

REVLON INC /DE/  
Form 10-Q  
July 29, 2016

---

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016

OR  
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-11178  
REVLON, INC.  
(Exact name of registrant as specified in its charter)

Delaware 13-3662955  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

One New York Plaza, New York, New York 10004  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 212-527-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting

Edgar Filing: REVLON INC /DE/ - Form 10-Q

company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of June 30, 2016, 52,498,246 shares of Class A Common Stock were outstanding. At such date, 40,669,640 shares of Class A Common Stock were beneficially owned by MacAndrews & Forbes Incorporated and certain of its affiliates.

---

REVLON, INC. AND SUBSIDIARIES

INDEX

PART I - Financial Information

Item 1. Financial Statements	<u>2</u>
Consolidated Balance Sheets as of June 30, 2016 (Unaudited) and December 31, 2015	<u>2</u>
Unaudited Consolidated Statements of Income and Comprehensive Income for the Three and Six Months Ended June 30, 2016 and 2015	<u>3</u>
Unaudited Consolidated Statement of Stockholders' Deficiency for the Six Months Ended June 30, 2016	<u>4</u>
Unaudited Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2016 and 2015	<u>5</u>
Notes to Unaudited Consolidated Financial Statements	<u>6</u>
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>28</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>39</u>
Item 4. Controls and Procedures	<u>40</u>

PART II - Other Information

Item 1. Legal Proceedings	<u>42</u>
Item 1A. Risk Factors	<u>43</u>
Item 5. Other Information	<u>44</u>
Item 6. Exhibits	<u>44</u>
Signatures	<u>45</u>

## PART I - FINANCIAL INFORMATION

## Item 1. Financial Statements

REVLON, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS

(dollars in millions, except share and per share amounts)

	June 30, 2016  (Unaudited)	December 31, 2015  (as adjusted) <sup>(a)</sup>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 185.8	\$ 326.9
Trade receivables, less allowance for doubtful accounts of \$10.7 and \$10.5 as of June 30, 2016 and December 31, 2015, respectively	268.4	244.9
Inventories	209.6	183.8
Prepaid expenses and other	74.3	53.3
Total current assets	738.1	808.9
Property, plant and equipment, net of accumulated depreciation of \$286.3 and \$271.7 as of June 30, 2016 and December 31, 2015, respectively	216.8	215.3
Deferred income taxes	64.9	71.3
Goodwill	476.7	469.7
Intangible assets, net of accumulated amortization of \$72.8 and \$61.1 as of June 30, 2016 and December 31, 2015, respectively	328.9	318.0
Other assets	89.4	84.1
Total assets	\$ 1,914.8	\$ 1,967.3
<b>LIABILITIES AND STOCKHOLDERS' DEFICIENCY</b>		
Current liabilities:		
Short-term borrowings	\$ 14.1	\$ 11.3
Current portion of long-term debt	6.8	30.0
Accounts payable	187.6	201.3
Accrued expenses and other	233.4	272.4
Total current liabilities	441.9	515.0
Long-term debt	1,783.6	1,783.7
Long-term pension and other post-retirement plan liabilities	178.2	185.3
Other long-term liabilities	72.8	70.8
Stockholders' deficiency:		
Class A Common Stock, par value \$0.01 per share; 900,000,000 shares authorized; 53,862,615 and 54,088,174 shares issued as of June 30, 2016 and December 31, 2015, respectively	0.5	0.5
Additional paid-in capital	1,029.7	1,026.3
Treasury stock, at cost: 1,006,808 and 859,921 shares of Class A Common Stock as of June 30, 2016 and December 31, 2015, respectively	(18.6 )	(13.3 )
Accumulated deficit	(1,336.4 )	(1,355.7 )
Accumulated other comprehensive loss	(236.9 )	(245.3 )
Total stockholders' deficiency	(561.7 )	(587.5 )
Total liabilities and stockholders' deficiency	\$ 1,914.8	\$ 1,967.3

<sup>(a)</sup> Adjusted as a result of the adoption of certain accounting pronouncements beginning on January 1, 2016. See Note 1, "Description of Business and Summary of Significant Accounting Policies - Recently Adopted Accounting Pronouncements" for details of these adjustments.

See Accompanying Notes to Unaudited Consolidated Financial Statements

2

---

## REVLON, INC. AND SUBSIDIARIES

## UNAUDITED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(dollars in millions, except share and per share amounts)

	Three Months		Six Months	
	Ended June 30,		Ended June 30,	
	2016	2015	2016	2015
Net sales	\$488.9	\$482.4	\$928.5	\$920.9
Cost of sales	171.5	161.3	325.4	303.6
Gross profit	317.4	321.1	603.1	617.3
Selling, general and administrative expenses	259.0	259.3	507.1	508.6
Acquisition and integration costs	5.5	4.7	6.0	5.9
Restructuring charges and other, net	0.5	(3.6 )	1.8	(3.1 )
Operating income	52.4	60.7	88.2	105.9
Other expenses, net:				
Interest expense	20.9	20.5	41.9	40.5
Amortization of debt issuance costs	1.4	1.4	2.9	2.8
Foreign currency loses (gains), net	8.5	(7.9 )	5.1	8.0
Miscellaneous, net	0.2	0.2	0.5	0.2
Other expenses, net	31.0	14.2	50.4	51.5
Income from continuing operations before income taxes	21.4	46.5	37.8	54.4
Provision for income taxes	10.6	20.5	16.4	29.2
Income from continuing operations, net of taxes	10.8	26.0	21.4	25.2