

REVLON INC /DE/
Form 10-Q
May 06, 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 March 31, 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 company" in Rule 12b-2 of the Exchange Act. (Check one):

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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 March 31, 2016, 52,571,141 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

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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)

	March 31, 2016 (Unaudited)	December 31, 2015 (as adjusted) ^(a)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 182.2	\$ 326.9
Trade receivables, less allowance for doubtful accounts of \$10.3 and \$10.5 as of March 31, 2016 and December 31, 2015, respectively	270.4	244.9
Inventories	209.8	183.8
Prepaid expenses and other	68.9	53.3
Total current assets	731.3	808.9
Property, plant and equipment, net of accumulated depreciation of \$281.3 and \$271.7 as of March 31, 2016 and December 31, 2015, respectively	216.6	215.3
Deferred income taxes	68.6	71.3
Goodwill	469.7	469.7
Intangible assets, net of accumulated amortization of \$67.2 and \$61.1 as of March 31, 2016 and December 31, 2015, respectively	316.6	318.0
Other assets	84.9	84.1
Total assets	\$ 1,887.7	\$ 1,967.3
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings	\$ 11.8	\$ 11.3
Current portion of long-term debt	6.8	30.0
Accounts payable	178.4	201.3
Accrued expenses and other	225.8	272.4
Total current liabilities	422.8	515.0
Long-term debt	1,783.7	1,783.7
Long-term pension and other post-retirement plan liabilities	181.5	185.3
Other long-term liabilities	73.0	70.8
Stockholders' deficiency:		
Class A Common Stock, par value \$0.01 per share; 900,000,000 shares authorized; 54,862,231 shares issued as of March 31, 2016 and December 31, 2015, respectively	0.5	0.5
Additional paid-in capital	1,028.5	1,026.3
Treasury stock, at cost: 933,913 and 859,921 shares of Class A Common Stock as of March 31, 2016 and December 31, 2015, respectively	(15.9)	(13.3)
Accumulated deficit	(1,344.7)	(1,355.7)
Accumulated other comprehensive loss	(241.7)	(245.3)
Total stockholders' deficiency	(573.3)	(587.5)
Total liabilities and stockholders' deficiency	\$ 1,887.7	\$ 1,967.3

(a) 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

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REVLOIN, INC. AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME
 (LOSS)

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

	Three Months Ended March 31,	
	2016	2015
Net sales	\$439.6	\$438.5
Cost of sales	153.9	142.3
Gross profit	285.7	296.2
Selling, general and administrative expenses	248.1	249.3
Acquisition and integration costs	0.5	1.2
Restructuring charges and other, net	1.3	0.5
Operating income	35.8	45.2
Other expenses, net:		
Interest expense	21.0	20.0
Amortization of debt issuance costs	1.5	1.4
Foreign currency (gains) losses, net	(3.4)	15.9
Miscellaneous, net	0.3	—
Other expenses, net	19.4	37.3
Income from continuing operations before income taxes	16.4	7.9
Provision for income taxes	5.8	8.7
Income (loss) from continuing operations, net of taxes	10.6	(0.8)
Income (loss) from discontinued operations, net of taxes	0.4	(0.1)
Net income (loss)	\$11.0	\$(0.9)
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of tax ^(a)	2.7	(13.4)
Amortization of pension related costs, net of tax ^{(b)(d)}	1.8	1.7
Revaluation of derivative financial instruments, net of reclassifications into earnings ^(c)	(0.9)	(1.9)
Other comprehensive income (loss)	3.6	(13.6)
Total comprehensive income (loss)	\$14.6	\$(14.5)
Basic earnings (loss) per common share:		
Continuing operations	\$0.20	\$(0.02)
Discontinued operations	0.01	—
Net income (loss)	\$0.21	\$(0.02)
Diluted earnings (loss) per common share:		
Continuing operations	\$0.20	\$(0.02)
Discontinued operations	0.01	—