Xcel Brands, Inc. Announces Second Quarter 2026 Financial Results

August 13, 2026 at 4:05 PM EDT

- ***Net loss on a GAAP basis was $2.5 million for the current quarter compared with $4.0 million net loss for the prior year quarter.***
- ***EBITDA for the current quarter was negative $0.48 million compared with negative$0.30 million EBITDA for the prior year quarter which is a 40% improvement when adjusted for a non-recurring expense reduction from an Employee Tax Credit received in Q2 last year and compared with negative $0.70 for the first quarter, a 32% improvement over Q1, 2026***

NEW YORK, Aug. 13, 2026 (GLOBE NEWSWIRE) -- Xcel Brands, Inc. (NASDAQ: XELB) ("Xcel" or the "Company"), a media and consumer products company with significant expertise in building influencer lead brands, live-steam shopping and social commerce, today announced its financial results for the quarter ended June 30, 2026.

Robert W. D'Loren, Chairman and Chief Executive Officer of Xcel commented, "Our second quarter earnings on an Adjusted EBITDA basis were the best since June 2024, this was driven by the product launch of two of our new influencer led brands and additional reductions in operating expenses. I am very excited by the enormous potential of these brands going into the future. The recent changes in the search box since Google went to AI Mode, will make video content created by influencers that are authorities in their category part of the cited AI answer. I am excited to be managing a portfolio of brands that generate awareness through a combined existing audience of over 46 million people."

Second Quarter 2026 Financial Results

Total revenue for the second quarter of 2026 was $1.1 million, representing a decrease of approximately $0.2 million (-14%) from the prior year quarter. This year-over-year decrease was primarily attributable to divestiture of the Judith Ripka brand.

Direct operating costs and expenses were essentially flat from the prior year quarter of approximately $1.9 million. It should be noted that the prior year quarter included an expense reduction of approximately $0.50 million from an employee retention credit refund. Excluding this prior year, non-recurring expense reduction, direct operating expenses decreased by approximately $0.50 million from the prior year quarter.

Net loss attributable to Xcel Brands stockholders for the quarter was approximately $2.5 million, or $(0.40) per share, compared with net loss of $4.0 million, or $(1.66) per share, for the prior year quarter.

After adjusting certain cash and non-cash items, current quarter results on a non-GAAP basis were a net loss of approximately $1.3 million, or $(0.21) per share and net loss of approximately $0.9 million, or $(0.37) per share, for the prior year quarter. Adjusted EBITDA was negative $0.48 million for the current quarter, compared with Adjusted EBITDA of negative $0.30 million for the prior year quarter. The second quarter EBITDA, when excluding the non-recurring expense reduction referenced above, Adjusted EBITDA improved by approximately $0.32 million.

Six Month 2026 Financial Results

Total revenue for the current six-month period was $2.3 million, representing a decrease of approximately $0.4 million (-14%) from the prior year period. This year-over-year decrease was primarily attributable to divestiture of the Judith Ripka brand.

Direct operating costs and expenses decreased approximately $0.2 million from the prior year six months to $4.0 million in the current six months. When factoring in the prior year period, non-recurring expense reduction, the decrease in direct operating expenses would have been approximately $0.7 million. Currently, the Company has reduced its direct operating expenses to an expected run rate of less than $8 million per annum.

Net loss attributable to Xcel Brands stockholders for the current six months was approximately $5.0 million, or $(0.82) per share, compared with net loss of $6.8 million, or $(2.84) per share, for the prior year period.

After adjusting certain cash and non-cash items, the current six month period results on a non-GAAP basis were a net loss of approximately $2.7 million, or $(0.44) per share and net loss of approximately $2.3 million, or $(0.95) per share, for the prior year period. Adjusted EBITDA was negative $1.2 million for the current six months, compared with Adjusted EBITDA of negative $1.0 million for the prior year period. The current six month EBITDA, when excluding the non-recurring expense reduction referenced above, Adjusted EBITDA improved by approximately $0.3 million.

Balance Sheet

The Company's balance sheet on June 30, 2026, reflected stockholders' equity of approximately $12 million, unrestricted cash and cash equivalents of approximately $0.4 million. The Company's balance sheet on June 30, 2026, also reflected approximately $12 million of long-term debt.

The Company's working capital on June 30, 2026 (exclusive of the current portion of lease obligations and deferred revenue was negative $1.3 million. On January 21, 2026, the Company entered into a common stock purchase agreement, pursuant to which the buyer has committed to purchase up to $15.0 million of the Company's common stock. Under the terms and conditions of this agreement, the Company has the right, but not the obligation, to sell up to $15.0 million of the Company's common stock. The actual amount and timing of any sales of Common Stock will be determined by the Company at its discretion.

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 August 14, 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 4300396. 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 and C. Wonder brands, as well as the co-branded collaboration brands Tower Hill by Christie Brinkley, Trust. Respect. Love by Cesar Millan, GemmaMade by Gemma Stafford and Off/Duty by Coco Rocha brand and holds noncontrolling interests or long-term license agreement in Mesa Mia 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 more than $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 more than 46 million social media followers with broadcast reaching 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.

For further information please contact:
Seth Burroughs
Xcel Brands
sburroughs@xcelbrands.com

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, asset impairment charges, loss on extinguishment of debt and income taxes. 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, 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, 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 June 30, 2026	For the Three Months Ended June 30, 2025	For the Six Months Ended June 30, 2026	For the Six Months Ended June 30, 2025
Revenues				
Net licensing revenue	$ 1,121	$ 1,321	$ 2,265	$ 2,653
Direct operating costs and expenses				
Salaries, benefits and employment taxes	842	984	1,714	2,070
Other selling, general and administrative expenses	1,016	912	2,218	2,109
Total direct operating costs and expenses	1,858	1,896	3,932	4,179
Operating loss before other operating costs and expenses	(737)	(575)	(1,667)	(1,526)
Other operating costs and expenses				
Depreciation and amortization	813	899	1,706	1,799
Charges related to the sale of the Judith Ripka brand	35	-	96	-
Loss from equity investments	-	180	-	516
Operating loss	(1,585)	(1,654)	(3,469)	(3,841)
Interest and finance expense (income)				
Interest expense	640	457	1,202	930
Other finance charges (income), net	81	30	112	117
Loss on early extinguishment of debt	151	1,850	151	1,850
Interest and finance expense (income), net	872	2,337	1,465	2,897
Loss before income taxes	(2,457)	(3,991)	(4,934)	(6,738)
Income tax provision (benefit)	19	-	31	50
Net loss	**(2,476)**	**(3,991)**	**(4,965)**	**(6,788)**
Net loss attributable to noncontrolling interest	-	(3)	-	(3)
Net loss attributable to Xcel Brands, Inc. stockholders	**$ (2,476)**	**$ (3,988)**	**$ (4,965)**	**$ (6,785)**
Loss per common share attributed to Xcel Brands, Inc. stockholders:				
Basic and diluted net loss per share	$ (0.40)	$ (1.66)	$ (0.82)	$ (2.84)
Weighted average number of common shares outstanding:				
Basic and diluted weighted average common shares outstanding	6,159,232	2,403,639	6,032,122	2,388,694

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

	June 30, 2026	December 31, 2025
Assets		

Current Assets:		
Cash and cash equivalents	$ 399	$ 1,150
Accounts receivable, net	623	956
Prepaid expenses and other current assets	502	1,564
Total current assets	1,524	3,670
Non-Current Assets:		
Property and equipment, net	103	130
Operating lease right-of-use assets	2,609	3,005
Trademarks and other intangibles, net	26,946	31,229
Other assets	1,291	912
Total non-current assets	30,949	35,276
Total Assets	**$ 32,473**	**$ 38,946**
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 532	$ 621
Accrued expenses and other current liabilities	404	600
Deferred revenue	976	1,330
Current portion of operating lease obligation	1,760	1,687
Current portion of long-term debt	1,865	3,250
Total current liabilities	5,537	7,488
Long-Term Liabilities:		
Deferred revenue	1,333	1,778
Long-term portion of operating lease obligation	2,777	3,678
Long-term debt, net, less current portion	10,227	9,456
Other long-term liabilities	877	722
Total long-term liabilities	15,214	15,634
Total Liabilities	20,751	23,122
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, $.001 par value, 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock, $.001 par value, 50,000,000 shares authorized, and 6,475,182 and 5,880,757 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	6	6
Paid-in capital	112,523	111,660
Accumulated deficit	(98,670)	(93,705)
Total Xcel Brands, Inc. stockholders' equity	13,859	17,961
Noncontrolling interest	(2,137)	(2,137)
Total Stockholders' Equity	11,722	15,824
Total Liabilities and Stockholders' Equity	**$ 32,473**	**$ 38,946**

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

	For the Six Months Ended June 31,	
	2026	**2025**
Cash flows from operating activities		
Net loss	$ (4,965)	$ (6,788)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	1,706	1,799
Asset impairment and other charges related to sale of Judith Ripka brand	96	-
Paid in-kind interest expense	515	192
Amortization of deferred finance costs and other non-cash interest expense	491	176
Stock-based compensation and cost of licensee warrants	327	238

Loss from equity investments	-	516
Loss on early extinguishment of debt	-	1,850
Changes in operating assets and liabilities:		
Accounts receivable	333	446
Prepaid expenses and other current and non-current assets	167	104
Deferred revenue	(799)	(497)
Accounts payable, accrued expenses, accrued income taxes payable, and other current liabilities	(171)	(1,560)
Lease-related assets and liabilities	(432)	(282)
Other long-term liabilities	-	8
Net cash used in operating activities	(2,732)	(3,798)
Cash flows from investing activities		
Cash consideration received from sale of Judith Ripka brand assets, net	2,000	-
Purchase of property and equipment	-	(10)
Net cash provided by (used in) investing activities	2,000	(10)
Cash flows from financing activities		
Proceeds from issuance of shares through equity line facility, net of transaction costs	415	-
Proceeds from long-term debt	3,006	5,670
Payment of deferred finance costs	(350)	(530)
Shares repurchased including vested restricted stock in exchange for withholding taxes	(102)	(116)
Payment of long-term debt	(4,110)	(500)
Net cash (used in) provided by financing activities	(1,141)	4,524
Net (decrease) increase in cash and cash equivalents	(1,873)	716
Cash, cash equivalents, and restricted cash at beginning of period	2,889	1,993
Cash, cash equivalents, and restricted cash at end of period	$ 1,016	$ 2,709
Reconciliation to amounts on consolidated balance sheets:		
Cash and cash equivalents	399	970
Restricted cash (reported in other non-current assets)	617	1,739
Total cash, cash equivalents, and restricted cash	$ 1,016	$ 2,709
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 196	$ 476
Cash paid during the year for income taxes	$ 50	$ -

	Three Months Ended		**Six Months Ended**	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
($ in thousands)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Net loss attributable to Xcel Brands, Inc. stockholders	$ (2,476)	$ (3,988)	$ (4,965)	$ (6,785)
Amortization of trademarks	801	876	1,677	1,751
Loss from equity investments	-	180	-	516
Stock-based compensation and cost of licensee warrants	182	186	332	352
Loss on early extinguishment of debt	151	1,850	151	1,850
Charges related to the sale of the Judith Ripka brand	35	-	96	-
Income tax provision (benefit)	19	-	31	50
	$ (1,288)	$ (896)	$ (2,678)	$ (2,266)

	Three Months Ended		**Six Months Ended**	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**

Diluted loss per share	$ (0.40)	$ (1.66)	$ (0.82)	$ (2.84)
Amortization of trademarks	0.13	0.36	0.28	0.73
Loss from equity investments	-	0.08	-	0.22
Stock-based compensation and cost of licensee warrants	0.03	0.08	0.06	0.15
Loss on early extinguishment of debt	0.02	0.77	0.03	0.77
Charges related to the sale of the Judith Ripka brand	0.01	-	0.01	-
Income tax provision	0.00	-	0.00	0.02
Non-GAAP diluted EPS	$ (0.21)	$ (0.37)	$ (0.44)	$ (0.95)
Non-GAAP weighted average diluted shares	6,159,232	2,403,639	6,032,122	2,388,694

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
($ in thousands)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Net loss attributable to Xcel Brands, Inc. stockholders	$ (2,476)	$ (3,988)	$ (4,965)	$ (6,785)
Interest and finance expense	872	2,337	1,465	2,897
Accretion of lease liability for exited lease	35	59	75	120
Income tax provision (benefit)	19	-	31	50
State and local franchise taxes	24	6	60	14
Depreciation and amortization	813	899	1,706	1,799
Loss from equity investments	-	180	-	516
Charges related to the sale of the Judith Ripka brand	35	-	96	-
Stock-based compensation and cost of licensee warrants	182	186	332	352
Costs associated with restructuring of operations	17	22	17	39
Adjusted EBITDA	$ (479)	$ (299)	$ (1,183)	$ (998)

XCEL

Source: Xcel Brands, Inc