
**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): May 11, 2018

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)

Not Applicable
(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). 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.

Item 2.02. Results of Operations and Financial Condition.

On May 11, 2018, Wilhelmina International, Inc. issued a press release announcing its financial results for the first quarter of fiscal 2018 ended March 31, 2018. A copy of this press release is included as Exhibit 99.1 to this report.

Pursuant to General Instruction B.2 of Form 8-K, the information in this Item 2.02 of Form 8-K, including Exhibit 99.1 attached hereto, is being furnished pursuant to Item 2.02 and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise be subject to the liabilities of that section, nor is it incorporated by reference into any filing of Wilhelmina International, Inc. under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

99.1 Press Release dated May 11, 2018

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: May 11, 2018

By: /s/ James A. McCarthy
James A. McCarthy
Chief Financial Officer

Wilhelmina International, Inc. Reports Earnings for First Quarter 2018

First Quarter Financial Highlights

| (in thousands) | Q1 18 YTD | Q1 17 YTD | YOY Growth |
|--|--------------|--------------|---------------|
| Total Revenues | \$ 19,716 | \$ 19,151 | 3.0% |
| Operating Income | 364 | 101 | 260.4% |
| Income Before Provision for Taxes | 319 | 21 | * |
| Net Income | 225 | 9 | * |
| EBITDA** | 580 | 267 | 117.2% |
| Adjusted EBITDA** | 709 | 442 | 60.4% |
| Pre-Corporate EBITDA** | 1,046 | 788 | 32.7% |

*Not meaningful. **Non-GAAP measures referenced are detailed in the disclosures at the end of this release.

DALLAS, May 11, 2018 (GLOBE NEWSWIRE) -- Wilhelmina International, Inc. (Nasdaq:WHLM) ("Wilhelmina" or the "Company") today reported revenues for the first quarter of 2018 ended March 31, 2018 of \$19.7 million compared to \$19.2 million for the first quarter of 2017. Net income for the first quarter of 2018 was \$0.2 million, compared to \$0.0 million in the first quarter of 2017. Net cash used by operating activities was \$0.4 million in the first quarter of 2018, compared to net cash used by operations of \$1.5 million in the first quarter of 2017. Pre-Corporate EBITDA was \$1.0 million in the first quarter of 2018, compared to \$0.8 million in the first quarter of 2017.

Mark Schwarz, Executive Chairman of Wilhelmina, said, "The first quarter of 2018 marked a return to revenue growth and the best pre-corporate EBITDA performance since the second quarter of 2016. We experienced notable strength in our Los Angeles and London markets and see building momentum in Aperture, our full-service talent agency that was launched in the fourth quarter of 2016."

William Wackermann, Chief Executive Officer of Wilhelmina, said, "Wilhelmina's business performed well during the first quarter, as we grew revenue, margins, income, and all three EBITDA metrics compared to the same period last year. Our results showed improvement across our core modeling boards. Wilhelmina's strategy is delivering results and we have established a good foundation for the remainder of the year."

Financial Results

Net income was \$225 thousand for the three months ended March 31, 2018 or \$0.04 per fully diluted share, compared to net income of \$0.0 million, or \$0.00 per fully diluted share, for the three months ended March 31, 2017. Pre-Corporate EBITDA was \$1.0 million and \$0.8 million for the three months ended March 31, 2018 and 2017, respectively.

The following table reconciles reported net income under generally accepted accounting principles to EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA for the three months ended March 31, 2018 and 2017.

| (in thousands) | Three months ended | |
|-------------------------------|--------------------|------|
| | March 31, | |
| | 2018 | 2017 |
| Net income | \$ 225 | \$ 9 |
| Interest expense | 25 | 29 |
| Income tax expense | 94 | 12 |
| Amortization and depreciation | 236 | 217 |

| | | |
|------------------------------------|----------|--------|
| EBITDA | \$ 580 | \$ 267 |
| Foreign exchange (gain) loss | 20 | 22 |
| Loss from unconsolidated affiliate | - | 29 |
| Share-based payment expense | 109 | 124 |
| Adjusted EBITDA | \$ 709 | \$ 442 |
| Corporate overhead | 337 | 346 |
| Pre-Corporate EBITDA | \$ 1,046 | \$ 788 |

Non-GAAP measures referenced are detailed in the disclosures at the end of this release

Changes in net income, EBITDA, Adjusted EBITDA and Pre-Corporate EBITDA for the three months ended March 31, 2018, when compared to the three months ended March 31, 2017, were primarily the result of the following:

- 1 Revenues net of model costs increased by 7.7% primarily due to an increase in core model bookings during the first three months of 2018;
- 1 Salaries and service costs decreased by 2.1% for the three months ended in March 31, 2018 primarily due to changes in personnel to better align the number of employees at each Wilhelmina office with the needs of each geographic region, as well as a reduction in share based payment expense and more effective management of travel and entertainment expenses;
- 1 Office and general expenses increased by 19.6% for the first three months of 2018 primarily due to increased legal expenses;
- 1 Amortization and depreciation expense increased by 8.8% for the three months ended March 31, 2018, primarily due to new equipment being placed in service in recent months, which will be depreciated going forward;
- 1 Corporate overhead expenses decreased 2.6% for the three months ended March 31, 2018, primarily due to lower corporate travel costs;
- 1 The absence of loss from unconsolidated subsidiary for the three months ended March 31, 2018; and
- 1 A reduction of the effective tax rate to 29.5% for the first quarter of 2018 compared to 57.1% for the same period of the prior year due to the reduction in the U.S. statutory tax rate, resulting from the U.S. Tax Cuts and Jobs Act.

Wilhelmina's stock repurchase program enables it to repurchase up to an aggregate of 1,500,000 shares of common stock. The shares may be repurchased from time to time in the open market or through privately negotiated transactions at prices deemed appropriate. During the three months of 2018, 5,628 shares were repurchased under the stock repurchase program. Since inception, 1,095,998 shares have been repurchased. As of March 31, 2018, an additional 404,012 shares may yet be purchased under the Company's stock repurchase program

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

| | (Unaudited) | |
|--|---------------------------|----------------------------------|
| | March 31, 2018 | December 31, 2017 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,564 | \$ 4,256 |
| Accounts receivable, net of allowance for doubtful accounts of \$2,209 and \$2,171, respectively | 15,141 | 13,627 |
| Prepaid expenses and other current assets | 243 | 180 |

| | | |
|---|------------------|------------------|
| Total current assets | 18,948 | 18,063 |
| Property and equipment, net of accumulated depreciation of \$2,566 and \$2,349, respectively | 2,984 | 3,039 |
| Trademarks and trade names with indefinite lives | 8,467 | 8,467 |
| Other intangibles with finite lives, net of accumulated amortization of \$8,628 and \$8,609, respectively | 109 | 128 |
| Goodwill | 13,192 | 13,192 |
| Other assets | 132 | 137 |
| TOTAL ASSETS | \$ 43,832 | \$ 43,026 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 4,146 | \$ 3,985 |
| Due to models | 10,612 | 10,190 |
| Term loan - current | 530 | 524 |
| Total current liabilities | 15,288 | 14,699 |
| Long term liabilities: | | |
| Deferred income tax liability | 532 | 521 |
| Term loan - non-current | 1,488 | 1,623 |
| Total long-term liabilities | 2,020 | 2,144 |
| Total liabilities | 17,308 | 16,843 |
| Shareholders' equity: | | |
| Common stock, \$0.01 par value, 9,00,000 shares authorized; 6,472,038 shares issued at March 31, 2018 and December 31, 2017 | 65 | 65 |
| Treasury stock, 1,095,998 and 1,090,370 at March 31, 2018 and December 31, 2017, at cost | (4,929) | (4,893) |
| Additional paid-in capital | 88,001 | 87,892 |
| Accumulated deficit | (56,660) | (56,885) |
| Accumulated other comprehensive loss | 47 | 4 |
| Total shareholders' equity | 26,524 | 26,183 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 43,832 | \$ 43,026 |

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
For the Three Months Ended March 31, 2018 and 2017
(In thousands, except per share data)
(Unaudited)

| | Three Months Ended | |
|-------------------------------|---------------------------|-------------|
| | March 31, | |
| | 2018 | 2017 |
| Revenues: | | |
| Service revenues | \$ 19,702 | \$ 19,123 |
| License fees and other income | 14 | 28 |

| | | |
|--|---------|---------|
| Total revenues | 19,716 | 19,151 |
| Model costs | 13,842 | 13,699 |
| Revenues net of model costs | 5,874 | 5,452 |
| Operating expenses: | | |
| Salaries and service costs | 3,559 | 3,636 |
| Office and general expenses | 1,378 | 1,152 |
| Amortization and depreciation | 236 | 217 |
| Corporate overhead | 337 | 346 |
| Total operating expenses | 5,510 | 5,351 |
| Operating income | 364 | 101 |
| Other income (expense): | | |
| Foreign exchange loss | (20) | (22) |
| Interest expense | (25) | (29) |
| Loss from unconsolidated affiliate | - | (29) |
| Total other expense | (45) | (80) |
| Income before provision for income taxes | 319 | 21 |
| Provision for income taxes: (expense) benefit: | | |
| Current | (84) | (60) |
| Deferred | (10) | 48 |
| Income tax expense | (94) | (12) |
| Net income | \$ 225 | \$ 9 |
| Other comprehensive income: | | |
| Foreign currency translation income | 43 | 45 |
| Total comprehensive income | \$ 268 | \$ 54 |
| Basic income per common share | \$ 0.04 | \$ 0.00 |
| Diluted income per common share | \$ 0.04 | \$ 0.00 |
| Weighted average common shares outstanding-basic | 5,381 | 5,382 |
| Weighted average common shares outstanding-diluted | 5,402 | 5,399 |

WILHELMINA INTERNATIONAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOW
For the Three Months Ended March 31, 2018 and 2017
(In thousands)
(Unaudited)

| | | |
|---------------------------------------|---------------------------|-------------|
| | Three Months Ended | |
| | March 31, | |
| | 2018 | 2017 |
| Cash flows from operating activities: | | |

| | | | | |
|---|----|--------------|----|----------------|
| Net income: | \$ | 225 | \$ | 9 |
| Adjustments to reconcile net income to net cash used in operating activities: | | | | |
| Amortization and depreciation | | 236 | | 217 |
| Share based payment expense | | 109 | | 124 |
| Deferred income taxes | | 11 | | (46) |
| Bad debt expense | | 45 | | 38 |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | | (1,559) | | (1,576) |
| Prepaid expenses and other current assets | | (63) | | 500 |
| Other assets | | 5 | | 39 |
| Due to models | | 422 | | 413 |
| Accounts payable and accrued liabilities | | 161 | | (1,079) |
| Contingent liability to seller | | - | | (97) |
| Net cash used by operating activities | | <u>(408)</u> | | <u>(1,458)</u> |
| | | | | |
| Cash flows from investing activities: | | | | |
| Purchases of property and equipment | | <u>(162)</u> | | <u>(254)</u> |
| Net cash used in investing activities | | <u>(162)</u> | | <u>(254)</u> |
| | | | | |
| Cash flows from financing activities: | | | | |
| Purchases of treasury stock | | (36) | | - |
| Repayment of term loan | | <u>(129)</u> | | <u>(124)</u> |
| Net cash used in financing activities | | <u>(165)</u> | | <u>(124)</u> |
| | | | | |
| Foreign currency effect on cash flows: | | <u>43</u> | | <u>45</u> |
| | | | | |
| Net change in cash and cash equivalents: | | (692) | | (1,791) |
| Cash and cash equivalents, beginning of period | | <u>4,256</u> | | <u>5,688</u> |
| Cash and cash equivalents, end of period | \$ | <u>3,564</u> | \$ | <u>3,897</u> |
| | | | | |
| Supplemental disclosures of cash flow information: | | | | |
| Cash paid for interest | \$ | 24 | \$ | 29 |
| Cash refund of income taxes | \$ | 10 | \$ | 69 |

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 gain/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 compensation, SEC compliance costs, audit and professional fees, and other public company costs.

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 March 31, 2018 filed with the Securities and Exchange Commission on May 11, 2018.

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 forward-looking 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 forward-looking 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):

Wilhelmina, and its other subsidiaries, is an international full-service fashion model and talent management service, specializing in the representation and management of leading models, celebrities, artists, photographers, athletes, and content creators. Established in 1967 by fashion model Wilhelmina Cooper, Wilhelmina is one of the oldest and largest fashion model management companies in the world. Wilhelmina is publicly traded on Nasdaq under the symbol WHLM. Wilhelmina is headquartered in New York and, since its founding, has grown to include operations in Los Angeles, Miami, London and Chicago. Wilhelmina also owns Aperture, a talent and commercial agency located in New York and Los Angeles. For more information, please visit www.wilhelmina.com and follow @WilhelminaModels.

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