

ICONIX BRAND GROUP, INC.

Form S-3/A

November 24, 2006

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As filed with the Securities and Exchange Commission on November 24, 2006

Registration No. 333-138582

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1
TO
FORM S-3
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

ICONIX BRAND GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

11-2481903
(I.R.S. employer
identification no.)

1450 Broadway
New York, New York 10018

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Telephone: (212) 730-0030

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Neil Cole, Chief Executive Officer

Iconix Brand Group, Inc.

1450 Broadway

New York, New York 10018

Telephone: (212) 730-0030

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable on or after the effective date of this Registration Statement.

If any of the securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: "

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. "

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If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413 (b) under the Securities Act, check the following box. "

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated November 24, 2006

PRELIMINARY PROSPECTUS

12,065,000 Shares

Iconix Brand Group, Inc.

Common Stock

We are selling 9,375,000 shares of our common stock and the selling stockholders identified in this prospectus, which include members of our senior management, are selling 2,690,000 shares of our common stock. We will not receive any proceeds from the sale of shares by the selling stockholders.

Our common stock is quoted on the Nasdaq Global Market under the symbol **ICON**. On November 22, 2006, the last reported sale price of our common stock on the Nasdaq Global Market was \$16.31 per share.

Investing in our common stock involves risks that are described in the Risk Factors section beginning on page 8 of this prospectus.

	Per Share	Total
Public offering price	\$	\$
Underwriting discounts and commissions	\$	\$
Proceeds to us (before expenses)	\$	\$
Proceeds to selling stockholders (before expenses)	\$	\$

The underwriters may also purchase up to an additional 1,809,750 shares of our common stock (up to 1,409,750 shares from us and up to 400,000 shares from certain of the selling stockholders) at the public offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus. The underwriters may exercise this option only to cover overallocments, if any.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares on or about _____, 2006.

Merrill Lynch & Co.

Lehman Brothers

Lazard Capital Markets Piper Jaffray Wachovia Securities

The date of this prospectus is _____, 2006.

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You should rely only on the information contained in this document or other documents to which we have referred you. We have not, and the underwriters have not, authorized any other person or entity to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are offering to sell, and seeking offers to buy, shares of our common stock only in jurisdictions where offers and sales are permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus regardless of the time of delivery of this prospectus or of any sale of shares. Our business, financial condition, results of operations and prospects may have changed since that date. Except where the context requires otherwise, in this prospectus, the Company, Iconix, we, us, and our refer to the combined business of Iconix Brand Group, Inc., a Delaware corporation, and all of its consolidated entities.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus or incorporated by reference into this prospectus and does not contain all of the information you should consider in making your investment decision. To understand this offering fully, you should read this summary together with the more detailed information included elsewhere in, or incorporated by reference into, this prospectus, including our historical consolidated financial statements and the related notes. You should also carefully consider, among other things, the matters discussed in this prospectus in the section entitled Risk factors.

Our company

We are a brand management company engaged in licensing, marketing and providing trend direction for our portfolio of owned consumer brands. Our portfolio currently includes nine iconic brands Candie s, Bongo, Badgley Mischka, Joe Boxer, Rampage, Mudd, London Fog, Mossimo and Ocean Pacific which we license directly to leading retailers and wholesalers. Our brands are used in connection with numerous product categories, are distributed across a wide range of distribution channels and are marketed to a broad range of customers worldwide. We seek to maximize the value of our brands by developing innovative marketing campaigns to increase brand awareness and by providing trend direction to our licensees to enhance product appeal.

For the year ended December 31, 2005 and the nine months ended September 30, 2006, we had net revenues of \$30.2 million and \$53.8 million, respectively, and, as of November 22, 2006, we had over 115 royalty producing licenses with respect to our nine brands. We estimate that products sold in the marketplace under these brands collectively represent in excess of \$3.5 billion in net retail sales per year.

Our business model

We believe we have a unique business model. As opposed to operating companies that design, manufacture and distribute product, we transfer these responsibilities to our licensees, allowing us to focus on the core elements of managing brands. As part of our licensing agreements, we maintain significant approval rights with respect to product design, packaging, channel selection and presentation to ensure consistency with our overall brand direction. Our model is further differentiated by our diverse portfolio of brands, which are sold in numerous channels across multiple product categories, as well as by our accelerated growth via acquisitions.

We believe our business model allows us to grow faster and generate higher margins with lower operating risk than under a traditional business model. Key aspects of our model include its:

applicability to a broad universe of consumer brands;

efficient approach to acquisitions, permitting us to quickly evaluate and integrate brand acquisitions;

scalable platform that enables us to add and manage new licenses with a minimal associated increase in infrastructure;

predictable base of guaranteed minimum royalties; and

low overhead, absence of inventory risk and minimal working capital and capital expenditure requirements.

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Our business strengths

Our unique business model differentiates us from other companies and enables us to generate strong financial results. Included in our business strengths are the following:

Diversified portfolio of iconic brands: We believe our diverse brand portfolio creates a natural hedge against the risks associated with dependence upon any single brand, product category or distribution channel.

Demonstrated ability to increase brand value: We believe we have demonstrated an ability to build brand awareness and increase brand value through creative marketing, unified trend direction and careful selection of our licensees.

Broad network of licensees: We maintain a strong, diverse licensee network that enables us to identify and partner with best-in-class retailers and wholesalers who are leaders in their respective channels and/or product categories. This network also enables us to more easily add new licenses and product categories, replace licenses within existing product categories and quickly evaluate potential licensing streams for acquisition opportunities.

Proven acquisition approach: Our acquisition approach is unique as we evaluate opportunities based primarily on brand strength and the viability of future royalty streams. This focus allows us to screen a wider pool of consumer brand candidates, identify acquisition targets more quickly and complete our due diligence more efficiently than traditional operating companies. We have made seven acquisitions since October 2004, including six since July 2005.

Our growth strategy

Our objective is to continue building a diversified portfolio of iconic consumer brands by successfully growing our existing portfolio and by adding leading brands that leverage our brand management expertise and existing infrastructure. To achieve our objective, we intend to:

extend our existing brands by adding new product categories, expanding the brands' retail presence and optimizing the sales of their licensees;

expand internationally to capitalize on the overseas demand for American culture and brands; and

continue acquiring consumer brands with high consumer awareness, broad appeal, applicability to a range of merchandise categories and an ability to diversify our brand portfolio.

Our business model transition

We have a limited history operating solely as a brand management company. Prior to 2003, we operated as a traditional apparel and footwear operating company. Our initial brand was Candie's, which we acquired in 1993 and then built into one of the most well-recognized junior footwear brands in the United States. In 1995, we began designing, manufacturing, selling and marketing footwear under the Bongo name. From 2003 to 2004, we implemented a shift in our business model from our historic operating model to a brand management model. By the end of 2004, we had eliminated all of our legacy retail and manufacturing operations, reduced our workforce from over 200 to under 40 and entered into our first multi-category retail license agreement with Kohl's Department Stores, Inc., sometimes referred to herein as Kohl's, for the exclusive right in the United States to design, manufacture, sell and distribute a broad range of Candie's products. In October 2004, we also began to expand our consumer brand portfolio and, by November 2006, we had acquired seven additional brands: Badgley Mischka, Joe Boxer, Rampage, Mudd, London Fog, Mossimo and Ocean Pacific.

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Recent developments

On October 31, 2006, we acquired all of the capital stock of Mossimo, Inc., a company engaged in the design and licensing of apparel and related products principally under the Mossimo brand, in a merger transaction, sometimes referred to herein as the Mossimo merger. In consideration for such acquisition, we paid the stockholders of Mossimo, Inc. a total of approximately \$67.5 million in cash and 3,608,810 shares of our common stock. In addition, if our common stock does not close at or above \$18.71 per share for at least 20 consecutive trading days during the 12 months ending October 31, 2007, the recipients of the initial merger consideration will be entitled to receive additional shares of our common stock (the aggregate of which will not exceed 40,965 shares). In connection with this merger, we also paid Cherokee Inc. a total of \$33.0 million in cash in consideration for its withdrawal of a proposal it had submitted to acquire the capital stock of, and the termination of its finder's agreement with, Mossimo, Inc. The cash portion of the merger consideration, the related withdrawal/termination fee and the costs and expenses related to the merger were financed through the issuance by one of our subsidiaries of a secured note in the principal amount of \$90.0 million, maturing on December 18, 2008, together with approximately \$17.5 million of the funds we acquired in the merger.

On November 6, 2006, we acquired certain of the assets of Ocean Pacific Apparel Corp., a subsidiary of Warnaco Group, Inc., related to the Ocean Pacific brand, associated trademarks, intellectual property and related names worldwide. In consideration for these assets, we paid the seller \$10.0 million in cash and issued the seller a note in the principal amount of \$44.0 million. The note, which is secured by the acquired assets, matures on December 31, 2006 (subject to extension at our option until January 31, 2007 under certain circumstances) and is payable in, at our option, cash or a combination of cash and shares of our common stock. In connection with this acquisition, we assumed 30 licenses, including 15 international licenses. We also entered into a new license agreement with the seller. Pursuant to this license, the seller has the exclusive right to the use of the Ocean Pacific trademark in the United States in connection with the design, manufacture and sale of women's and juniors swimwear for a period of three years and has guaranteed us certain minimum annual royalties in connection with the use of the license.

Additional information

We were incorporated under the laws of the state of Delaware in 1978. In July 2005, we changed our name from Candies, Inc. to Iconix Brand Group, Inc. Our principal executive offices are located at 1450 Broadway, New York, New York 10018 and our telephone number is (212) 730-0300. Our web site address is www.iconixbrand.com. The information on our web site does not constitute part of this prospectus. We have included our website address in this document as an inactive textual reference only. Candie[®], Bongo[®], Joe Boxer[®], Rampage[®], Mudd[®] and London Fog[®] are the registered trademarks of our wholly-owned subsidiary, IP Holdings LLC; Badgley Mischka[®] is the registered trademark of our wholly-owned subsidiary, Badgley Mischka Licensing LLC; Mossimo[®] is the registered trademark of our wholly-owned subsidiary, Mossimo Holdings LLC; and Ocean Pacific[®] is the registered trademark of our wholly-owned subsidiary, OP Holdings LLC. Each of the other trademarks, trade names or service marks of other companies appearing in this prospectus or information incorporated by reference into this prospectus is the property of its respective owner.

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The Offering

Shares of common stock offered by us 9,375,000 shares.

Shares of common stock offered by selling stockholders 2,690,000 shares, including 868,577 shares to be issued upon exercise of options.

Shares of common stock to be outstanding after this offering shares.

Use of proceeds We estimate that the net proceeds from shares sold by us in this offering will be approximately \$ million. We intend to use these net proceeds to repay \$90.0 million of indebtedness incurred by us in connection with the Mossimo merger and up to \$44.0 million of indebtedness incurred by us in connection with the Ocean Pacific brand acquisition and the balance for general corporate purposes. See Use of Proceeds for additional information.

We will not receive any proceeds from the sale of shares by the selling stockholders, which include members of our senior management.

Risk factors See Risk factors beginning on page 8 of this prospectus for a discussion of factors you should carefully consider before deciding to invest in shares of our common stock.

Nasdaq Global Market symbol ICON

Overallotment option We and certain of the selling stockholders have granted the underwriters an option to purchase up to an aggregate of additional shares of our common stock to cover overallotments, if any. See Underwriting.

The number of shares of common stock to be outstanding after this offering is based on the shares outstanding as of , 2006 after giving effect to the issuance of the shares to be sold by us in this offering and the shares that will be issued upon exercise of options held by selling stockholders and sold by them in this offering.

Unless otherwise indicated, information contained in this prospectus regarding the number of shares of our common stock outstanding after this offering (a) does not include a maximum of 40,965 shares which may become issuable to the former stockholders of Mossimo, Inc. as additional merger consideration if our common stock does not close at or above \$18.71 per share for at least 20 consecutive trading days during the 12 months ending October 31, 2007, (b) assumes no shares are issued by us in repayment of the note issued by us in connection with the Ocean Pacific brand acquisition and (c) does not include an aggregate of up to additional shares, comprised of:

up to shares issuable by us upon exercise of the underwriters overallotment option;

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shares issuable by us upon the exercise of outstanding warrants with a weighted average exercise price of \$ per share;

shares still issuable by us (after the exercise of options by selling stockholders in connection with this offering) upon exercise of stock options granted under our stock option plans with a weighted average exercise price of \$ per share; and

\$ shares issuable by us upon exercise of outstanding non-plan stock options with a weighted average exercise price of \$ per share.

Summary Consolidated Financial Information

The following tables set forth summary consolidated financial data for the periods and as of the dates indicated. The summary historical consolidated financial data presented as of December 31, 2005 and for the fiscal year ended December 31, 2005, the 11 months ended December 31, 2004 and the fiscal year ended January 31, 2004 have been derived from our historical audited consolidated financial statements, which are included elsewhere in this prospectus. The summary historical consolidated financial data presented as of September 30, 2006 and for the nine month periods ended September 30, 2005 and 2006 have been derived from our unaudited condensed consolidated financial statements included elsewhere in this prospectus, which in the opinion of our management included all adjustments, consisting of primarily