



Xcel Brands, Inc. Announces Fourth Quarter Year-End 2025 Financial Results

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- **Net loss on a GAAP basis was \$2.8 million for the current quarter compared with a net loss of \$7.1 million for the prior year quarter, each period inclusive of various non-cash charges, representing a \$4.3 million improvement year-over-year.**
- **Net loss on a non-GAAP basis was \$1.6 million for the current and prior year quarters.**
- **Current quarter Adjusted EBITDA was negative \$0.61 million, compared with Adjusted EBITDA of negative \$0.79 million for the prior year quarter, representing a 24% improvement.**
- **Full year Adjusted EBITDA for 2025 was negative \$2.3 million, compared with Adjusted EBITDA of negative \$3.5 million for the prior year, representing a 35% improvement.**

NEW YORK, April 07, 2026 (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 and year ended December 31, 2025.

Robert W. D'Loren, Chairman and Chief Executive Officer of Xcel commented I am pleased with the progress we are making with our legacy brands and all of our new influencer led brands. These new influencer led brands will be launching throughout 2026." He further commented, "the Company is on track to return to profitability, and we expect to achieve our goal of total brand portfolio reach of 100 million social media followers across our brands".

Fourth Quarter 2025 Financial Results

Total revenue for the fourth quarter of 2025 was \$1.2 million, flat from the prior year quarter.

Direct operating costs and expenses decreased approximately \$0.6 million (-22%) 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 less than \$9 million per annum.

During the prior year quarter, the Company recognized a \$3.9 million non-cash impairment charge attributable to the investment in the Isaac Mizrahi brand, whereby there was no similar charge in the current year quarter.

Net loss attributable to Xcel Brands stockholders for the quarter was approximately \$2.8 million, or \$(0.55) per share, compared with a net loss of \$7.1 million, or \$(3.00) 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 \$1.6 million, or \$(0.32) per share for the current quarter and a net loss of approximately \$1.6 million, or \$(0.69) per share, for the prior year quarter. Adjusted EBITDA was negative \$0.61 million for the current quarter and negative \$0.79 million in the prior year quarter, representing a year-over-year improvement of 24%.

Full year 2025 Financial Results

Total revenue for the current year was \$4.9 million, representing a decrease of approximately \$3.3 million (42%) from the prior year. 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 \$0.35 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 2026 and beyond.

Direct operating costs and expenses decreased approximately \$4.2 million (-33%) from the prior year to \$8.6 million in the current year. 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 divestiture of the Lori Goldstein brand in 2024.

During the current year, the Company recognized a \$6.0 million non-cash loss 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 current year was approximately \$17.5 million, or \$(5.08) per share, compared with a net loss of \$22.4 million, or \$(9.84) per share, for the prior year. The prior year period results notably included a \$11.8 million loss from equity method investments, predominantly attributable to the Isaac Mizrahi brand.

After adjusting for certain cash and non-cash items, results on a non-GAAP basis were a net loss of approximately \$5.2 million, or \$(1.52) per share for the current year and a net loss of approximately \$5.1 million, or \$(2.23) per share, for the prior year. Adjusted EBITDA was negative \$2.3 million for the current year and negative \$3.5 million in the prior year, representing a year-over-year improvement of 35%.

Balance Sheet

The Company's balance sheet at December 31, 2025, reflected stockholders' equity of approximately \$15.8 million and unrestricted cash and cash

equivalents of approximately \$1.2 million. The Company's balance sheet at December 31, 2025 also reflected \$12.7 million of term loan debt, of which \$3.3 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 5:00 p.m. Eastern Time on April 7, 2026. 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 4508248. A replay of the webcast will be available on Xcel's website. www.xcelbrands.com

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, GemmaMade by Gemma Stafford and Off/Duty by Coco Rocha brand and also holds noncontrolling interests or long-term license agreement in MesaMia by Jenny Martinez. Xcel also owns and manages the Longaberger by Shannon Doherty 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 customer's 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 has 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 December 31,		For the Twelve Months Ended December 31,	
	2025	2024	2025	2024
Revenues				
Net licensing revenue	\$ 1,168	\$ 1,397	\$ 4,939	\$ 7,912
Net sales	-	-188	-	347
Net revenue	1,168	1,209	4,939	8,259
Cost of goods sold (sales)	-	-	-	445
Gross profit	1,168	1,209	4,939	7,814
Direct operating costs and expenses				
Salaries, benefits and employment taxes	894	1,145	3,920	5,916
Other selling, general and administrative expenses	1,324	1,705	4,647	6,842
Total direct operating costs and expenses	2,218	2,850	8,567	12,758
Operating loss before other operating costs and expenses (income)	(1,050)	(1,641)	(3,628)	(4,944)
Other expense, including non-cash expenses				
Depreciation and amortization	898	903	3,593	4,947
Asset impairment charges	-	-	-	3,483
Loss from equity method investment	-	3,899	6,010	11,836
Gain on divestiture of Lori Goldstein Brand	-	-	-	(3,801)
Operating loss	(1,948)	(6,443)	(13,231)	(21,409)
Interest and finance expense				
Interest expense	810	198	2,078	618
Other interest and finance charges	37	8	338	26
Loss on extinguishment of debt	-	287	1,850	287
Total interest and finance expense	847	493	4,266	931
Loss before income taxes	(2,795)	(6,936)	(17,497)	(22,340)
Income tax provision (benefit)	-	220	75	220
Net loss	(2,795)	(7,156)	(17,572)	(22,560)
Less: Net loss attributable to noncontrolling interest	(18)	(73)	(111)	(165)
Net loss attributable to Xcel Brands, Inc. stockholders	\$ (2,777)	\$ (7,083)	\$ (17,461)	\$ (22,395)
Loss per common share attributed to Xcel Brands, Inc. stockholders:				
Basic net loss per share	\$ (0.55)	\$ (3.00)	\$ (5.08)	\$ (9.84)
Weighted average number of common shares outstanding:				
Basic and diluted weighted average common shares outstanding	5,012,739	2,361,028	3,435,816	2,275,332

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

	December 31, 2025	December 31, 2024
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,150	\$ 1,254
Accounts receivable, net	956	2,269
Prepaid expenses and other current assets	1,564	520
Total current assets	3,670	4,043
Property and equipment, net	130	182
Operating lease right-of-use assets	3,005	3,751
Trademarks and other intangibles, net	31,229	34,759
Investments in unconsolidated affiliates	-	10,110
Other assets	912	911
Total non-current assets	35,276	49,713
Total Assets	\$ 38,946	\$ 53,756
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable, accrued expenses and other current liabilities	\$ 1,136	\$ 2,734
Deferred revenue	1,330	1,380
Accrued income taxes payable	85	554
Current portion of operating lease obligation	1,687	1,513
Current portion of long-term debt	3,250	-
Contingent obligations	-	4,213
Total current liabilities	7,488	10,394
Long-Term Liabilities:		
Deferred revenue	1,778	2,667
Long-term portion of operating lease obligation	3,678	5,297
Long-term debt, net, less current portion	9,456	6,569
Other long-term liabilities	722	431
Total long-term liabilities	15,634	14,964
Total Liabilities	23,122	25,358
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	6	2
Paid-in capital	111,660	106,666
Accumulated deficit	(93,705)	(76,244)
Total Xcel Brands, Inc. stockholders' equity	17,961	30,424
Noncontrolling interest	(2,137)	(2,026)
Total Stockholders' Equity	15,824	28,398
Total Liabilities and Stockholders' Equity	\$ 38,946	\$ 53,756

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

For the Year Ended

	December 31,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (17,572)	\$ (22,560)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	3,593	4,947
Asset impairment charges	-	3,483
Paid in-kind interest expense	710	-
Amortization of deferred finance costs and other non-cash interest expense	522	115
Stock-based compensation and cost of licensee warrants	570	403
Provision for credit losses	30	17
Loss from equity investments	6,010	11,836
Loss on early extinguishment of debt	1,850	287
Gain on divestiture of Lori Goldstein brand	-	(3,801)
Changes in operating assets and liabilities:		
Accounts receivable	1,283	1,168
Inventory	-	453
Prepaid expenses and other current and non-current assets	(44)	(279)
Deferred revenue	(939)	(398)
Accounts payable, accrued expenses and other current liabilities	(2,338)	16
Lease-related assets and liabilities	(699)	(794)
Other long-term liabilities	1	391
Net cash used in operating activities	<u>(7,023)</u>	<u>(4,716)</u>
Cash flows from investing activities		
Purchase of property and equipment	(10)	(112)
Net cash provided by investing activities	<u>(10)</u>	<u>(112)</u>
Cash flows from financing activities		
Proceeds from public offering and private placement transactions, net of transaction costs	1,965	1,902
Proceeds from private investment in public equity transaction, net of transaction costs	1,815	-
Proceeds from long-term debt	5,670	7,950
Payment of deferred finance costs	(567)	(922)
Shares repurchased including vested restricted stock in exchange for withholding taxes	(204)	(107)
Payment of long-term debt	(750)	(5,000)
Net cash provided by (used in) financing activities	<u>7,929</u>	<u>3,823</u>
Net decrease in cash and cash equivalents	896	(1,005)
Cash and cash equivalents at beginning of year	1,993	2,998
Cash and cash equivalents at end of year	<u>\$ 2,889</u>	<u>\$ 1,993</u>
Reconciliation to amounts on consolidated balance sheets:		
Cash and cash equivalents	1,150	1,254
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>\$ 2,889</u>	<u>\$ 1,993</u>
Supplemental disclosure of non-cash activities:		
Recognition of operating lease right-of-use asset	<u>\$ -</u>	<u>\$ 2,596</u>
Recognition of operating lease obligation	<u>\$ -</u>	<u>\$ 2,596</u>
Issuance of warrants in connection with debt refinancing	<u>\$ 648</u>	<u>\$ 481</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	<u>\$ 814</u>	<u>\$ 505</u>
Cash paid during the year for income taxes	<u>\$ 515</u>	<u>\$ -</u>

(\$ in thousands)

	Three Months Ended		For the Twelve Months Ended	
	December 31,	December 31,	December 31,	December 31,
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net loss attributable to Xcel Brands, Inc. stockholders	\$ (2,777)	\$ (7,083)	\$ (17,461)	\$ (22,395)
Asset impairment charges	-	-	-	3,483
Amortization of trademarks	875	876	3,502	4,790
Loss from equity investments	-	5,940	6,010	11,836
Stock-based compensation and cost of licensee warrants	283	165	796	509
Loss on extinguishment of debt	-	287	1,850	287
Gain on divestiture of Lori Goldstein Brand	-	-	-	(3,801)
Income tax provision	-	220	75	220
Non-GAAP net (loss)	\$ (1,619)	\$ (1,636)	\$ (5,228)	\$ (5,071)

	Three Months Ended		For the Twelve Months Ended	
	December 31,	December 31,	December 31,	December 31,
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Diluted loss per share attributable to Xcel Brand Inc. stockholders	\$ (0.55)	\$ (3.00)	\$ (5.08)	\$ (9.84)
Asset impairment	-	-	-	1.53
Amortization of trademarks	0.17	0.37	1.02	2.10
Loss from equity investments	-	2.52	1.75	5.20
Stock-based compensation and cost of licensee warrants	0.06	0.07	0.23	0.22
Loss on early extinguishment of debt	-	0.12	0.54	0.13
Gain on divestiture of Lori Goldstein Brand	-	-	-	(1.67)
Income tax provision	-	0.09	0.02	0.10
Non-GAAP diluted EPS	\$ (0.32)	\$ (0.69)	\$ (1.52)	\$ (2.23)
Non-GAAP weighted average diluted shares	5,012,739	2,361,028	3,435,816	2,275,332

(\$ in thousands)

	Three Months Ended		For the Twelve Months Ended	
	December 31,	December 31,	December 31,	December 31,
	2025	2024	2025	2024
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net loss attributable to Xcel Brands, Inc. stockholders	\$ (2,777)	\$ (7,083)	\$ (17,461)	\$ (22,395)
Interest and finance expense	847	493	4,266	931
Accretion of lease liability for exited lease	-	66	168	240
Income tax provision	-	220	75	220
State and local franchise taxes	110	8	134	40
Depreciation and amortization	898	903	3,593	4,947
Loss from equity investments	-	3,899	6,010	11,836
Asset impairment charges	-	-	-	3,483
Stock-based compensation and cost of licensee warrants	283	165	796	509
Gain on divestiture of Lori Goldstein Brand	-	-	-	(3,801)
Costs associated with restructuring of operations	34	537	163	537
Adjusted EBITDA	\$ (605)	\$ (792)	\$ (2,256)	\$ (3,453)

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Source: Xcel Brands, Inc