

DXLG Earnings Call Transcript

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Operator: Thank you for standing by and welcome to Destination XL Group's Third Quarter Fiscal 2025 Earnings Conference Call. [Operator Instructions] I would now like to hand the call over to John Cooney, Chief Accounting Officer. Please go ahead.

John Cooney: Thank you, operator, and good afternoon, everyone. As you saw earlier today, we announced a merger agreement between DXL and FullBeauty as well as our third quarter fiscal 2025 earnings results. Joining me today are Harvey Kanter, DXL's President and Chief Executive Officer; Peter Stratton, DXL's Chief Financial Officer; and Jim Fogarty, FullBeauty's Chief Executive Officer and incoming Chief Executive Officer of the combined company. Today's discussion contains certain forward-looking statements concerning the announced merger between the company and FullBeauty, including an overview of the transaction and the future opportunities and expectations that the combination of these businesses will provide. Such forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those assumptions mentioned today due to a variety of factors that affect the company. Information regarding risks and uncertainties is detailed in the company's filings with the Securities and Exchange Commission. During today's call, we will also discuss some non-GAAP metrics to provide investors with useful information about DXL's third quarter financial performance. Please refer to our earnings release, which was filed this afternoon and is available on our Investor Relations website at investor.dxl.com for an explanation and reconciliation of such measures. I would now like to turn the call over to DXL's CEO, Harvey Kanter. Harvey?

Harvey Kanter: Thank you, John, and good afternoon, everyone. Today marks a pivotal step in redefining inclusive apparel as DXL and FullBeauty join forces to create a retailer that sets a new standard for choice, quality and customer experience. We are pleased to be speaking with you about the opportunities we see ahead for the combined company to accelerate growth, improve operational efficiency and deliver long-term value for our shareholders. On our call today, Jim Fogarty and I will begin by sharing additional insights about our 2 companies and the compelling benefits of this combination. I will then turn it over to Peter to review DXL's financial results for the third quarter of 2025, which were announced today in a separate release. I'll now begin by walking through why we believe our business fits so well together. It starts with our complementary missions and the ways in which we target underserved consumers and the fragmented markets that provide significant growth opportunities. At DXL, we are driven by a mission of providing Big + Tall men the freedom to choose their own style. We offer the best brands through our broad and deep assortment of national and private brands, most of which are exclusive across styles that provide options for most any occasion. Our clothes are made with the highest standards of construction and quality. In our stores, our customers will find a level of service that gives them a better experience than they can get anywhere else, bar none. We are solving problems for our customers. The Big + Tall man has largely been ignored by the apparel industry. There are few brands, fewer styles and even fewer sizing options out there at most other retailers. For the Big + Tall man, his clothes are largely chosen for him, not by what he likes, but purely by what exists. DXL fixes that. In so doing, we create significant growth opportunities for our business. And when the Big + Tall man shops at one of our stores, they are getting the brands, quality, style and experience that they simply cannot find anywhere else. Jim will tell you

more about FullBeauty's history, but they also solve this issue. They solve this issue by building on a business that has been dedicated to serving plus-size women and Big + Tall men since 1901. Their company's journey has been marked by transformation, evolution and purpose, adapting to new technology, platforms and customer behaviors. FullBeauty today provides an unparalleled fit and experience with each product meticulously crafted to cater to the customers' needs. FullBeauty's broad and balanced portfolio offers thoughtfully curated assortments aligned with evolving customer preferences, fashion trends and a wide range of end use, price points, looks and styles. Through an unwavering focus on the brand experience and creating meaningful connections with their customers, FullBeauty has set itself apart in the market as a differentiated and reliable choice for plus size and midsized customers. Our companies share a belief in the importance of rigorous design, sizing and manufacturing processes, and this focus has allowed both FullBeauty and DXL to distinguish themselves in the market and build strong loyalty with our respective customer bases. The merger of equals we are announcing today creates a scaled category-defining retailer for inclusive apparel. Together, we have unmatched know-how, manufacturing facilities and proven capabilities to deliver high-quality bespoke pieces for our customers that are not merely just graded up but thoughtfully created with Big + Tall and plus-size individuals in mind from the very start. This is what has set each of us and our companies apart in the broader retail industry, and we are confident it will be foundational to our success as we enter this next phase. By building on our combined strengths, we will meet the opportunity by creating a powerful engine for innovation, combining data science, digital scale, proprietary fit technology and differentiated store expertise. It also strengthens our financial position, providing us the profitability and flexibility to generate strong free cash flow. That financial strength, along with synergies we expect to capture will provide the resources to reinvest in our business and further reduce our leverage. Ultimately, together with FullBeauty, we will be better positioned to create value for our shareholders by serving our customers across the plus size and Big + Tall apparel markets with more brands, more styles and more options, whether they shop with us in our stores or online. And with that, I'll hand the mic over to Jim so he can share more about how this combination will create a scaled category-defining retailer. Jim?

James Fogarty: Thank you, Harvey. This is an exciting day for both DXL and FullBeauty, and I'm pleased to be speaking with you all about this transaction. Today, we are creating a new entity that we believe is greater than the sum of its parts. Today's inclusive fashion market remains highly fragmented with few players offering comprehensive solutions for plus size and Big + Tall customers. Together, we are building the first true scaled, profitable omnichannel platform that finally treat sizing inclusivity as a category, not a niche. This is not a merger to simply get bigger. It is a merger to become a category-defining leader and to create more value than either business could deliver on its own. Despite the underserved market opportunity, the sector has traditionally lacked coordinated offerings, leaving many customers with limited choices and inconsistent shopping experiences. This merger positions us to address these gaps by bringing together 2 leading companies with complementary strengths, creating a retailer that delivers greater assortment, improved fit and a powerful omnichannel experience. For DXL shareholders, this means owning a larger, more diversified company with higher EBITDA and stronger value creation prospects than DXL on a stand-alone basis. The combined company will be larger, stronger and more flexible. As a result, we will be well positioned to invest in long-term growth, joining forces as one best-in-class inclusive sizing retailer, our combined company will be one of the largest players in the inclusive sizing clothing sector by both sales and store count. For the last 12 months ending October 2025, DXL and FullBeauty generated approximately \$1.2 billion in combined net sales. Assuming no pro forma adjustments, adjusted EBITDA was approximately \$45 million. With the \$25 million in expected annual run rate cost synergies, adjusted EBITDA for the LTM would have been approximately \$70 million. We'll talk more about synergies in a moment. Uniting FullBeauty's leading pure-play direct-to-consumer capabilities with DXL's expertise in men's Big + Tall retail will create a powerful omnichannel and data-driven platform. Together, we will have a customer database of approximately 34 million households. Our leading direct-to-consumer presence will be 73% of total sales, and our nearly 300 stores will be 27% of total sales. With more first-party data, the combined company will be better able to offer more personalized marketing, make better inventory decisions and deliver higher customer lifetime value. We expect to deliver sustainable growth, stronger

margins and long-term shareholder value while expanding choice for customers. Our combined customer offering will be diversified across brands, gender, assortment and channel to offer unparalleled depth and breadth in options, whether our customers shop in-store or online. FullBeauty's distinctive women's brands as well as Big + Tall KingSize brand will join DXL's Big + Tall specialty to create a meaningfully expanded portfolio of both private and national brands. Our combined product mix is expected to be approximately 54% women's and 46% men's, delivering day-to-day staples, activewear, intimates, accessories and decor, spanning value to premium across lifestyles and occasions. The differentiated core capabilities that each of our companies bring to the table will enable us to accelerate growth. DXL's store infrastructure and expertise creates potential for brick-and-mortar expansion at FullBeauty. DXL's well-established relationships with national brands provide opportunities for KingSize and FullBeauty's women's brands to enhance their merchandise offerings. Meanwhile, FullBeauty brings an existing private label credit card program that can be broadened to include DXL, a universal cart website infrastructure that can increase cross-selling and sales at both DXL and FullBeauty, marketplace expertise that can be leveraged to increase DXL sales as well as a print catalog capability that can be leveraged to increase DXL sales. Further, we will be able to accelerate the work both companies are already doing to remain agile and responsive to evolving customer needs and shopping habits. Our shared focus on fit, flexibility and ongoing customer support positions the combined company to meet new and existing customers at every stage of their weight fluctuation journey, including those using GLP-1 medications through offerings such as DXL's FITMAP and FullBeauty's free exchange program. As we invest in enhancing and expanding our product range across the combined enterprise, we will also continue adding sizes at the lower end of our current range to offer an even broader range of options. In addition to cost synergies, I want to remind and reinforce that this combination unlocks meaningful commercial synergy upside by applying the strengths of both organizations to create a company with greater revenue potential than either business could achieve alone. FullBeauty has demonstrated an ability to drive commercial synergies across previous integrations, and we expect to apply that same playbook to drive incremental commercial growth with DXL through aforementioned universal card platform cross-selling, marketplace expansion, website conversion, private label credit card penetration and print and digital marketing. Likewise, DXL's brick-and-mortar and national brand expertise will also drive incremental growth within FullBeauty. Let me now turn it back to Harvey to discuss the technical aspects of the transaction and certain of the financial benefits.

Harvey Kanter: Thanks, Jim. Let me start with an overview of the merger transaction. Under the terms of the agreement, FullBeauty will merge with a newly formed subsidiary of DXL with DXL remaining as a publicly traded entity. The transaction is 100% stock for stock with DXL shareholders owning 45% and FullBeauty shareholders owning 55% of the combined company. As part of establishing a strong financial foundation for the combined company at closing, a certain of FullBeauty's equity and debt holders will complete a committed subscription of \$92 million through the sale of common stock in exchange for a combination of new equity and outstanding debt equitization. This will result in a term loan outstanding at closing of approximately \$172 million with a maturity of August 2029. The combination is expected to generate \$25 million in run rate annual cost synergies by 2027. We intend to begin capturing these synergies promptly after the closing of the transaction with a significant portion to be actioned within the first 12 months. We will take a scientific approach to driving efficiencies across the combined company through cost of goods sold, organizational and non-organizational expenses. With meaningfully enhanced scale, we will be able to optimize our factory base and supplier network, improve our inbound freight and logistics and leverage improvements in outbound shipping rates. Taken together, this will allow us to streamline our factories and resources for product creation while maintaining agility to pivot sourcing operations to mitigate tariff exposure. We will also be able to consolidate our workforce and streamline corporate functions to create a leaner, more efficient organization. Finally, by unifying our business overhead across the combined organization, we will benefit from improved pricing efficiency on corporate programs, streamlined customer-facing spend categories and reduced spending for non-organizational and contract programs. Turning now to the road map to completing the transaction and our integration plans. Looking ahead, the transaction is expected to close in the first half of fiscal 2026, subject to customary closing conditions and approval by

shareholders of DXL. I'm pleased to note that the Boards of Directors of both companies have unanimously approved the merger. In addition, DXL has entered into voting support agreements with one of our largest shareholders, Fund 1 Investments and with each member of the DXL Board, under which the parties have agreed to vote all of their respective shares in favor of the transaction. These agreements represent approximately 19.4% of DXL's existing voting shares, further reinforcing our confidence in a successful closing. Upon close, the company will trade under the ticker symbol of DXLG. The combined company's headquarters will remain in Canton, Massachusetts, and the combined company expects to maintain a significant presence in New York, Indianapolis and El Paso. The combined company will be led by a proven management team that includes members from both organizations. Upon closing, Jim will serve as our Chief Executive Officer; and Peter Stratton, current CFO of DXL, will serve as the Chief Financial Officer of the combined entity. This experienced team is highly qualified to deliver on the promise of this merger. The Board will be composed of 9 directors, 4 directors from each company and 1 independent director to be mutually agreed upon by the go-forward directors prior to closing. There are, of course, many decisions to be made throughout our integration planning. We look forward to keeping you apprised of further details as we have updates to share. And now I'd like to turn the call over to Peter for a quick update on DXL's third quarter earnings results. Peter?

Peter Stratton: Thank you, Harvey, and good afternoon, everyone. I'll just take a few minutes to run through the highlights of DXL's third quarter financial performance. Net sales for the third quarter were \$101.9 million as compared to \$107.5 million in the third quarter of last year. The decrease in net sales was primarily due to a decrease in comparable sales of 7.4%, partially offset by an increase in noncomparable sales from new stores. Although sales were below our expectations, the quarterly comp was an improvement from negative 9.3% in the first half of the year. We continue to see a shift towards our value-driven private brands as customers remain cautious with their discretionary spending. These private brands sell at lower average unit retails but generate higher margins. By month, our comps were negative 6.7% in August, negative 9.3% in September and negative 5.8% in October, with October our best month year-to-date. Our gross margin rate, inclusive of occupancy costs, was 42.7% as compared to 45.1% in the third quarter of last year. Deleveraging on occupancy costs contributed 210 basis points of decline and merchandise margins decreased by only 30 basis points, primarily impacted by promotional offers and tariff increases. Tariffs impacted our third quarter margins by approximately 60 basis points, and we expect the impact on our fiscal year 2025 margin to be approximately \$2 million. We did see favorability in Q3 due to the shift in product mix from national brands to private brands. Our SG&A; expense as a percentage of sales increased to 44.7% as compared to 44.1% in the third quarter of 2024. Our ad-to-sales ratio for Q3 was up slightly at 6% from 5.7% last year, and we have been seeing strong returns from our paid search and social channels. EBITDA for the quarter came in at a loss of \$2 million as compared to earnings of \$1 million for the third quarter of last year. We continue to feel very good about the overall strength of our balance sheet. Total inventory levels are down 4.6% to last year and clearance levels remain at approximately 10%, which is in line with our target and with last year. We finished the quarter with cash and short-term investments of \$27 million as compared to \$43 million a year ago, with no outstanding debt in either period and excess availability of \$73.6 million under our revolving credit facility. The \$16 million decrease in cash from a year ago can be accounted for with \$13.1 million in capital spent on new store development during the past 12 months and \$3.3 million in share repurchases in the fourth quarter of fiscal 2024. For the 9 months year-to-date, our free cash flow, which we define as cash flow from operating activities less capital expenditures, was a use of \$20.2 million of cash as compared to a use of \$7 million last year, with the decrease primarily attributable to lower earnings. Now I'll pass it back to Harvey for some concluding remarks.

Harvey Kanter: Thanks, Peter and Jim. On behalf of Jim and I, we want to take a moment to recognize our teams, both at DXL and FullBeauty for their dedication and hard work every day. Our success is built on their commitment and the efforts of our colleagues across the stores, distribution center, corporate offices and the guest engagement centers. Everything we accomplished, including our ability to reach this milestone transaction is possible because of them. Thank you for joining us today to learn more about this compelling transaction. I am confident that FullBeauty and DXL will reach even greater

heights and together than either business could have achieved on its own as a stand-alone. And with that, operator, we will open the floor for questions.

Operator: [Operator Instructions] Our first question comes from the line of Jeremy Hamblin of Craig-Hallum Capital Group.

Jeremy Hamblin: Congrats on the transaction. I wanted to start by just getting a fuller picture of the expected capital structure. Post-closing, we see the \$72 million -- \$172 million term loan. But wanted to just get a sense for kind of the expectations of where total debt would be post-closing, kind of expected cash post-closing and then hear a little bit more about the expected terms within the term loan.

Peter Stratton: Sure. So Jeremy, let me start with that question. So first of all, I should just note that we will have an awful lot more information coming out in the proxy statement, which we're going to be working on soon, but I'll try to give you some sense of how we're thinking about it. So as you saw in the release, what's happening is it's a 100% stock-for-stock transaction. We will be welcoming new shareholders into the company who are shareholders of FullBeauty today. And to answer your question about debt, the total debt that we're expecting upon closing is the \$172 million. As I said, there's going to be a lot more that will be coming soon, but that's just a quick start with how to think about it. But certainly, Harvey or Jim can add anything else to that I think appropriate.

James Fogarty: I would just add that the maturity is out to August of 2029 on the term loan, and it's LIBOR plus 750.

Jeremy Hamblin: Great. Okay. And so then -- right, so DXL has had the \$27 million here in cash. So just in terms of understanding what the balance sheet looks like for FullBeauty. So the total debt load is going to be \$172 million post close. And then just kind of an estimate, we're looking to see an estimate of what the post-closing cash balance you would expect for the combined entity?

Peter Stratton: So Jeremy, again, I'm not going to get into those pro forma numbers right now. We will have a lot more information coming in the proxy statement. But as of right now, what we're announcing is we wanted to make sure that everyone was clear on the term loan that Jim just referenced. That's going to be the outstanding debt that we're expecting upon closing.

Jeremy Hamblin: Okay. Got it. And then just another one kind of post-closing combined entity expectations around CapEx, given that FBB is more of a DTC business. But just on a go-forward basis and kind of assuming some of the investments that you'll be making in the business, but kind of the ongoing CapEx that you would expect for the entity?

Peter Stratton: Sure. So I'll speak to it qualitatively, I guess, is the best way to say it. I think one of the most exciting things about this transaction is the commercial synergies that both sides see. Now of course, we both have infrastructure and maintenance CapEx that needs to be maintained, whether it's maintaining distribution facilities, investments in IT and technology. But when I think about commercial synergies, there will be questions about where do we want to go with store operations. That's certainly one of the strengths that we bring to this transaction. And I think FullBeauty does not operate any stores today. So I think we will be looking at all kinds of commercial synergies and industrial logic that makes sense. That's going to become more clear, I think, as the 2 teams start working together and coming up with what are those operational plans that we want to be pursuing in the immediate term.

Jeremy Hamblin: Got it. Maybe this is a question more for Jim. But Jim, I wanted to understand, obviously, it's been a challenging couple of years for DXL. And wanted to understand what FBB was seeing in terms of trends, kind of sales trends over the past year and whether or not with kind of the number of brands that you have under the umbrella, if there are particular brands that are very strong and those that may be -- are any of the brands getting shed kind of post-closing?

James Fogarty: No plans for that currently. All of our brands serve a purpose. If you look at -- I think there's a slide in the investor presentation, you'll see that we break our brands down into what we call the new mall brands and the classic mall brands. Our new mall brands service millennial, younger Gen X demo. And then the classic mall brands have historically serviced the sort of older Gen X and into young boomers demo. And we've leaned into the new mall, and we've seen some better results there. And then we're continuing the classic mall is sort of the mainstay of the business for many, many years. And so we've built up a networking effect within that classic mall where we have very loyal customers, big percentages of our business are done by customers who bought more than 4 times from us lifetime. We have a very strong extended plus size business within that classic mall. And we try to drive -- we'll

take a new customer into classic mall in one of our brands, let's say, Woman Within. And then that relationship will try to grow with a basically a strategy of driving her -- and you'll see we operate with a universal web cart. So if you were able to load into womanwithin.com, you would see other surrounding brands. And we try to then encourage that customer to not only be a customer of Woman Within, but if she needs something nice for the weekend, she might move over to Roaman's. If she needs workwear, she'll move over to Jessica London. And so we're basically trying to build multiple brand relationships with that customer and then also multiple categories, move her into multiple categories as well. And then classically, direct-to-consumer, CRM, customer lifetime value driving, just getting more transactions and more loyalty with that customer over time. So I'm giving you like the quick history. And then we, as a company, introduced -- bought a brand called Eloquii, and we built out a new mall presence toward that younger demographic. And so we're seeing nice performance with that new mall lean as well. And then I would just double back and say, from our standpoint, we've always prided ourselves on being high free cash flow generators. So Peter will handle the sort of specific numbers there, but we have been CapEx light and strong free cash flow driving. You'll see those numbers from us over time. And I concur with Peter's -- and you saw it in my remarks that we're pretty excited about the -- not only the synergies on the cost side to sort of deliver those, that's super important. But also, we believe the -- and would reinforce that the commercial synergies in the transaction are exciting. The capacity and capabilities that we bring to the DXL brand and vice versa, I won't go through that all again, but we're pretty excited about that. So I'll leave it there.

Jeremy Hamblin: Great. Last one, actually kind of building on that point. In terms of managing kind of 2 really separate businesses that are in the same servicing similar customer sets, DXL has been very kind of hesitant to lead with promotion and fairly disciplined now for the -- certainly since Harvey's tenure. Just want to understand in terms of thinking about how the FB portion of the organization versus DXL, I'm sure this has been something discussed, but in thinking about how to kind of to market the brands and how to position from a price point and promotion, how do you create synergy among those 2 organizations?

Peter Stratton: So let me start with that one. And then, Jim, I'd love for you to comment on some of the specific questions about FB. So Jeremy, so we mentioned we're targeting \$25 million of run rate cost synergies. We're going to start capturing those we think, pretty quickly after closing. There will be a lot of actioning on that coming in the first 12 months. But I think there's going to be opportunities with cost of goods. We both have a pretty diverse manufacturing footprint around the world. There's certainly going to be organizational efficiencies and reduced overhead. But ultimately, I think what we collectively are excited about are those commercial synergies I was alluding to earlier and how can we accelerate growth through cross-selling, cross-channel capabilities, stores, DTC. I really think this is a tremendous opportunity for each company to bring their best attributes and skill sets and be able to build upon each other's distinct capabilities.

James Fogarty: Yes. And I'd just add to it. So first, we take the job on the cost synergies quite seriously, and that wouldn't be surprising. But we -- and as Peter said, we're going to get at it promptly. And it's a whole -- and we -- the 2 organizations have spent a lot of time working through where we think those synergies are and details and organizational details but also contract details. And so it's in the same places that Peter is talking about the sourcing organization, shared contracts over time, the organizational piece, we don't -- sort of the streamlining of leadership, of course, is obvious, but then also inside the organization, just trying to be as lean as we can be. And then also outbound shipping, inbound logistics, all of those in addition to the core product costs, we're going to -- and then there's, of course, the duplication of audit and tax and all of those sort of normal things. And so we'll work that piece. In terms of the organizations together, if you think about it, we're still in the planning stages, but we have a great brand in KingSize, a Big + Tall brand. And DXL, of course, is a very powerful brand in Big + Tall. And we've sort of known and respected one another's brands for years. They're bigger than our KingSize brand by a decent click. But we are a little bit more value moderate with KingSize and they're a little bit more moderate. So we think there's a positioning there where we can envision having a universal cart with our 2 men's brands, KingSize and DXL, sort of feeding cross-channel traffic to one another in a direct-to-consumer sense. And we have all sorts of things to think through. As you know, DXL was moving towards private label, increasing private label penetration. That's where we're strong.

They're strong on the national brand side. So we think there may be some really nice crossover potential that we have to work through from making -- the 2 brands will absolutely have a place together. And we've always found 1 plus 1 equaling 2.5 sort of thing and making them stronger. But we'll try to be as lean and efficient in all of that and be very -- even when we're thinking about capital and utilization of capital, be very disciplined capital allocators as we sort of work these things together.

Operator: Our next question comes from the line of Michael Baker of D.A. Davidson.

Michael Baker: Okay. Congratulations on the transaction. Can I follow up on Jeremy's question about the capital structure? Again, forgive my ignorance, maybe it's in here somewhere. But -- so just to be clear, we're not issuing any more stock here. It's still the same, roughly, what, 58 million shares of stock outstanding. Is that right? So that same stock outstanding number that we're using?

Peter Stratton: Yes. No, Mike. So it is going to be a stock issuance deal. We will be issuing stock to combine the 2 companies. As we were talking about, Jim was mentioning FullBeauty brings a high strong cash flowing business. DXL has a strong balance sheet. There's a lot of synergies that we think we'll find, but this is essentially a stock deal.

Michael Baker: So I guess then you got to -- do we know how much stock is going to be issued or what the -- how much we're...

Peter Stratton: Yes. So as we mentioned in the terms, it's going to be 55% to FullBeauty and 45% to DXL will be the pro forma ownership.

Michael Baker: Understood. Okay. I got you. Okay. And then for -- again, on the capital structure, is there -- so the \$172 million term loan, that's -- FullBeauty doesn't come with any debt? Because I know in the past, FullBeauty had existing debt, but has that been paid down? Or is there FullBeauty existing debt that we need to consider?

Peter Stratton: Right. So that \$172 million that Jim was referring to, that is FullBeauty debt that is being assumed by DXL in the transaction. As Jim was mentioning in his prepared remarks, the owners at FullBeauty have equitized a significant chunk of that. There's a \$92 million paydown, which brings us down to the \$172 million. And the extension -- the term debt is being extended out to August of '29.

Michael Baker: Okay. Okay. That helps clear it up. Now can I ask -- so based on the trailing 12-month numbers that you provided of \$1.2 billion and \$45 million in EBITDA. And we know DXLG's last 12 months numbers of about \$445 million and I'm missing my numbers, but about \$6 million in trailing 12-month EBITDA. So we can back into what FullBeauty would be doing over the last 12 months, which, correct me if I'm wrong, but that seems to be down a little bit from the last -- I think FullBeauty, the last time we have numbers from you was from your ICR presentation for fiscal year 2023. So I guess -- again, following up on a previous question, can -- Jim, can you talk about the types of trends you've been seeing in terms of top line growth or declines in EBITDA profitability over the last couple of years?

James Fogarty: Yes. So -- and that will all be part of the sort of statements, but just to give you a kind of quick frame. Peter took you through the comps of DXL of late. We've been about the same level of comp as DXL in the last period of time. So we have continued to work on our -- in the environment where the moderate value customer has been squeezed. We've continued to work hard on our cost structure, and we've continued to work hard on making sure our marketing expenses are right. And so that's all evident in the EBITDA flow-through that we have on our revenue. And we think that, again, both of these businesses are in much better versus our stand-alone plans, if you will. We -- the reason we're coming together is we see incredible ability to find and deliver on these synergies, these cost synergies as well as the commercial synergies we've been referencing. And that makes the business work really well. And so we think it's a great deal for the DXL shareholder as it is for our own organization to combine and combine forces and get stronger.

Harvey Kanter: Michael and Jeremy, thank you so much for asking your questions. Operator, it looks like there's no one else left in the queue with questions. So I would just like to thank everyone for their attendance on the call today. You know that we have a number of follow-ups. As Peter mentioned, we'll be working on the proxy and that you should see in the first quarter at some point. And we know we'll have ongoing discussions and need to follow up with all of you. So I wish you the very best of holidays if we don't talk to you live, and we look forward to catching with you in the weeks and months ahead. Have a wonderful holiday.

Operator: This concludes today's conference call. Thank you for participating. You may now disconnect.