Xcel Brands, Inc. Announces Third Quarter 2026 Financial Results

November 16, 2026 at 4:05 PM EST

- ***Net loss on a GAAP basis was $2.3 million for the current quarter compared with $7.9 million net loss for the prior year quarter.***
- ***EBITDA for the current quarter was negative $0.46 million compared with negative $0.65 million EBITDA for the prior year quarter which is a 30% improvement year-over-year***

NEW YORK, Nov. 16, 2026 (GLOBE NEWSWIRE) -- Xcel Brands, Inc. (NASDAQ: XELB) ("Xcel" or the "Company"), a media and consumer products company with significant expertise in building creator or influencer-led brands, live-steam shopping, and social commerce, today announced its financial results for the quarter ended September 30, 2026.

Robert W. D'Loren, Chairman and Chief Executive Officer of Xcel commented, "Our third quarter earnings on an Adjusted EBITDA basis continues to improve, both on a sequential and year-over-year comparison. The improvement was driven by the start of the revenue ramp of our new creator or influencer-led brands and additional reductions in operating expenses despite supply chain issued caused by shipping delays related to challenges experienced by our vendor partners which now appears to be resolved."

Third Quarter 2026 Financial Results

Total revenue for the third quarter of 2026 was approximately $1.1 million, flat compared to the prior year quarter. Although our revenues were flat compared with the prior year quarter, the loss of the Ripka Brand revenues, attributable to the divestiture of the brand, were off set with an increase in our new creator or influencer-led brands.

Direct operating costs and expenses declined approximately $0.4 million (17%) to $1.8 million, primarily due to cost reduction actions taken by management in 2025, which reduced the Company's payroll and benefit costs as well as other corporate overhead expenses.

Net loss attributable to Xcel Brands stockholders for the quarter was approximately $2.3 million, or $(0.35) per share, compared with net loss of $7.9 million, or $(2.02) per share, for the prior year quarter. The prior year quarter notably included a $5.5 million loss from equity investments, related to the Company's former ownership interest in IM Topco, LLC, which was divested in October 2025.

After adjusting for certain cash and non-cash items, results on a non-GAAP basis were a net loss of approximately $1.3 million for both current and prior year quarters, and minus $0.19 and $0.34 per share for the current quarter and the prior year quarter, respectively. Adjusted EBITDA was negative $0.46 million for the current quarter, compared with Adjusted EBITDA of negative $0.65 million for the prior year quarter.

Nine Month 2026 Financial Results

Total revenue for the current nine-month period was $3.3 million, representing a decrease of approximately $0.4 million (12%) from the prior year's comparable period. This year-over-year decrease was primarily attributable to divestiture of the Judith Ripka brand in the current year.

Direct operating costs and expenses decreased approximately $0.6 million (10%) from the prior year nine months to $5.7 million in the current nine months. This decrease was primarily attributable to lower payroll and benefits costs as well as lower corporate overhead costs, driven by cost reduction actions taken by management in 2025. Currently, the Company has reduced its direct operating expenses to an expected run rate of less than $7.5 million per annum.

Net loss attributable to Xcel Brands stockholders for the current nine months was approximately $7.3 million, or $(1.17) per share, compared with net loss of $14.7 million, or $(5.06) per share, for the prior year comparable period. The prior year nine months notably included a $6.0 million loss from equity investments, related to the Company's former ownership interest in IM Topco, LLC, which was divested in October 2025.

After adjusting certain cash and non-cash items, the current nine-month period results on a non-GAAP basis were a net loss of approximately $4.0 million, or $(0.64) per share, and net loss of approximately $3.6 million, or $(1.24) per share, for the prior year period. Adjusted EBITDA was negative $1.6 million for the current nine months, compared with Adjusted EBITDA of negative $1.7 million for the prior year period. It should be noted that in the prior year period included a $0.5 million ERC tax refund.

Balance Sheet and Liquidity

The Company's balance sheet on September 30, 2026, reflected stockholders' equity of approximately $9 million, and unrestricted cash and cash equivalents of approximately $0.1 million. The Company's balance sheet on September 30, 2026, also reflected approximately $13 million of long-term debt.

The Company's working capital on September 30, 2026 (exclusive of the current portion of lease obligations and deferred revenue was negative $2.4 million, inclusive of $2.1 million of liabilities for Senior Secured debt due in April 2027.

The Company currently has access to an equity line facility and an at-the-market facility. Under the equity line facility, the Company has entered into a common stock purchase agreement, pursuant to which the buyer has committed to purchase up to $15 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 million of the Company's common stock. Separately and under an at-the-market ATM facility, the Company has entered into an equity distribution agreement, pursuant to which the Company may offer and sell up to approximately $1.5 million of the Company's common stock in the near term. 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 5:00 p.m. Eastern Time on November 16, 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 1412493. 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, home goods, pet products and other consumer products, and the development of creator or influencer-led brands 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 creator or influencer-led brands Tower Hill by Christie Brinkley, Trust.Respect.Love by Cesar Millan, GemmaMade by Gemma Stafford, and Off/Duty by Coco Rocha, and holds a 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 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 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 over 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.

For further information please contact:

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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 investments, stock-based compensation and cost of licensee warrants, loss on early extinguishment of debt (if any), charges related to the sale of the Judith Ripka brand (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 expense (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 investments, charges related to the sale of the Judith Ripka brand (if any), stock-based compensation and cost of licensee warrants, and costs associated with restructuring of operations.

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,	
	2026	**2025**	**2026**	**2025**
Revenues				
Net licensing revenue	$ 1,060	$ 1,118	$ 3,325	$ 3,771
Direct operating costs and expenses				
Salaries, benefits and employment taxes	830	956	2,544	3,026
Other selling, general and administrative expenses	971	1,214	3,189	3,323
Total direct operating costs and expenses	1,801	2,170	5,733	6,349
Operating loss before other operating costs and expenses	(741)	(1,052)	(2,408)	(2,578)
Other operating costs and expenses				
Depreciation and amortization	812	896	2,518	2,695
Charges related to the sale of the Judith Ripka brand	-	-	96	-
Loss from equity investments	-	5,494	-	6,010
Operating loss	(1,553)	(7,442)	(5,022)	(11,283)
Interest and finance expense (income)				
Interest expense	733	470	1,935	1,400
Other finance charges (income), net	49	52	161	169
Loss on early extinguishment of debt	-	-	151	1,850
Interest and finance expense (income), net	782	522	2,247	3,419
Loss before income taxes	(2,335)	(7,964)	(7,269)	(14,702)
Income tax provision (benefit)	13	25	44	75
Net loss	**(2,348)**	**(7,989)**	**(7,313)**	**(14,777)**
(Income) loss attributable to noncontrolling interest	-	90	-	93
Net loss attributable to Xcel Brands, Inc. stockholders	**$ (2,348)**	**$ (7,899)**	**$ (7,313)**	**$ (14,684)**
Loss per common share attributed to Xcel Brands, Inc. stockholders:				
Basic and diluted net loss per share	$ (0.35)	$ (2.02)	$ (1.17)	$ (5.06)
Weighted average number of common shares outstanding:				
Basic and diluted weighted average common shares outstanding	6,696,860	3,918,993	6,256,136	2,904,399

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

	September 30, 2026	December 31, 2025
Assets		
Current Assets:		
Cash and cash equivalents	$ 134	$ 1,150
Accounts receivable, net	535	956
Prepaid expenses and other current assets	364	1,564
Total current assets	1,033	3,670
Non-Current Assets:		
Property and equipment, net	92	130
Operating lease right-of-use assets	2,406	3,005
Trademarks and other intangibles, net	26,144	31,229
Other assets	1,287	912
Total non-current assets	29,929	35,276
Total Assets	**$ 30,962**	**$ 38,946**
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 727	$ 621
Accrued expenses and other current liabilities	562	600
Deferred revenue	1,420	1,330
Current portion of operating lease obligation	1,802	1,687
Current portion of long-term debt	2,117	3,250
Total current liabilities	6,628	7,488
Long-Term Liabilities:		
Deferred revenue	1,111	1,778
Long-term portion of operating lease obligation	2,309	3,678
Long-term debt, net, less current portion	10,570	9,456
Other long-term liabilities	901	722
Total long-term liabilities	14,891	15,634
Total Liabilities	21,519	23,122
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock, $.001 par value, 1,000,000 shares authorized, none issued and outstanding	-	-
Common stock, $.001 par value, 50,000,000 shares authorized, and 6,991,228 and 5,880,757 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	7	6
Paid-in capital	112,591	111,660
Accumulated deficit	(101,018)	(93,705)
Total Xcel Brands, Inc. stockholders' equity	11,580	17,961
Noncontrolling interest	(2,137)	(2,137)
Total Stockholders' Equity	9,443	15,824
Total Liabilities and Stockholders' Equity	**$ 30,962**	**$ 38,946**

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

	For the Nine Months Ended September 30,	
	2026	**2025**
Cash flows from operating activities		
Net loss	$ (7,313)	$ (14,777)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	2,518	2,695
Asset impairment and other charges related to sale of Judith Ripka brand	96	-
Paid in-kind interest expense	787	452

Amortization of deferred finance costs and other non-cash interest expense	856	238
Stock-based compensation and cost of licensee warrants	451	346
Provision for credit losses	-	30
Loss from equity investments	-	6,010
Loss on early extinguishment of debt	-	1,850
Changes in operating assets and liabilities:		
Accounts receivable	421	836
Prepaid expenses and other current and non-current assets	310	319
Deferred revenue	(577)	(685)
Accounts payable, accrued expenses, accrued income taxes payable, and other current liabilities	223	(2,046)
Lease-related assets and liabilities	(655)	(489)
Other long-term liabilities	-	25
Net cash used in operating activities	(2,883)	(5,196)
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 public offering and private placement transactions, net of transaction costs	-	1,965
Proceeds from issuance of shares through equity line facility and at-the-market facility, net of transaction costs	360	-
Proceeds from long-term debt	3,006	5,670
Payment of deferred finance costs	(350)	(567)
Shares repurchased including vested restricted stock in exchange for withholding taxes	(143)	(122)
Payment of long-term debt	(4,128)	(500)
Net cash (used in) provided by financing activities	(1,255)	6,446
Net (decrease) increase in cash and cash equivalents	(2,138)	1,240
Cash, cash equivalents, and restricted cash at beginning of period	2,889	1,993
Cash, cash equivalents, and restricted cash at end of period	$ 751	$ 3,233
Reconciliation to amounts on consolidated balance sheets:		
Cash and cash equivalents	134	1,494
Restricted cash (current)	-	1,000
Restricted cash (reported in other non-current assets)	617	739
Total cash, cash equivalents, and restricted cash	$ 751	$ 3,233
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 290	$ 607
Cash paid during the year for income taxes	$ 50	$ 515

($ in thousands)	**Three Months Ended**		**Nine Months Ended**	
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Net loss attributable to Xcel Brands, Inc. stockholders	$ (2,348)	$ (7,899)	$ (7,313)	$ (14,684)
Amortization of trademarks	801	876	2,478	2,627
Loss from equity investments	-	5,494	-	6,010
Stock-based compensation and cost of licensee warrants	234	161	566	513
Loss on early extinguishment of debt	-	-	151	1,850
Charges related to the sale of the Judith Ripka brand	-	-	96	-
Income tax provision (benefit)	13	25	44	75
Non-GAAP net loss	$ (1,300)	$ (1,343)	$ (3,978)	$ (3,609)

	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Diluted loss per share	$ (0.35)	$ (2.02)	$ (1.17)	$ (5.06)
Amortization of trademarks	0.12	0.23	0.40	0.90
Loss from equity investments	-	1.40	-	2.07
Stock-based compensation and cost of licensee warrants	0.04	0.04	0.09	0.18
Loss on early extinguishment of debt	-	-	0.02	0.64
Charges related to the sale of the Judith Ripka brand	-	-	0.02	-
Income tax provision	0.00	0.01	0.00	0.03
Non-GAAP diluted EPS	$ (0.19)	$ (0.34)	$ (0.64)	$ (1.24)
Non-GAAP weighted average diluted shares	6,696,860	3,918,993	6,256,136	2,904,399

($ in thousands)	Three Months Ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net loss attributable to Xcel Brands, Inc. stockholders	$ (2,348)	$ (7,899)	$ (7,313)	$ (14,684)
Interest and finance expense	782	522	2,247	3,419
Accretion of lease liability for exited lease	29	48	104	168
Income tax provision (benefit)	13	25	44	75
State and local franchise taxes	18	10	78	24
Depreciation and amortization	812	896	2,518	2,695
Loss from equity investments	-	5,494	-	6,010
Charges related to the sale of the Judith Ripka brand	-	-	96	-
Stock-based compensation and cost of licensee warrants	234	161	566	513
Costs associated with restructuring of operations	-	90	17	129
Adjusted EBITDA	$ (460)	$ (653)	$ (1,643)	$ (1,651)

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Source: Xcel Brands, Inc