

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): **March 15, 2017**

**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))

## **Item 2.02 Results of Operations and Financial Conditions.**

On March 15, 2017, Xcel Brands, Inc. (the “Company”) made an investor presentation which included certain preliminary, estimated unaudited financial results for the year ended December 31, 2016. The investor presentation includes certain non-U.S. generally accepted accounting principles (“GAAP”) financial measures, the reasons it provided such measures and a reconciliation of the non-U.S. GAAP measures to U.S. GAAP measures. Readers should consider non-GAAP measures in addition to, and not as a substitute for, measures of financial performance prepared in accordance with U.S. GAAP. A copy of the Registrant’s investor presentation is being furnished hereto as Exhibit 99.1 and is incorporated herein by reference.

## **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

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**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: March 15, 2017

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## Investor Presentation

March 2017

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## Safe Harbor Statement

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.

# Agenda

- INDUSTRY UPDATE
- COMPANY OVERVIEW
  - Working Capital Light, Owned Dynamic Brands, Virtual Vertical, Highly Scalable, Strong Growth
- OUR BRANDS
  - Dynamic Brands, Ubiquitous-Channel Distribution
- HISTORICAL PERFORMANCE
  - Consistent Growth of Revenues and Earnings, Strong Balance Sheet
- FUTURE GROWTH OPPORTUNITIES
  - Organic and Acquisitions

# The Retail Industry is Being Disrupted

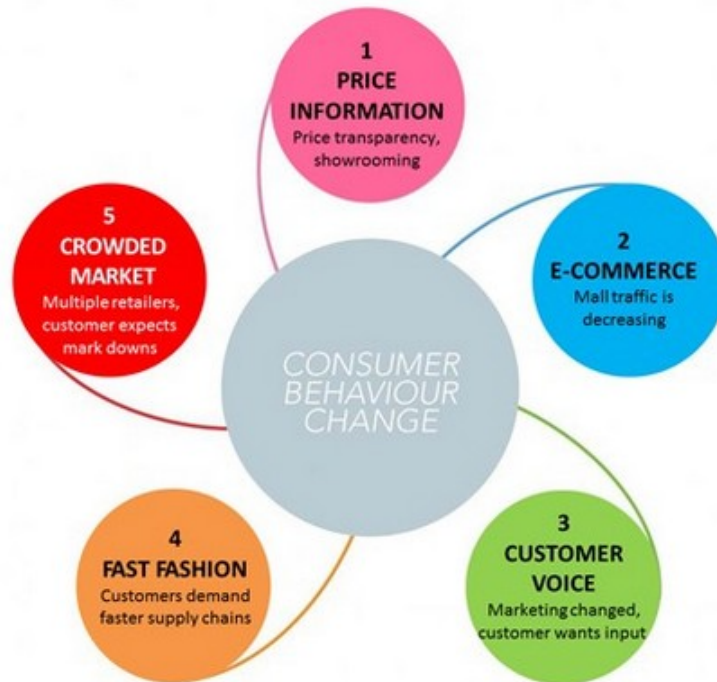
## FLIPBOARD UPDATE

- Disruptive forces are impacting all sectors
- The way people shop will continue to change
- Companies must move toward where things are going
- Sales and follower satisfaction are achieved through responsive delivery of great products



# Disruptive Forces Effecting our Industry

The way customers shop is rapidly changing, primarily caused by the following five disruptive forces:





# Xcel Brands - Innovation for the Retail Industry

Xcel Brands Inc. (NASDAQ:XELB) is a media and brand management platform company that owns, licenses, designs, manages production of products, generates media content and markets a portfolio of **dynamic consumer brands** that engage our customers and followers



ISAAC MIZRAHI



JUDITH RIPKA



 WUNDER



  
HALSTON



**HIGHLINE**  
COLLECTIVE

# Mission, Vision & Core Values

## THE VISION

To re-imagine shopping, entertainment and social as one

### THE MISSION

To design and produce the best responsive products for our followers and partners



### CORE VALUES

Be open and honest  
Listen to our followers  
Collaborate fairly to win  
Grow through the two-second advantage  
Foster the team

# Strategy











Xcel's strategy is to monetize the convergence of **shopping**, **entertainment** and **social**

We accomplish this through four key tactics:

- We own and license dynamic brands featuring designers and creative directors who have significant media presence
- We develop captivating media content and engage in conversations with customers
- We design products through a quick-time response (QTR) (short lead production) model that reacts to both qualitative and quantitative customer feedback. We act as a virtual vertical for our retail partners without taking inventory risk
- We collaborate with media companies QVC, and The Shopping Channel, collectively reaching 350 million households, 100 million social media followers



# Highly Differentiated Business Model

	TRADITIONAL WHOLESALE LICENSED BRANDS	TRADITIONAL WHOLESALE OWNED BRANDS	FAST-FASHION	XCEL BRANDS
	 	   	  	
Inventory Position	●	●	◐	-
Inventory Turnover	◐	◐	●	-
Supply Chain Management	●	●	●	●
Responsiveness / Lead Time	Long Lead	Long Lead	Fast	Fast
Design	●	●	●	●
Distribution Channels	Retail, E-Comm	Retail, E-Comm	Retail, E-Comm	Ubiquitous (All)
Media Content	Print / Social	Print/ Social	Print / Social	Print / Social / TV
Organic Growth	●	●	●	●

# Ubiquitous-Channel Distribution



## Interactive Television

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- QVC, Inc. (USA)
- QVC International (UK, Germany, Italy, France, Japan, China)
- The Shopping Channel (Canada)
- CJo Shopping (Korea)



## Wholesale

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- Hudson Bay Company
- Lord & Taylor
- Dillard's
- Better Dept Stores



## Specialty

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- Best Buy
- Johnson & Johnson
- Revlon (2017)
- Bed Bath & Beyond (2017)

# Our Brands



## Interactive Television

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JUDITH RIPKA



## Wholesale (Brick & Mortar + E-Commerce)

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JUDITH RIPKA LTD



**HIGHLINE**  
COLLECTIVE



## Specialty

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REVLON



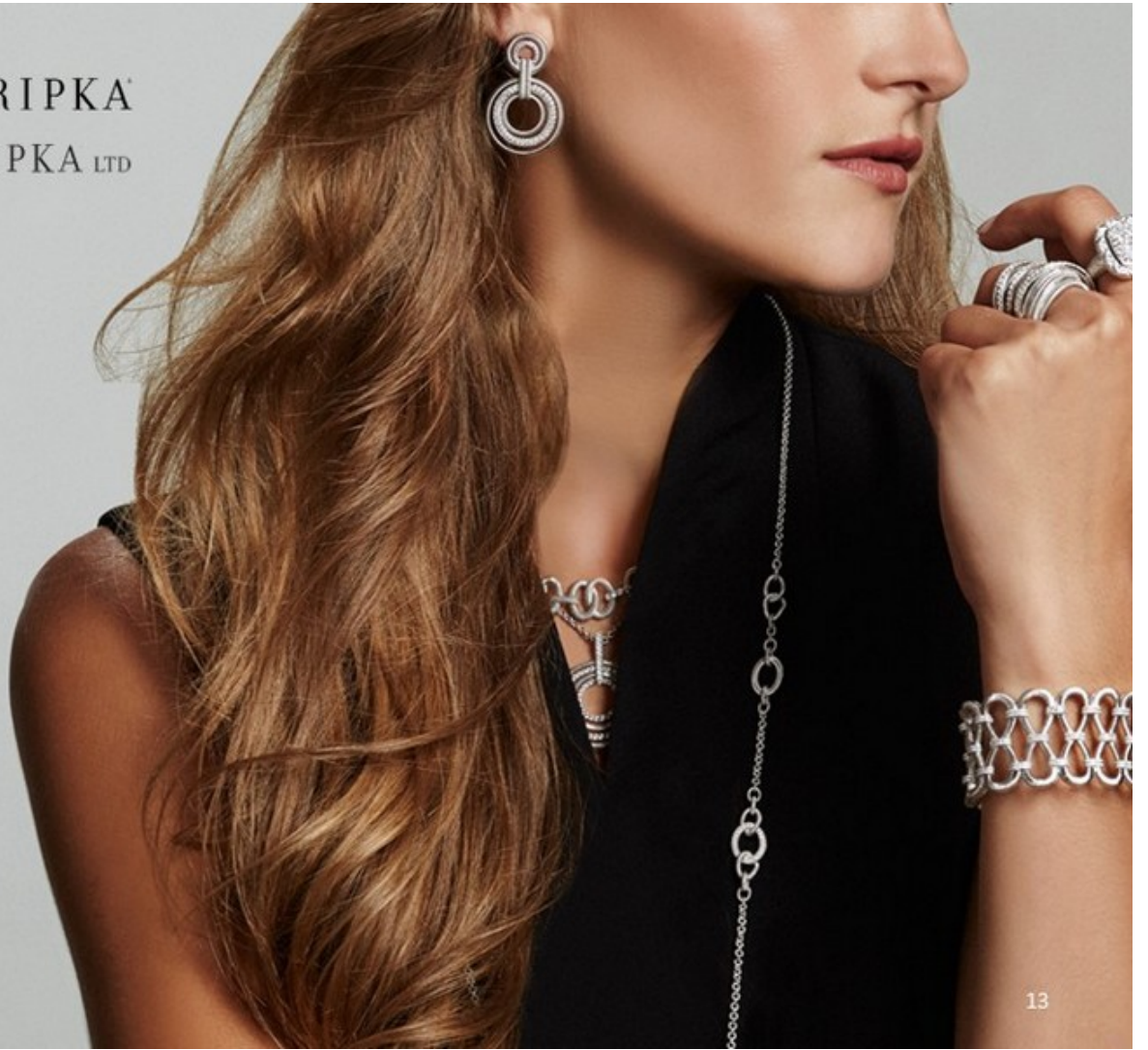
XCEL  
BRANDS  
Differentiate By Design

IMNYC  
ISAAC MIZRAHI

  
ISAAC MIZRAHI LIVE™

ISAAC MIZRAHI  
NEW YORK

JUDITH RIPKA  
JUDITH RIPKA LTD







H BY HALSTON

H  
HALSTON

 WONDER

 WONDER  
LIMITED





**HIGHLINE**  
COLLECTIVE

# IMNYC

ISAAC MIZRAHI



H  
HALSTON



# HIGHLINE

COLLECTIVE





BED BATH & BEYOND



JOHNSON & JOHNSON



HEWLETT PACKARD



BEST BUY



KLEENEX



REVLON

## Best In Class Retail Partners

Our brands are distributed through a Ubiquitous-Channel Sales strategy through best-in-class retail partners across Direct-Response Television, Bricks-and-Mortar, and Digital channels including:





# Retail Sales and EBITDA Scorecard



(1) Adjusted EBITDA is a non-GAAP unaudited term. See Exhibit I for the definition of Adjusted EBITDA and a reconciliation to net income (loss).  
 (2) There can be no assurance that these estimates will be realized or that actual results will not differ materially.




# Strong Balance Sheet

As of September 30, 2016, Xcel had \$15.2MM of cash against \$29.8MM of Term Debt, which resulted in Net Debt<sup>(3)</sup> of \$14.5MM.



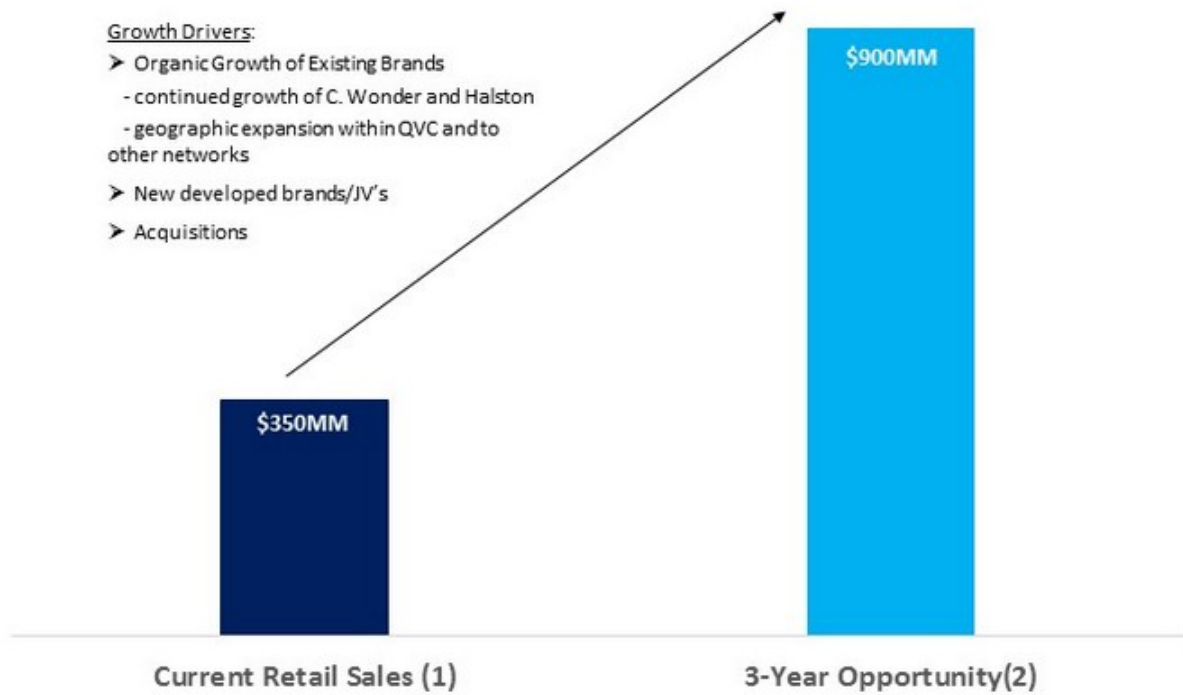
- (1) Total Debt is based on Senior Term Debt with Bank Hapoalim, Seller Notes and Contingent Obligations.
- (2) Earn-Outs based upon achieving certain targets as disclosed in the Company's latest financial filings, payable in cash or stock at the Company's option. As of September 30, 2016, no earn-out amounts have been earned.
- (3) Net Debt is calculated as Senior Term Debt and Seller Notes less Cash and Cash Equivalents.
- (4) Based upon Net Debt divided by Adjusted EBITDA for the trailing 12 months ended September 30, 2016.

# Organic Growth Opportunities

	Built-In Growth	Category Growth	Geographic Growth
	<ul style="list-style-type: none"> <li>• <b>H by Halston</b> – Full Year of performance in 2016</li> <li>• <b>C. Wonder</b> – Launched Spring 2016; full year in 2017</li> </ul>	<ul style="list-style-type: none"> <li>• Additional categories to launch in 2017 including <b>Denim</b>, expansion of <b>Home</b> which launched in 2016, and other opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Launched brands on QVC in <b>UK, Italy, Germany, France, and Japan</b> in 2014/2015</li> <li>• Launched <b>Isaac Mizrahi</b> on Cjo in <b>Korea</b> in 2015</li> <li>• Expected opportunities in <b>China</b> and other countries</li> </ul>
	<ul style="list-style-type: none"> <li>• <b>IMNYC, H Halston, C. Wonder and Highline Collective</b> - 3 brands launched in 450 shop-in-shops (all-doors) at Lord &amp; Taylor and The Bay in March 2016; full year of performance in 2017.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Footwear</b> launched under 2 brands in Fall 2016</li> <li>• <b>Mens'</b> launched Spring 2017</li> <li>• <b>Handbags, Intimates</b> to launch Spring 2017</li> <li>• Continued expansion of licenses in ancillary categories</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion to <b>Dillard's</b> – Spring 2017</li> <li>• Opportunity to expand existing brands to department stores in other countries (<b>Liverpool, El Corte</b>, and others)</li> <li>• Ability to leverage platform to expand to <b>other retailers</b> under new or acquired brands.</li> </ul>
	<ul style="list-style-type: none"> <li>• Expansion of existing specialty partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Bed Bath &amp; Beyond</b> and <b>Revlon</b> partnerships for Fall 2017; Home and other opportunities remain.</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunities with specialty retailers in Canada, Mexico, and globally</li> </ul>

# Sizing the Opportunities

## Direct-Response Television



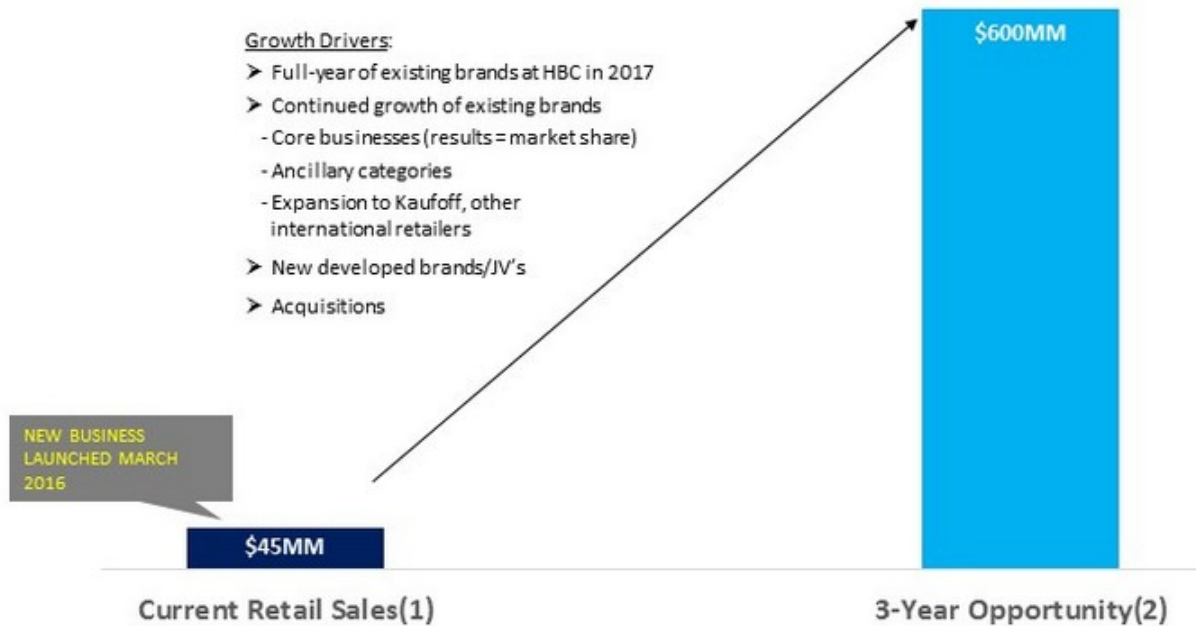
(1) Projected 2016 gross retail sales across all networks. Figures are preliminary and subject to change.

(2) Opportunity is based upon management's estimates for potential growth over 3 years including assumptions related to organic growth, developed brands/JV's and acquisition opportunities.

(3) There can be no assurance that these assumptions will be realized or that actual results will not differ materially.

# Sizing the Opportunities

QTR Platform - Department Stores / Traditional Retailers



(1) Projected 2016 gross retail sales at HBC. Figures are preliminary and subject to change.

(2) Opportunity is based upon management's estimates for potential growth over 3 years including assumptions related to organic growth, developed brands/JV's, new retailers and acquisition opportunities.

(3) There can be no assurance that these assumptions will be realized or that actual results will not differ materially.

# Acquisition Strategy and Brand Development

Xcel is seeking to acquire brands that are:

- ✓ Strategic
- ✓ Synergistic
- ✓ Accretive

Additionally, our unique platform and relationship with key retailers enable us to develop brands for our retail partners.



## Summary

- Xcel Brands is built to develop innovative solutions to address the changes in our industry.
- Xcel's "Virtual Vertical" business model is working capital light but its design, sourcing, and marketing infrastructure provides a highly scalable platform for strong organic growth.
- We own dynamic, iconic brands that engage customers through media and an Ubiquitous-Channel sales strategy.
- We have a strong track record of growth in both revenues, EBITDA and net income, and a strong and stable balance sheet.
- We are well-positioned to continue to grow through organic growth of our existing brands, and acquisitions and development of new brands in the future.

XCEL  
BRANDS  
Differentiate By Design

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# Exhibit I

## Reconciliation of Net Income (loss) to Adjusted EBITDA

Exhibit I Reconciliation of Net Income to Adjusted EBITDA	
(amounts in thousands)	Year Ended 12/31/2016 (estimate) (unaudited)
Net income - unaudited	\$ 2,737
Depreciation and amortization	1,560
Interest and finance expense	1,848
Income tax provision	315
State and local franchise taxes	102
Stock-based compensation	4,727
Loss on extinguishment of debt	-
Gain on reduction of contingent obligations	(3,409)
Non-recurring facility exit charges	670
Income from discontinued operations, net	(34)
Adjusted EBITDA	<u>\$ 8,516</u>

Adjusted EBITDA is a non-GAAP unaudited measure, which we define as net income before stock-based compensation, interest expense and other financing costs, loss on extinguishment of debt, gain on the reduction of contingent obligations, income taxes, other state and local franchise taxes, depreciation and amortization, non-recurring facility exit charges, and net income or loss from discontinued operations.

Management uses 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 our results of operations. Management believes Adjusted EBITDA is also useful because it provides supplemental information to assist investors in evaluating our financial results. Adjusted EBITDA should not be considered in isolation or as an alternative to net income (loss) or any other measure of financial performance calculated and presented in accordance with GAAP. Given that Adjusted EBITDA is a non-GAAP financial measure 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 listed above. 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.