

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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): January 9, 2017

DESTINATION XL GROUP, INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

01-34219

(Commission File Number)

04-2623104

(IRS Employer
Identification No.)

**555 Turnpike Street,
Canton, Massachusetts**

(Address of Principal Executive Offices)

02021

(Zip Code)

Registrant's Telephone Number, Including Area Code: (781) 828-9300

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 Instructions 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))
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Item 7.01 –Regulation FD Disclosure

On January 9, 2017, Destination XL Group, Inc. (the “Company”) issued a press release announcing holiday sales for the nine weeks ended December 31, 2016 and updated guidance for the fiscal year ended January 28, 2017 (“fiscal 2016”). A copy of this press release is furnished herewith as Exhibit 99.1.

The Company will be presenting a slide presentation at upcoming investor conferences. A copy of the slide presentation is furnished herewith as Exhibit 99.2.

The slide presentation is also available on the investor relations page of the Company’s website at www.destinationxl.com.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated January 9, 2017
99.2	DXL Investor Presentation – January 2017

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: January 9, 2017

DESTINATION XL GROUP, INC.

By:

/s/ Robert S. Molloy

Robert S. Molloy
Senior Vice President, General Counsel and Secretary

Exhibit List

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated January 9, 2017
99.2	DXL Investor Presentation – January 2017



January 9, 2017

Destination XL Group, Inc. Announces Holiday Sales Results and Updates Guidance

CANTON, Mass--(Business Wire) -- Destination XL Group, Inc. (NASDAQ:DXLG), the largest omni-channel specialty retailer of big & tall men's apparel, today announced that total sales for the 9-week holiday sales period ending December 31, 2016 decreased to \$97.9 million as compared to \$98.2 million for the same period of the prior year. Comparable sales for the same period decreased 1.4%. Based on the holiday sales results and expectations for the remainder of the fourth quarter, the Company has updated guidance to the low-end of its previously announced full-year range.

David Levin, President and CEO, commented, "The retail apparel environment was challenging over the holiday selling season, but we were pleased with our store results on the east and west coasts. We believe our strategic decision to eliminate a Fall television advertising campaign, while increasing our digital advertising spend, impacted top-line performance across the country, but resulted in a better return on investment in the current environment."

November/December Fiscal 2016 Highlights

- Total sales for the 9-week period ending December 31, 2016 decreased \$0.3 million to \$97.9 million compared to the corresponding period of the prior year. Comparable sales decreased 1.4%, with a 2-year stack increase of 0.7%.
- For the same 9-week period, comparable sales for DXL retail stores decreased 1.0%, with a 2-year stack increase of 6.8%.

Levin further commented, "We observed a noticeable migration with our 'gift-giver' this season to online shopping. Our Direct business performed well, but was not enough to offset the decline in store sales. We are managing our expenses very well, which we expect will allow us to meet the low-end of our sales, EBITDA and earnings guidance for the year. Our inventory levels are in excellent shape and we believe we are well-positioned as we enter the Spring selling season."

The Company plans to report its actual fourth-quarter and fiscal 2016 financial results on March 17, 2017, when management also will conduct its quarterly conference call to discuss its results for fiscal 2016, as well as its fiscal 2017 outlook.

Destination XL Group, Inc. will participate in the 2017 ICR Conference to be held at the JW Marriott Orlando Grande Lakes in Orlando, Florida on January 9-11, 2017. Management is scheduled to present on Tuesday, January 10, 2017 at 9:00 a.m. Eastern Time. The presentation will be hosted by David Levin, President and Chief Executive Officer, and Peter Stratton, Senior Vice President, Chief Financial Officer, and Treasurer. The presentation will be webcast live and available for replay in the Investor Relations section of the Company's website at investor.destinationxl.com

About Destination XL Group, Inc.

Destination XL Group, Inc. is the largest omni-channel specialty retailer of big & tall men's apparel with store locations throughout the United States and London, England. The retailer operates under five brands: Destination XL®, Casual Male XL, Rochester Clothing, ShoesXL and LivingXL. The Company also operates e-commerce sites at www.destinationxl.com and www.bigandtall.com. With more than 2,000 private label and name brand styles to choose from, big and tall customers are provided with a unique blend of wardrobe solutions not available at traditional retailers. The Company is headquartered in Canton, Massachusetts. For more information, please visit the Company's investor relations website: <http://investor.destinationxl.com>.

Forward-Looking Statements

Certain statements and information contained in this press release constitute forward-looking statements under the federal securities laws, including statements regarding the Company's expectations with respect to its positioning for the Spring 2017 selling season and its projected sales, EBITDA and earnings for fiscal 2016. The discussion of forward-looking information requires management of the Company to make certain estimates and assumptions regarding the Company's strategic direction and the effect of such plans on the Company's financial results. The Company's actual results and the implementation of its plans and operations may differ materially from forward-looking statements made by the Company. The Company encourages readers of forward-looking information concerning the Company to refer to its filings with the Securities and Exchange Commission, including without limitation, its Annual Report on Form 10-K filed on March 18, 2016, that set forth certain risks and uncertainties that may have an impact on future results and direction of the Company, including the risks relating to the Company's execution of its DXL strategy and ability to grow its market share, its ability to predict customer tastes and fashion trends, its ability to forecast sales growth trends and its ability to compete successfully in the United States men's big and tall apparel market.

Forward-looking statements contained in this press release speak only as of the date of this release. Subsequent events or circumstances occurring after such date may render these statements incomplete or out of date. The Company undertakes no obligation and expressly disclaims any duty to update such statements.

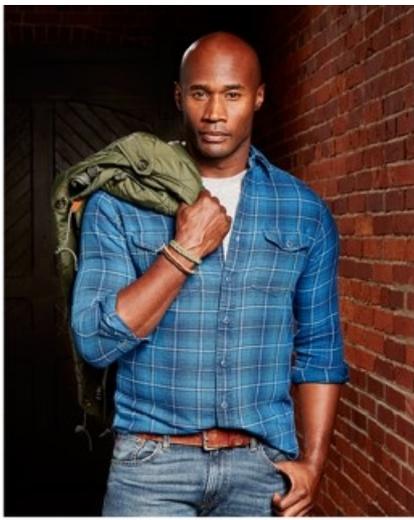
Investor Contact:

ICR, Inc.

Tom Filandro

646-277-1200

Source: Destination XL Group, Inc.



DXL[®]
MENS APPAREL
ICR Conference
January 10, 2017



Forward-Looking Statements and Non-GAAP Measures

Forward-Looking Statements:

Certain information contained in this presentation constitute forward-looking statements under the federal securities laws and include statements regarding the Company's expectations on strategic opportunities, sales, gross margin, free cash flows, EBITDA, projected 5-year IRR, capital expenditures and store counts for fiscal 2016 and beyond. The discussion of forward-looking information requires management of the Company to make certain estimates and assumptions regarding the Company's strategic direction and the effect of such plans on the Company's financial results. Such forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from those indicated. Such risks and uncertainties may include, but are not limited to: the failure to execute the Company's DXL strategy and grow market share, failure to compete successfully with our competitors, failure to predict fashion trends, extreme or unseasonable weather conditions, economic downturns, a weakness in overall consumer demand, trade and security restrictions and political or financial instability in countries where goods are manufactured, fluctuations in price, availability and quality of raw material, the interruption of merchandise flow from the Company's distribution facility, and the adverse effects of general economic conditions, political issues abroad, natural disasters, war and acts of terrorism on the United States and international economies. These, and other risks and uncertainties, are detailed in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended January 30, 2016 filed on March 18, 2016 and other Company filings with the Securities and Exchange Commission. The Company assumes no duty to update or revise its forward-looking statements even if experience or future changes make it clear that any projected results expressed or implied therein will not be realized.

Non-GAAP Measures:

Adjusted Net Loss, Adjusted Net Loss Per Diluted Share, EBITDA, Free Cash Flow and Free Cash Flow before DXL expenditures are non-GAAP measures. The Company believes that these non-GAAP measures are useful as additional means for investors to evaluate the Company's operating results, when reviewed in conjunction with the Company's GAAP financial statements. Please see Appendix B for additional information concerning these non-GAAP measures and a reconciliation to their respective GAAP measures, as applicable.

Agenda



- DXL Today
- Our Strategy
- Our Opportunity
- Key Financial Metrics
- Key Investment Takeaways



DXL Today



\$450M+
annual sales

203

DXL Stores



DXL
MENS APPAREL



28 DXL stores
with annual sales
>\$2.0M



76 DXL stores
with 4-wall cash flow
>25%

2.9 years

average age
of DXL store



15%

online sales
penetration



New store
5yr - IRR
40% - 50%



48 DXL
stores with
sales per sq ft
>\$200



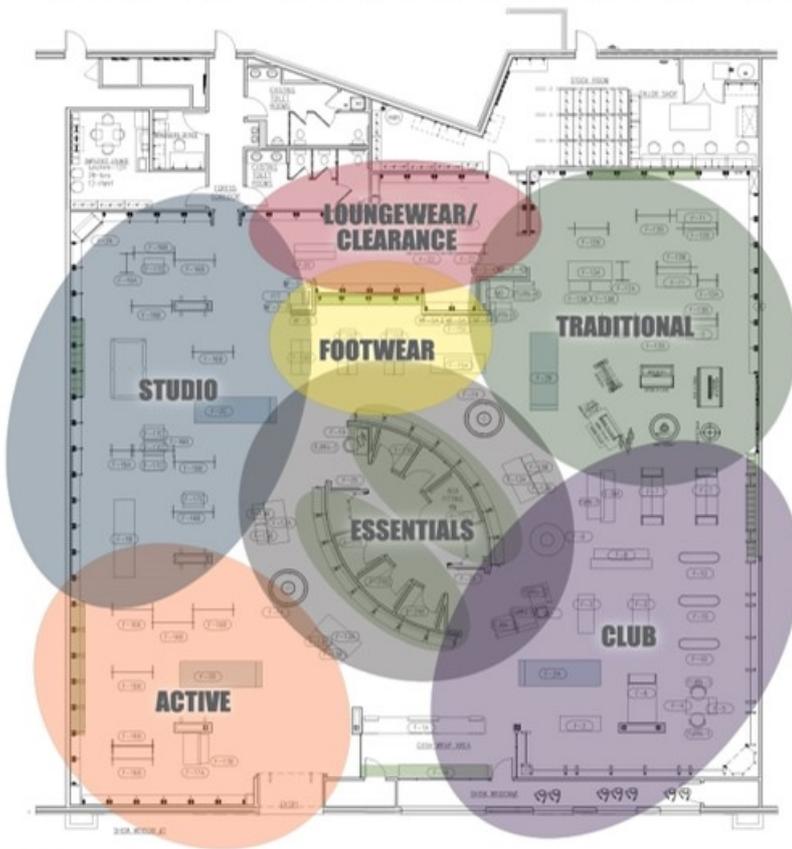
Strategy

Strategy: Differentiated Assortment & Experience



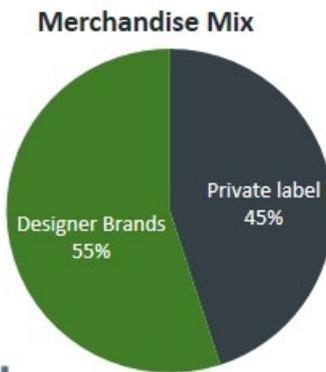
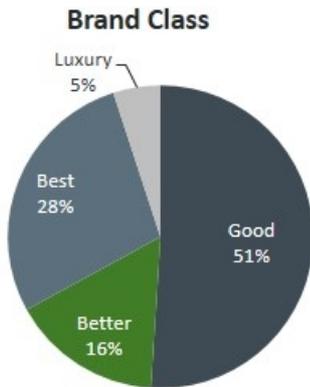
- **CONVENIENCE AND EASE**
 - Convenient head-to-toe shopping all under one roof; casual to dress to athletic styles.
- **THE PERFECT FIT**
 - We ARE the fit experts with technical designs to precisely fit and complement the body proportions of our guy. Sizes start at XL, waist 38, and shoes 10W & up.
- **THE FINEST QUALITY & PERSONALIZED SERVICE**
 - Whether it's a top designer or a value-priced private label, we offer only the finest in quality and craftsmanship; and our service is unparalleled.
- **BEST SELECTION OF STYLES & BRANDS**
 - Over 100 brands and 1,000s of styles – from top designers and exclusive private labels.
- **MODERN, UNIQUE SHOPPING ENVIRONMENT**
 - A store environment that offers the ultimate “WOW” factor, featuring spacious aisles and fitting rooms, plus an easy-to-shop layout.

Strategy: Lifestyle Assortment Approach



- Effectively displaying the full range of brands and categories
- Floor sections targeted to specific lifestyles
- Comfortable tailoring and fitting areas
- Ambiance appeals to target customers as well as female companion shoppers

Strategy: World Class Brand Portfolio



Good	Better	Best	Luxury
carhartt	Callaway GOLF	SAINT HILAIRE	HOCKEY FREEMAN
DOCKERS	Majestic	JOHNSTON & MURPHY	• DONALD J PLINER •
Cubavera	SPERRY TOP-SIDER	RALPH LAUREN	PAUL SHARPE yachting
Columbia	ck Calvin Klein	Psycho Bunny	Prion
PERRY ELLIS	PUMA	PETER MILLAR	Gran Sasso
Lee	VANS OFF THE WALL	UNDER ARMOUR	UGG AUSTRALIA
GEOFFREY BEENE	CUTTER & BUCK	COLE HAAN	Remy
Levi's	BRUNOMAGLI	Robert Graham	TED BAKER LONDON
JOCKEY	Tommy Hilfiger	Allen Edmonds	BOGOSSE
NAUTICA	Timberland	JACK VICTOR COLLECTION	TRUE RELIGION BRAND JEANS
Reebok	Tommy Bahama	MICHAEL KORS	Turnbull & Assis
	CONVERSE ALL STAR	asics	Coppley
	adidas	LACOSTE	

Over 100 brands, 1,000s of styles!

Strategy: Destination Model vs. Mall Model



- Destination model acquires customers over time resulting in strong year-over-year comps as the store matures as opposed to Mall model
- Located in high traffic locations with convenient access

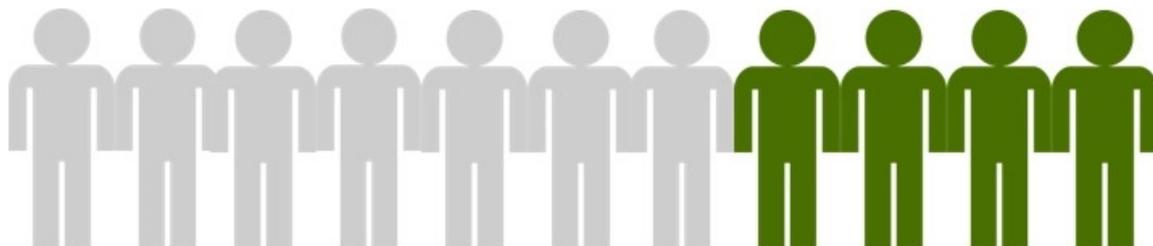
This slide represents a one-minute video that provides a tour of the DXL stores as well as a representation of merchandise sold by the Company.

DXL
GROUP

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Opportunity

Opportunity: Awareness

*6 out of 10 Big and Tall Guys
don't know who we are!*



Opportunity: End-of-Rack Customer (waist size 38" - 46")

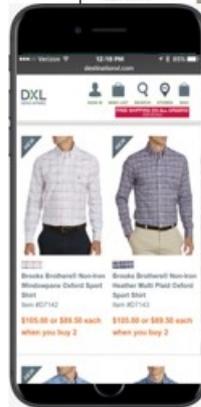
End-of-Rack Improves Quality of Sale

- Spends 120% more than 48"+ customers
- Visits 52% more often than 48"+ customers
- In Q3 2016, End-of-Rack was 44.5% of bottoms business compared to 42.9% in prior year quarter.



Opportunity: eCommerce

- Mobile Experience
- Personalization
- Digital Prospecting
- Digital Offers/Free Shipping



Opportunity: International

- 2 DXL stores opening in Toronto in Spring 2017
- International franchising / licensing model



Selected Primary Expansion Opportunities



Key Financial Metrics

Key Financial Metrics: Consistent 4-Wall Cash Flow Model with High IRR

DXL Average Store Model ⁽¹⁾

<i>(\$ in 000s; except psf data)</i>	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$1,080	\$1,220	\$1,350	\$1,460	\$1,570
Sales per Square Foot	\$155	\$175	\$195	\$210	\$225
Gross Margin (net of occupancy)	\$440	\$540	\$620	\$700	\$770
<i>Gross Margin %</i>	40.7%	44.3%	45.9%	47.9%	49.0%
4-Wall Cash Flow (2)	\$150	\$250	\$310	\$370	\$420
<i>4-Wall Cash Flow Margin % (2)</i>	13.9%	20.5%	23.0%	25.3%	26.8%
Payback Period (2)		2.48 years			
IRR (5-Year) (3)					36%

(1) Represents the Company's average expected results for a new DXL store based on internal data.

(2) 4-Wall Cash Flow approximates projected Cash Flow from Operations on a store level.

(3) IRR (Internal Rate of Return) is the rate at which the net present value of cash flows from a project or investment equal zero. IRR is calculated by taking the initial investment in a store, which includes the build-out costs, net of tenant allowances, plus the cost of inventory at opening against the projected cash flows for the first 5 years.

Key Financial Metrics: Impressive ROI

Performance of DXL stores, by year of opening⁽¹⁾:

Year-1 Sales per sq. ft.



CAPEX per sq. ft. ⁽²⁾



Projected 5-Year IRR



Average Square Footage



(1) Reflects 51 DXL stores opened in fiscal 2013, 39 DXL stores opened in fiscal 2014, 29 DXL stores opened in fiscal 2015 and 25 DXL stores in fiscal 2016

(2) Capital expenditures, net of tenant allowances.

Key Financial Metrics: Significantly Improving Leverage



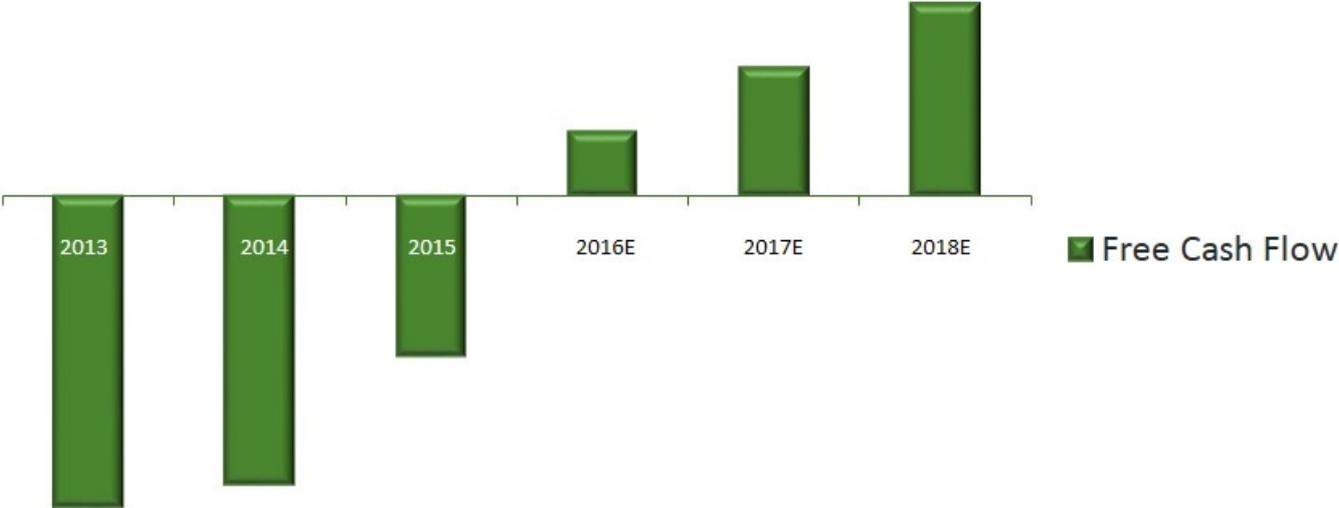
	2013	2014	2015	2016E
Total Debt (1)	\$25.7	\$52.3	\$69.1	\$63.0
EBITDA (2)	\$7.8	\$14.1	\$23.3	\$30.0
Debt/EBITDA	3.3	3.7	3.0	2.1

(1) Gross, before unamortized debt issuance costs.

(2) EBITDA is a non-GAAP measure. See Appendix B for a reconciliation of this non-GAAP measure.

(3) As of 11/22/16.

Key Financial Metrics: Strong Free Cash Flow Trend



*Free Cash Flow is a non-GAAP measure. See Appendix B for a reconciliation to its comparable GAAP measure.

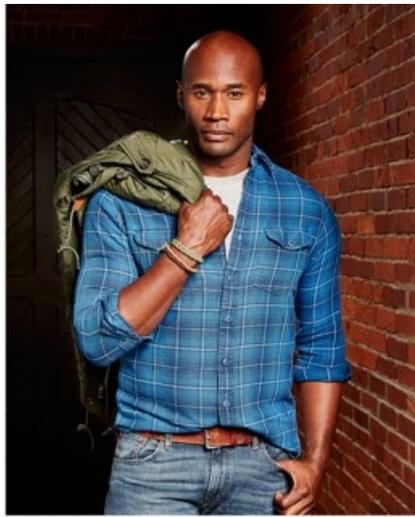


Key Investment Takeaways

Key Investment Takeaways:



Quality, Service, Selection
World Class Brand portfolio
Customer Awareness
End-of-Rack Customer
eCommerce
International



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Q3 Financial Results

Q3 Financial Highlights:

DXL Transformation driving Free Cash Flow and EBITDA Growth

Transformation has reached an inflection point

200

- 200th DXL store, in Oxnard, California
 - DXL stores now represent 74% of our store footprint

+57%

- Increase in Q3 EBITDA* over last year
 - Q3 2016 of \$3.9M vs. Q3 2015 of \$2.5M

+\$20M

- Increase in Full-Year Free Cash Flow* after DXL store investment
 - Free Cash Flow expected to improve to \$4.0M to \$8.0M in FY2016 over FY2015 of \$(15.0)M

* EBITDA and Free Cash Flow are non-GAAP measures. See Appendix B for a reconciliation of these non-GAAP measures to their comparable GAAP measure.

Financial Highlights:

Awareness Driving Success of DXL Transformation Strategy

Third Quarter 2016 - Key Metrics

14th

Consecutive quarter of positive comps – Total Company

- *Increased sales, improved cash flow and earnings*

+6.4%

Conversion rate of Casual Male customers

- *Versus Q3 2015*

44.5%

End-of-rack percentage of bottoms business

- *Up from 42.9% in Q3 2015*

+4.6%

Increase in sales per square foot

- *\$182 per foot vs. \$174 in Q3 2015*

Financial Highlights: 9 Month 2016

Delivered growth in sales and profitability in challenging consumer environment

+4.2%

DXL comparable store sales

- *On top of +10.0% in YTD 2015*

+3.0%

Total YTD 2016 sales vs. YTD 2015

\$(4.0)M

Net loss

- *Versus net loss of \$(7.0)M in YTD 2015*

\$20.8M

EBITDA +30%

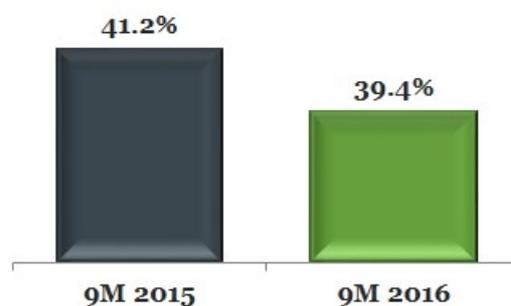
- *Versus \$16.0M in YTD 2015*

Financial Highlights: 9 Month YOY

Gross Margin (% of Sales)



SG&A Expense (% of Sales)



Diluted EPS*



EBITDA (\$ in millions)**



* On a non-GAAP basis, EPS, assuming a normalized tax rate, was \$(0.05) per diluted share for the first nine months of fiscal 2016, compared with \$(0.08) per diluted share for the prior year's first nine months. See Appendix B for a reconciliation to its comparable GAAP measure.

** EBITDA is a non-GAAP measure; see Appendix B for a reconciliation to its comparable GAAP measure.

Financial Highlights: Cash Flow & Balance Sheet

<i>(\$ in millions)</i>	9 Months 2015	9 Months 2016
Capital Expenditures:		
DXL stores	\$17.3	\$16.0
Other maintenance/infrastructure	<u>8.1</u>	<u>5.8</u>
Total	\$25.4	\$21.8
Inventory	\$133.3	\$128.2
Clearance inventory	9.0%	9.0%
Total debt*	\$83.9	\$83.3
Borrowings under credit facility*	\$55.9	\$62.4
Excess availability	\$62.8	\$52.4

- Lower CAPEX on fewer DXL store openings and a reduction in other infrastructure costs
- Opened 25 DXL stores YTD 2016 versus 33 DXL stores YTD 2015
- On track to open 29 DXL retail and outlet stores in fiscal 2016

* Net of unamortized debt issuance costs

Financial Highlights: FY 2016 Guidance

(\$ in millions, except per share data)	<u>Guidance</u>
Sales ⁽¹⁾	\$451.0~\$457.0
Total comparable sales increase ⁽¹⁾	1.0%~2.0%
Gross margin	46.0%
EBITDA* ⁽¹⁾	\$30.0~\$33.0
Net loss per share, diluted ⁽¹⁾	\$(0.09)~breakeven
Adjusted net loss per diluted share ^{*(1)}	\$(0.05)~breakeven
Total debt	\$60.0~\$66.0
Total Capital expenditures	Approximately \$30.0
DXL capital expenditures	Approximately \$20.6
Free cash flow*	\$4.0 to \$8.0
Free cash flow before DXL capital expenditures*	\$24.6 to 28.6

(1) Company expects results for fiscal 2016 to be at the low-end of its full year guidance.

** EBITDA, Adjusted net loss per diluted share, Free Cash Flow and Free Cash Flow before DXL expenditures are non-GAAP measures. See Appendix B for a reconciliation of these non-GAAP measures to their comparable GAAP measures.*

Non-GAAP Reconciliation

- The Company uses non-GAAP financial measures, such as "EBITDA," "Free Cash Flow," "Free Cash Flow before DXL Capital Expenditures," "Adjusted net loss" and "Adjusted net loss per diluted share" in assessing its operating performance. The Company believes that these non-GAAP measures serve as an appropriate measure to be used in evaluating the performance of its business. The Company defines EBITDA as Earnings before interest, taxes and depreciation and amortization. Free cash flow is defined as cash flow from operating activities less capital expenditures. Adjusted net loss and Adjusted net loss per diluted share are calculated assuming a normalized tax rate of 40%.
- These measures as defined by the Company may not be comparable to similarly titled measures reported by other companies. The Company does not intend for non-GAAP financial measures to be considered in isolation or as a substitute for other measures prepared in accordance with GAAP. The following tables provide a reconciliation of for each of these Non-GAAP measures.

GAAP TO NON-GAAP RECONCILIATION OF EBITDA

	For the three months ended		For the nine months ended	
	October 29, 2016	October 31, 2015	October 29, 2016	October 31, 2015
<i>(in millions)</i>				
Net loss, GAAP basis	\$ (4.5)	\$ (5.5)	\$ (4.0)	\$ (7.0)
Add back:				
Provision for income taxes	0.0	0.1	0.1	0.2
Interest expense	0.8	0.8	2.3	2.3
Depreciation and amortization	7.5	7.1	22.4	20.5
EBITDA, non-GAAP basis	\$ 3.9	\$ 2.5	\$ 20.8	\$ 16.0

GAAP TO NON-GAAP RECONCILIATION OF ADJUSTED NET LOSS

	For the three months ended				For the nine months ended			
	October 29, 2016		October 31, 2015		October 29, 2016		October 31, 2015	
	\$	Per diluted share	\$	Per diluted share	\$	Per diluted share	\$	Per diluted share
<i>(in thousands, except per share data)</i>								
Net loss (GAAP basis)	\$ (4,452)	\$ (0.09)	\$ (5,472)	\$ (0.11)	\$ (4,039)	\$ (0.08)	\$ (7,025)	\$ (0.14)
Add back: Actual income tax provision	34		63		126		191	
Income tax (provision) benefit, assuming a normal tax rate of 40%	1,767		2,164		1,565		2,734	
Adjusted net loss (non-GAAP basis)	\$ (2,651)	\$ (0.05)	\$ (3,245)	\$ (0.07)	\$ (2,348)	\$ (0.05)	\$ (4,100)	\$ (0.08)
Weighted average number of common shares outstanding on a diluted basis		49,552		49,116		49,532		49,072

Non-GAAP Reconciliation (cont.)

GAAP TO NON-GAAP FREE CASH FLOW RECONCILIATION

<i>(in millions)</i>	For the nine months ended		Fiscal
	October 29, 2016	October 31, 2015	2015
Cash flow from operating activities (GAAP basis)	\$ 8.1	\$ (5.0)	\$ 18.4
Capital expenditures, infrastructure projects	(5.8)	(8.1)	(13.3)
Free Cash Flow, before DXL capital expenditures	\$ 2.3	\$ (13.1)	\$ 5.1
Capital expenditures for DXL stores	(16.0)	(17.3)	(20.1)
Free Cash Flow (non-GAAP basis)	\$ (13.7)	\$ (30.4)	\$ (15.0)

2016 FORECAST GAAP TO NON-GAAP RECONCILIATIONS

<i>(in millions, except per share data)</i>	Projected	
	Fiscal 2016	
		<i>per diluted share</i>
Net income (loss), GAAP basis	\$ (4.4) - \$ 0.0	
Add back:		
Provision for income taxes	0.2	
Interest expense	2.9 - 3.2	
Depreciation and amortization	29.9 - 31.0	
EBITDA, non-GAAP basis	\$ 30.0 - \$ 33.0	
Net income (loss), GAAP basis	\$ (4.4) - \$ 0.0	\$ (0.09) - \$ 0.00
Income tax benefit, assuming 40% rate	\$ (1.8) - \$ 0.0	\$ (0.04) - \$ 0.00
Adjusted net income (loss), non-GAAP basis	\$ (2.6) - \$ 0.0	\$ (0.05) - \$ 0.00
Weighted average common shares outstanding - diluted	49.9	
Cash flow from operating activities, GAAP basis	\$ 34.0 - \$ 38.0	
Capital expenditures, infrastructure projects	(9.4)	
Free Cash Flow, before DXL capital expenditures	\$ 24.6 - \$ 28.6	
Capital expenditures for DXL stores	(20.6)	
Free Cash Flow, non-GAAP basis	\$ 4.0 - \$ 8.0	

Investor Contact

Tom Filandro

Managing Director, ICR

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www.DestinationXL.com

