tax benefit	220	1,212	220	1,212
State and local franchise taxes	8	23	41	76
Stock-based compensation and cost of licensee warrants	165	58	509	242
Contingent reduction in equity ownership of IM Topco, LLC	(2,041)	-	4,213	-
Gain on the sale of assets		(8)	(3,801)	(359)
Gain on lease termination		-	-	(445)
Loss on early extinguishment of debt	287	-	287	-
Amortization of lease finance component on exited lease	66		240	
Costs associated with restructuring of operations	537	1,787	536	5,106
Adjusted EBITDA	$ (792)	$ (1,153)	$ (3,453)	$ (5,725)

Source: Xcel Brands, Inc