# UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

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| <br>                   | <del></del> |
| 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): November 14, 2016

#### Wilhelmina International, Inc.

(Exact Name of Registrant as Specified in Charter)

**Delaware** (State or Other Jurisdiction of Incorporation)

001-36589 (Commission File Number) **74-2781950** (I.R.S. Employer Identification Number)

**200 Crescent Court, Suite 1400, Dallas, Texas 75201** (Address of Principal Executive Offices) (Zip Code)

#### (214) 661-7488

(Registrant's telephone number, including area code)

#### N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

| []  | 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)) |
|     |  |

#### Item 2.02. Results of Operations and Financial Condition.

On November 14, 2016, Wilhelmina International, Inc. issued a press release announcing its financial results for the third quarter of fiscal 2016 ended September 30, 2016. A copy of this press release is included as Exhibit 99.1 to this report.

#### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

# Exhibit No. Description

99.1 Press Release dated November 14, 2016

#### SIGNATURE

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.

Wilhelmina International, Inc.

Date: November 14, 2016

By: \( \frac{\s/\text{ James A. McCarthy}}{\text{ James A. McCarthy}} \)

James A. McCarthy

Chief Financial Officer

#### Wilhelmina International, Inc. Reports Results for Third Quarter 2016

## Third Quarter Financial Highlights

- Third quarter revenues of \$20.9 million
- Revenues for the first nine months of 2016 of \$64.6 million
- Net income for the third quarter of 2016 of \$0.2 million
- Adjusted EBITDA for the third quarter and nine months of 2016 of \$0.8 million and \$3.0 million, respectively
- Pre-Corporate EBITDA for the third quarter and nine months of 2016 of \$1.0 million and \$3.8 million, respectively

|  |          |          | YOY     | Q3 16    | Q3 15    | YOY     |
|--|----------|----------|---------|----------|----------|---------|
| (in thousands)                           | Q3 16    | Q3 15    | Growth  | YTD      | YTD      | Growth  |
| <b>Total Revenues</b>                    | \$20,908 | \$21,832 | (4.2%)  | \$64,594 | \$64,550 | 0.1%    |
| <b>Operating Income</b>                  | 650      | 1,278    | (49.1%) | 1,718    | 2,873    | (40.2%) |
| <b>Income Before Provision for Taxes</b> | 605      | 1,254    | (51.8%) | 1,686    | 2,736    | (38.4%) |
| Net Income                               | 227      | 667      | (66.0%) | 680      | 1,413    | (51.9%) |
| EBITDA*                                  | 715      | 1,367    | (47.7%) | 2,002    | 3,101    | (35.4%) |
| Adjusted EBITDA*                         | 834      | 1,461    | (42.9%) | 2,988    | 3,414    | (12.5%) |
| Pre-Corporate EBITDA*                    | 1,026    | 1,628    | (37.0%) | 3,756    | 4,123    | (8.9%)  |

<sup>\*</sup>Non-GAAP measures referenced are detailed in the disclosures elsewhere in this release.

DALLAS, Nov. 14, 2016 (GLOBE NEWSWIRE) -- Wilhelmina International, Inc. (Nasdaq:WHLM) ("Wilhelmina" or the "Company") today reported revenues for the third quarter of 2016 of \$20.9 million, compared to \$21.8 million for the third quarter of 2015. Revenues decreased primarily due to a decrease in core model bookings in the United States partially offset by increased core model bookings in London, and a reduction in the number of licensed affiliates. EBITDA, Adjusted EBITDA, and Pre-Corporate EBITDA decreased as result of lower revenues and higher operating expenses.

William Wackermann, Chief Executive Officer of Wilhelmina, said, "Strategic changes and talent upgrades made recently had a temporary negative impact on the third quarter 2016 results. We are confident that these improvements will allow us to better serve the Wilhelmina network for long-term growth going forward."

Mark Schwarz, Executive Chairman of Wilhelmina, said, "Despite a lack of top line growth this quarter we still achieved the 2<sup>nd</sup> highest third-quarter revenue in the company's history. London performed exceptionally well, our new Chicago office opened, important new talent agreements were signed and a meaningful share buyback transaction was accomplished during the quarter."

#### **Financial Results**

Net income was \$0.2 million and \$0.7 million, or \$0.04 and \$0.12 per fully diluted share, for the three and nine months ended September 30, 2016, compared to net income of \$0.7 million and \$1.4 million, or \$0.11 and \$0.24 per fully diluted share, for the three and nine months ended September 30, 2015. Pre-Corporate EBITDA was \$1.0 million and \$3.8 million for the three and nine months ended September 30, 2016, compared to \$1.6 million and \$4.1 million for the three and nine months ended September 30, 2015, respectively.

The following table reconciles reported net income under generally accepted accounting principles to EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA for the third quarter and the first nine month periods ended September 30, 2016 and September 30, 2015.

| (in thousands) | Three months ended | Nine months ended |
|----------------|--------------------|-------------------|
|                | September 30,      | September 30,     |

|   | 2016        | 2015        | 2016        | 2015        |
|---|-------------|-------------|-------------|-------------|
| Net income                                | \$<br>227   | \$<br>667   | \$<br>680   | \$<br>1,413 |
| Interest expense                          | 21          | -           | 21          | -           |
| Income tax expense                        | 378         | 587         | 1,006       | 1,323       |
| Amortization and depreciation             | 89          | 113         | 295         | 365         |
| EBITDA                                    | \$<br>715   | \$<br>1,367 | \$<br>2,002 | \$<br>3,101 |
| Foreign exchange (gain) loss              | (1)         | 21          | (8)         | 119         |
| (Gain) loss from unconsolidated affiliate | (5)         | 3           | (11)        | 18          |
| Share-based payment expense               | 95          | 70          | 253         | 176         |
| Certain non-recurring items               | 30          | -           | 752         | -           |
| Adjusted EBITDA                           | \$<br>834   | \$<br>1,461 | \$<br>2,988 | \$<br>3,414 |
| Corporate overhead                        | 192         | 167         | 768         | 709         |
| Pre-Corporate EBITDA                      | \$<br>1,026 | \$<br>1,628 | \$<br>3,756 | \$<br>4,123 |

Changes in net income, EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA for the three and nine months ended September 30, 2016, when compared to the three and nine months ended September 30, 2015, were primarily the result of the following:

- Revenues net of model costs decreased by 6.4% for the three months and remained relatively unchanged for the nine months;
- Salaries and service costs remained relatively unchanged for the three months ended September 30, 2016. For the nine months, an increase of 3.7% was primarily due to severance costs to the Company's former employees that were incurred during the first nine months;
- Office and general expenses increased 16.9% and 22.6% for the three and nine months primarily due to an increased legal costs and to recruiting fees related to the hiring of the Company's new Chief Executive Officer in January 2016, and new Chief Financial Officer in April 2016;
- Amortization and depreciation expense decreased to 21.2% and 19.2% for the three and nine months primarily due to several intangible assets becoming fully amortized;
- Significant non-recurring items in the third quarter of 2016 were due to an increase in contingent consideration relating to the 2015 acquisition of Wilhelmina London Limited. The nine months of 2016 also included non-recurring items for the severance and recruiting fees noted above, as well as non-income tax accruals to reconcile the Company's liability for previous years; and
- Corporate overhead expenses increased 15.0% and 8.3% for the three and nine months primarily due to increased services cost.

# WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

(In thousands, except share data) (Unaudited)

|  |    | 9016   | December 31, 2015 |        |  |
|--|----|--------|-------------------|--------|--|
| ASSETS   |    |        |                   |        |  |
| Current assets:  |    |        |                   |        |  |
| Cash and cash equivalents  | \$ | 3,678  | \$                | 4,556  |  |
| Accounts receivable, net of allowance for doubtful accounts \$1,201 and \$1,041, |    |        |                   |        |  |
| respectively   |    | 17,977 |                   | 13,184 |  |

| Deferred tax asset Prepaid expenses and other current assets   |    | 1,522<br>390 |    | 1,358<br>191 |
|--|----|--------------|----|--------------|
| Total current assets   |    | 23,567       |    | 19,289       |
| Property and equipment, net of accumulated depreciation of \$1,249 and \$1,026, respectively   |    | 3,006        |    | 2,111        |
| Trademarks and trade names with indefinite lives Other intangibles with finite lives, net of accumulated amortization of \$8,503 and \$8,431 |    | 8,467        |    | 8,467        |
| respectively   |    | 233          |    | 306          |
| Goodwill   |    | 13,192       |    | 13,192       |
| Other assets   |    | 297          |    | 405          |
| TOTAL ASSETS   | \$ | 48,762       | \$ | 43,770       |
| LIABILITIES AND SHAREHOLDERS' EQUITY   |    |              |    |              |
| Current liabilities:   |    |              |    |              |
| Accounts payable and accrued liabilities   | \$ | 4,789        | \$ | 3,772        |
| Due to models  |    | 12,330       |    | 9,745        |
| Contingent consideration to seller   |    | 97           |    | -            |
| Term loan - current  |    | 500          |    | -            |
| Total current liabilities  |    | 17,716       |    | 13,517       |
| Long term liabilities:   |    |              |    |              |
| Contingent consideration to seller   |    |              |    | 67           |
| Deferred income tax liability  |    | 2,929        |    | 2,407        |
| Term loan – long term  |    | 2,230        |    | 2,407        |
| Total long-term liabilities  | -  | 5,159        | -  | 2,474        |
|  |    | 22.075       | -  |              |
| Total liabilities  |    | 22,875       | -  | 15,991       |
| Shareholders' equity:  |    |              |    |              |
| Preferred stock, \$0.01 par value, 10,000,000 shares authorized; none issued   |    | -            |    | -            |
| Common stock, \$0.01 par value, 12,500,000 shares authorized; 6,472,038 shares issued at   |    |              |    |              |
| September 30, 2016 and December 31, 2015   |    | 65           |    | 65           |
| Treasury stock, 1,090,370 and 683,654 shares, respectively, at cost  |    | (4,893)      |    | (2,118)      |
| Additional paid-in capital   |    | 87,240       |    | 86,987       |
| Accumulated deficit  |    | (56,463)     |    | (57,143)     |
| Accumulated other comprehensive income   |    | (62)         |    | (12)         |
| Total shareholders' equity   |    | 25,887       |    | 27,779       |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY   | \$ | 48,762       | \$ | 43,770       |

# WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

(In thousands, except per share data) (Unaudited)

**Three Months Ended** Nine Months Ended

|  | S   | ept 30,<br>2016 | S   | ept 30,<br>2015 | S   | ept 30,<br>2016 | S   | ept 30,<br>2015 |
|--|-----|-----------------|-----|-----------------|-----|-----------------|-----|-----------------|
| Revenues   |     |                 |     |                 |     |                 |     |                 |
| Revenues   | \$  | 20,880          | \$  | 21,616          | \$  | 64,512          | \$  | 64,105          |
| License fees and other income                      |     | 28              |     | 216             |     | 82              |     | 445             |
| Total revenues                                     |     | 20,908          |     | 21,832          |     | 64,594          |     | 64,550          |
| Model costs  |     | 14,888          |     | 15,402          |     | 45,952          |     | 45,947          |
| Revenues net of model costs                        |     | 6,020           |     | 6,430           |     | 18,642          |     | 18,603          |
| Operating expenses                                 |     |                 |     |                 |     |                 |     |                 |
| Salaries and service costs                         |     | 3,708           |     | 3,691           |     | 11,594          |     | 11,176          |
| Office and general expenses                        |     | 1,381           |     | 1,181           |     | 4,267           |     | 3,480           |
| Amortization and depreciation                      |     | 89              |     | 113             |     | 295             |     | 365             |
| Corporate overhead                                 |     | 192             |     | 167             |     | 768             |     | 709             |
| Total operating expenses                           |     | 5,370           |     | 5,152           |     | 16,924          |     | 15,730          |
| Operating income                                   |     | 650             |     | 1,278           |     | 1,718           |     | 2,873           |
| Other income (expense):                            |     |                 |     |                 |     |                 |     |                 |
| Foreign exchange gain (loss)                       |     | 1               |     | (21)            |     | 8               |     | (119)           |
| Gain (loss) from an unconsolidated affiliate       |     | 5               |     | (3)             |     | 11              |     | (18)            |
| Interest expense                                   |     | (21)            |     | -               |     | (21)            |     | _               |
| Revaluation of contingent liability                |     | (30)            |     | -               |     | (30)            |     | -               |
| Total other income (expense)                       |     | (45)            |     | (24)            |     | (32)            |     | (137)           |
| Income before provision for income taxes           |     | 605             |     | 1,254           |     | 1,686           |     | 2,736           |
| Provision for income taxes:                        |     |                 |     |                 |     |                 |     |                 |
| Current  |     | (281)           |     | (135)           |     | (648)           |     | (486)           |
| Deferred   |     | (97)            |     | (452)           |     | (358)           |     | (837)           |
| Income tax (expense)                               |     | (378)           |     | (587)           |     | (1,006)         |     | (1,323)         |
| Net income   | \$_ | 227             | \$_ | 667             | \$_ | 680             | \$_ | 1,413           |
| Other comprehensive income                         |     |                 |     |                 |     |                 |     |                 |
| Foreign currency translation (expense)             |     | (12)            |     | (15)            |     | (50)            |     | (4)             |
| Total comprehensive income                         |     | 215             |     | 652             |     | 630             |     | 1,409           |
| •  |     |                 |     |                 |     |                 |     |                 |
| Basic net income per common share                  | \$  | 0.04            | \$  | 0.11            | \$  | 0.12            | \$  | 0.24            |
| Diluted net income per common share                | \$  | 0.04            | \$  | 0.11            | \$  | 0.12            | \$  | 0.24            |
| Weighted average common shares outstanding-basic   |     | 5,586           |     | 5,843           |     | 5,716           |     | 5,856           |
| Weighted average common shares outstanding-diluted |     | 5,637           |     | 5,946           |     | 5,768           |     | 5,958           |

# **Non-GAAP Financial Measures**

EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA represent measures of financial performance that are not calculated and presented in accordance with U.S. generally accepted accounting principles ("non-GAAP financial measures). The Company

considers EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA to be important measures of performance because they:

- are key operating metrics of the Company's business;
- are used by management in its planning and budgeting processes and to monitor and evaluate its financial and operating results; and
- provide stockholders and potential investors with a means to evaluate the Company's financial and operating results against other companies within the Company's industry.

The Company's calculation of non-GAAP financial measures may not be consistent with similar calculations by other companies in the Company's industry. The Company calculates EBITDA as net income plus interest expense, income tax expense and depreciation and amortization expense. The Company calculates "Adjusted EBITDA" as EBITDA plus foreign exchange loss, plus gain/loss from unconsolidated affiliate, plus share-based payment expense and certain significant non-recurring items that the Company may include from time to time. The Company calculates "Pre-Corporate EBITDA" as Adjusted EBITDA plus corporate overhead expense, which includes director and executive officer compensation, legal, audit and professional fees, corporate office rent and travel.

Non-GAAP financial measures should not be considered as alternatives to net and operating income as an indicator of the Company's operating performance or cash flows from operating activities as a measure of liquidity or any other measure of performance derived in accordance with generally accepted accounting principles.

#### Form 10-Q Filing

Additional information concerning the Company's results of operations and financial position is included in the Company's Form 10-Q for the quarter ended September 30, 2016 filed with the Securities and Exchange Commission on November 14, 2016.

#### **Forward-Looking Statements**

This press release contains certain "forward-looking" statements as such term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relating to the Company are based on the beliefs of the Company's management as well as information currently available to the Company's management. When used in this report, the words "anticipate," "believe," "estimate," "expect" and "intend" and words or phrases of similar import, as they relate to the Company or Company management, are intended to identify forward-looking statements. Such forwardlooking statements include, in particular, projections about the Company's future results, statements about its plans, strategies, business prospects, changes and trends in its business and the markets in which it operates. Additionally, statements concerning future matters such as gross billing levels, revenue levels, expense levels, and other statements regarding matters that are not historical are forward-looking statements. Management cautions that these forwardlooking statements relate to future events or the Company's future financial performance and are subject to business, economic, and other risks and uncertainties, both known and unknown, that may cause actual results, levels of activity, performance, or achievements of its business or its industry to be materially different from those expressed or implied by any forward-looking statements. Should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. The Company does not undertake any obligation to publicly update these forward-looking statements. As a result, no person should not place undue reliance on these forward-looking statements.

## About Wilhelmina International, Inc. (www.wilhelmina.com):

Through Wilhelmina Models and its other subsidiaries, Wilhelmina International, Inc. provides traditional, full-service fashion model and talent management services, specializing in the representation and management of leading models, celebrities, artists, athletes and other talent to various customers and clients, including retailers, designers, advertising agencies and catalog/e-commerce companies. Wilhelmina Models was founded in 1967 by Wilhelmina Cooper, a renowned fashion model, and is one of the oldest and largest fashion model management companies in the world. Wilhelmina Models is headquartered in New York and, with operations located in Los Angeles, Miami, Chicago, London and Chile, as well as a global network of licensee agencies.

Website: http://www.wilhelmina.com

CONTACT: Investor Relations Wilhelmina International, Inc. 214-661-7488 ir@wilhelmina.com