

**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): September 7, 2016

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

Destination XL Group, Inc. (the “Company”) will be presenting a slide presentation at upcoming investor conferences. A copy of the slides is attached to this report as Exhibit 99.1 and is incorporated by reference herein.

The slides include financial information not prepared in accordance with generally accepted accounting principles (“Non-GAAP Financial Measures”). The Company believes that the non-GAAP measures are useful as an additional means for investors to evaluate the Company’s operating results, when reviewed in conjunction with the Company’s GAAP financial statements. A reconciliation of the Non-GAAP Financial Measures to financial information prepared in accordance with generally accepted accounting principles (“GAAP”), as required by Regulation G, is included as Appendix A to the investor presentation.

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

The slides contained in the exhibit include statements intended as “forward-looking statements,” which are subject to the cautionary statement about forward-looking statements set forth in the exhibit. The additional slides are being furnished, not filed, pursuant to Regulation FD.

Accordingly, the slides will not be incorporated by reference into any registration statement filed by the Company under the Securities Act of 1933, as amended, unless specifically identified therein as being incorporated therein by reference. The furnishing of these slides is not intended to, and does not, constitute a determination or admission by the Company that the information in the slide presentation is material or complete, or that investors should consider this information before making an investment decision with respect to the Company.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	DXL Investor Presentation – September 2016

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.

DESTINATION XL GROUP, INC.

Date: September 7, 2016

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	DXL Investor Presentation – September 2016



Investor Presentation September 2016

Forward-Looking Statements and Non-GAAP Measures

Forward-Looking Statements:

Certain information contained in this presentation, including, but not limited to, sales, gross margin, free cash flows, EBITDA, capital expenditures and store counts for fiscal 2016 and beyond, constitute forward-looking statements under the federal securities laws. 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 Income (Loss), Adjusted Net Income (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 A for additional information concerning these non-GAAP measures and a reconciliation to their respective GAAP measures, as applicable.

Investment Highlights



Dominant Position in Growing Big & Tall Category



Powerful and Growing Brand Supported by a Differentiated Big & Tall Customer Experience



Exclusive Merchandise Selection of Private Brands and National Designers



Proven Transformation Driving Higher Growth, Higher Margins and Higher ROIs



New Store Rollout Strategy Adds Growth Over The Next Several Years



International Franchise Strategy Will Add to Long-Term Revenue Growth



Strong Cash Flow Generation Expected to Fully Fund DXL Rollout

Dominant Position in the Big-and-Tall Market

- Other retailers have had limited success in Big & Tall
 - Only 4 stores owned by next-largest pure-play
 - Two of DXL's largest competitors attempted to create pure-play Big & Tall specialty concepts without success and closed all stores
- #1 online and brick-and-mortar Big & Tall sales
 - 348 total stores
 - 59% of online traffic share⁽¹⁾
- Significant proprietary merchandise differentiates the Company
 - 45% of sales in fiscal 2015 from private label (collection of internally developed brands)
 - 55% of sales in fiscal 2015 from national brands
- Scale allows DXL to establish specifications / fit to best address customer needs and ensure fit consistency across brands

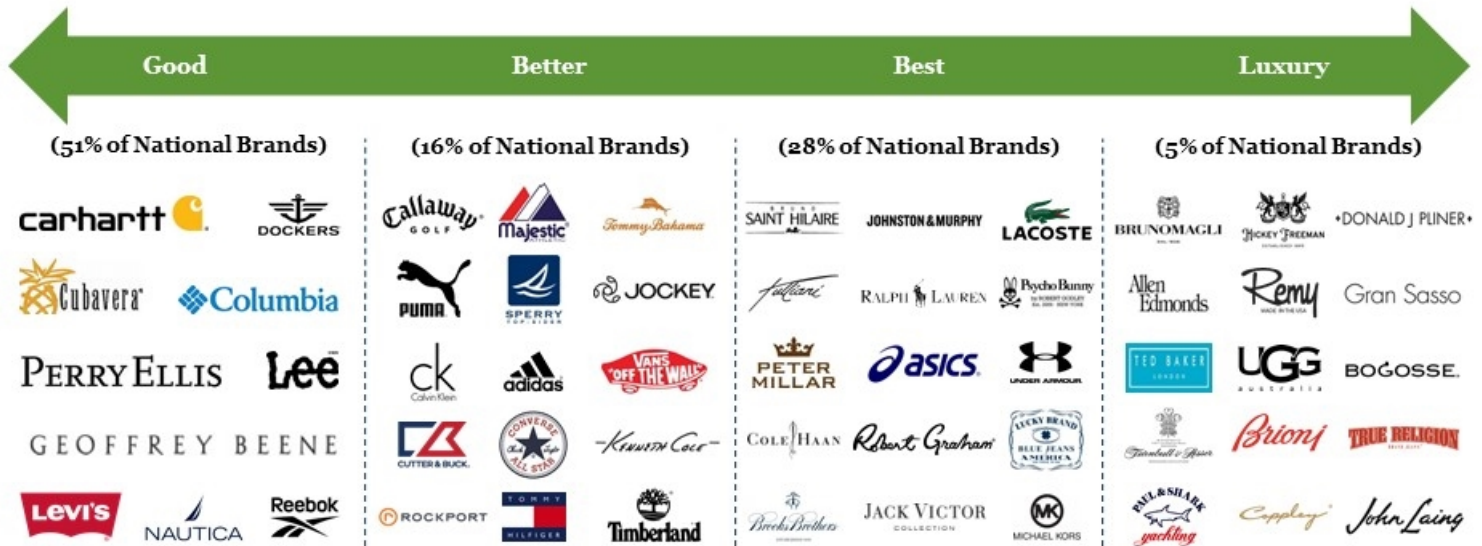


Better at serving the Big & Tall customer than any other retailer

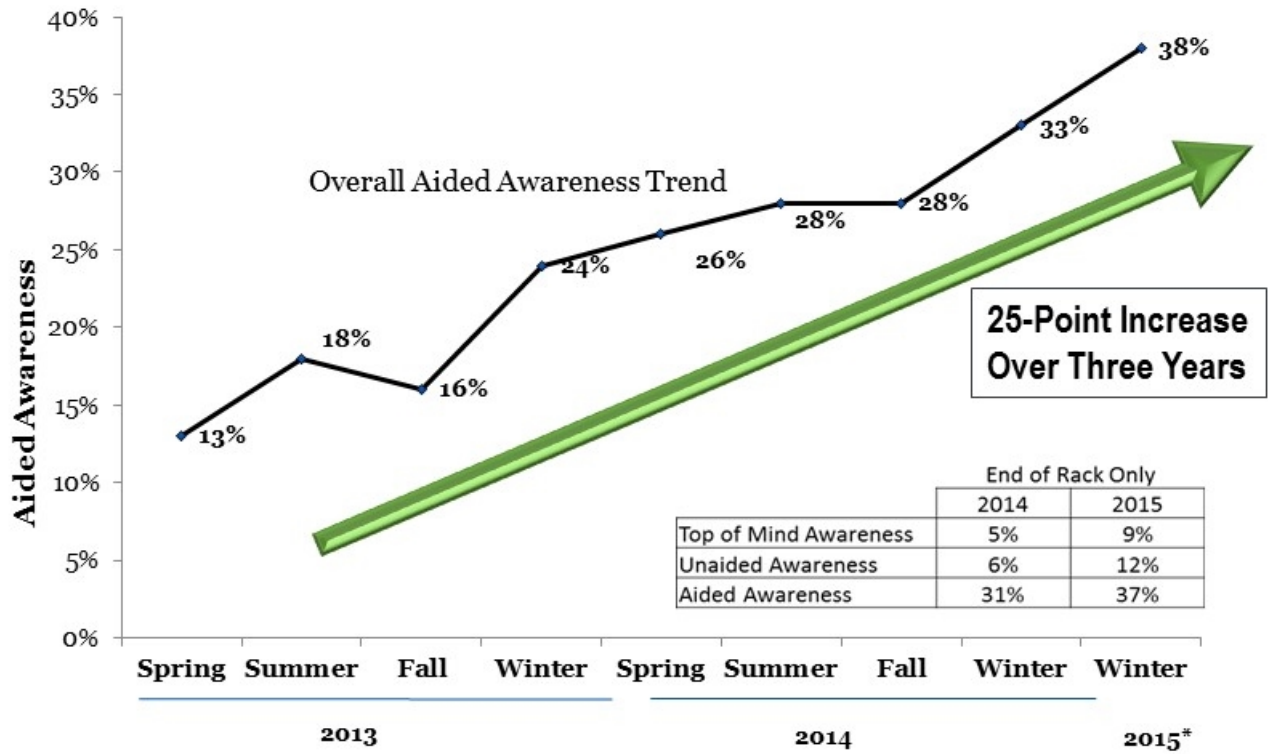
⁽¹⁾ Online traffic share of big and tall specialty websites as of July 2016, based on third-party competitive intelligence.

Access to Depth of National Brands Creates Competitive Advantage

- Bringing national fashion-oriented brands to Big & Tall customers
- Strong exclusive Big & Tall relationships with many leading designers
- Collaborative relationship in design process creates consistent fit and reduces return rate
- Increasing the number of major brands based on the success of new Destination XL stores
- Complementary private label merchandise offering



Significant Increase in DXL Brand Awareness



*“End-of-Rack” customers are defined as customers with a waist size of 46” or less.

*Beginning in fiscal 2015, the Company began measuring brand awareness on an annual basis.

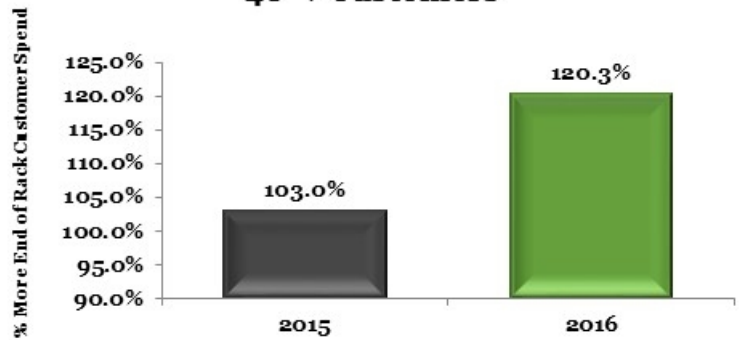
In Q2 2016, “End-of-Rack” customers were 44.1% of bottoms business compared to 42.9% in Q2 2015.



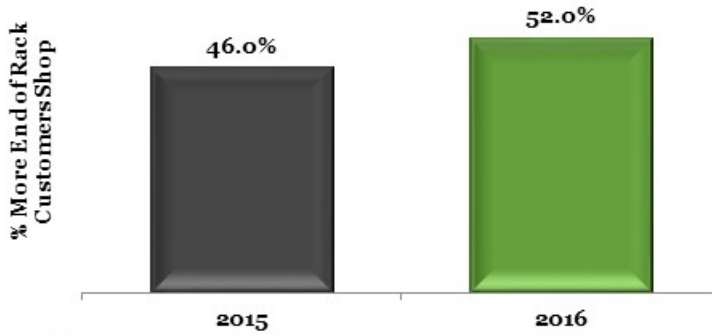
End of Rack Customers Generate More Value to DXL

- Through July of 2016, End of Rack consumers spent 120% more than the 48"+ customers.
- This is up from last year's 103% higher spend that our End of Rack customers had over our 48"+ customers

End of Rack Customers Spend Significantly More Annually than 48"+ Customers



End of Rack Customers Shop More Frequently than the 48"+ Customers



- Through July of 2016, End of Rack consumers visited **52%** more often than 48"+ consumers.
- This is up from last year's 46% higher rate of visits that our End of Rack Customers contributed over our 48"+ customers.

New Stores are Opening with More End of Rack Customers Than Previous Years

New Stores: First Year Through Week 30	End of Rack %
2013	39.9%
2014	41.2%
2015	42.3%
2016	43.6%

DXL Store Concept Designed Specifically for the Big & Tall Customer

One-Stop Shop for the Big & Tall customer

Large Changing Rooms

Highly Trained Staff that Understands the Customer

On-Site Tailoring

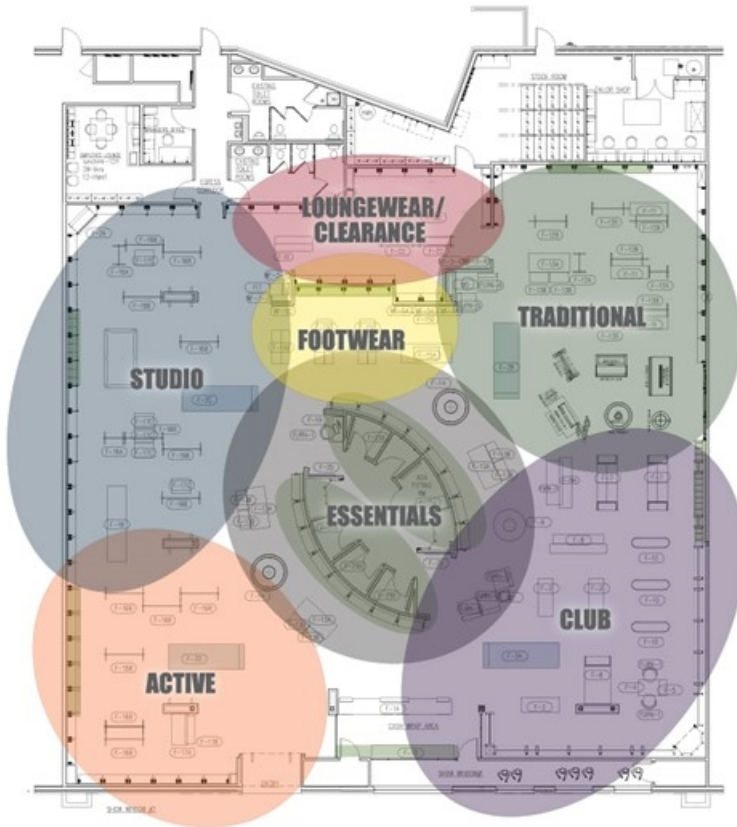
Wide Aisles

Bright Atmosphere

Large Selection of Brands



The Destination XL Store Layout – A Lifestyle Approach



Effectively displaying the full range of brands and all categories

Collections / categories arranged in a compelling manner

Comfortable tailoring and fitting areas

Located in high traffic locations with convenient access

Ambiance appeals to target customers as well as women

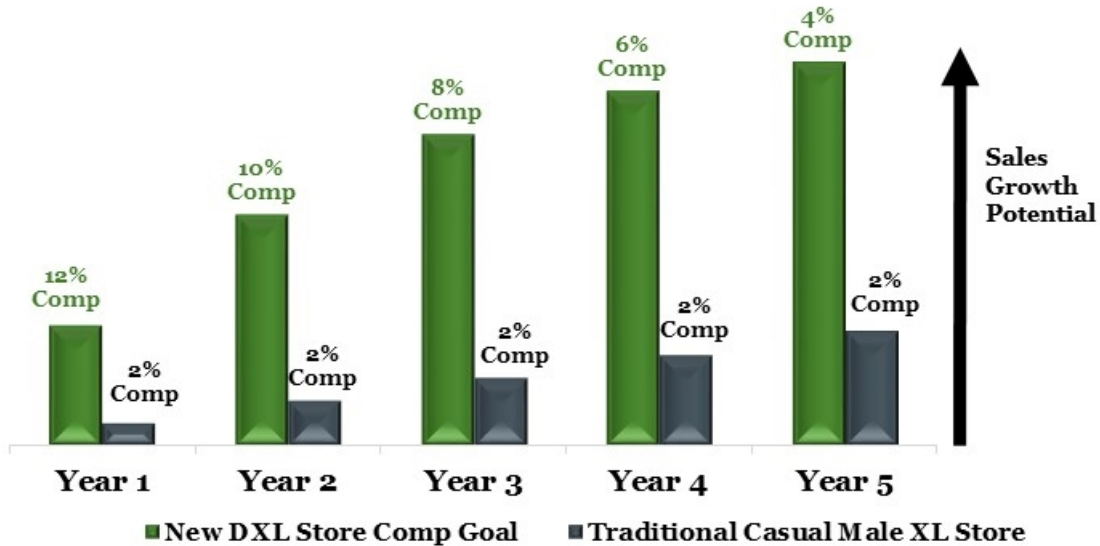
DXL Roadmap to 400 Stores and Additional Growth in Top Line Sales

- Continue to execute on conversion of existing Casual Male to DXL – 265 stores
- Additional stores in both existing and new markets in USA – 75 stores
- Expand DXL concept into more outlet centers – 60 stores
- Continue to push Omni-channel
- International franchising / licensing model



High-Growth Conversion Strategy from Casual Male to DXL

- **The store growth trajectory in new DXL stores is significantly higher than mature Casual Male XL stores. ⁽¹⁾**
- **Customer acquisition in DXL occurs over several years as destination locations take more time to discover than mall locations.**



¹Based on (i) the average actual performance of DXL retail stores in years 2012-2015, with pro forma estimate for year 2016 and (ii) the average expected performance of Casual Male XL retail stores.

Consistent 4-Wall Cash Flow Model with High IRR

The following tables illustrate the average targeted IRR for a Large Store Model and a Small Store Model and do not represent actual results for a given store.

DXL Large Store Model

(\$ in 000s; except psf data)	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$1,210	\$1,380	\$1,530	\$1,660	\$1,770
Sales per Square Foot	\$150	\$180	\$200	\$210	\$220
Gross Margin (net of occupancy)	\$500	\$610	\$710	\$800	\$870
Gross Margin %	41.3%	44.2%	46.4%	48.2%	49.2%
4-Wall Cash Flow (1)	\$200	\$320	\$390	\$460	\$520
4-Wall Cash Flow Margin % (1)	16.5%	23.2%	25.5%	27.7%	29.4%
Payback Period (1)	2.38 years				
IRR (5-Year) (2)	40%				



Schaumburg, IL 11,958 sq. ft.

DXL Small Store Model

(\$ in 000s; except psf data)	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	\$910	\$1,050	\$1,170	\$1,280	\$1,370
Sales per Square Foot	\$160	\$185	\$205	\$225	\$240
Gross Margin (net of occupancy)	\$380	\$470	\$550	\$630	\$690
Gross Margin %	41.8%	44.8%	47.0%	49.2%	50.4%
4-Wall Cash Flow (1)	\$130	\$230	\$290	\$340	\$390
4-Wall Cash Flow Margin % (1)	14.3%	21.9%	24.8%	26.6%	28.5%
Payback Period	2.65 years				
IRR (5-Year) (2)	33%				

- (1) 4-Wall Cash Flow approximates projected Cash Flow from Operations on a store level.
- (2) 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.

DXL Stores Driving Impressive Return on Investment



Natick, MA 10,155sq.ft.

Our ability to generate an attractive return on invested capital is a powerful modifier to the quality of our sales and EBITDA results.

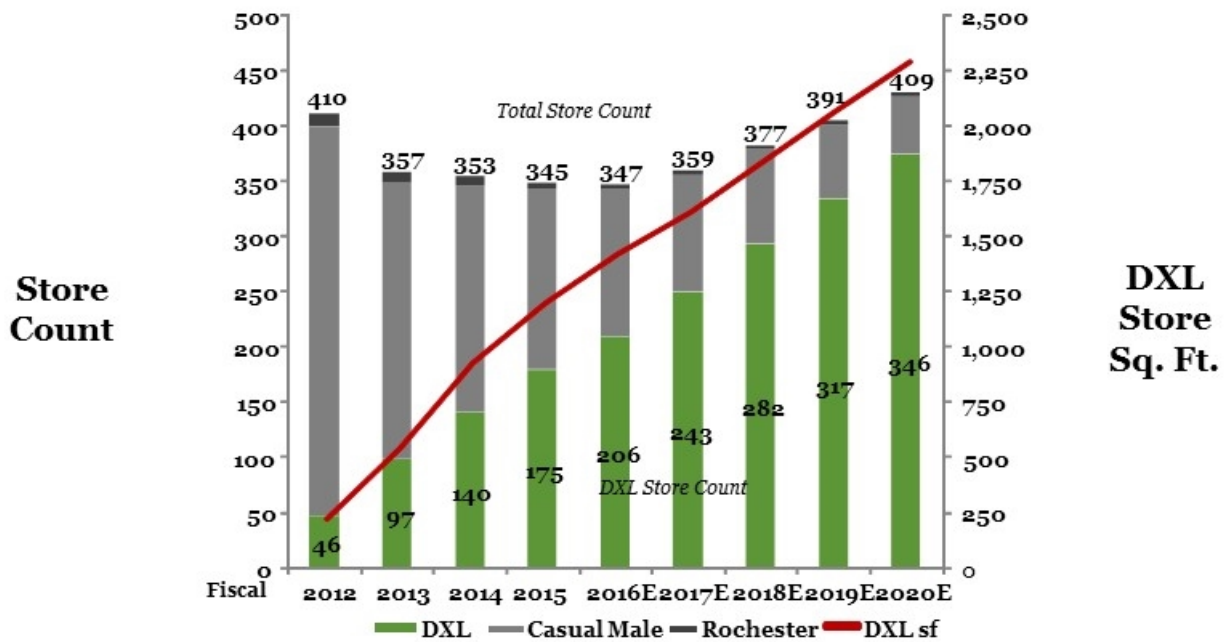
DXL Retail Stores ¹	Average Sq. Ft.	Year One Sales PSF	Year One 4-Wall Cash Flow PSF	Capital Expenditures PSF ²	IRR
2010 – 2012 (47 stores)	9,554	\$151	\$22	\$80	30.0%
2013 (51 stores)	8,636	\$145	\$25	\$77	38.0%
2014 (39 stores)	7,409	\$151	\$25	\$73	43.0%
2015 (29 stores)	6,891	\$162	\$22	\$70	40.0%
2016 (28 stores)	6,660	\$170	\$28	\$65	50.0%
DXL Outlet Stores ¹					
2014 - 2016 (12 stores) ³	5,006	\$168	\$21	\$41	55.0%

¹Average store results through Q2 2016.

²Capital expenditures, net of tenant allowances.

³Opened 2 outlet stores in 2014, 7 outlet stores in 2015 and 3 outlet stores in 2016.

High-Growth Conversion Strategy from Casual Male to DXL



- DXL store count and square footage steadily increasing while Casual Male XL and Rochester store count and square footage is steadily decreasing over the conversion period.

International Franchising

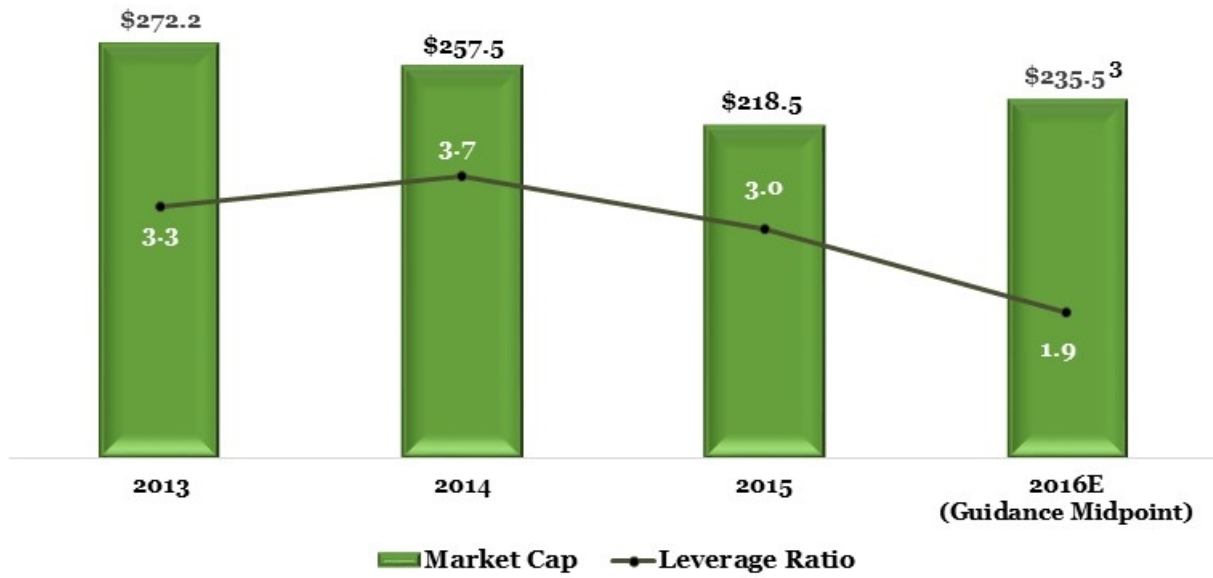
International Big & Tall market is highly fragmented with few brand name assortments

- Opening first Company or DXLG-owned stores in Canada in 2017
- Expanding into new countries in 2018 and beyond
- Near-term priorities include Middle East, Western Europe and Mexico
- DXLG-owned Rochester UK store is second-highest performer in chain
- Kuwait City was first franchisee in 2012. Currently generating Royalty fees of +\$200k per year
- Inbound demand to domestic eCommerce website from over 100 countries today

Selected Primary Expansion Opportunities



Significantly Improving Leverage Ratio



Total Debt (1)	\$25.7	\$52.3	\$69.1	\$61.5
EBITDA (2)	\$7.8	\$14.1	\$23.3	\$33.0
Debt/EBITDA	3.3	3.7	3.0	1.9

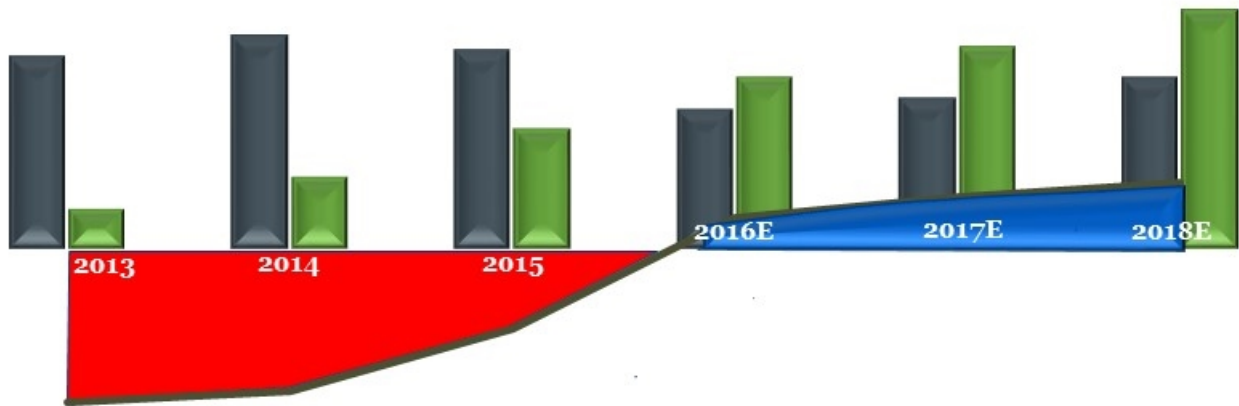
(1) Gross, before unamortized debt issuance costs. (2) EBITDA is a non-GAAP measure. See Appendix A for a reconciliation of this non-GAAP measure.
 (3) As of 8/31/16.

Funding DXL Store Rollout from Free Cash Flow

<i>(in millions)</i>	Fiscal 2014	Fiscal 2015	Projected Fiscal 2016
Cash flow from operating activities (GAAP basis)	\$ 13.8	\$ 18.4	\$35.0-\$40.0
Capital expenditures, infrastructure projects	(10.5)	(13.3)	(9.4)
Free Cash Flow before DXL capital expenditures	\$ 3.3	\$ 5.1	\$25.6-\$30.6
Capital expenditures for DXL stores	(30.4)	(20.1)	(20.6)
Free Cash Flow (non-GAAP basis)	\$ (27.1)	\$ (15.0)	\$5.0-\$10.0

- In fiscal 2016, continue to project DXL stores will be funded completely from Free Cash Flow vs. Revolving Credit Facility

Strong Free Cash Flow Trend



■ Pos. Free Cash Flow*
 ■ Neg. Free Cash Flow*
 ■ CAPEX / Interest / Working Capital
 ■ EBITDA*

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



FINANCIAL PERFORMANCE

DXL
DESTINATIONXL

Pivotal Year in DXL Transformation

On track for 400 stores in next five to six years

187

DXL retail and outlet stores across the U.S.

400

Expected number of DXL stores at completion

➤ Focused on opening 200 additional stores in five to six years

FY
2016

Milestone year; expect to generate positive FCF

➤ *\$(0.09) to breakeven EPS guidance*

➤ *\$(0.05) to breakeven non-GAAP EPS guidance*

Proud of Success of DXL Transformation Strategy

Second Quarter 2016 - Key Metrics

13th

Consecutive quarter of positive comps
➤ *Increased sales, cash flow and profit*

+9%

Conversion rate of Casual Male customers
➤ *Versus Q2 2015*

44.1%

End-of-rack percentage of bottoms business
➤ *Up from 42.9% in Q2 2015*

+5.2%

Increase in sales per square foot
➤ *\$181 per foot vs. \$172 in Q2 2015*

H1 2016 Highlights

Delivered growth in sales and profitability in challenging consumer environment



+5.2%

DXL comparable store sales

➤ *On top of +10.4% in H1 2015*



+3.3%

Total H1 sales vs. H1 2015



\$0.4M

Net income

➤ Versus net loss of \$(1.6)M in H1 2015



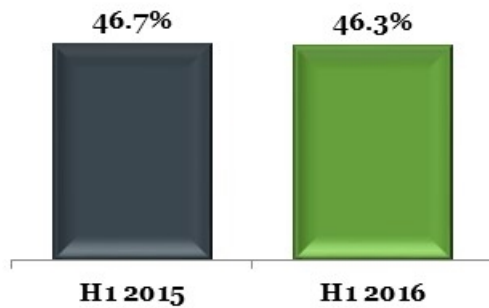
\$16.9M

EBITDA +25%

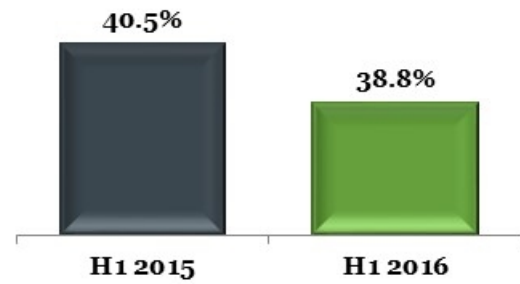
➤ *Versus \$13.5M in H1 2015*

H1 Income Statement Highlights

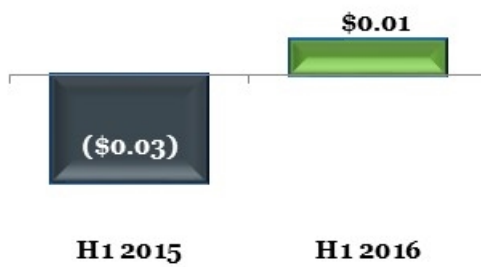
Gross Margin (% of Sales)



SG&A Expense (% of Sales)



Diluted EPS*



EBITDA (\$ in millions)**



* On a non-GAAP basis, EPS, assuming a normalized tax rate, was \$0.01 per diluted share for the first six months of fiscal 2016, compared with \$(0.02) per diluted share for the prior year's first six months. See Appendix A for a reconciliation to its comparable GAAP measure.

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

Cash Flow And Balance Sheet Highlights

<i>(\$ in millions)</i>	H1 2015	H1 2016
Capital Expenditures:		
DXL stores	\$11.2	\$9.7
Other maintenance/infrastructure	<u>5.8</u>	<u>4.1</u>
Total	\$17.0	\$13.8
Inventory	\$123.6	\$121.3
Clearance inventory	7.2%	7.7%
Total debt*	\$63.9	\$63.6
Borrowings under credit facility*	\$34.1	\$41.2
Excess availability	\$73.9	\$66.0

- Lower CAPEX on smaller average DXL store footprint
- Opened 12 DXL stores in H1 2016 versus 18 DXL stores in H1 2015
- On track to open 31 DXL stores in fiscal 2016

* *Net of unamortized debt issuance costs*

FY 2016 Outlook

- Focus on top-line performance, accelerate EBITDA growth
- Continue to deliver performance in line with our plan
- Reach more customers who stay longer, spend more money and shop more often
- Stable operating model generates consistent results
- Continue to utilize free cash flow to grow DXL concept

FY 2016 Guidance

<i>(\$ in millions, except per share data)</i>	<u>Guidance</u>
Sales	\$457.0~\$463.0 (1)
Total comparable sales increase	2.0%~4.0% (1)
Gross margin	46.2%~46.5%
EBITDA*	\$31.0~\$35.0
Net loss per share, diluted	\$(0.09)~breakeven
Adjusted net loss per diluted share *	\$(0.05)~breakeven
Total debt	\$59.0~\$64.0
Total Capital expenditures	Approximately \$30.0
DXL capital expenditures	Approximately \$20.6
Free cash flow*	\$5.0 to \$10.0
Free cash flow before DXL capital expenditures*	\$25.6 to 30.6

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

(1) Guidance has been reduced from previous guidance of Sales of \$465.0-\$472.0 million, with a comparable sales increase of approximately 4.8% to 5.5%.

Non-GAAP Reconciliation

Appendix A

The Company uses non-GAAP financial measures, such as "EBITDA," "Free Cash Flow," "Free Cash Flow before DXL expenditures," "Adjusted net income (loss)" and "Adjusted net income (loss) per 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 income (loss) and Adjusted net income (loss) per 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. See slide 19 for the reconciliation of Free Cash Flow. The following tables provide a reconciliation for EBITDA and Adjusted net income (loss) and Adjusted net income (loss) per share.

GAAP TO NON-GAAP RECONCILIATION OF EBITDA

	For the first six months		For fiscal years			
	2016	2015	2013	2014	2015	2016E
<i>(in millions)</i>						
Net income (loss), GAAP basis	\$ 0.4	\$ (1.6)	\$ (59.8)	\$ (12.3)	\$ (8.4)	\$ (4.4)-\$0.0
Add back:						
Provision for income taxes	0.1	0.1	45.7	0.2	0.3	0.2
Interest expense	1.6	1.5	1.1	2.2	3.0	2.9-3.3
Depreciation and amortization	14.9	13.5	20.8	24.0	28.4	31.9
EBITDA, non-GAAP basis	\$ 16.9	\$ 13.5	\$ 7.8	\$ 14.1	\$ 23.3	\$31.0-\$35.0

GAAP TO NON-GAAP RECONCILIATION OF NET PROFIT (LOSS)

	For the first six months					
	2016		2015		2016E	
	\$	Per diluted	\$	Per diluted	\$	Per diluted
<i>(in thousands, except per share data)</i>						
Net income (loss) (GAAP basis)	\$ 413	\$ —	\$ (1,553)	\$ (0.03)	\$ (4.4)-\$0.0	\$ (0.09)-\$0.00
Add back: Actual income tax provision		92		128		
Income tax (provision) benefit, assuming a normal tax rate of 40%		(202)		570		\$ (1.8)-\$0.0
Adjusted net income (loss) (non-GAAP basis)	\$ 305	\$ 0.01	\$ (855)	\$ (0.02)	\$ (2.6)-\$0.0	\$ (0.05)-\$0.00
Weighted average number of common shares outstanding on a diluted basis			49,902		49,050	49,900

Investor Contact

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