

REVLON INC /DE/
Form 10-Q
November 03, 2017

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 September 30, 2017

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, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer Accelerated filer

Non-accelerated filer

(Do not check if a smaller reporting company
reporting company)

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.

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

As of September 30, 2017, 52,615,412 shares of Class A Common Stock were outstanding. At such date, 44,541,090 shares of Class A Common Stock were beneficially owned by MacAndrews & Forbes Incorporated and certain of its affiliates.

REVLON, INC. AND SUBSIDIARIES
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

REVLON, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

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

	September 30, 2017	December 31, 2016
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 79.2	\$ 186.8
Trade receivables, less allowance for doubtful accounts of \$10.8 and \$11.1 as of September 30, 2017 and December 31, 2016, respectively	459.4	423.9
Inventories	555.4	424.6
Prepaid expenses and other	105.9	88.8
Total current assets	1,199.9	1,124.1
Property, plant and equipment, net of accumulated depreciation of \$373.2 and \$304.7 as of September 30, 2017 and December 31, 2016, respectively	349.1	320.5
Deferred income taxes	205.8	149.7
Goodwill	703.1	689.5
Intangible assets, net of accumulated amortization of \$119.9 and \$84.8 as of September 30, 2017 and December 31, 2016, respectively	600.9	636.6
Other assets	109.0	103.1
Total assets	\$ 3,167.8	\$ 3,023.5
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings	\$ 11.8	\$ 10.8
Current portion of long-term debt	256.8	18.1
Accounts payable	344.4	296.9
Accrued expenses and other	345.4	382.9
Total current liabilities	958.4	708.7
Long-term debt	2,656.0	2,663.1
Long-term pension and other post-retirement plan liabilities	179.8	184.1
Other long-term liabilities	75.5	82.4
Stockholders' deficiency:		
Class A Common Stock, par value \$0.01 per share; 900,000,000 shares authorized; 54,623,128 and 53,956,073 shares issued as of September 30, 2017 and December 31, 2016, respectively	0.5	0.5
Additional paid-in capital	1,039.1	1,033.2
Treasury stock, at cost: 1,114,528 and 1,024,908 shares of Class A Common Stock as of September 30, 2017 and December 31, 2016, respectively	(21.7) (19.2
Accumulated deficit	(1,483.9) (1,377.6
Accumulated other comprehensive loss	(235.9) (251.7
Total stockholders' deficiency	(701.9) (614.8
Total liabilities and stockholders' deficiency	\$ 3,167.8	\$ 3,023.5

See Accompanying Notes to Unaudited Consolidated Financial Statements

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REVLON, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2017	2016	2017	2016
Net sales	\$666.5	\$604.8	\$1,907.1	\$1,533.3
Cost of sales	290.3	243.4	823.6	568.8
Gross profit	376.2	361.4	1,083.5	964.5
Selling, general and administrative expenses	362.6	285.7	1,075.3	792.8
Acquisition and integration costs	12.7	33.5	40.2	39.5
Restructuring charges and other, net	6.4	0.5	11.3	2.3
Operating (loss) income	(5.5)	41.7	(43.3)	129.9
Other expenses:				
Interest expense	38.6	27.4	110.3	69.3
Amortization of debt issuance costs	2.3	1.7	6.8	4.6
Loss on early extinguishment of debt	—	16.9	—	16.9
Foreign currency (gains) losses, net	(3.1)	1.2	(16.8)	6.3
Miscellaneous, net	0.3	(0.6)	1.8	(0.1)
Other expenses	38.1	46.6	102.1	97.0
(Loss) income from continuing operations before income taxes	(43.6)	(4.9)	(145.4)	32.9
(Benefit from) provision for income taxes	(10.8)	(0.4)	(37.8)	