

ICONIX BRAND GROUP, INC.
Form 10-K
March 28, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2018

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934
FOR THE TRANSITION PERIOD FROM TO

001-10593

(Commission File Number)

ICONIX BRAND GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware 11-2481903
(State or other jurisdiction of (I.R.S. Employer

incorporation or organization) Identification No.)
1450 Broadway, New York, New York 10018

(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code: (212) 730-0030

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

Title of each class	Name of each exchange on which registered
Common Stock, \$.001 Par Value	The NASDAQ Stock Market LLC (NASDAQ Global Market)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company
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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's Common Stock held by non-affiliates of the registrant as of the close of business on June 30, 2018 was approximately \$39.7 million. As of March 22, 2019, 8,837,659 shares of the registrant's

Common Stock, par value \$.001 per share, were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the registrant's definitive Proxy Statement relating to the registrant's 2019 Annual Meeting of Stockholders, to be filed with the U.S. Securities and Exchange Commission within 120 days following the end of the registrant's fiscal year, are incorporated by reference in Part III of this annual report on Form 10-K as indicated herein.

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Unless the context requires otherwise, references in this Form 10-K to the “Company,” “Iconix,” “we,” “us,” “our,” or similar pronouns refer to Iconix Brand Group, Inc. and its consolidated subsidiaries.

PART I

Item 1. Business

General

Iconix Brand Group is a brand management company and owner of a diversified portfolio of approximately 30 global consumer brands across the women's, men's, home and international segments. The Company's business strategy is to maximize the value of its brands primarily through strategic licenses and joint venture partnerships around the world, as well as to grow the portfolio of brands through strategic acquisitions.

As of December 31, 2018, the Company's brand portfolio includes Candie's®, Bongo®, Joe Boxer®, Rampage®, Mudd®, London Fog®, Mossimo®, Ocean Pacific/OP®, Danskin/Danskin Now®, Rocawear® /Roc Nation®, Cannon®, Royal Velvet®, Fieldcrest®, Charisma®, Starter®, Waverly®, Ecko Unltd® /Mark Ecko Cut & Sew®, Zoo York®, Umbro®, Lee Cooper®, and Artful Dodger®; and interests in Material Girl®, Ed Hardy®, Truth or Dare®, Modern Amusement®, Buffalo®, Hydraulic®, and PONY®.

The Company seeks to monetize the Intellectual Property (herein referred to as "IP") related to its brands throughout the world and in all relevant categories primarily by licensing directly with leading retailers (herein referred to as "direct to retail" or "DTR"), through consortia of wholesale licensees, through joint ventures in specific territories and via other activity such as corporate sponsorships and content as well as the sale of IP for specific categories or territories. Products bearing the Company's brands are sold across a variety of distribution channels. The licensees are generally responsible for designing, manufacturing and distributing the licensed products. The Company supports its brands with marketing, advertising and promotional campaigns designed to increase brand awareness. Additionally, the Company provides its licensees with coordinated trend direction to enhance product appeal and help build and maintain brand integrity.

Globally, the Company has over 50 direct-to-retail licenses and more than 375 total licenses. Licensees are selected based upon the Company's belief that such licensees will be able to produce and sell quality products in the categories and distribution channels of their specific expertise and that they are capable of exceeding minimum sales targets and royalties that the Company generally requires for each brand. This licensing strategy is designed to permit the Company to operate its licensing business, leverage its core competencies of marketing and brand management with minimal working capital. The vast majority of the Company's licensing agreements include minimum guaranteed royalty revenue which provides the Company with greater visibility into future cash flows. As of January 1, 2019, the Company had over \$405 million of aggregate guaranteed royalty revenue over the terms of its existing contracts excluding renewals.

A key initiative in the Company's global brand expansion plans has been the formation of international joint ventures. The strategy in forming international joint ventures is to partner with best-in-class, local partners to bring the Company's brands to market more quickly and efficiently, generating greater short- and long-term value from its IP, than the Company believes is possible if it were to build-out wholly-owned operations ourselves across a multitude of regional or local offices. Since September 2008, the Company has established the following international joint ventures: Iconix China, Iconix Latin America, Iconix Europe, Iconix India, Iconix Canada, Iconix Australia, Iconix Southeast Asia, Iconix Israel, Iconix Middle East, Umbro China, Danskin China, Starter China, and Lee Cooper China. Note that the Company now maintains a 100% ownership interest in Iconix China, Iconix Latin America and Iconix Canada. Refer to Note 5 in Notes to Consolidated Financial Statements for further detail.

The Company's primary goal of maximizing the value of its IP also includes, in certain instances, the sale to third parties of a brand's trademark in specific territories or categories. As such, the Company evaluates potential offers to

acquire some or all of a brand's IP by comparing whether the offer is more valuable than the Company's estimate of the current and potential revenue streams to be earned via the Company's traditional licensing model. Further, as part of the Company's evaluation process it also considers whether or not the buyer's future development of the brand may help to expand the brand's overall recognition and global revenue potential.

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The Company has acquired the following brands on the dates indicated:

Date acquired	Brand
October 2004	Badgley Mischka ⁽¹⁾
July 2005	Joe Boxer
September 2005	Rampage
April 2006	Mudd
August 2006	London Fog
October 2006	Mossimo
November 2006	Ocean Pacific/ OP
March 2007	Danskin/ Danskin Now
March 2007	Rocawear/ Roc Nation
October 2007	Official-Pillowtex brands (Cannon, Royal Velvet, Fieldcrest and Charisma)
December 2007	Starter
October 2008	Waverly
October 2009, July 2011	Zoo York ⁽²⁾
October 2011	Sharper Image ⁽³⁾
November 2012	Umbro
February 2013	Lee Cooper ⁽⁴⁾
October 2009, May 2013	Ecko Unltd/ Marc Ecko Cut & Sew ⁽⁵⁾
March 2015	Strawberry Shortcake ⁽⁶⁾

¹In February 2016, the Company sold the rights to the Badgley Mischka intellectual property to Titan Industries, Inc. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

²In July 2011, the Company, through its wholly-owned subsidiary ZY Holdings, purchased the Zoo York brand and related assets from its IPH Unltd joint venture, increasing the Company's effective ownership in the Zoo York brand from 51% to 100%.

³The Company sold its rights to the Sharper Image intellectual property and related assets in December 2016. Refer to Note 5 in Notes to the Consolidated Financial Statements for further details.

⁴In December 2016, the Company repurchased the remaining 50% ownership interest in the joint venture that held domestic assets relating to the Lee Cooper brand, LC Partners US, LLC, from its joint venture partner, increasing the Company's ownership interest in LC Partners US to 100%. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

⁵In May 2013, the Company purchased the remaining 49% of the equity interest in IPH Unltd from its minority partner, increasing the Company's effective ownership of the Ecko portfolio of brands from 51% to 100%.

⁶In June 2017, the Company sold the businesses underlying the Entertainment segment, which included the Strawberry Shortcake brand. Refer to Note 2 in Notes to Consolidated Financial Statements for further details

In addition to the acquisitions above, the Company has acquired ownership interests in the following brands through its investments in joint ventures as of December 31, 2018:

Date Acquired/Invested	Brand	Investment / Joint Venture	Iconix's Interest
November 2007	Artful Dodger	Scion ⁽¹⁾	100 %
May 2009, April 2011	Ed Hardy	Hardy Way ⁽²⁾	85 %

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March 2010	Material Girl and Truth or Dare	MG Icon	50	%
June 2010	Peanuts	Peanuts Holdings ⁽³⁾	0	%
December 2012	Modern Amusement	Icon Modern Amusement	51	%
February 2013	Buffalo	Alberta ULC	51	%
October 2014	Nick Graham	NGX ⁽⁴⁾	0	%
December 2014	Hydraulic	Hydraulic IP Holdings ⁽⁵⁾	100	%
February 2015	PONY	US Pony Holdings	75	%

⁽¹⁾In July 2015, the Company acquired the remaining 50% interest in Scion, increasing its effective ownership of the Artful Dodger brand from 50% to 100%. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

⁽²⁾In April 2011, the Company acquired an additional interest in Hardy Way LLC, increasing its effective ownership of the brand from 50% to 85%. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

⁽³⁾In June 2017, the Company sold the businesses underlying the Entertainment segment, which included the Peanuts brand. Refer to Note 2 in Notes to Consolidated Financial Statements for further details.

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(4) In July 2017, the Company sold its 51% ownership interest in NGX, LLC. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

(5) In April 2018, pursuant to a letter agreement entered into simultaneously with the Company's acquisition of a 51% equity interest in Hydraulic, the Company acquired the remaining 49% ownership interest from its joint venture partner for no cash consideration as a result of an affiliate of the joint venture partner not making its minimum guaranteed royalty payment obligations to the Company in accordance with the respective license agreement. This transaction resulted in the Company effectively increasing its ownership interest in Hydraulic to 100%. The Company will retain 100% ownership interest in Hydraulic unless the affiliate of such joint venture partner satisfies its outstanding payment obligations by making all payments of the minimum guaranteed royalties to the Company under the terminated license agreement.

As of December 31, 2018, the Company was party to the following joint ventures to develop and market its brands in specific international markets, herein collectively referred to as the Company's "International Joint Ventures":

Date Created	Investment /Joint Venture	Iconix's Interest	
December 2009	Iconix Europe	51	%
May 2012	Iconix India	50	%
March 2013	Diamond Icon	51	%
September 2013	Iconix Australia ⁽¹⁾	55	%
October 2013	Iconix Southeast Asia ⁽²⁾	50	%
December 2013	Iconix Israel	50	%
December 2014	Iconix Middle East ⁽³⁾	55	%
July 2016	Umbro China Limited ⁽⁴⁾	95	%
October 2016	Danskin China Limited ⁽⁵⁾	100	%
March 2018	Starter China Limited ⁽⁶⁾	100	%
June 2018	Lee Cooper China Limited ⁽⁷⁾	100	%

(1) In July 2018, the Company purchased an additional 5% interest in Iconix Australia, LLC ("Iconix Australia"), increasing the Company's ownership of Iconix Australia from 50% to 55%. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

(2) In June 2017, the Company deconsolidated Iconix SE Asia, Ltd. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

(3) In December 2016, the Company irrevocably exercised its call option to acquire an additional 5% of the equity interests in Iconix Middle East from its partner, in order to increase the Company's ownership from 50% to 55%. Such acquisition closed in February 2017. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

(4) In July 2016, the Company sold a 5% interest in a newly formed entity, Umbro China Limited, to MH Umbro International Co. Limited. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

(5) In October 2016, the Company entered into an agreement with Li-Ning (China) Sports Goods Co., Ltd. ("LiNing") to sell up to a 50% interest (and no less than 30% interest) in its wholly-owned indirect subsidiary, Danskin China Limited ("Danskin China"), a new Hong Kong registered company which holds the intellectual property and related assets in respect of the Danskin brand in mainland China and Macau. Refer to Note 5 in Notes to Consolidated Financial Statements for further details.

(6) In March 2018, the Company entered into an agreement with Photosynthesis Holdings, Co. Ltd. ("PHL") to sell up to no less than a 50% interest and up to a total of 60% interest in its wholly-owned indirect subsidiary, Starter China Limited, a newly registered Hong Kong subsidiary of Iconix China ("Starter China"), and which will hold the Starter

trademarks and related assets in respect of the Greater China territory. PHL's purchase of the initial 50% equity interest in Starter China is expected to occur over a three-year period commencing on January 15, 2020 for cash consideration of \$20.0 million. The additional 10% equity interest (for a total equity interest of 60% interest) purchase right of PHL is expected to occur over a three-year period commencing January 16, 2022 for cash consideration equal to the greater of \$2.7 million or 2.5 times the royalty received under the respective license agreement in the previous twelve months based on other terms and conditions specified in the share purchase agreement.

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(7) In June 2018, the Company entered into an agreement with POS Lee Cooper HK Co. Ltd. (“PLC”) to sell up to no less than a 50% interest and up to a total of 60% interest in its wholly-owned indirect subsidiary, Lee Cooper China Limited, a newly registered Hong Kong subsidiary of Iconix China (“Lee Cooper China”), and which will hold the Lee Cooper trademarks and related assets in respect of the Greater China territory. PLC’s purchase of the initial 50% equity interest in Lee Cooper China is expected to occur over a four-year period commencing on October 15, 2020 for cash consideration of approximately \$8.2 million. The additional 10% equity interest (for a total equity interest of 60% interest) purchase right of PLC is expected to occur over a two-year period commencing January 15, 2024 for cash consideration equal to the greater of \$2.5 million or 2.5 times the royalty received under the respective license agreement in the previous twelve months based on other terms and conditions specified in the share purchase agreement.

Corporate Information

The Company was incorporated under the laws of the state of Delaware in 1978. Its principal executive offices are located at 1450 Broadway, New York, New York 10018, and its telephone number is (212) 730-0030. The Company’s website address is www.iconixbrand.com. The information on the Company’s website does not constitute part of this Form 10-K. The Company has included its website address in this document as an inactive textual reference only.

The Company’s brands

The Company owns a diversified portfolio of approximately 30 iconic brands across the Company’s four operating segments: women’s, men’s, home, and international (see Note 18 in Notes to Consolidated Financial Statements). Additionally, the Company previously owned and operated an Entertainment segment which is included in the Company’s consolidated statement of operations as a discontinued operation for the year ended December 31, 2017 (“FY 2017”). The sale of the businesses underlying the Entertainment segment was completed on June 30, 2017 (see Note 2 of Notes to Consolidated Financial Statements). The Company’s objective is to grow its existing portfolio organically, both domestically and internationally, and acquire new brands, both of which leverage its brand management expertise, platform and infrastructure, and where third parties offer similar leverage of their relationships and infrastructures, enter into joint ventures or other partnerships. To achieve this objective, the Company intends to:

- extend its existing brands by adding additional product categories, expanding the brands’ distribution and retail presence and optimizing its licensees’ sales through marketing that increases consumer awareness and loyalty;
- continue its international expansion through additional licenses, partnerships, joint ventures and other arrangements with leading retailers and wholesalers worldwide;
- continue acquiring consumer brands or the rights to such brands with high consumer awareness, broad appeal, applicability to a range of product categories and an ability to diversify the Company’s portfolio; and
- use advertising and marketing to keep brands relevant and create long term value.

In managing its brands, the Company seeks to capitalize on its heritage and authenticity, while simultaneously working to keep its brands relevant to today’s consumer.

Women’s

Brands Wholly-Owned by Iconix:

Candie’s. Candie’s is known as a “fun & flirty” young contemporary lifestyle brand, featuring products in apparel, accessories and footwear categories. As Iconix’s longest held trademark, Candie’s brand was established in 1977 which started with a high-heeled wooden-sole slide shoe that allowed women to put a punctuation mark on their look. Since then, the Candie’s brand has popped with cultural connection reflecting the attitude and aspiration of the times. In July 2005, Kohl’s Department Stores, Inc., became the primary direct-to-retail licensee and launched an all-store roll out of

the brand in the United States with a multi-category line of Candie's products, including sportswear, denim, footwear, handbags and intimate apparel. Additionally, the brand has signed wholesale license agreements with channels outside of Kohl's within optical, home, and girl's underwear and sleepwear categories of business. Candie's award-winning advertising is known for its flirty but playful concepts. Over the years the brand has created omni-channel marketing campaigns leveraging its talent of "It" girls including Britney Spears, Fergie, Destiny's Child, Lea Michele, Vanessa Hudgens, Hilary Duff, Bella Thorne, Kelly Clarkson & Jenny McCarthy.

Mudd. Mudd is a highly recognizable junior lifestyle brand representing a generation of independent girls who stand up, stand out, and make their dreams a reality. It was established in 1995 and acquired by Iconix in April 2006. Mudd has since become a junior's denim destination synonymous with feminine-yet-casual fashion and a free-spirited lifestyle. In November 2008, the Mudd brand entered into a multi-year, exclusive, direct-to-retail licensing agreement with Kohl's Department Stores, Inc., across the United States for apparel, footwear, fashion accessories and jewelry.

Danskin/Danskin Now. Danskin is a 135 year-old iconic brand of women's activewear, athleisure, legwear, dancewear, intimates, sleepwear, and fitness equipment, which the Company acquired in March 2007. Danskin has maintained a legacy of health, strength and female empowerment in its core values. The Danskin brand continues to be sold through better department, mid-tier, specialty and sporting goods stores, as well as through Danskin.com by wholesale licensees in the United States. In 2014, the brand re-launched its e-commerce site, blog, and expanded its social media efforts sustaining its heritage with dance. As previously disclosed, the Company was notified that Wal-mart will not renew the existing Danskin Now license agreement for the brand subsequent to its expiration in January 2019. The Danskin brand has 5 licensees including a new addition of Footwear for 2019. Even after the termination of the Wal-mart retail license agreement, we believe the brand has a solid distribution of retailers. These retailers include Amazon, Costco, Walmart.com as well as a strong presence within TJX corporation. The Danskin brand has recently secured collaborations such as Footlocker/6:02 with the Jenna Dewan Collection.

Mossimo. Mossimo is known as a contemporary, active and youthful lifestyle brand. The brand was established in 1986 and acquired by the Company in October 2006. Since 2000, Target Corporation, herein referred to as Target, had held the exclusive license in the United States, covering apparel products for men, women and children, including casual sportswear, denim, swimwear, bodywear, watches, handbags and other fashion accessories and had become one of the largest apparel brands in the United States. The license agreement with Target expired on October 31, 2018. We are in the process of developing a "go forward" strategy to position the brand in midrange retailers, off price retailers and on-line retailers in an effort to transfer the name of the brand developed over the years with the consumer. Our 2019 focus is to secure strong licensee partners to design, develop and distribute a variety of product categories to a wider base of retailers that we believe will generate revenue to the Company beginning in 2020.

Joe Boxer. Joe Boxer is a highly recognized lifestyle brand known for its irreverent and humorous image and provocative promotional events. Acquired by Iconix in July 2005, the brand was established in 1985 with the idea of taking basic clothing and re-imagining it to reflect humor, fashion and popular trends. Since August 2001, Kmart/Sears has held the exclusive license for the brand in the United States covering apparel, fashion accessories and home products for men, women, teens and children. Given the Kmart/Sears bankruptcy filing in October 2018, the Company is currently in the process of renegotiating the existing license agreement with Kmart/Sears on a non-exclusive basis.

London Fog. London Fog is a classic brand known worldwide for its outerwear, luggage and travel products, cold weather accessories, umbrellas and footwear. The brand was established over 80 years ago and was acquired by the Company in August 2006. The brand is sold in a variety of categories through wholesale licenses in the United States, primarily through the department store channel including Macy's and Nordstrom's Department Store. Further, the Company has a direct-to-retail license agreement for London Fog with Hudson's Bay Corporation in Canada.

Rampage. Rampage was established in 1982 and is known as a young contemporary fashion brand that empowers women to be their truest, boldest selves. Rampage was acquired by Iconix in September 2005 with products sold through better department stores such as Macy's and Belk Stores across categories of footwear, handbags, intimates, accessories and outerwear. Previous campaigns have featured Petra Nemcova, Gisele Bündchen, Bar Refaeli, Irina Shayk, and Olivia Culpo.

Ocean Pacific/OP. Ocean Pacific and OP are global action-sports lifestyle apparel brands which trace their heritage to Ocean Pacific's roots as a 1960's surfboard label. The Company acquired the Ocean Pacific/OP brands in November 2006 and in 2007, the OP business in the United States was converted to a direct-to-retail license with Wal-Mart Stores, Inc. (herein referred to as Wal-Mart). The OP DTR license agreement at Walmart was not renewed upon its expiration in June 2017. In 2017, Ocean Pacific was repositioned to re-connect with the brand heritage and its authentic core customer, the action-sports enthusiast, across the specialty channel. Plans for launching product with new licensees are in process for 2019. We are aggressively researching the best partners for this license in all

categories and genders including swim, apparel, accessories, home and beach related products. Distribution is currently focused on Walmart.com, mid-range department stores and off-price retailers.

Bongo. The Bongo brand is a California lifestyle brand established in 1982 and is best described as the everyday girl with a splash of cool. Recognized for its famous denim fit, Bongo also features a broad range of Junior's casual apparel and accessories, including sportswear, eyewear and footwear. As a result of the Kmart/Sears bankruptcy filing, the Company is currently in negotiations to potentially license the brand to new or existing licensees.

Badgley Mischka. The Badgley Mischka brand is known for luxury couture eveningwear. The brand was established in 1988 and was acquired by the Company in October 2004. The Company sold the Badgley Mischka brand in February 2016.

Brands Held by Iconix with Joint Venture Partners:

MG Icon—Material Girl. Material Girl is designed to fit into the “it” woman’s demanding, multi-dimensional world. Material Girl offers the millennial customer fast fashion at affordable prices and is the go-to for style setters. MG Icon, a joint venture in which

the Company has a 50% interest, was created by Iconix with Madonna and Guy Oseary in March 2010 to buy, create, develop and license the Material Girl brand across a spectrum of consumer product categories. Concurrent with the formation of this joint venture, MG Icon entered a direct-to-retail exclusive license with Macy's Retail Holdings, Inc. ("Macy's") covering a wide array of consumer categories across the Material Girl brand. As previously disclosed, the Company was notified that Macy's will not renew the existing license agreement for the brand subsequent to its expiration in January 2020. Currently, the brand has wholesale license agreements in hosiery and socks and will transition the apparel, intimates and sleepwear products to new partners. Celebrating its ninth year, the brand has had many notable faces for its campaigns, including Rita Ora, Zendaya, Kelly Osbourne, Sofia Richie, Taylor Momsen, Pia Mia, and Serayah.

Men's

Brands Wholly-Owned by Iconix:

Rocawear/Roc Nation. Rocawear is a youth culture brand, established by Shawn "Jay-Z" Carter and his partners in 1999. The Company acquired the Rocawear brand in March 2007. Rocawear is currently licensed in the United States in a variety of categories, including men's, women's and kids' apparel, outerwear, footwear, jewelry and handbags. Rocawear products are sold primarily through department stores nationwide. In July 2013, the Company acquired the global rights to the "Roc Nation" name, a higher-end halo brand of Rocawear, associated with the Roc Nation entertainment and talent agency.

Starter. Founded in 1971, Starter is one of the original brands in licensed team sports merchandise and is a highly-recognized brand of athletic apparel and footwear. The Company acquired Starter in December 2007. At the time of the acquisition, the brand was distributed in the United States primarily at Wal-Mart through a number of wholesale licensees. In July 2008, the brand was converted to a direct-to-retail license with Wal-Mart and is currently sold in all stores in the United States and Canada. The Starter brand has been worn by some of the greatest athletes in MLB, NBA, NFL and NHL and the 2015 ambassadors for the brand included Kevin Love and Eric Decker. Most recently, the Company has partnered with all the major professional sports leagues and over one hundred NCAA universities throughout the U.S. through a licensee to re-launch the iconic Starter satin jacket, sold through various specialty stores, sporting goods stores and online. In 2012, the Starter Black brand was launched. Starter Black is a premium lifestyle brand extension that focuses on a fashion-forward collection of logo branded apparel and accessories and has quickly become a staple among celebrities, athletes and influencers. The Starter Black brand is sold in high-end specialty and sporting goods stores (e.g. Fanatics, Barnes and Noble College Book Stores). In the Fall of 2017, the Starter brand was launched as an exclusive distribution with Amazon as their only national brand in their private brand division. Over 300 styles across men's, women's, and children's activewear and accessories launched on the site throughout 2018. Starting in 2019, Starter is the on-field provider for the Alliance of American Football league which gives a significant amount of national recognition of the brand.

Zoo York. Zoo York is an East Coast-based action lifestyle brand, named for the graffiti-art infused counterculture of 1970's New York City. Zoo York has licenses with wholesalers covering a variety of products, including men's, women's and kids' apparel, footwear, socks and accessories. The Manhattan-based brand proudly serves up a wide range of casual utilitarian looks for men and women that fuse authentic military-influenced overtones with iconic Zoo York City imagery. The Company acquired a 51% interest in the Zoo York brand as part of the Ecko Unltd. acquisition in 2009, and the Company increased its ownership to 100% in 2011. Zoo York is currently distributed in department stores including JCPenney and Stage Stores. Celebrity spokespeople for the brand include professional skateboarders Chaz Ortiz.

Ecko Unltd, Marc Ecko Cut & Sew. In October 2009, the Company, through a then newly formed joint venture company IPH Unltd, acquired a 51% controlling stake in the Ecko portfolio of brands. In May 2013, the Company

purchased the remaining 49% interest from its minority partner, increasing its ownership in IPH Unltd from 51% to 100%. Founded in 1993, Ecko and its various brands are marketed and sold to consumers in the youth culture lifestyle categories, including active-athletic, streetwear, collegiate/preppy and denim fashion for men, women and children. Ecko Unltd. products are sold primarily through department and specialty stores including Dillard's and JCPenney. Ecko Unltd. brand ambassadors include professional skateboarder Manny Santiago and professional boxer Danny Garcia. Marc Ecko Cut & Sew is a halo brand, licensed in men's apparel, outerwear, underwear, fragrance and accessories. It is distributed in boutiques, specialty stores and Dillard's Department Store.

Artful Dodger. In November 2007, Scion, through its wholly-owned subsidiary, Artful Holdings LLC, purchased the Artful Dodger brand, a high end urban apparel brand. In July 2015, the Company acquired the remaining 50% interest in the Scion joint venture which increased the Company's ownership interest in Scion, and as a result, Artful Dodger, to 100%.

Umbro. Founded in 1924, Umbro is a global football (soccer) brand. The brand combines British heritage with a modern football lifestyle to create iconic sports apparel and footwear with high global awareness and strong global distribution. The Company acquired the Umbro brand in November 2012. The Company and its licensees sponsor more than a hundred national and professional

teams worldwide. Umbro products are sold globally through a strong network of licensees and partners in the United States, Canada, Australia, Africa, Asia, Europe, the Middle East, India and Latin America.

Lee Cooper. Founded in 1908, Lee Cooper is an iconic British denim brand that has expanded into multiple lifestyle categories including men's, women's and kids' casual wear, footwear and accessories. The Company acquired the Lee Cooper brand in February 2013. Lee Cooper has global reach through more than 40 licensees with product sold in Africa, Asia, Europe, the Middle East, India and Latin America.

Hydraulic IP Holdings, LLC - Hydraulic. In December 2014, the Company formed a joint venture with Top On International Group Limited in which the Company effectively purchased a 51% interest in the Hydraulic trademarks and related assets. In April 2018, the Company acquired the remaining 49% ownership interest from its joint venture partner. This transaction resulted in the Company effectively increasing its ownership interest in Hydraulic to 100%. Hydraulic was founded in New York in 1998 and is known for setting the blue jean standard in the denim market for junior's, women's and plus sizes. Hydraulic differentiates itself from other denim brands by positioning itself with the theme that all denim was not created equally. Hydraulic is currently distributed in department stores and is licensed for women's apparel in the United States.

Brands Held by Iconix with Joint Venture Partners:

Hardy Way-Ed Hardy. In May 2009, the Company acquired a 50% interest in Hardy Way, the owner of the Ed Hardy brand and trademarks. In April 2011, the Company made an additional investment in Hardy Way which effectively increased its ownership interest to 85%. Don Ed Hardy and his artwork date back to 1967 when he transformed the tattoo business into an artistic medium. He began licensing his name and artwork for apparel in 2003 and today the Ed Hardy brand is recognized by its tattoo inspired lifestyle products. The brand is licensed to wholesalers in the United States for men's, women's, and kids' apparel, fragrance, footwear and accessories. Distribution in the United States includes a wide base of retail stores, from Target to Walgreens. Celebrities that have worn the brand include Shakira, Lil Wayne, Madonna, Dwight Howard, Jessica Alba and Eva Longoria.

Icon Modern Amusement—Modern Amusement. In December 2012, the Company entered into an agreement with Dirty Bird Productions, Inc., in which the Company purchased a 51% interest in the Modern Amusement trademarks and related assets. Modern Amusement is a premium, west coast-lifestyle brand with a focus on casual sportswear apparel and related accessories for young men and young women. Modern Amusement has a direct-to-retail license in the U.S. with PacSun which distributes men's apparel and footwear.

Buffalo Brand Joint Venture—Buffalo by David Bitton. In February 2013, the Company formed a joint venture with Buffalo International ULC in which the Company effectively purchased a 51% interest in the Buffalo trademarks and related assets. Founded in 1985, Buffalo is a lifestyle brand consisting of denim, sportswear, active wear, and accessories. Buffalo is sold primarily through better department stores including Macy's, Dillard's and Lord & Taylor.

NGX, LLC—Nick Graham. In October 2014, the Company formed a joint venture with NGO, LLC ("Nick Graham") in which the Company purchased a 51% interest in the Nick Graham trademarks and related assets. Founded in 2013, Nick Graham is a men's lifestyle brand. The Company sold its ownership interest in NGX, LLC in July 2017.

US Pony Holdings, LLC – Pony / Product of New York. In February 2015, the Company through its newly-formed subsidiary, US Pony Holdings, LLC, acquired the North American rights to the Pony / Product of New York brand. These rights include the rights in the United States obtained from Pony, Inc. and Pony International, LLC, and the rights in Mexico and Canada obtained from Super Jumbo Holdings Limited. US Pony Holdings, LLC is owned 75% by the Company and 25% by its partner, Anthony L&S Athletics, LLC. Since acquiring the brand, the Company has entered into footwear, apparel and hosiery licensing contracts. The brand is distributed in mid-tier department stores,

specialty stores and sporting goods stores.

Formed in 1972 in New York City, PONY became one of the top athletic footwear brands worldwide in the 1990's appearing on professional athletes in the NBA, NFL, MLB, Pro Soccer, Pro Tennis, and Pro Boxing. In Q4 2015, the Company launched its current multi-faceted marketing campaign highlighting the acronym for Pony, Product of New York. The digital and social media campaign aimed at millennials, paid homage to the brand's New York City roots.

Home

Brands Wholly-Owned by Iconix:

Cannon. Established in 1887, Cannon is a brand with a powerful heritage and products that are known for their high quality, easy care and appeal to a broad range of consumers. One of the most recognized home brands, Cannon delivers a consistent quality at an affordable price. It is known as the first textile brand to sew logos onto products. The Company acquired Cannon as part of the 2007 Pillowtex acquisition. At the time of the acquisition, the brand was distributed in various regional department stores. In

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February 2008, the Company signed its current direct-to-retail license with Kmart/Sears for Cannon to be sold exclusively in the United States in multiple categories including fashion bedding, sheets, towels and bath rugs, basic bedding and kitchen textiles. Given the Kmart/Sears bankruptcy filing in October 2018, the Company is currently in the process of renegotiating the existing license agreement with Kmart/Sears on a non-exclusive basis. In March 2019, the Company signed two new licensing agreements for Cannon with Pem America and Blue Ridge Home fashions in various product categories. The Pem America license agreement will cover the US, Canadian and Mexican markets and Blue Ridge Home Fashions will cover the US and Canadian markets.

Royal Velvet. For over 60 years, Royal Velvet has been celebrating home fashions, offering sophisticated designs that foster creativity and welcome customers home. Royal Velvet is a premium brand that provides a sophisticated aesthetic to homes and delivers exceptional quality that people know, trust and love. Royal Velvet is an authority on color, bringing rich, elevated choices in home textiles and décor. The Royal Velvet towel has been an industry standard since 1954. Royal Velvet products include towels, sheets, bath rugs, fashion bedding, basic bedding and window treatments. The Company acquired Royal Velvet as part of the 2007 Pillowtex acquisition. In April 2011, the Company entered into a direct-to-retail license with JC Penney Corporation, Inc., (owner of JC Penney stores), for the Royal Velvet brand to be sold exclusively in JC Penney Stores in the United States, which commenced in February 2012. As previously disclosed, the Company was notified that JC Penney will not renew the existing license agreement for the brand subsequent to its expiration in January 2019. In March 2019, the Company entered into a license agreement with Himatsingka America, a part of the Himatsingka Group for various product categories within the US, Canada and Mexico markets. The Company is also currently in negotiations for licensing of the brand to additional new or existing licensees.

Fieldcrest. Fieldcrest has been the choice for quality bedding and bath since the late 19th Century. A brand rich in heritage, Fieldcrest is foundational luxury for the modern guest. The Company acquired Fieldcrest as part of the 2007 Pillowtex acquisition. Since 2005, the Fieldcrest brand has been licensed exclusively to Target in the United States. Categories include fashion bedding, bath towels, rugs, basic bedding and sheets.

Charisma. Charisma home textiles were introduced in the 1970's and are synonymous with understated elegance. The Company acquired Charisma as part of the 2007 Pillowtex acquisition. In February 2009, the Company signed a direct-to-retail license with Costco Wholesale Corporation, (herein referred to as Costco), for certain Charisma products to be sold in Costco stores in the United States and other countries. The brand is also licensed in the United States and Canada for distribution through better department stores such as Bloomingdales, Bed Bath & Beyond, Nieman Marcus, Macy's, Horchow and QVC.

Waverly. Waverly is a home fashion and lifestyle brand that has been a leader in prints and patterns since its launch in 1923. It is one of the most recognized names in home décor and furnishings. Waverly's distinctive color palette and accessible home decor allows consumers to mix and match fabrics offering a custom-designed look at an affordable price. The Company acquired Waverly in October 2008. Waverly has two direct-to-retail agreements in the United States; with Wal-Mart for the Waverly Inspirations Collection covering fabrics and craft and the Waverly Home Collection at Christmas Tree Shops. Waverly also has wholesale licensees in the United States for products including fabric, window treatments, décor, and bedding that are sold through retailers such as Jo-Ann's, Lowe's and Belk and other specialty and off-price retailers.

Sharper Image. Founded in 1977, Sharper Image is a lifestyle brand with unique product assortments across a range of categories including consumer electronics, home goods, luggage, eclectic gifts and kitchen accessories. The Company acquired the Sharper Image brand in October 2011. The Company sold the Sharper Image brand and related assets in December 2016.

Entertainment

On May 9, 2017, the Company signed definitive agreements to sell its Entertainment segment. The sale was completed on June 30, 2017. Refer to Note 2 of Notes to Consolidated Financial Statements for further details.

Brand Wholly-Owned by Iconix:

Strawberry Shortcake. In March 2015, the Company completed its acquisition of the Strawberry Shortcake brand and related assets from American Greetings Corporation and its wholly-owned subsidiary, Those Characters From Cleveland, Inc. In June 2017, the Company sold the brand to DHX Media, Ltd. Refer to Note 2 of Notes to Consolidated Financial Statements for further details.

Brand Held by Iconix with Joint Venture Partners:

Peanuts Worldwide – Peanuts, Charlie Brown, Snoopy. In June 2010, the Company, through its wholly-owned subsidiary Icon Entertainment LLC, acquired an 80% controlling stake in Peanuts Holdings, which, through its wholly-owned subsidiary, Peanuts Worldwide, owned and managed the Peanuts brand and characters. The Company's 20% partner in Peanuts

Holdings was the family of Charles Schulz, the creator of the Peanuts brand and characters. In June 2017, the Company sold its 80% ownership interest in the brand to DHX Media, Ltd. Refer to Note 2 of Notes to Consolidated Financial Statements for further details.

International

Wholly-Owned Subsidiaries and Joint Ventures:

Within the international segment, the Company operates both wholly-owned subsidiaries and joint ventures in various territories. A variety of the Company's brands are present within these territories and generate license revenue and profitability.