GLOBAL TOP 150 LICENSORS

This exclusive report, published annually by *License! Global*, provides retail sales data of licensed merchandise worldwide, key trends and specific brand insights across multiple industry sectors including entertainment, sports, fashion/apparel, corporate brands, art and non-profit.

by TONY LISANTI, *global editorial director*

The Top 150 Global Licensors reported a total of $262.9 billion in retail sales of licensed products worldwide in 2015 versus $259.9 billion in 2014.

The Walt Disney Company, which is the perennial No. 1 global licensor, added a whopping $7.2 billion in retail sales in 2015. While Disney dominated headlines last year with the return of the iconic *Star Wars* franchise, the company reported $52.5 billion in retail sales of licensed merchandise worldwide for its rich portfolio of franchise properties that also includes Marvel's *Avengers*, *Frozen*, Disney Princess and "Doc McStuffins." Over the past five years, Disney has added a total of $23.9 billion in retail sales of licensed merchandise, demonstrating strong growth and demand for its consumer products.

Rival studio and licensor Warner Bros. Consumer Products, which ranks No. 5 with a reported $6 billion in retail sales of licensed merchandise in 2015, is not only experiencing the competitiveness of Disney in the marketplace, but also the challenge of the No. 6 licensor Hasbro, who has steadily grown its retail sales to $5.9 billion, up from $3.7 billion five years ago, with its robust lineup of new initiatives that will likely continue to keep the company growing and climbing in the rankings over the next several years. However, WBCP has its own list of new initiatives, as outlined by its new president, Pam Lifford, in the story that follows on page T4.

The Top 10 Global Licensors reported an increase in retail sales of $137 billion in 2015 versus $131.4 billion in 2014. The Top 10 licensors now account for slightly more than 52 percent of overall retail sales. Meredith climbed to No. 2 with a reported $20.1 billion. The company's sales number includes the revenue of its licensed Better Homes and Gardens real estate agencies in addition to its extensive direct-to-retail licensing programs with Walmart and FTD.

Another key change in the Top 10 is for Mattel, which dropped to No. 27, reporting $2.3 billion in retail sales of licensed merchandise.

An example of a global licensor that has achieved significant growth over the past few years is IP management company Sequential Brands Group. The company, which now has brands Martha Stewart and Jessica Simpson, reported $4 billion in retail sales in 2015 and is now ranked No. 14. This is a huge leap in recent years–in 2013, the licensor ranked No. 65 with retail sales of $750 million.

There are 12 new licensors that joined the report this year. The diverse group includes Margaritaville, a $1 billion lifestyle licensor; Moose Toys, known for the Shopkins collectible phenomenon; Moomin; Paramount; Boy Scouts of America; Genius Brands International; Snuggle; Sports Afield; Animaccord, which owns the preschool brand "Masha and the Bear;" Girl Scouts of the USA; 41 Entertainment; and technology company Telefunken.

An important factor to consider is that a total of 56 global licensors reported retail sales of $1 billion or more and represent $235 billion in retail sales–or 90 percent–of the total retail sales reported by the Top 150 licensors. While Margaritaville was added to the Billion Dollar Licensor Club, four licensors dropped out the Club including Discovery; Frigidaire, which is now included within Electrolux; Martha Stewart, which was acquired by Sequential Brands Group; and Technicolor, which dropped slightly to No. 59 with a reported $844 million in retail sales. ©

* All global licensors and/or licensing agents submitted retail sales figures, which are based on worldwide retail sales of licensed merchandise in 2015, unless otherwise noted. International sales figures were converted according to the most recent exchange rates at press time and in some cases may have had an affect versus last year's report. *License! Global* consults various industry sources, financial documents, annual reports, et al and relies on the fiduciary responsibility of each company for accuracy. All companies are public except as otherwise noted as Private or Non-Profit. This report is not intended to be a brand perception or popularity report, but a sales and trend report based on information submitted directly to License! Global by each licensor.

2 MEREDITH

$20.1B (NYSE: MDP)

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Meredith's top licensed property in 2015 was Better Homes and Gardens. Its top three licensing programs remain its real estate program with Realogy, its home and garden décor program with Walmart and its floral program with FTD–all under the Better Homes and Gardens brand. The Better Homes and Gardens Real Estate network grew to more than 10,000 agents and professionals across the U.S. and Canada in 2015. The direct-to-retail program with Walmart continues to enjoy year-over-year growth in garden and home decor sales, with particularly strong performance in the furniture, storage and organization categories, which were supported by robust Meredith social media, print and broadcast events that reached more than 900 million impressions through the year. BHG Flowers by FTD also enjoyed very strong Mother's Day and holiday sales driven by fresh new arrangements and a lifestyle marketing campaign that demonstrated how flowers fit in both holiday entertaining and everyday living settings. Meredith's strategy remains to grow existing licensing programs and develop new programs for brands beyond Better Homes and Gardens. Top opportunities for current licensing programs include international expansion of the Walmart relationship and developing a giftable food program with its FTD partner. Meredith also sees several areas in the country where additional brokers and agents can be added to the Better Homes and Gardens Real Estate network. Building on the solid, ongoing strength of its existing licensing programs, Meredith looks for growth in 2016 through the launch of new licensing programs under an expanded brand portfolio. It successfully created the first licensing program for women's athleisure apparel under Meredith's newest media brand, SHAPE, and will look to add adjacent licensing partners for that brand in the months to come. Meredith also will be in grocery stores with a line of healthy and delicious frozen foods under the EatingWell brand this fall through a partnership with Bellisio Foods. Meredith also launched Allrecipes cookware and food prep items, available to consumers this spring. These programs add several new lines of revenue to Meredith Brand Licensing.

3 PVH CORP.

$18B (NYSE: PVH)

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PVH's portfolio of brands, which includes Calvin Klein, Tommy Hilfiger and its heritage brands business, generated over $18 billion in global retail sales in 2015. Calvin Klein posted robust results, with global retail sales exceeding $8 billion (approximately 57 percent of which was generated from licensing partners). Calvin Klein Underwear helped drive the business, and Calvin Klein Jeans made progress on its turnaround, particularly in Europe. By region, Calvin Klein North America posted healthy performance both at retail and wholesale in the owned businesses operated by PVH and through its licensing partners. Calvin Klein's international performance was strong, with the brand experiencing growth in most key markets and an improvement in the European business. Over the next few years, the Calvin Klein brand looks to achieve continued growth in global retail sales, with emerging markets such as China driving growth, along with the continued growth fueled by the improvement in its European operations. During 2015, Tommy Hilfiger remained one of the world's leading designer lifestyle brands, as demonstrated by its $6.5 billion in global retail sales, driven by its commitment to consumers, investments in the brand and the strength of its classic American cool style, featuring preppy with a twist designs. In North America, sales rose on a constant currency basis, although the significant decline in international tourism and spending due to the appreciation of the U.S. dollar against major foreign currencies was a notable headwind. Internationally, most regions experienced year-over-year sales growth. PVH expanded its joint venture with Gazal in February 2015 to include the licenses for Tommy Hilfiger in Australia and New Zealand in order to elevate the brand's presence in this region and it focused on growing our other joint ventures across Asia and India. Also, upon the close of the year, Tommy Hilfiger announced that it had entered into an agreement to acquire the remaining 55 percent stake in the Tommy Hilfiger China joint venture, which closed in April 2016. In Latin and Central/South America, Tommy Hilfiger continues to expand through its licensing partners and its joint venture in Brazil. PVH's heritage brands had a defining year in 2015 with $3.6 billion in global retail sales. PVH focused on product innovation, improved its alignment with wholesale customers and made enhancements to the supply chain. In 2015, Van Heusen continued to have a presence in India, Australia and South America, with continued expansion planned in Central America for 2016. In the U.S., Van Heusen launched men's watches with Accutime and expanded its men's tailored business with Peerless to include Van Heusen Flex Suits. IZOD continued to grow internationally with licensing partners in China, India and Latin America. Domestically, IZOD's licensed programs for denim, loungewear, hosiery, children's and bedding exceeded retail plans. The brand expanded through new licenses, including an agreement with Accutime for men's watches, Shalom for men's personal grooming products and G Mason Group for pet accessories, all of which were signed in 2015. The Arrow business in India continued to outperform expectation with 25 percent growth in 2015, partly driven by the addition of 25 new stores. Warner's and Olga, which are licensed with Vandale Industries, had a solid year and the brands are surpassing their plan for many categories in the U.S. and Canada.