



Xcel Brands, Inc. Announces Third Quarter 2025 Financial Results

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- **Net loss on a GAAP basis was \$7.9 million for the current quarter and \$14.7 million on a year-to-date basis, inclusive of various non-cash charges.**
- **Net loss on a non-GAAP basis was \$1.3 million for the current quarter and \$3.6 million for the current year-to-date.**
- **Current quarter Adjusted EBITDA for 2025 was negative \$0.65 million, compared with Adjusted EBITDA of negative \$1.05 million for the comparable nine-month period in 2024, representing a 38% improvement.**
- **Year-to-Date Adjusted EBITDA for 2025 was negative \$1.65 million, compared with Adjusted EBITDA of negative \$2.6 million for the comparable nine-month period in 2024, representing a 38% improvement.**

NEW YORK, Nov. 19, 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 September 30, 2025.

Robert W. D'Loren, Chairman and Chief Executive Officer of Xcel commented, "I am pleased with the progress we are making with our existing brands and new businesses." He further commented, "We are on track to return the company to profitability and achieving 100 million social media followers across our brand portfolio".

Third Quarter 2025 Financial Results

Total revenue for the third quarter of 2025 was \$1.1 million, representing a decrease of approximately \$0.8 million (42%) from the third quarter of 2024. This year-over-year decrease was driven by a \$0.4 million decline in net licensing revenue, primarily attributable to lower fees under a service agreement with a related party and more cautious consumer spending in the current economic environment, and the \$0.4 million impact of the prior year quarter sell-off of all remaining Longaberger inventory. However, management anticipates that the upcoming launches of new brands will drive revenue growth in the fourth quarter of 2025 and beyond.

Direct operating costs and expenses decreased approximately \$0.7 million (-23%) from the prior year quarter to \$2.2 million in the current quarter. This decrease reflects the various cost reduction actions previously taken by management to restructure and transform the Company's business model. Currently, the Company has reduced its direct operating expenses to an expected run rate of approximately \$9 million per annum. (is this current? Are we now at around \$8mm?)

During the quarter, the Company recognized a \$5.5 million non-cash impairment charge to write the value of its investment in the Isaac Mizrahi brand down to zero, related to the subsequent disposition of the Company's remaining equity interest in that brand on October 1, 2025.

Net loss attributable to Xcel Brands stockholders for the quarter was approximately \$7.9 million, or \$(2.02) per share, compared with a net loss of \$9.2 million, or \$(3.92) per share, for the prior year quarter.

After adjusting certain cash and non-cash items, results on a non-GAAP basis were a net loss of approximately \$1.3 million, or \$(0.34) per share for the current quarter and a net loss of approximately \$1.3 million, or \$(0.57) per share, for the prior year quarter. Adjusted EBITDA was negative \$0.65 million for the current quarter and negative \$1.0 million in the prior year quarter, representing a year-over-year improvement of 38%.

Nine Month 2025 Financial Results

Total revenue for the current nine-month period was \$3.8 million, representing a decrease of approximately \$3.3 million (-47%) from the prior year's nine-month period. This decrease was primarily driven by a decline in net licensing revenue as a result of the June 30, 2024 divestiture of the Lori Goldstein brand, and to a lesser extent by the \$0.5 million impact of the prior year sell-off of certain residual jewelry inventory and all remaining Longaberger inventory. However, management anticipates that the upcoming launches of new brands will drive revenue growth in the fourth quarter of 2025 and beyond.

Direct operating costs and expenses decreased approximately \$3.6 million (-36%) from the prior year nine months to \$6.3 million in the current nine months. This decrease primarily reflects the various cost reductions previously taken by management to restructure and transform the Company's business model, and to a lesser extent the impact of the employee retention tax credit recognized in the current period. Currently, the Company has reduced its direct operating expenses to an expected run rate of approximately \$9 million per annum.

During the current nine-month period, the Company recognized a \$5.5 million non-cash impairment charge to write the value of its investment in the Isaac Mizrahi brand down to zero, as well as a \$1.9 million loss on early extinguishment of debt, related to the refinancing of its term loan debt.

Net loss attributable to Xcel Brands stockholders for the nine months ended September 30, 2025 was approximately \$14.7 million, or \$(5.06) per share, compared with a net loss of \$15.3 million, or \$(6.82) per share, for the comparable period in 2024. The prior year period results notably included a \$3.8 million gain on the divestiture of the Lori Goldstein brand.

After adjusting for certain cash and non-cash items, results on a non-GAAP basis were a net loss of approximately \$3.6 million, or \$(1.24) per share for the current nine months and a net loss of approximately \$3.4 million, or \$(1.53) per share, for the prior year nine months. Adjusted EBITDA was

negative \$1.65 million for the current nine months and negative \$2.7 million in the prior year comparable period, representing a year-over-year improvement of 38%.

Balance Sheet

The Company's balance sheet at September 30, 2025 reflected stockholders' equity of approximately \$16.6 million and unrestricted cash and cash equivalents of approximately \$1.5 million. The Company's balance sheet at September 30, 2025 also reflected \$12.5 million of term loan debt, of which \$3.5 million is payable in the next 12 months, whereby \$1.0 million of restricted cash becomes unrestricted, and the majority of the interest expense is deferred until 2027.

Conference Call and Webcast

The Company will host a conference call with members of the executive management team to discuss these results with additional comments and details at 9:00 a.m. Eastern Time on November 13, 2025. A webcast of the conference call will be available live on the Investor Relations section of Xcel's website at www.xcelbrands.com. Interested parties unable to access the conference call via the webcast may dial 800-715-9871 or 646-307-1963 and use the conference ID 8654945. A replay of the webcast will be available on Xcel's website.

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 co-branded collaboration brands TowerHill by Christie Brinkley, Trust. Respect. Love by Cesar Millan, and GemmaMade by Gemma Stafford, and also holds noncontrolling interests or long-term license agreements in Orme Live, and Mesa Mia Live by Jenny Martinez. Xcel also owns and manages the Longaberger brand through its controlling interest in Longaberger Licensing, LLC. Xcel is pioneering a 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 previously owned and current 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 content production time in live-stream and social commerce. The brand portfolio reaches in excess of 46 million social media followers with broadcast reach into 200 million households. 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. For more information, visit 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, 2024 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 amortization of trademarks, income (loss) from equity method investments, stock-based compensation and cost of licensee warrants, loss on early extinguishment of debt (if any), gains on sales of assets and investments (if any), asset impairment charges (if any), and income taxes (if any). Non-GAAP net income (loss) 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 income (loss) 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, asset impairment charges, stock-based compensation and cost of licensee warrants, gains on sales of assets and investments, 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 September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenues				
Net licensing revenue	\$ 1,118	\$ 1,505	\$ 3,771	\$ 6,515
Net sales	-	407	-	535
Net revenue	1,118	1,912	3,771	7,050
Cost of goods sold	-	407	-	-
Gross profit	1,118	1,505	3,771	7,050
Operating costs and expenses				
Salaries, benefits and employment taxes	956	1,208	3,026	4,771
Other selling, general and administrative expenses	1,214	1,618	3,323	5,137
Total direct operating costs and expenses	2,170	2,826	6,349	9,908
Operating loss before other operating costs and expenses (income)	(1,052)	(1,321)	(2,578)	(2,858)
Other operating costs and expenses (income)				
Depreciation and amortization	896	910	2,695	4,044
Asset impairment charges	-	-	-	3,483
Loss from equity method investments	5,494	6,847	6,010	7,937
Gain on divestiture of Lori Goldstein Brand	-	-	-	(3,801)
Operating loss (income)	(7,442)	(9,078)	(11,283)	(14,521)
Interest and finance expense (income)				
Interest expense	470	133	1,400	418
Other interest and finance charges	52	9	169	20
Loss on early extinguishment of debt	-	-	1,850	-
Interest and finance expense (income), net	522	142	3,419	438
(Loss) income before income taxes	(7,964)	(9,220)	(14,702)	(14,959)
Income tax provision (benefit)	25	-	75	-
Net (loss) income	(7,989)	(9,220)	(14,777)	(14,959)
Less: Net loss attributable to noncontrolling interest	(90)	(7)	(93)	(92)
Net (loss) income attributable to Xcel Brands, Inc. stockholders	<u>\$ (7,899)</u>	<u>\$ (9,213)</u>	<u>\$ (14,684)</u>	<u>\$ (14,867)</u>
(Loss) earnings per common share attributable to Xcel Brands, Inc. stockholders:				
Basic (loss) earnings per share	<u>\$ (2.02)</u>	<u>\$ (3.92)</u>	<u>\$ (5.06)</u>	<u>\$ (6.62)</u>

Diluted (loss) earnings per share	\$ (2.02)	\$ (3.92)	\$ (5.06)	\$ (6.62)
Weighted average number of common shares outstanding:				
Basic weighted average common shares outstanding	3,918,993	2,352,135	2,904,399	2,246,569
Diluted weighted average common shares outstanding	3,918,993	2,352,135	2,904,399	2,246,569

Xcel Brands, Inc. and Subsidiaries
Unaudited Consolidated Balance Sheets
(in thousands, except share and per share data)

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,494	\$ 1,254
Accounts receivable, net	1,403	2,269
Prepaid expenses and other current assets	1,201	520
Total current assets	<u>4,098</u>	<u>4,043</u>
Property and equipment, net	145	182
Operating lease right-of-use assets	3,196	3,751
Trademarks and other intangibles, net	32,111	34,759
Investments in unconsolidated affiliates		10,110
Other assets	912	911
Total non-current assets	<u>36,364</u>	<u>49,713</u>
Total Assets	<u>\$ 40,462</u>	<u>\$ 53,756</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 1,371	\$ 2,734
Deferred revenue	1,362	1,380
Accrued income taxes payable	113	554
Current portion of operating lease obligation	1,655	1,513
Current portion of long-term debt	3,500	-
Current portion of contingent obligations	-	4,213
Total current liabilities	<u>8,001</u>	<u>10,394</u>
Long-Term Liabilities:		
Deferred revenue	2,000	2,667
Long-term portion of operating lease obligation	4,111	5,297
Long-term debt, net, less current portion	9,038	6,569
Other long-term liabilities	732	431
Total long-term liabilities	<u>15,881</u>	<u>14,964</u>
Total Liabilities	<u>23,882</u>	<u>25,358</u>
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 4,806,776 and 2,368,072 shares issued and outstanding at September 30, 2025 and December 31, 2024, respectively	5	2
Paid-in capital	109,622	106,666
Accumulated deficit	(90,928)	(76,244)
Total Xcel Brands, Inc. stockholders' equity	<u>18,699</u>	<u>30,424</u>
Noncontrolling interest	(2,119)	(2,026)
Total Stockholders' Equity	<u>16,580</u>	<u>28,398</u>
Total Liabilities and Stockholders' Equity	<u>\$ 40,462</u>	<u>\$ 53,756</u>

Xcel Brands, Inc. and Subsidiaries
Unaudited Consolidated Statements of Cash Flows
(in thousands)

	For the Nine Months Ended	
	September 30,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (14,777)	\$ (15,404)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	2,695	4,044
Asset impairment charges	-	3,483
Paid in-kind interest expense	452	-
Amortization of deferred finance costs and other non-cash interest expense	238	76
Stock-based compensation and cost of licensee warrants	346	296
Provision for (recovery of) credit losses	30	(45)
Loss from equity method investments	6,010	7,937
Loss on early extinguishment of debt	1,850	-
Gain on divestiture of Lori Goldstein brand	-	(3,801)
Accounts receivable	836	591
Inventory	-	453
Prepaid expenses and other assets	319	(134)
Deferred revenue	(685)	(180)
Accounts payable, accrued expenses and other current liabilities	(2,046)	(304)
Lease-related assets and liabilities	(489)	(710)
Other Liabilities	25	391
Net cash used in operating activities	(5,196)	(3,307)
Cash flows from investing activities		
Purchase of property and equipment	(10)	(112)
Net cash used in investing activities	(10)	(112)
Cash flows from financing activities		
Proceeds from public offering and private placement transactions, net of transaction costs	1,965	1,902
Proceeds from long-term debt	5,670	-
Payment of deferred finance costs	(567)	-
Payment of long-term debt	(122)	-
Shares repurchased including vested restricted stock in exchange for withholding taxes	(500)	(500)
Net cash provided by (used in) financing activities	6,446	1,402
Net increase (decrease) in cash and cash equivalents	1,240	(2,017)
Cash and cash equivalents at beginning of period	1,993	2,998
Cash and cash equivalents at end of period	<u>\$ 3,233</u>	<u>\$ 981</u>
Reconciliation to amounts on consolidated balance sheets:		
Cash and cash equivalents	\$ 1,494	\$ 924
Restricted cash (reported in prepaid expenses and other current assets)	1,000	-
Restricted cash (reported in other non-current assets)	739	739
Total cash, cash equivalents, and restricted cash	<u>\$ 3,233</u>	<u>\$ 1,663</u>
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	<u>\$ 607</u>	<u>\$ 344</u>
Cash paid during the period for income taxes	<u>\$ 515</u>	<u>\$ -</u>

(\$ in thousands)	For the Three Months Ended		For the Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net (loss) income attributable to Xcel Brands, Inc. stockholders	\$ (7,899)	\$ (9,213)	\$ (14,684)	\$ (15,312)
Amortization of trademarks	876	875	2,627	3,914
Loss from equity method investments	5,494	6,847	6,010	7,937
Stock-based compensation and cost of licensee warrants	161	158	513	344
Loss on early extinguishment of debt			1,850	-
Gains on sales of assets and investments				(3,801)
Asset impairment charges				3,483
Income tax provision (benefit)	25	-	75	-
Non-GAAP net loss	\$ (1,343)	\$ (1,333)	\$ (3,609)	\$ (3,435)

	For the Three Months Ended		For the Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net (loss) income attributable to Xcel Brands, Inc. stockholders	\$ (2.02)	\$ (3.92)	\$ (5.06)	\$ (6.82)
Amortization of trademarks	0.22	0.37	0.90	1.74
Loss from equity method investments	1.41	2.91	2.07	3.54
Stock-based compensation and cost of licensee warrants	0.04	0.07	0.18	0.15
Loss on early extinguishment of debt	-	-	0.64	-
Gains on sales of assets and investments	-	-	-	(1.69)
Asset impairment charges	-	-	-	1.55
Income tax provision (benefit)	0.01	-	0.03	-
Non-GAAP net loss	\$ (0.34)	\$ (0.57)	\$ (1.24)	\$ (1.53)
Non-GAAP weighted average diluted shares	3,918,993	2,352,135	2,904,399	2,246,569

(\$ in thousands)	For the Three Months Ended		For the Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net (loss) income attributable to Xcel Brands, Inc. stockholders	\$ (7,899)	\$ (9,213)	\$ (14,684)	\$ (15,312)
Interest and finance expense	522	142	3,419	438
Accretion of lease liability for exited lease	48	98	168	174
Income tax provision (benefit)	25	-	75	-
State and local franchise taxes	10	9	24	33
Depreciation and amortization	896	910	2,695	4,044
Loss from equity method investments	5,494	6,847	6,010	7,937
Asset impairment charges			-	3,483
Stock-based compensation and cost of licensee warrants	161	158	513	344
Gains on sales of assets and investments			-	(3,801)
Costs associated with restructuring of operations	90	-	129	-
Adjusted EBITDA	\$ (653)	\$ (1,049)	\$ (1,651)	\$ (2,660)

XCEL

Source: Xcel Brands, Inc