
**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 24, 2024

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, New York, New York
(Address of Principal Executive Offices)

10018
(Zip Code)

Registrant's telephone number, including area code (347) 727-2474

Not Applicable
(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.

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	XELB	NASDAQ Global Select Market

Item 2.02 Results of Operations and Financial Conditions

Xcel Brands, Inc, (the “Registrant” or the “Company”) expects to make presentations to certain investors and will be providing the following preliminary estimated financial information for the three and six months ended June 30, 2024: The Company’s results of operations for the three and six months ended March 31, 2024 were positively impacted in a material amount by the sale of the assets, including the intellectual property, relating to the Lori Goldstein assets, which was effective June 30, 2024. The Company expects to include a one-time net gain of approximately \$3.8 million from the sale.

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Revenue	\$ 2,954,000	\$ 5,138,000
Pretax net income (loss) (1)	\$ 195,000	\$ (6,099,000)
Net income (loss) attributable to Xcel Brands, Inc stockholders (1)	\$ 195,000	\$ (6,099,000)
Adjusted EBITDA	\$ (40,000)	\$ (1,612,000)

- (1) Pretax net income (loss) and net income (loss) are expected to include a one-time net gain of approximately \$3.8 million, which is attributable to a combination of a net loss on the sale of the Lori Goldstein brand assets, and a reduction of the related contingent obligations. Pretax net income (loss) and net income (loss) also are expected to include an additional impairment charge of approximately \$1.2 million from the exit of the Company’s prior principal offices.

The estimated results for the quarter ended June 30, 2024, are preliminary and unaudited, represent management’s estimate as of the date of the release and are subject to completion of its financial closing procedures. The Company’s independent registered public accounting firm has not conducted an audit or review of and does not express an opinion or any other form of assurance with respect to the preliminary unaudited results. Accordingly, undue reliance should not be placed on the preliminary estimates. The preliminary estimates are not necessarily indicative of any future period results.

The preliminary estimated financial information contains non-U.S. generally accepted accounting principles (“GAAP”) financial measures. Exhibit 99.1 sets forth 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.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 [Reconciliation of Adjusted EBITDA to net loss](#)

104 Cover Page Interactive Data File (embedded within the inline XBRL document).



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date July 24, 2024

XCEL BRANDS, INC.

By: /s/ James F. Haran

Name: James F. Haran

Title: Chief Financial Officer

Reconciliation of Adjusted EBITDA to Net Income (Loss)
 Amounts presented in \$(000's)

	Three Months Ended	Year Ended
	June 30, 2024	
	(Unaudited)	(Unaudited)
Net loss attributable to Xcel Brands, Inc. stockholders	\$ 195	\$ (6,099)
Depreciation and amortization	1,545	3,133
Proportion share of trademark amortization of equity method investee	515	1,030
Interest and finance expense	146	296
State and local franchise taxes	12	24
Stock-based compensation and cost of licensee warrants	42	185
Loss from equity investment	43	60
Gain attributable to the divestiture of the Lori Goldstein assets	(3,801)	(3,801)
Asset impairment	1,188	3,485
Amortization of lease finance component on exited lease	75	75
Adjusted EBITDA	<u>\$ (40)</u>	<u>\$ (1,612)</u>

Adjusted EBITDA is a non-GAAP unaudited measure, which the Company defines as net income (loss) attributable to Xcel Brands, Inc. stockholders, before depreciation and amortization, interest and finance expenses, proportional share of trademark amortization of equity method investee, stock-based compensation, gain attributable to the divestiture of the Lori Goldstein assets, asset impairment, amortization of lease finance component on exited lease and other state and local franchise taxes.

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 the Company's results of operations. Management believes Adjusted EBITDA is also useful because this measure adjusts for certain costs and other events that management believes are not representative of the Company's core business operating results, and thus this non-GAAP measure provides supplemental information to assist investors in evaluating the Company'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. Adjusted EBITDA may not be comparable to similarly titled measures of other companies, including companies in the Company's industry, because other companies may calculate these measures in a different manner than the Company does. In evaluating Adjusted EBITDA, you should be aware that in the future the Company may or may not incur expenses similar to some of the adjustments in this document. The presentation of Adjusted EBITDA does not imply that the Company's future results will be unaffected by these expenses or any unusual or non-recurring items. When evaluating the Company's performance, you should consider Adjusted EBITDA alongside other financial performance measures, including our net income and other GAAP results, and not rely on any single financial measure.