

# ICTV BRANDS INC.

## **FORM 8-K** (Current report filing)

Filed 11/20/17 for the Period Ending 11/20/17

Address	489 DEVON PARK DRIVE SUITE 315 WAYNE, PA, 19087
Telephone	484-598-2300
CIK	0001076522
Symbol	ICTV
SIC Code	5961 - Retail-Catalog and Mail-Order Houses
Industry	Advertising & Marketing
Sector	Consumer Cyclical
Fiscal Year	12/31

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**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): November 20, 2017

**ICTV BRANDS INC.**

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(Exact name of registrant as specified in its charter)

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**Nevada**

(State or other jurisdiction  
of incorporation)

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**000-49638**

(Commission  
File Number)

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**76-0621102**

(IRS Employer  
Identification No.)

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**489 Devon Park Drive, Suite 306  
Wayne, PA 19087**

(Address of principal executive offices)

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**484-598-2300**

(Registrant's telephone number, including area code)

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**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 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). 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.

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

On November 20, 2017, ICTV Brands Inc. (the “Company”) issued a press release announcing its results of operations for the quarter ended September 30, 2017. The full text of such press release is furnished as Exhibit 99.1 to this report.

The information set forth under this Item 2.02, including Exhibit 99.1, is being furnished and shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

The following press release is furnished as an exhibit to this Current Report on Form 8-K pursuant to Item 2.02 and shall not be deemed to be “filed.”

99.1 [Press Release dated November 20, 2017 issued by ICTV Brands Inc.](#)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ICTV BRANDS INC.

Date: November 20, 2017

*/s/ Richard Ransom*

Name: Richard Ransom

Title: President

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## EXHIBIT INDEX

The following exhibit is furnished herewith:

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
99.1	<a href="#">Press Release dated November 20, 2017 issued by ICTV Brands Inc.</a>

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## ICTV Brands Reports 3Q17 Financial Results

*Conference Call Begins November 21, 2017 at 10:00am EDT*

Wayne, PA — (Marketwired) – November 20, 2017 – ICTV Brands, Inc. (OTCQX: ICTV), (CSE: ITV), a digitally focused direct response marketing and international branding company focused on the health, wellness and beauty sector, today reported financial results for the three months ended September 30, 2017.

### Third Quarter 2017 Highlights:

- Delivered revenue of approximately \$7.56 million, up 80% compared to the prior year quarter.
- Achieved positive Adjusted EBITDA of \$256,000, up 299% compared to prior year quarter.
- Total assets increased to approximately \$17.2 million from approximately \$4.5 million at December 31, 2016, which includes approximately \$7.5 million in inventory and approximately \$960,000 in cash and equivalents.

### Management Commentary:

Richard Ransom, President, stated, “During the third quarter ICTV’s two flagship brands were placed in several new brick and mortar retail stores, including Shopper’s Drug Mart and expansion to over 300 additional Bed Bath & Beyond locations. This positions ICTV to maximize our sales during the prime retail season between Thanksgiving and New Year’s Day. In addition to retail initiatives in North America, our team has been focused on expanding the international distribution platform in both South America and Asia. We believe that the work our team has done over the last several months positions ICTV well for substantial growth in 2018 and the year to come.”

### Reported Financial Results:

#### Third Quarter 2017 Compared to Third Quarter 2016:

Revenues for the three months ended September 30, 2017 were approximately \$7.56 million, compared to approximately \$4.2 million for the three months ended September 30, 2016. For the three months ended September 30, 2017, we generated approximately \$4.5 million in gross profit, compared to approximately \$3.0 million during the three months ended September 30, 2016 as a result of the addition of the no!no!™, Kyrobak™ and Cleartouch™ products acquired in January 2017. Gross profit margin was 60% in the third quarter 2017 compared to 72% in the prior year quarter. Total operating expenses increased to approximately \$6.6 million from approximately \$3.3 million during the third quarter of 2016, primarily related to the acquisition of the no!no! brand and other assets from PhotoMedex. The largest factor is an increase in internet marketing expenditures. Internet marketing expenses increased to approximately \$1.2 million for the three months ended September 30, 2017 from approximately \$299,000 during the three months ended September 30, 2016. Media expenditures were approximately \$1.3 million and \$1.4 million for the three months ended September 30, 2017 and 2016, respectively. In addition, payroll expenses increased to \$565,000 during the three months ended September 30, 2017 from \$367,000 during the three months ended September 30, 2016, as a result of additional employees from the PhotoMedex acquisition.

Net loss for the third quarter was approximately \$387,000, compared to a net loss of approximately \$262,000 in the prior year quarter. The resulting EPS is (\$0.01), as compared to (\$0.01) in the comparable quarter a year earlier. Adjusted earnings before interest, taxes, depreciation, and amortization (Adjusted EBITDA) was approximately \$256,000 as compared to approximately (\$128,000).

#### Nine Months Ended September 30, 2017 Compared to Nine Months Ended September 30, 2016

Revenues for the nine months ended September 30, 2017 were \$23.2 million, increasing from \$12.5 million in the prior year period as a result of the addition of the no!no!™, Kyrobak™ and Cleartouch™ products acquired in January 2017. For the nine months ended September 30, 2017, we generated \$15.2 million in gross margin, compared to approximately \$8.8 million during the nine months ended September 30, 2016 as a result of the addition of the no!no!™, Kyrobak™ and Cleartouch™ products acquired in January 2017. Gross margin percentage was approximately 65% and 70% for the nine months ended September 30, 2017 and 2016. Total operating expenses increased to approximately \$19.0 million from approximately \$9.7 million during the third quarter of 2016. This increase in operating expenses relates primarily to the PhotoMedex acquisition. The biggest increase was internet marketing expenditures. Internet marketing expenses increased to approximately \$3.3 million for the nine months ended September 30, 2017 from approximately \$899,000 during the nine months ended September 30, 2016. Media expenditures was approximately \$4.2 million for the nine months ended September 30, 2017 compared to \$4.0 million for the nine months ended September 30, 2016. In addition, payroll expenses increased to \$2.0 million during the nine months ended September 30, 2017 from \$1.1 million during the nine months ended September 30, 2016, as a result of additional employees from the PhotoMedex acquisition. Net loss was (\$2.2 million), compared to (\$951,000). EPS was (\$0.04), as compared to (\$0.03), and Adjusted EBITDA was approximately (\$415,000) as compared to approximately (\$458,000).

## **Balance Sheet as of September 30, 2017**

As of September 30, 2017, the Company had approximately \$.96 million in cash and cash equivalents and approximately \$6.1 million in working capital compared to approximately \$1.4 million and approximately \$1.3 million as of December 31, 2016, respectively. The Company believes that our current cash will be sufficient to meet the anticipated cash needs for working capital for at least the next twelve months.

### **Conference Call**

ICTV will hold a conference call to discuss the Company's third quarter 2017 results and answer questions on November 21, 2017, beginning at 10:00am EDT. The call will be open to the public and will have a corporate update presented by ICTV's Chairman and Chief Executive Officer, Kelvin Claney, President, Richard Ransom and Chief Financial Officer, Ernest P. Kollias, Jr., followed by a question and answer period. The live conference call can be accessed by dialing (866) 831-8713 or (203) 518-9713. Participants are recommended to dial-in approximately 10 minutes prior to the start of the event. A replay of the call will be available approximately two hours after completion through December 5, 2017. To listen to the replay, dial (800) 934-7776 (domestic) or (402) 220-6983 (international). The conference call transcript will be posted to the Company's corporate website ( <http://www.ictvbrands.com> ) for those who are unable to attend the live call.

### **ICTV Brands, Inc.**

ICTV Brands, Inc. sells primarily health, beauty and wellness products as well as various consumer products through a multi-channel distribution strategy. ICTV utilizes a distinctive marketing strategy and multi-channel distribution model to develop, market and sell products through, including direct response television, or DRTV, digital marketing campaigns, live home shopping, traditional retail and e-commerce market places, and our international third party distributor network. Its products are sold in the North America and are available in over 65 countries. Its products include DermaWand, a skin care device that reduces the appearance of fine lines and wrinkles, and helps improve skin tone and texture, DermaVital, a professional quality skin care line that effects superior hydration, the CoralActives brand of acne treatment and skin cleansing products, and Derma Brilliance, a sonic exfoliation skin care system which helps reduce visible signs of aging, Jidue, a facial massager device which helps alleviate stress, and Good Planet Super Solution, a multi-use cleaning agent. On January 23, 2017, we acquired several new brands, through the PhotoMedex and Ermis Labs acquisitions and have begun (or, will shortly begin) marketing and selling the following new products; no!no!® Hair, a home use hair removal device; no!no!® Skin, a home use device that uses light and heat to calm inflammation and kill bacteria in pores to treat acne; no!no!® Face Trainer, a home use mask that supports a series of facial exercises; no!no!® Glow, a home use device that uses light and heat energy to treat skin; Made Ya Look, a heated eyelash curler; no!no!® Smooth Skin Care, an array of skin care products developed to work with the devices to improve the treated skin; Kyrobak, a home use device for the treatment of non-specific lower back pain; ClearTouch ®, a home use device for the safe and efficient treatment of nail fungus; and Ermis Labs acne treatment cleansing bars. ICTV Brands, Inc. was founded in 1998 and is headquartered in Wayne, Pennsylvania. For more information on our current initiatives, please visit [www.ictvbrands.com](http://www.ictvbrands.com).

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## **Non-GAAP Financial Information**

Adjusted EBITDA is defined as income from continuing operations before depreciation, amortization, interest expense, interest income, and stock-based compensation. Adjusted EBITDA is not intended to replace operating income, net income, cash flow or other measures of financial performance reported in accordance with generally accepted accounting principles. Rather, Adjusted EBITDA is an important measure used by management to assess the operating performance of the Company. Adjusted EBITDA as defined here may not be comparable to similarly titled measures reported by other companies due to differences in accounting policies.

	<i>(Unaudited)</i> For the three months ended		<i>(Unaudited)</i> For the nine months end	
	<u>September 30, 2017</u>	<u>September 30, 2016</u>	<u>September 30, 2017</u>	<u>September 30, 2016</u>
Net loss, as reported	\$ (386,858)	\$ (261,597)	\$ (2,195,156)	\$ (951,448)
Share based compensation expense	64,287	55,242	223,345	259,328
Depreciation and amortization	300,964	74,631	820,792	223,850
Interest Expense	164,915	3,274	218,032	10,511
Issuance of stock for compensation	-	-	336,000	-
Taxes	112,277	-	182,277	-
Adjusted EBITDA	<u>\$ 255,586</u>	<u>\$ (128,450)</u>	<u>\$ (414,710)</u>	<u>\$ (457,759)</u>

## **Forward-Looking Statements**

Forward-Looking Statements. This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Statements preceded by, followed by or that otherwise include the words “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “project,” “prospects,” “outlook,” and similar words or expressions, or future or conditional verbs such as “will,” “should,” “would,” “may,” and “could” are generally forward-looking in nature and not historical facts. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company’s actual results, performance or achievements to be materially different from any anticipated results, performance or achievements. The Company disclaims any intention to, and undertakes no obligation to, revise any forward-looking statements, whether as a result of new information, a future event, or otherwise. For additional risks and uncertainties that could impact the Company’s forward-looking statements, please see the Company’s Annual Report on Form 10-K for the year ended December 31, 2016, including but not limited to the discussion under “Risk Factors” therein, which the Company has filed with the SEC and which may be viewed at <http://www.sec.gov>.

— Financial Statement Schedules follow —

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ICTV BRANDS INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS  
AS OF

<u>ASSETS</u>	<u>September 30, 2017</u> <i>(Unaudited)</i>	<u>December 31, 2016</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 961,024	\$ 1,390,641
Accounts receivable, net of \$428,533 and \$123,109, respectively	3,753,803	506,337
Inventories, net	7,479,842	1,499,270
Prepaid expenses and other current assets	352,678	254,303
Total current assets	<u>12,547,347</u>	<u>3,650,551</u>
Property and equipment	1,111,900	74,098
Less accumulated depreciation	(183,048)	(58,099)
Property and equipment, net	<u>928,852</u>	<u>15,999</u>
Intangibles assets, net	3,733,979	872,864
Total assets	<u>\$ 17,210,178</u>	<u>\$ 4,539,414</u>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities	\$ 5,047,357	\$ 1,644,899
Current portion of long-term debt to related party	641,399	-0-
Deferred revenue	258,189	377,445
Deferred consideration	160,417	-
Other liabilities	369,563	288,525
Total current liabilities	<u>6,476,925</u>	<u>2,310,869</u>
Deferred revenue – long-term	215,077	274,374
Deferred consideration – long-term	1,026,097	-
Other liabilities – long-term	514,826	665,713
Long term debt to related party, net of current portion	1,298,863	-
Total long-term liabilities	<u>2,983,193</u>	<u>940,087</u>
<b>COMMITMENTS AND CONTINGENCIES</b>		
<b>SHAREHOLDERS' EQUITY:</b>		
Preferred stock 20,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$0.001 par value, 100,000,000 shares authorized, 52,324,032 and 28,343,007 shares issued and outstanding as of September 30, 2017 and December 31, 2016, respectively	42,113	18,132
Additional paid-in-capital	19,970,657	11,546,804
Accumulated other comprehensive loss	208,924	-
Accumulated deficit	(12,471,634)	(10,276,487)
Total shareholders' equity	<u>7,750,060</u>	<u>1,288,458</u>
Total liabilities and shareholders' equity	<u>\$ 17,201,178</u>	<u>\$ 4,539,414</u>

See accompanying notes to the condensed consolidated financial statements as filed on [www.sec.gov](http://www.sec.gov).

ICTV BRANDS INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS and COMPREHENSIVE LOSS  
(Unaudited)

	For the three months ended		For the six months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
NET SALES	\$ 7,559,754	\$ 4,203,530	\$ 23,156,949	\$ 12,471,266
COST OF SALES	3,049,989	1,158,998	7,995,170	3,698,764
GROSS PROFIT	4,509,765	3,044,532	15,161,779	8,772,502
OPERATING EXPENSES:				
General and administrative	2,448,376	1,035,752	7,643,917	3,076,489
Selling and marketing	4,102,346	2,267,103	11,346,321	6,636,950
Total operating expenses	6,590,722	3,302,855	18,990,238	9,713,439
OPERATING LOSS	(2,080,957)	(258,323)	(3,828,459)	(940,937)
INTEREST EXPENSE, NET	(164,377)	(3,274)	(215,147)	(10,511)
GAIN ON SETTLEMENT	1,969,245	-	1,969,245	-
MISCELLANEOUS INCOME (LOSS)	(130)	-	59,974	-
LOSS BEFORE PROVISION FOR INCOME TAX	(274,581)	(261,597)	(2,012,879)	(951,448)
PROVISION FOR INCOME TAXES	112,277	-	182,277	-
NET LOSS	\$ (386,858)	\$ (261,597)	\$ (2,195,156)	\$ (951,448)
OTHER COMPREHENSIVE INCOME:				
Foreign currency translation adjustment	112,223	-	208,924	-
COMPREHENSIVE LOSS	\$ (274,635)	\$ (261,597)	\$ (1,986,232)	\$ (951,448)
NET LOSS PER SHARE				
BASIC	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.03)
DILUTED	\$ (0.01)	\$ (0.01)	\$ (0.04)	\$ (0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES				
BASIC AND DILUTED	52,321,826	28,202,739	49,518,478	28,184,584

See accompanying notes to the condensed consolidated financial statements as filed on [www.sec.gov](http://www.sec.gov).

ICTV BRANDS INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016  
(Unaudited)

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (2,195,156)	\$ (951,448)
Adjustments to reconcile net loss to net decrease in cash provided by (used in) operating activities:		
Depreciation	128,835	5,637
Amortization of intangible assets	691,957	218,213
Bad debt expense	903,710	693,607
Share based compensation	223,345	259,328
Issuance of stock for compensation	336,000	-
Change in fair value of contingent consideration	(48,035)	-
Loss on disposal of property and equipment	6,197	-
Noncash interest	105,459	11,933
Gain on settlement of contingent consideration	(1,969,245)	-
Change in assets and liabilities:		
Accounts receivable	(4,113,466)	(900,774)
Other receivable	(577,533)	-
Inventories	922,503	751,369
Prepaid expenses and other current assets	114,171	52,158
Accounts payable and accrued liabilities	3,603,242	(72,073)
Severance payable	-	(45,995)
Deferred revenue	(178,553)	82,304
Net cash provided by (used in) operating activities	<u>(2,046,569)</u>	<u>104,259</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of property and equipment	(171,196)	(1,290)
Cash paid for acquisition of PhotoMedex, Inc.	(5,000,000)	-
Net cash used in investing activities	<u>(5,171,196)</u>	<u>(1,290)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issuance of common stock, net of costs	6,982,930	-
Proceeds from exercise of options	55,559	-
Payments of deferred consideration for acquisition	(14,583)	-
Payments of DermaWand asset purchase agreement	(150,000)	(225,000)
Repayments of long-term debt to related party	(87,441)	-
Net cash provided by (used in) financing activities	<u>6,786,465</u>	<u>(225,000)</u>
Effect of exchange rates on cash and cash equivalents	1,683	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(429,617)	(122,031)
CASH AND CASH EQUIVALENTS, beginning of the period	<u>1,390,641</u>	<u>1,334,302</u>
CASH AND CASH EQUIVALENTS, end of the period	<u>\$ 961,024</u>	<u>\$ 1,212,271</u>
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITY:</b>		
Cashless exercise of options	\$ 43	\$ -
Payments of DermaWand asset purchase agreement	<u>\$ -</u>	<u>\$ 1,200,000</u>
<b>Acquisition of PhotoMedex on January 23, 2017</b>		
Fair value of assets acquired	\$ 9,198,043	\$ -
Fair value of deferred consideration	(4,198,043)	-
Cash paid for acquisition	<u>\$ 5,000,000</u>	<u>\$ -</u>
<b>Asset Acquisition of Ermis Labs on January 23, 2017</b>		
Cost of assets acquired	\$ 1,981,822	\$ -
Present value of deferred consideration	(1,131,822)	-
Issuance of common stock for asset purchase	(850,000)	-
Cash paid for acquisition	\$ -	\$ -

Settlement of contingent consideration to PhotoMedex on July 12, 2017

Contingent consideration owed to PhotoMedex	\$	3,579,760	\$	-
Other receivables amount forgiven		(837,708)		
Payables extinguished		1,017,193		
Settlement amount in proceeds from long-term debt		(2,000,000)		-
Assignment of deposit amount		210,000		-
Gain on settlement of contingent consideration	\$	<u>1,969,245</u>	\$	<u>-</u>

See accompanying notes to the condensed consolidated financial statements as filed on [www.sec.gov](http://www.sec.gov).

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**Contact Information:**

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