

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **July 26, 2018**

XCEL BRANDS, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-37527

(Commission File Number)

76-0307819

(IRS Employer Identification No.)

1333 Broadway, 10th Floor, New York, NY
(Address of Principal Executive Offices)

10018
(Zip Code)

(347) 727-2474

(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

A copy of the investor presentation described above is furnished herewith as Exhibit 99.1.

The information furnished pursuant to Item 7.01, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933 or the Exchange Act.

The furnishing of the information under Item 7.01 in this Current Report on Form 8-K is not intended to, and does not, constitute a determination or admission by the Company (i) that the furnishing of the information in this Item 7.01 is required by Regulation FD, (ii) that the information under Item 7.01 in this Current Report on Form 8-K is material or complete, or (iii) that investors should consider this information before making an investment decision with respect to any security of the Company.

This Form 8-K contains “forward-looking statements” within the meaning of the safe harbor provisions of the federal securities laws. It should be read in conjunction with the “Safe Harbor” statement contained in the presentation material and the risk factors included in the Company’s periodic reports filed with the Securities and Exchange Commission that discuss important factors that could cause the Company’s results to differ materially from those anticipated in such forward-looking statements.

Item 9.01 Financial Statement and Exhibits.

(d) Exhibits.

99.1 [Xcel Brands, Inc. Investor Presentation](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Current Report on Form 8-K to be signed on its behalf by the undersigned thereunto duly authorized.

XCEL BRANDS, INC.
(Registrant)

By: /s/ James F. Haran

Name: James F. Haran

Title: Chief Financial Officer

Date: July 26, 2018



XCEL

BRANDS

Differentiate By Design

INVESTOR PRESENTATION

JULY 24, 2018

NASDAQ: XELB

SAFE HARBOR STATEMENT

FORWARD LOOKING STATEMENTS

Certain statements in this presentation, as well as certain oral statements made by management during the presentation, constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements include, without limitation, statements expressed or implied regarding our plans and milestones, plans to fund our current activities, statements concerning our strategic relationships and activities, strategy, future operations and expansion, future financial position, future sales and revenues, projected costs, and market penetration. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "should," "expects," "seeks," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "projects," "continue," "intends," "could," "opportunity," or negative of such terms or other comparable terminology. These statements are based on our current expectations and assumptions and are not guarantees of future performance. You should not place undue reliance on our forward-looking statements, which are subject to a multitude of known and unknown risks and uncertainties that could cause actual results, future circumstance or events to differ materially from those stated in or implied by the forward-looking statements. These risks and uncertainties include, but are not limited to, the ability of our licensees to produce, market and sell quality products bearing our brand names, continued market acceptance of our brands and any future brands we acquire, our ability to service our significant debt obligations, our ability to raise capital for any future acquisitions, concentration of a substantial portion of our licensing revenue from a limited number licensees, our dependence on QVC, restrictions in our agreements with QVC and other licensees on our ability to sell products with certain retailers, our dependence on promotional services of our spokesperson, limitations on our ownership of the H Halston brands, impacts on our H Halston brands resulting from the operations of the related Halston brands by their owner, our ability to manage expected future growth, our ability to identify and acquire additional trademarks, competition for licensees, competition in our licensee's markets, our ability to protect our intellectual property, our dependence on our CEO and other key executive officers, the success of our e-commerce strategy and other risks and uncertainties detailed from time to time in our public disclosure documents or other filings with the Securities and Exchange Commission. Additional risks and uncertainties relating to us and our business can be found in the "Risk Factors" section of our latest annual report on Form 10-K as well as in our other public filings. The forward-looking statements are made as of the date hereof, and we disclaim any intention and have no obligation or responsibility, except as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NON-GAAP FINANCIAL MEASURES

In addition to financial measures prepared in accordance with U.S. generally accepted accounting principles (GAAP), we use certain non-GAAP financial measures in this presentation. Adjusted EBITDA is a non-GAAP unaudited measure, which we define as net income before stock-based compensation, interest and other financing costs, loss on extinguishment of debt, gain on the reduction of contingent obligations, non-recurring facility exit charges, goodwill impairment, income tax provision (benefit), other state and local franchise taxes, depreciation and amortization and net income or loss from discontinued operations. We use Adjusted EBITDA as a measure of operating performance to assist in comparing performance from period to period on a consistent basis and to identify business trends relating to Xcel's results of operations. We believe Adjusted EBITDA is also useful because it provides supplemental information to assist investors in evaluating Xcel's financial results.

Adjusted EBITDA should not be considered in isolation or as an alternative to net income or any other measure of financial performance calculated and presented in accordance with GAAP. Given that Adjusted EBITDA is a financial measure not deemed to be in accordance with GAAP and is susceptible to varying calculations, our Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in our industry, because other companies may calculate Adjusted EBITDA in a different manner than we calculate this measure.

In evaluating 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 report. Our presentation of 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 Adjusted EBITDA alongside other financial performance measures, including our net income (loss) and other GAAP results, and not rely on any single financial measure.



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OVERVIEW

XCEL BRANDS, INC. (NASDAQ:XELB) IS A CONSUMER PRODUCTS COMPANY ENGAGED IN THE DESIGN, PRODUCTION, LICENSING, MARKETING AND DIRECT-TO-CONSUMER SALES OF BRANDED APPAREL, FOOTWEAR, ACCESSORIES, JEWELRY, HOME GOODS, AND OTHER CONSUMER PRODUCTS, AND THE ACQUISITION OF DYNAMIC CONSUMER LIFESTYLE BRANDS.

COMPANY SNAPSHOT

BUSINESS

2011

Founded

5

Owned Brands

\$420MM

Retail Sales of our Brands⁽¹⁾

REVENUE & EBITDA

\$31.9MM

Revenues⁽²⁾

20%

6-Year Revenue CAGR⁽⁵⁾

\$8.2MM

Adjusted EBITDA⁽²⁾⁽⁴⁾

EQUITY

\$2.75

Share Price⁽³⁾

18.6MM

Weighted Average Diluted Shares⁽²⁾

\$50.3MM

Market Cap⁽³⁾

STRONG BALANCE SHEET

\$20.3MM

Term Debt⁽²⁾⁽⁶⁾

\$8.9MM

Cash⁽²⁾

1.4x

Leverage Ratio⁽²⁾⁽⁶⁾

(1) Estimated sales at retail for 2017 based on royalty reports, with retail sales estimated based on wholesale sales. Retail Sales do not represent Revenues to the Company. This amount supersedes previously reported data.

(2) Revenues and Adjusted EBITDA represent the twelve month period from April 1, 2017 to March 31, 2018. Weighted Average Diluted Shares, Term Debt, and Cash as of March 31, 2018. Figures presented are unaudited. Share Price and Market Capitalization updated as of July 24, 2018.

(4) Adjusted EBITDA is a non-GAAP unaudited term. For the definition of Adjusted EBITDA and a reconciliation to net income (loss), see the Company's Form 10-K and Form 10-Q filed with the Securities and Exchange Commission on March 30, 2018 and May 15, 2018, respectively.

(5) Cumulative annual growth rate of Net Revenues from 2012 to 2017.

(6) Term Debt includes senior bank debt and Seller Notes, but excludes contingent obligations payable in equity. Leverage ratio based on Term Debt, net of Cash, divided by Adjusted EBITDA.

INVESTMENT RATIONALE



Existing business with strong free cash flow



Proven historical growth in revenues and EBITDA



Fast-to-Market supply chain and Integrated Technology platforms position Xcel to grow market share



Diversified Omni-Channel Distribution



Strong balance sheet minimizes risk and allows for investments to drive future growth



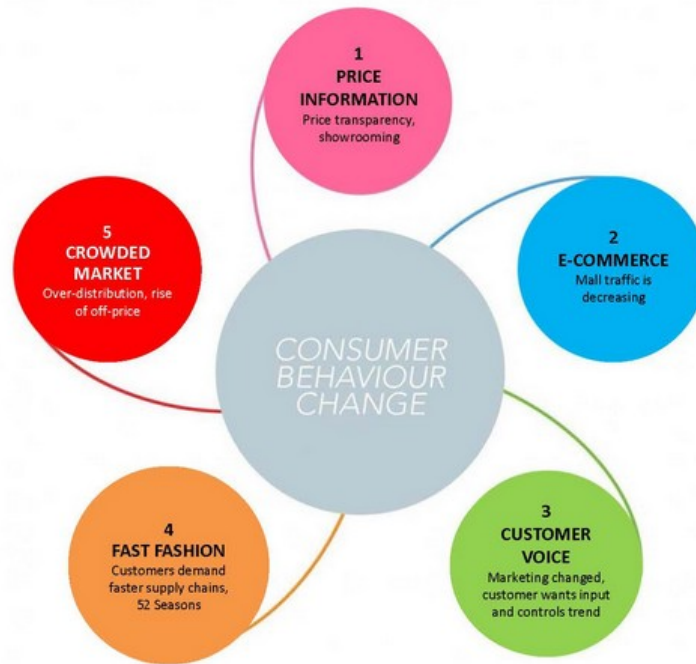
Senior Management Team and Board of Directors have significant experience in fashion, retail, and technology





STRATEGY

DISRUPTIVE FORCES ARE AFFECTING THE RETAIL INDUSTRY





CAUSING EXTREME HEADWINDS

MACY'S TO CLOSE 100 STORES AS E-RIVALS AND DISCOUNTING HIT LEGACY RETAILERS

- New York Times, August 2016

WHY J. CREW'S VISION OF PREPPY AMERICA FAILED

- The New Yorker, May 2017

22 RETAILERS AT RISK OF BANKRUPTCY

- Time Magazine, June 2017

SEARS HOLDINGS TO CLOSE 63 MORE STORES

- Wall Street Journal, November 2017

BONTON MAY DECLARE BANKRUPTCY

- Bloomberg, January 2018

BUT THERE ARE AND WILL BE WINNERS...

HOW INDITEX AND ZARA ARE WINNING

- Forbes, December 2017

AMAZON APPAREL ZIPS PAST DEPARTMENT STORES

- Barron's, May 2017

WHY STITCH FIX IS THE FUTURE OF CLOTHING

- Inverse.com, October 2017



THE SOLUTION

- 1 Give the customer what they want, when they want it, at a price that they can confirm is fair
- 2 Drive customer engagement with exclusive, dynamic brands and media content
- 3 Deliver superior product quality and margins to retail partners and customers

THE
FUTURE
IS NOW

XCEL BRANDS STRATEGY

DYNAMIC BRANDS

- Dynamic consumer brands including owned brands Isaac Mizrahi, H Halston, Judith Ripka, C. Wonder, and Highline Collective
- Designer spokespersons drive customer engagement through traditional and social media
- Exclusive rights granted to retail partners

MEDIA PARTNERSHIPS AND 360 MARKETING

- Media partnerships include QVC, TSC, Cjo, and Discovery Communications
- Brand partnerships including Revlon, Kleenex, Michael's, Delta Sky Clubs, and Chevrolet drive awareness
- Spokespersons drive additional engagement through appearances
- Custom content created by in-house media and marketing team and distributed through traditional and social media

VIRTUAL VERTICAL DESIGN AND SOURCING MODEL

- Over 85 designers in NYC Design Studio provide turn-key data-driven design
- Proprietary fast-to-market platform drives intelligent assortments with capability to respond and react to trends
- Virtual Vertical platform provides retailers with private label margins directly from designated factory partners

INTEGRATED TECHNOLOGY PLATFORM

- Investments in integrated technologies to advance design and sourcing processes
- Current technologies include 3D Design, Consumer Insight Testing, Trend Analytics, and Data Science
- Investments in new technologies with a focus on Artificial Intelligence, Machine Learning and Blockchain technologies for retail



OUR BRANDS

OUR BRANDS



ISAAC MIZRAHI BRANDS

TIMELESS COSMOPOLITAN STYLE IS...

Wit, irreverence, happiness and fun.
Confidence, with a wink and a nod.
It's an infusion of bold color.
The unexpected and iconic elements of New York.



Lifetime Retail Sales



CFDA Award Winner



Social Followers

Recent Retail Partnerships:

- QVC
- Lord & Taylor
- Hudson's Bay
- Dillard's
- Bed Bath & Beyond



ISAAC MIZRAHI, Chief Designer

JUDITH RIPKA BRANDS



WHEN A WOMAN IS WEARING MY JEWELRY, I WANT HER TO FEEL AS IF SHE IS WRAPPED IN ONE OF LIFE'S GREATEST LUXURIES.

- Judith Ripka



JUDITH RIPKA, Chief Designer



Lifetime Retail Sales



Most Trusted Jewelry Brands



Social Followers

Recent Retail Partnerships/Distribution:

- QVC
- Lord & Taylor
- Hudson's Bay
- Independent Jewelers
- www.JudithRipka.com

H HALSTON BRANDS



ROY HALSTON FROWICK



CAMERON SILVER, H Halston & H by Halston Fashion Director



YOU ARE ONLY AS GOOD AS THE PEOPLE YOU DRESS.

- Roy Halston Frowick



Lifetime Retail Sales



Iconic American Fashion Brand



Social Followers

Recent Retail Partnerships:

- QVC
- Lord & Taylor
- Hudson's Bay
- Dillard's

C WONDER BRANDS



C. WONDER IS...

where classic gets a fresh spin
where luxury is guilt-free and
where everything great happens all at once.

C. Wonder reveals through discovery, the spontaneous, fun, and indulgent side of our customer, and promises that with each experience, she gets closer to her best self.



Founded

Social Followers

Recent Retail Partnerships/Distribution:

- QVC⁽¹⁾
- VIPShop

(1) As previously disclosed, we are transitioning the business from QVC with no further QVC revenues effective as of February 1, 2018.

HIGHLINE COLLECTIVE BRANDS



Created for Millennials, Highline Collective is an accessible women's and men's trend-right, fast-to-market apparel and accessories brand that delivers new styles weekly. This collection is everything you want, now!

Recent Retail Partnerships:

- Lord & Taylor
- Hudson's Bay





PLATFORM

WHAT WE DO



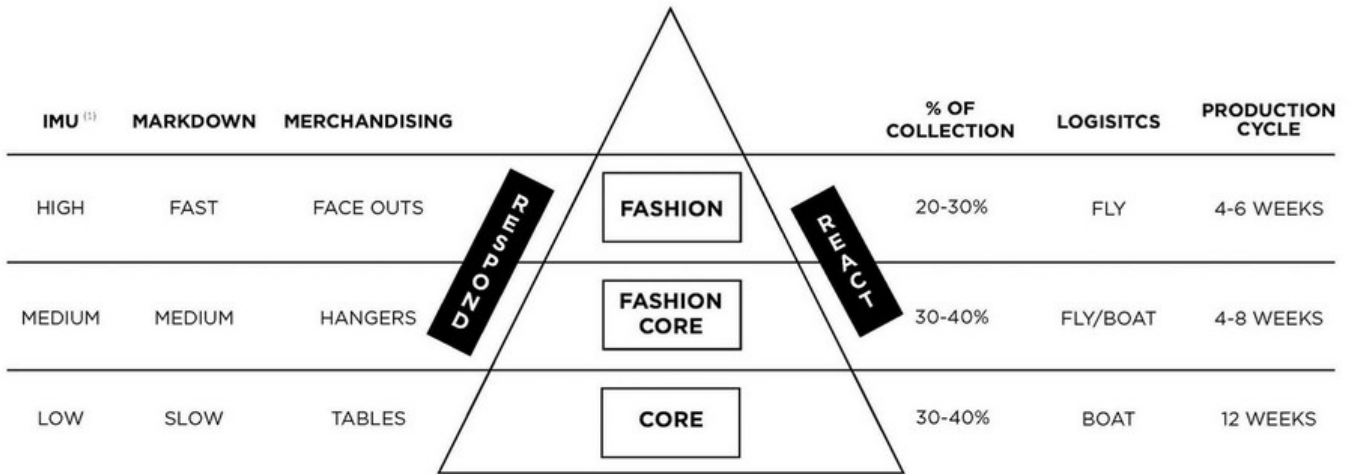
FAST-TO-MARKET VIRTUAL VERTICAL PLATFORM

Xcel has developed a fast-to-market, technology driven “virtual vertical” platform for its retail partners, designed to create clear advantages over other retail competition, including the ability to:

- Implement a fast-to-market vertical retail platform.
- Replicate and improve on existing fast-to-market models.
- Improve full-price selling/margins via proprietary brands, design, and fast-to-market production.
- Create an intelligent, dynamic assortment that includes short-lead time for best-seller reorders and for new fashion updates.
- Increase customer engagement and traffic through weekly flows of product.
- Reduce margin compression through exclusive brands.
- Develop intelligent, trend-right products, based upon an integrated technology platform including consumer insight testing, trend analytics, data science, 3D design, and AI.



FAST-TO-MARKET PLATFORM



(1) Initial Mark-Up (IMU) is based margin of initial retail price over landed cost.

INTEGRATED TECHNOLOGY PLATFORM

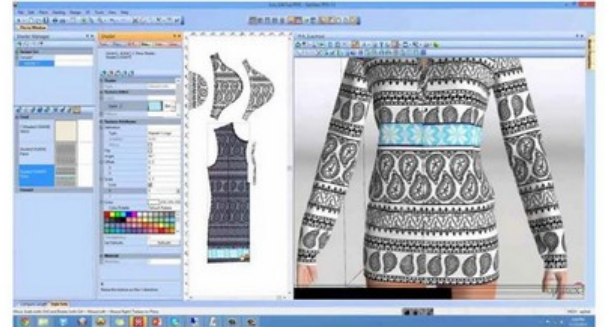
Xcel's strong free cash flow and low leverage enables it to invest in infrastructure and technology to drive future growth.

Since 2016, Xcel has made substantial investments into the following integrated technologies:

- Trend Analytics
- Consumer Insight Testing
- Data Analytics
- 3D Design

Additionally, we are focused on the following technologies to further our capabilities and position as a leading solution provider for our retail partners:

- Artificial Intelligence
- Machine Learning
- RFID Advancements
- Blockchain Technology





FINANCIAL OVERVIEW

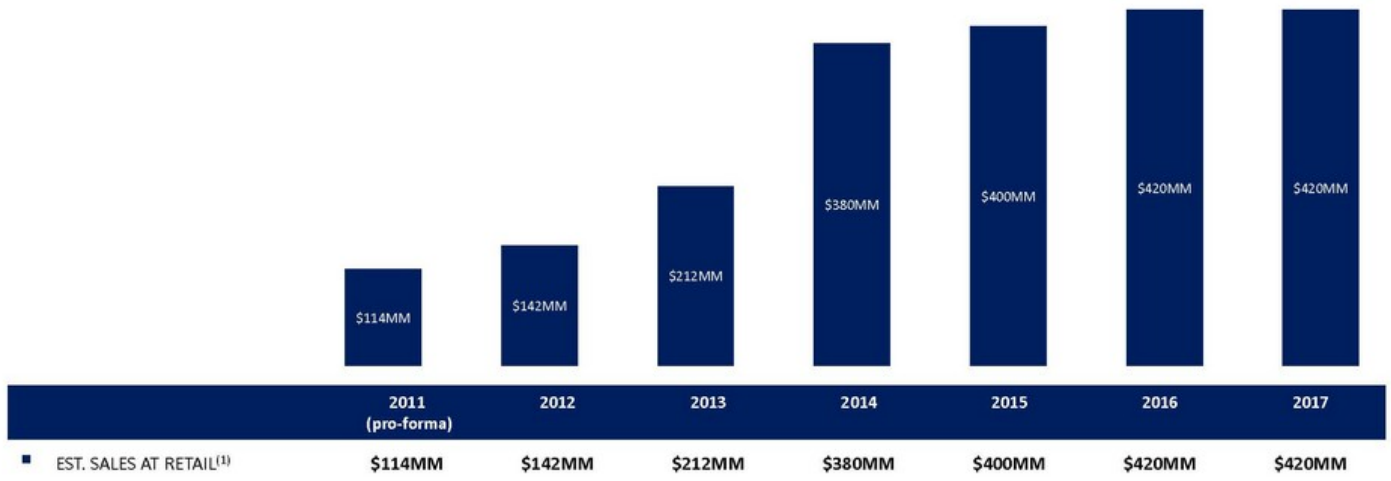
WORKING CAPITAL LIGHT REVENUE MODEL

- Xcel generates revenues through the following sources:
 - Royalties
 - Design Fees
 - Margin Participation
 - Marketing and other fees
- By partnering with retailers and suppliers through its Virtual Vertical model, Xcel minimizes working capital requirements and inventory risk
- This results in strong free cash flows which, coupled with conservative leverage, enables Xcel to generate strong returns while investing in future growth



RETAIL SALES

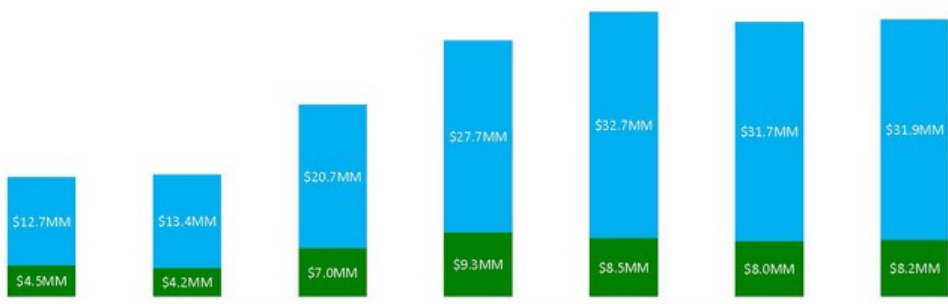
24.3% CAGR⁽²⁾



(1) Estimated sales at retail based on royalty reports, with retail sales estimated based on wholesale sales. Retail Sales do not represent Revenues to the Company. The amounts presented supersede previously reported data.
 (2) Based on growth in estimated sales at retail from 2011 through 2017.

REVENUE & EBITDA

**+20% CAGR
REVENUES⁽²⁾**



	2012	2013	2014	2015	2016	2017	TTM 3/31/2018 ⁽³⁾
Xcel Brands Revenue	\$12.7MM	\$13.4MM	\$20.7MM	\$27.7MM	\$32.7MM	\$31.7MM	\$31.9MM
Xcel Brands Adjusted EBITDA ⁽¹⁾	\$4.5MM	\$4.2MM	\$7.0MM	\$9.3MM	\$8.5MM	\$8.0MM	\$8.2MM

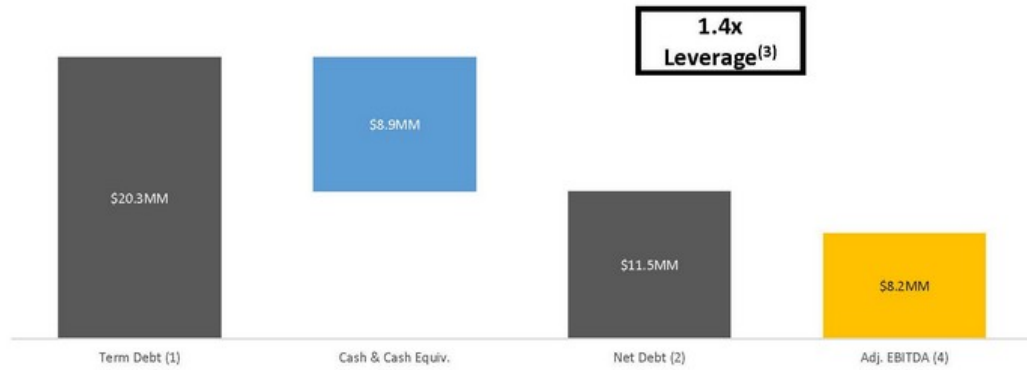


(1) Adjusted EBITDA is a non-GAAP unaudited term. For the definition of Adjusted EBITDA and a reconciliation to net income (loss), see the Company's annual report on Form 10-K.
 (2) Based on growth in Net Revenues from 2012 through Q1 2018.
 (3) TTM 3/31/2018 represents the twelve month period beginning April 1, 2018 through March 31, 2018. These figures are unaudited.

STRONG BALANCE SHEET

As of March 31, 2018, Xcel had \$8.9MM of cash against \$20.3MM of Term Debt, which resulted in Net Debt⁽²⁾ of \$11.5MM

- Compared with Adjusted EBITDA of \$8.2MM for the twelve months ended March 31, 2018, this resulted in Leverage of 1.4x



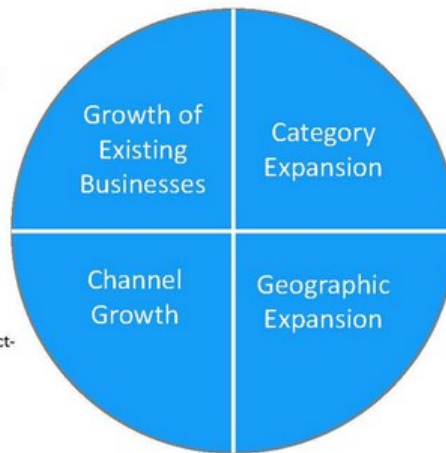
(1) Total Debt is based on Senior Term Debt with Bank Hapoalim and Seller Notes (in aggregate "Term Debt"), and excludes Contingent Obligations as disclosed in the Company's latest financial filings.
 (2) Net Debt is calculated as Term Debt less Cash and Cash Equivalents.
 (3) Based upon Net Debt divided by Adjusted EBITDA for the twelve month period ended March 31, 2018 of approximately \$8.2MM.
 (4) Adjusted EBITDA is a non-GAAP unaudited term. For the definition of Adjusted EBITDA and a reconciliation to net income (loss), see Exhibit A. Adjusted EBITDA presented is for the twelve month period ended March 31, 2018.



ORGANIC GROWTH DRIVERS

- Further expansion of IMNYC, H Halston, and Highline Collective within Hudson's Bay, Lord & Taylor, and Dillard's
- Continued growth of our Direct-Response Television Brands
- Discussions with new retail partners for C. Wonder
- Leverage Fast-to-Market virtual vertical platform for private label production

- E-commerce and social commerce / direct-to-consumer opportunities
- Fast fashion multi-brand direct-to-consumer platform
- Revlon and Bed Bath & Beyond partnerships launched in Fall 2017



- Additional categories launched on QVC including athleisure, home, and premium denim planned for 2018
- Additional categories added to department stores including Footwear, Handbags, and Mens
- New categories in development across all channels of distribution

- Launched Isaac Mizrahi and Halston on certain of QVC's international affiliates and Isaac Mizrahi at The Shopping Channel (Canada) and Cjo (Korea)
- Currently in discussion for distribution deals in Europe and Mexico
- Exploring additional partnerships in Europe, Asia, South America, and Middle East

BRAND ACQUISITION STRATEGY

Xcel is seeking to acquire and/or enter into ventures with brands that are Strategic, Synergistic, and Accretive to our existing business and shareholders.

We are also working with our partners in China to develop strategies to bring popular Chinese brands to the United States market.



KEY DRIVERS FOR 2018-2020

- Continued growth of existing QVC and Department Store Businesses
- Launch and growth of key ancillary categories (denim, footwear, handbags, mens)
- Private Label production through Fast-to-Market Platform
- Selectively leverage Fast-to-Market Platform across new brands and retailers
- International expansion through licensees and distributors





SUMMARY

SUMMARY

- Developing innovative solutions to address the changes in our industry. Xcel gives our customers what they want, when they want it, at a price they can confirm as fair.
- Dynamic, iconic brands engage customers through media and Ubiquitous-Channel distribution.
- Working capital light business model. Xcel provides 360° of retail support: design, sourcing, marketing and technology. Our platform is highly scalable.
- Proven track record of growth in revenues, EBITDA and net income, and a strong and stable balance sheet.
- Well-positioned to continue to grow through organic growth of existing brands, and acquisitions and development of new brands.



WWW.XCELBRANDS.COM



XCEL
BRANDS

Differentiate By Design

WWW.XCELBRANDS.COM
NASDAQ: XELB

Exhibit A

Adjusted EBITDA:

(amounts in thousands)	Quarter Ended				
	Period April 1, 2017 through March 31, 2018	March 31, 2018	December 31, 2017	October 31, 2017	June 30, 2017
Net (loss) income (Unaudited)	\$ (9,223)	\$ 500	\$ (10,188)	\$ 252	\$ 213
Goodwill impairment	12,371	-	12,371	-	-
Depreciation and amortization	1,579	411	389	389	390
Interest and finance expense	1,255	286	307	314	348
Income tax (benefit) provision	(477)	426	(2,151)	691	557
Other state and local franchise taxes	111	33	26	25	27
Stock-based compensation	2,608	507	688	690	723
Adjusted EBITDA	<u>\$ 8,224</u>	<u>\$ 2,163</u>	<u>\$ 1,442</u>	<u>\$ 2,361</u>	<u>\$ 2,258</u>

Adjusted EBITDA is a non-GAAP unaudited measure, which we define as net income before stock-based compensation, interest and other financing costs, income tax provision (benefit), other state and local franchise taxes, depreciation and amortization and goodwill impairment.