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

FORM 10-Q
(Mark One)

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

For the quarterly period ended September 30, 2019

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	Registrant; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-11178	**Revlon, Inc.** Delaware One New York Plaza New York, New York 10004 212-527-4000	13-3662955
33-59560	**Revlon Consumer Products Corporation** Delaware One New York Plaza New York, New York 10004 212-527-4000	13-3662953

Securities registered pursuant to Section 12(b) or 12(g) of the Act:

	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Revlon, Inc.	Class A Common Stock	REV	New York Stock Exchange
Revlon Consumer Products Corporation	None	N/A	N/A

Indicate by check mark whether the registrants (1) have 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 registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Revlon, Inc.	Yes x	No ☐
Revlon Consumer Products Corporation	Yes ☐	No x

Indicate by check mark whether the registrants have submitted electronically every Interactive Data File required to be submitted 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 such files). Yes x No ☐

Indicate by check mark whether each 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	Smaller Reporting Company	Emerging Growth Company
Revlon, Inc.	Yes ☐ No x	Yes x No ☐	Yes ☐ No x	Yes x No ☐	Yes ☐ No x
Revlon Consumer Products Corporation	Yes ☐ No x	Yes ☐ No x	Yes x No ☐	Yes x No ☐	Yes ☐ No x

If an emerging growth company, indicate by check mark if the registrants have 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 each registrant is a shell company (as defined in Rule 12b-2 of the Act).

Revlon, Inc.	Yes ☐	No x
Revlon Consumer Products Corporation	Yes ☐	No x

Number of shares of common stock outstanding as of September 30, 2019:

Revlon, Inc. Class A Common Stock:	53,035,412
Revlon Consumer Products Corporation Common Stock:	5,260

At such date, (i) 46,223,321 shares of Revlon, Inc. Class A Common Stock were beneficially owned by MacAndrews & Forbes Incorporated and certain of its affiliates; and (ii) all shares of Revlon Consumer Products Corporation Common Stock were held by Revlon, Inc.

Revlon Consumer Products Corporation meets the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and is therefore filing this Form with the reduced disclosure format applicable to Revlon Consumer Products Corporation.

REVLON, INC. AND SUBSIDIARIES
REVLON CONSUMER PRODUCTS CORPORATION AND SUBSIDIARIES
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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements of Revlon, Inc. and Subsidiaries

REVLON, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in millions, except share and per share amounts)

	September 30, 2019	December 31, 2018
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 60.7	$ 87.3
Trade receivables, less allowance for doubtful accounts of $12.4 and $15.6 as of September 30, 2019 and December 31, 2018, respectively	454.9	431.3
Inventories	522.0	523.2
Prepaid expenses and other assets	155.9	152.0
Total current assets	1,193.5	1,193.8
Property, plant and equipment, net of accumulated depreciation of $474.9 and $425.2 as of September 30, 2019 and December 31, 2018, respectively	413.7	354.5
Deferred income taxes	159.3	131.8
Goodwill	673.4	673.9
Intangible assets, net of accumulated amortization of $217.7 and $187.3 as of September 30, 2019 and December 31, 2018, respectively	496.7	532.0
Other assets	122.9	130.8
Total assets	$ 3,059.5	$ 3,016.8
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings	$ 5.1	$ 9.3
Current portion of long-term debt	363.5	348.1
Accounts payable	322.3	332.1
Accrued expenses and other current liabilities	368.3	430.9
Total current liabilities	1,059.2	1,120.4
Long-term debt	2,906.6	2,727.7
Long-term pension and other post-retirement plan liabilities	162.0	169.0
Other long-term liabilities	159.2	56.5
Stockholders' deficiency:		
Class A Common Stock, par value $0.01 per share: 900,000,000 shares authorized; 56,800,236 and 55,556,466 shares issued as of September 30, 2019 and December 31, 2018, respectively	0.5	0.5
Additional paid-in capital	1,071.5	1,063.8
Treasury stock, at cost: 1,624,719 and 1,533,320 shares of Class A Common Stock as of September 30, 2019 and December 31, 2018, respectively	(33.5)	(31.9)
Accumulated deficit	(2,038.5)	(1,855.0)
Accumulated other comprehensive loss	(227.5)	(234.2)
Total stockholders' deficiency	(1,227.5)	(1,056.8)
Total liabilities and stockholders' deficiency	$ 3,059.5	$ 3,016.8

See Accompanying Notes to Unaudited Consolidated Financial Statements

REVLON, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(dollars in millions, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net sales	$ 596.8	$ 655.4	$ 1,720.2	$ 1,822.9
Cost of sales	269.0	305.0	750.7	807.2
Gross profit	327.8	350.4	969.5	1,015.7
Selling, general and administrative expenses	308.1	340.8	973.2	1,087.1
Acquisition and integration costs	0.1	3.4	0.7	12.0
Restructuring charges and other, net	2.9	3.9	11.6	13.9
Loss on disposal of minority investment	—	—	—	20.1
Operating income (loss)	16.7	2.3	(16.0)	(117.4)
Other expenses:				
Interest expense	50.2	46.4	145.7	129.1
Amortization of debt issuance costs	3.7	3.8	10.4	9.1
Foreign currency losses, net	7.6	1.1	9.0	10.7
Miscellaneous, net	1.7	0.4	7.6	0.6
Other expenses	63.2	51.7	172.7	149.5
Loss from continuing operations before income taxes	(46.5)	(49.4)	(188.7)	(266.9)
Benefit from income taxes	(2.1)	(38.7)	(3.2)	(43.1)
Loss from continuing operations, net of taxes	(44.4)	(10.7)	(185.5)	(223.8)
(Loss) income from discontinued operations, net of taxes	(0.3)	(0.4)	2.0	(0.1)
Net loss	$ (44.7)	$ (11.1)	$ (183.5)	$ (223.9)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(1.8)	(4.9)	(0.5)	(12.3)
Amortization of pension related costs, net of tax[(a)(b)]	2.3	2.3	7.2	6.5
Reclassification into earnings of accumulated losses from the de-designated 2013 Interest Rate Swap, net of tax[(c)]	—	—	—	0.7
Other comprehensive income (loss), net	0.5	(2.6)	6.7	(5.1)
Total comprehensive loss	$ (44.2)	$ (13.7)	$ (176.8)	$ (229.0)
Basic (loss) earnings per common share:				
Continuing operations	$ (0.84)	$ (0.20)	$ (3.50)	$ (4.24)
Discontinued operations	—	(0.01)	0.04	—
Net loss	$ (0.84)	$ (0.21)	$ (3.46)	$ (4.24)
Diluted (loss) earnings per common share:				
Continuing operations	$ (0.84)	$ (0.20)	$ (3.50)	$ (4.24)
Discontinued operations	—	(0.01)	0.04	—
Net loss	$ (0.84)	$ (0.21)	$ (3.46)	$ (4.24)
Weighted average number of common shares outstanding:				
Basic	53,129,004	52,834,879	53,057,154	52,777,883
Diluted	53,129,004	52,834,879	53,057,154	52,777,883

(a) Net of tax expense of $0.3 million and $0.3 million for the three months ended September 30, 2019 and 2018, respectively, and net of tax expense of $0.9 million and $0.8 million for the nine months ended September 30, 2019 and 2018, respectively.

(b) This amount is included in the computation of net periodic benefit costs (income). See Note 11, "Pension and Post-Retirement Benefits," for additional information regarding net periodic benefit costs (income).

(c) Net of tax benefit of nil for the three months ended September 30, 2018 and $0.5 million for the nine months ended September 30, 2018.

See Accompanying Notes to Unaudited Consolidated Financial Statements

REVLON, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIENCY
(dollars in millions, except share and per share amounts)

	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficiency
Balance, January 1, 2019	$ 0.5	$ 1,063.8	$ (31.9)	$ (1,855.0)	$ (234.2)	$ (1,056.8)
Treasury stock acquired, at cost [(a)]	—	—	(1.6)	—	—	(1.6)
Stock-based compensation amortization	—	0.4	—	—	—	0.4
Net loss	—	—	—	(75.1)	—	(75.1)
Other comprehensive income, net [(b)]	—	—	—	—	0.9	0.9
Balance, March 31, 2019	0.5	1,064.2	(33.5)	(1,930.1)	(233.3)	(1,132.2)
Treasury stock acquired, at cost [(a)]	—	—	—	—	—	—
Stock-based compensation amortization	—	3.4	—	—	—	3.4
Net loss	—	—	—	(63.7)	—	(63.7)
Other comprehensive income, net [(b)]	—	—	—	—	5.3	5.3
Balance, June 30, 2019	0.5	1,067.6	(33.5)	(1,993.8)	(228.0)	(1,187.2)
Treasury stock acquired, at cost [(a)]	—	—	—	—	—	—
Stock-based compensation amortization	—	3.9	—	—	—	3.9
Net loss	—	—	—	(44.7)	—	(44.7)
Other comprehensive income, net [(b)]	—	—	—	—	0.5	0.5
Balance, September 30, 2019	$ 0.5	$ 1,071.5	$ (33.5)	$ (2,038.5)	$ (227.5)	$ (1,227.5)

	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficiency
Balance, January 1, 2018	$ 0.5	$ 1,040.0	$ (21.7)	$ (1,560.8)	$ (228.4)	$ (770.4)
Treasury stock acquired, at cost [(a)]	—	—	(2.9)	—	—	(2.9)
Stock-based compensation amortization	—	7.7	—	—	—	7.7
Net loss	—	—	—	(90.3)	—	(90.3)
Other comprehensive income, net [(b)]	—	—	—	—	0.2	0.2
Balance, March 31, 2018	0.5	1,047.7	(24.6)	(1,651.1)	(228.2)	(855.7)
Treasury stock acquired, at cost [(a)]	—	—	(0.6)	—	—	(0.6)
Stock-based compensation amortization	—	0.8	—	—	—	0.8
Net loss	—	—	—	(122.5)	—	(122.5)
Other comprehensive loss, net [(b)]	—	—	—	—	(2.7)	(2.7)
Balance, June 30, 2018	0.5	1,048.5	(25.2)	(1,773.6)	(230.9)	(980.7)
Treasury stock acquired, at cost [(a)]	—	—	(0.1)	—	—	(0.1)
Stock-based compensation amortization	—	6.3	—	—	—	6.3
Net loss	—	—	—	(11.1)	—	(11.1)
Other comprehensive loss, net [(b)]	—	—	—	—	(2.6)	(2.6)
Balance, September 30, 2018	$ 0.5	$ 1,054.8	$ (25.3)	$ (1,784.7)	$ (233.5)	$ (988.2)

(a) Pursuant to the share withholding provisions of the Fourth Amended and Restated Revlon, Inc. Stock Plan (as amended, the "Stock Plan"), the Company withheld an aggregate of nil and 5,493 shares of Revlon Class A Common Stock during the three months ended September 30, 2019 and 2018, respectively, and 85,607 and 167,297 shares of Revlon Class A Common Stock during the nine months ended September 30, 2019 and 2018, respectively, to satisfy certain minimum statutory tax withholding requirements related to the vesting of restricted shares and restricted stock units for certain senior executives and employees. These withheld shares were recorded as treasury stock using the cost method, at a weighted-average price per share of nil and $15.60 during the three months ended September 30, 2019 and 2018, respectively, and $18.86 and $21.42 during the nine months ended September 30, 2019 and 2018, respectively, based on the closing price of Revlon Class A Common Stock as reported on the New York Stock Exchange (the "NYSE") consolidated tape on each respective vesting date, for a total of nil and $0.1 million during the three months ended September 30, 2019 and 2018, respectively, and $1.6 million and $3.6 million during the nine months ended September 30, 2019 and 2018, respectively.

(b) See Note 14, "Accumulated Other Comprehensive Loss," regarding the changes in the accumulated balances for each component of other comprehensive loss during the three and nine months ended September 30, 2019 and 2018, respectively.

See Accompanying Notes to Unaudited Consolidated Financial Statements

REVLON, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)

	Nine Months Ended September 30,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (183.5)	$ (223.9)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	124.6	119.4
Foreign currency losses from re-measurement	9.0	10.7
Amortization of debt discount	1.2	0.9
Stock-based compensation amortization	7.7	14.8
Benefit from deferred income taxes	(19.0)	(61.5)
Amortization of debt issuance costs	10.4	9.1
Non-cash loss on disposal of minority investment	—	18.6
Loss on sale of certain assets	0.2	0.6
Pension and other post-retirement cost	6.3	2.0
Change in assets and liabilities:		
Increase in trade receivables	(30.5)	(7.0)
Increase in inventories	(4.9)	(100.3)
Increase in prepaid expenses and other current assets	(5.5)	(60.5)
Increase in accounts payable	9.1	39.3
Decrease in accrued expenses and other current liabilities	(81.0)	(1.6)
Pension and other post-retirement plan contributions	(7.8)	(6.1)
Purchases of permanent displays	(28.4)	(57.0)
Other, net	25.3	5.8
Net cash used in operating activities	(166.8)	(296.7)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(20.0)	(41.6)
Net cash used in investing activities	(20.0)	(41.6)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (decrease) increase in short-term borrowings and overdraft	(22.4)	2.3
Net borrowings under the Amended 2016 Revolving Credit Facility	13.4	251.3
Net borrowings under the 2019 Term Loan Facility	200.0	—
Net borrowings under the 2018 Foreign Asset-Based Term Loan	—	89.4
Repayments under the 2016 Term Loan Facility	(13.5)	(13.5)
Payment of financing costs	(13.4)	(9.4)
Tax withholdings related to net share settlements of restricted stock units and awards	(1.6)	(3.6)
Other financing activities	(0.9)	0.1
Net cash provided by financing activities	161.6	316.6
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1.4)	(3.2)
Net decrease in cash, cash equivalents and restricted cash	(26.6)	(24.9)
Cash, cash equivalents and restricted cash at beginning of period [(a)]	87.5	87.4
Cash, cash equivalents and restricted cash at end of period [(a)]	$ 60.9	$ 62.5
Supplemental schedule of cash flow information:[(b)]		
Cash paid during the period for:		
Interest	$ 157.9	$ 131.4
Income taxes, net of refunds	6.9	11.7

(a) These amounts include restricted cash of $0.2 million and $0.7 million as of September 30, 2019 and 2018, respectively, and $0.2 million and $0.3 million as of December 31, 2018 and 2017, respectively, which represent cash on deposit in lieu of a mandatory prepayment under the 2018 Foreign Asset-Based Term Facility, and cash on deposit to support outstanding undrawn letters of credit, which were included within other assets in the Company's consolidated balance sheets.
(b) See Note 5, "Leases," for supplemental disclosure of non-cash financing and investing activities in relation to the lease liabilities arising from obtaining right-of-use assets following the implementation of ASC Topic 842, *Leases*.

See Accompanying Notes to Unaudited Consolidated Financial Statements

REVLON CONSUMER PRODUCTS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(dollars in millions, except share and per share amounts)

	September 30, 2019	December 31, 2018
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 60.7	$ 87.3
Trade receivables, less allowance for doubtful accounts of $12.4 and $15.6 as of September 30, 2019 and December 31, 2018, respectively	454.9	431.3
Inventories	522.0	523.2
Prepaid expenses and other assets	151.9	148.0
Receivable from Revlon, Inc.	158.3	151.7
Total current assets	1,347.8	1,341.5
Property, plant and equipment, net of accumulated depreciation of $474.9 and $425.2 as of September 30, 2019 and December 31, 2018, respectively	413.7	354.5
Deferred income taxes	141.2	114.8
Goodwill	673.4	673.9
Intangible assets, net of accumulated amortization of $217.7 and $187.3 as of September 30, 2019 and December 31, 2018, respectively	496.7	532.0
Other assets	122.9	130.8
Total assets	$ 3,195.7	$ 3,147.5
LIABILITIES AND STOCKHOLDER'S DEFICIENCY		
Current liabilities:		
Short-term borrowings	$ 5.1	$ 9.3
Current portion of long-term debt	363.5	348.1
Accounts payable	322.3	332.1
Accrued expenses and other current liabilities	371.6	434.7
Total current liabilities	1,062.5	1,124.2
Long-term debt	2,906.6	2,727.7
Long-term pension and other post-retirement plan liabilities	162.0	169.0
Other long-term liabilities	162.6	59.7
Stockholder's deficiency:		
Products Corporation Preferred stock, par value $1.00 per share; 1,000 shares authorized; 546 shares issued and outstanding as of September 30, 2019 and December 31, 2018, respectively	54.6	54.6
Products Corporation Common Stock, par value $1.00 per share; 10,000 shares authorized; 5,260 shares issued and outstanding as of September 30, 2019 and December 31, 2018, respectively	—	—
Additional paid-in capital	996.0	988.4
Accumulated deficit	(1,921.1)	(1,741.9)
Accumulated other comprehensive loss	(227.5)	(234.2)
Total stockholder's deficiency	(1,098.0)	(933.1)
Total liabilities and stockholder's deficiency	$ 3,195.7	$ 3,147.5

See Accompanying Notes to Unaudited Consolidated Financial Statements

REVLON CONSUMER PRODUCTS CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(dollars in millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net sales	$ 596.8	$ 655.4	$ 1,720.2	$ 1,822.9
Cost of sales	269.0	305.0	750.7	807.2
Gross profit	327.8	350.4	969.5	1,015.7
Selling, general and administrative expenses	306.3	339.1	968.1	1,082.1
Acquisition and integration costs	0.1	3.4	0.7	12.0
Restructuring charges and other, net	2.9	3.9	11.6	13.9
Loss on disposal of minority investment	—	—	—	20.1
Operating income (loss)	18.5	4.0	(10.9)	(112.4)
Other expenses:				
Interest expense	50.2	46.4	145.7	129.1
Amortization of debt issuance costs	3.7	3.8	10.4	9.1
Foreign currency losses, net	7.6	1.1	9.0	10.7
Miscellaneous, net	1.7	0.4	7.6	0.6
Other expenses	63.2	51.7	172.7	149.5
Loss from continuing operations before income taxes	(44.7)	(47.7)	(183.6)	(261.9)
Provision (benefit) from income taxes	(1.8)	(38.2)	(2.4)	(42.0)
Loss from continuing operations, net of taxes	(42.9)	(9.5)	(181.2)	(219.9)
(Loss) income from discontinued operations, net of taxes	(0.3)	(0.4)	2.0	(0.1)
Net loss	$ (43.2)	$ (9.9)	$ (179.2)	$ (220.0)
Other comprehensive income (loss):				
Foreign currency translation adjustments	(1.8)	(4.9)	(0.5)	(12.3)
Amortization of pension related costs, net of tax[a][b]	2.3	2.3	7.2	6.5
Reclassification into earnings of accumulated losses from the de-designated 2013 Interest Rate Swap, net of tax[c]	—	—	—	0.7
Other comprehensive income (loss), net	0.5	(2.6)	6.7	(5.1)
Total comprehensive loss	$ (42.7)	$ (12.5)	$ (172.5)	$ (225.1)

[a] Net of tax expense of $0.3 million and $0.3 million for the three months ended September 30, 2019 and 2018, respectively, and net of tax expense of $0.9 million and $0.8 million for the nine months ended September 30, 2019 and 2018, respectively.
[b] This amount is included in the computation of net periodic benefit costs (income). See Note 11, "Pension and Post-Retirement Benefits," for additional information regarding net periodic benefit costs (income).
[c] Net of tax benefit of nil for the three months ended September 30, 2018 and $0.5 million for the nine months ended September 30, 2018.

See Accompanying Notes to Unaudited Consolidated Financial Statements

REVLON CONSUMER PRODUCTS CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENT OF STOCKHOLDER'S DEFICIENCY
(dollars in millions)

	Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholder's Deficiency
Balance, January 1, 2019	$ 54.6	$ 988.4	$ (1,741.9)	$ (234.2)	$ (933.1)
Stock-based compensation amortization	—	0.4	—	—	0.4
Net loss	—	—	(73.5)	—	(73.5)
Other comprehensive income, net (a)	—	—	—	0.9	0.9
Balance, March 31, 2019	54.6	988.8	(1,815.4)	(233.3)	(1,005.3)
Stock-based compensation amortization	—	3.4	—	—	3.4
Net loss	—	—	(62.5)	—	(62.5)
Other comprehensive income, net (a)	—	—	—	5.3	5.3
Balance, June 30, 2019	54.6	992.2	(1,877.9)	(228.0)	(1,059.1)
Stock-based compensation amortization	—	3.8	—	—	3.8
Net loss	—	—	(43.2)	—	(43.2)
Other comprehensive income, net (a)	—	—	—	0.5	0.5
Balance, September 30, 2019	$ 54.6	$ 996.0	$ (1,921.1)	$ (227.5)	$ (1,098.0)

	Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholder's Deficiency
Balance, January 1, 2018	$ 54.6	$ 971.2	$ (1,452.8)	$ (228.4)	$ (655.4)
Stock-based compensation amortization	—	7.7	—	—	7.7
Net loss	—	—	(89.0)	—	(89.0)
Other comprehensive income, net (a)	—	—	—	0.2	0.2
Balance, March 31, 2018	54.6	978.9	(1,541.8)	(228.2)	(736.5)
Stock-based compensation amortization	—	0.8	—	—	0.8
Net loss	—	—	(121.1)	—	(121.1)
Other comprehensive loss, net (a)	—	—	—	(2.7)	(2.7)
Balance, June 30, 2018	54.6	979.7	(1,662.9)	(230.9)	(859.5)
Stock-based compensation amortization	—	6.3	—	—	6.3
Net loss	—	—	(9.9)	—	(9.9)
Other comprehensive loss, net (a)	—	—	—	(2.6)	(2.6)
Balance, September 30, 2018	$ 54.6	$ 986.0	$ (1,672.8)	$ (233.5)	$ (865.7)

(a) See Note 14, "Accumulated Other Comprehensive Loss," regarding the changes in the accumulated balances for each component of other comprehensive loss during the three and nine months ended September 30, 2019 and 2018, respectively.

See Accompanying Notes to Unaudited Consolidated Financial Statements

REVLON CONSUMER PRODUCTS CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)

	Nine Months Ended September 30,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (179.2)	$ (220.0)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	124.6	119.4
Foreign currency losses from re-measurement	9.0	10.7
Amortization of debt discount	1.2	0.9
Stock-based compensation amortization	7.7	14.8
Benefit from deferred income taxes	(17.8)	(60.3)
Amortization of debt issuance costs	10.4	9.1
Non-cash loss on disposal of minority investment	—	18.6
Loss on sale of certain assets	0.2	0.6
Pension and other post-retirement cost	6.3	2.0
Change in assets and liabilities:		
Increase in trade receivables	(30.5)	(7.0)
Increase in inventories	(4.9)	(100.3)
Increase in prepaid expenses and other current assets	(12.2)	(69.0)
Increase in accounts payable	9.1	39.3
(Decrease) increase in accrued expenses and other current liabilities	(79.8)	1.8
Pension and other post-retirement plan contributions	(7.8)	(6.1)
Purchases of permanent displays	(28.4)	(57.0)
Other, net	25.3	5.8
Net cash used in operating activities	(166.8)	(296.7)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(20.0)	(41.6)
Net cash used in investing activities	(20.0)	(41.6)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net (decrease) increase in short-term borrowings and overdraft	(22.4)	2.3
Net borrowings under the Amended 2016 Revolving Credit Facility	13.4	251.3
Net borrowings under the 2019 Term Loan Facility	200.0	—
Net borrowings under the 2018 Foreign Asset-Based Term Loan	—	89.4
Repayments under the 2016 Term Loan Facility	(13.5)	(13.5)
Payment of financing costs	(13.4)	(9.4)
Tax withholdings related to net share settlements of restricted stock units and awards	(1.6)	(3.6)
Other financing activities	(0.9)	0.1
Net cash provided by financing activities	161.6	316.6
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1.4)	(3.2)
Net decrease in cash, cash equivalents and restricted cash	(26.6)	(24.9)
Cash, cash equivalents and restricted cash at beginning of period [a]	87.5	87.4
Cash, cash equivalents and restricted cash at end of period [a]	$ 60.9	$ 62.5
Supplemental schedule of cash flow information:[b]		
Cash paid during the period for:		
Interest	$ 157.9	$ 131.4
Income taxes, net of refunds	6.9	11.7

[a] These amounts include restricted cash of $0.2 million and $0.7 million as of September 30, 2019 and 2018, respectively, and $0.2 million and $0.3 million as of December 31, 2018 and 2017, respectively, which represent cash on deposit in lieu of a mandatory prepayment under the 2018 Foreign Asset-Based Term Facility, and cash on deposit to support outstanding undrawn letters of credit, which were included within other assets in the Company's consolidated balance sheets.
[b] See Note 5, "Leases," for supplemental disclosure of non-cash financing and investing activities in relation to the lease liabilities arising from obtaining right-of-use assets following the implementation of ASC Topic 842, *Leases*.

See Accompanying Notes to Unaudited Consolidated Financial Statements

1. DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revlon, Inc. ("Revlon" and together with its subsidiaries, the "Company") conducts its business exclusively through its direct wholly-owned operating subsidiary, Revlon Consumer Products Corporation ("Products Corporation") and its subsidiaries. Revlon is an indirect majority-owned subsidiary of MacAndrews & Forbes Incorporated (together with certain of its affiliates other than the Company, "MacAndrews & Forbes"), a corporation beneficially owned by Ronald O. Perelman. Mr. Perelman is Chairman of Revlon's and Products Corporation's Board of Directors.

The Company is a leading global beauty company with an iconic portfolio of brands that develops, manufactures, markets, distributes and sells an extensive array of color cosmetics; hair color, hair care and hair treatments; fragrances; skin care; beauty tools; men's grooming products; anti-perspirant deodorants; and other beauty care products across a variety of distribution channels.

The Company operates in four reporting segments: Revlon; Elizabeth Arden; Portfolio; and Fragrances.

The accompanying Consolidated Financial Statements are unaudited. In management's opinion, all adjustments necessary for a fair presentation of the Company's financial information have been made. The Unaudited Consolidated Financial Statements include the Company's accounts after the elimination of all material intercompany balances and transactions.

The preparation of the Company's Unaudited Consolidated Financial Statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the date of the financial statements and reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the Unaudited Consolidated Financial Statements in the period they are determined to be necessary. Significant estimates made in the accompanying Unaudited Consolidated Financial Statements include, but are not limited to: allowances for doubtful accounts; inventory valuation reserves; expected sales returns and allowances; trade support costs; certain assumptions related to the valuation of acquired intangible and long-lived assets and the recoverability of goodwill, intangible and long-lived assets; income taxes, including deferred tax valuation allowances and reserves for estimated tax liabilities; restructuring costs; and certain estimates and assumptions used in the calculation of the net periodic benefit (income) costs and the projected benefit obligations for the Company's pension and other post-retirement plans, including the expected long-term return on pension plan assets and the discount rate used to value the Company's pension benefit obligations. The Unaudited Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements and related notes contained in, respectively, Revlon's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and Products Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (collectively, the "Company's 2018 Form 10-K").

The Company's results of operations and financial position for interim periods are not necessarily indicative of those to be expected for the full year.

Recently Evaluated and/or Adopted Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)" ("ASU 2016-02" or "ASC 842"), which requires lessees to recognize a right-of-use asset and a related lease liability on the balance sheet for all leases, with the exception of short-term leases. The lease liability will be equal to the present value of lease payments and the right-of-use asset will be based on the lease liability, subject to certain adjustments, such as initial direct costs. Leases will continue to be classified as either operating or finance leases in the income statement. This guidance is effective for annual periods beginning after December 15, 2018, with early adoption permitted. The Company adopted ASU No. 2016-02 beginning as of January 1, 2019, using a modified retrospective approach and applying the standard's transition provisions at the effective date of January 1, 2019. In addition, the Company elected to apply the package of practical expedients identified under ASC 842. See Note 5, "Leases," for additional disclosures provided as a result of this ASU.

In February 2018, the FASB issued ASU No. 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220) - Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income," which gives entities the option to reclassify tax effects stranded in accumulated other comprehensive income as a result of the Tax Cuts and Jobs Act of 2017 (the "Tax Act") to retained earnings. The guidance was effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2018. Entities are required to make additional disclosures, regardless of whether they elect to reclassify stranded amounts of tax effects. The Company has elected not to adopt this amendment and will include required financial statement disclosures, as applicable. No impact is expected to the Company's results of operations and/or financial condition.

Recently Issued Accounting Pronouncements

In August 2018, the FASB issued ASU No. 2018-15, "Internal Use Software (Subtopic 350-40) - Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract," which requires a customer in a cloud computing hosting arrangement that is a service contract to follow the existing guidance in ASC 350-40 on internal-use software to determine which implementation costs are to be deferred and recognized as an asset and which costs are to be expensed as incurred. The new guidance: (i) specifies the financial statement presentation of capitalized implementation costs and the related amortization; (ii) will require entities to disclose the nature of hosting arrangements that are service contracts and the amount of implementation costs capitalized, amortized and impaired in each reporting period; and (iii) provides disclosures about significant judgments made when applying the guidance. Implementation costs that are recognized as an asset under the new guidance would be expensed over the term of the hosting arrangement. The term of the hosting arrangement would be the non-cancellable period of the arrangement and certain periods covered by options to renew the arrangement. The Company currently presents the capitalized cost of acquired software as a component of property, plant and equipment in its consolidated financial statements. This guidance is effective for annual periods beginning after December 15, 2019, with early adoption permitted, and may be applied either retrospectively or prospectively to all implementation costs incurred after adoption. The Company will adopt ASU No. 2018-15 prospectively, beginning as of January 1, 2020, and expects that this new guidance will not have a material impact on the Company's results of operations, financial condition and/or financial statement disclosures.

In August 2018, the FASB issued ASU No. 2018-14, "Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans." This new guidance removes certain disclosures that are not considered cost beneficial, clarifies certain required disclosures and requires certain additional disclosures. This guidance is effective for annual periods beginning after December 15, 2020, with early adoption permitted. The Company will adopt this guidance (on a retrospective basis for certain new additional disclosures), beginning as of January 1, 2021. While the Company is currently assessing the impact of this new pronouncement, the new guidance, which only affects disclosure items, is not expected to have a material impact on the Company's results of operations, financial condition and/or financial statement disclosures.

In June 2016, the FASB issued ASU No. 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments," which was subsequently amended in November 2018 through ASU No. 2018-19, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses." ASU No. 2016-13 will require entities to estimate lifetime expected credit losses for trade and other receivables, net investments in leases, financing receivables, debt securities and other instruments, which will result in earlier recognition of credit losses. Further, the new credit loss model will affect how entities in all industries estimate their allowance for losses for receivables that are current with respect to their payment terms. ASU No. 2018-19 further clarifies that receivables arising from operating leases are not within the scope of Subtopic 326. Instead, impairment from receivables of operating leases should be accounted for in accordance with Topic 842, *Leases*. In October 2019, after considering comments received, the FASB affirmed a proposal to defer the effective date of ASU No. 2016-13 for certain companies. Consequently, the FASB is expected to issue a final ASU in November 2019, which will result in the new guidance on credit losses for smaller reporting companies ("SRC") to be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. This guidance will be applied through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (i.e., a modified-retrospective approach). Under the above-mentioned deferral, the Company expects to adopt ASU No. 2016-03, and the related ASU No. 2018-19 amendments, beginning as of January 1, 2023 and is in the process of assessing the impact, if any, that this new guidance is expected to have on the Company's results of operations, financial condition and/or financial statement disclosures.

2. RESTRUCTURING CHARGES

2018 Optimization Restructuring Program

In November 2018, the Company announced that it was implementing the 2018 Optimization Restructuring Program (the "2018 Optimization Program") designed to streamline the Company's operations, reporting structures and business processes, with the objective of maximizing productivity and improving profitability, cash flows and liquidity. In connection with implementing the 2018 Optimization Program, the Company expects to recognize approximately $30 million to $40 million of total pre-tax restructuring and related charges, consisting of employee-related costs, such as severance, pension and other termination costs, as well as other related charges. The Company also expects to incur approximately $10 million of additional capital expenditures. The Company expects the 2018 Optimization Program to be substantially completed by December 31, 2019.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

A summary of the 2018 Optimization Restructuring Charges incurred through September 30, 2019 is presented in the following table:

	Restructuring Charges and Other, Net					
	Employee Severance and Other Personnel Benefits	Other Costs	Total Restructuring Charges	Inventory Adjustments[a]	Other Related Charges[b]	Total Restructuring and Related Charges
Charges incurred through December 31, 2018	$ 4.5	$ —	$ 4.5	$ —	$ 1.2	$ 5.7
Charges incurred during the nine months ended September 30, 2019	12.0	0.5	12.5	4.2	11.4	28.1
Cumulative charges incurred through September 30, 2019	$ 16.5	$ 0.5	$ 17.0	$ 4.2	$ 12.6	$ 33.8

[a] Inventory adjustments are recorded within cost of sales in the Company's Consolidated Statement of Operations and Comprehensive Loss.
[b] Other related charges are recorded within SG&A in the Company's Consolidated Statement of Operations and Comprehensive Loss.

A summary of the 2018 Optimization Restructuring Charges incurred through September 30, 2019 by reportable segment is presented in the following table:

	Charges incurred during the nine months ended September 30, 2019	Cumulative charges incurred through September 30, 2019
Revlon	$ 5.7	$ 7.6
Elizabeth Arden	2.5	3.4
Portfolio	2.3	3.3
Fragrances	2.0	2.7
Total	$ 12.5	$ 17.0

The Company expects that approximately 85% of these restructuring and related charges will be paid in cash, of which approximately $15.8 million were paid through September 30, 2019. Substantially all of the remaining balance is expected to be paid by the end of 2019, with any residual amount to be paid in 2020.

EA Integration Restructuring Program

In December 2016, in connection with integrating the Elizabeth Arden and Revlon organizations, the Company began the process of implementing certain integration activities, including consolidating offices, eliminating certain duplicative activities and streamlining back-office support (the "EA Integration Restructuring Program"). The EA Integration Restructuring Program was designed to reduce the Company's cost of goods sold and SG&A expenses. The EA Integration Restructuring Program was substantially completed by December 31, 2018 and the Company expects to incur limited further charges under this program, primarily related to its exit from certain leased spaces. In connection with implementing the EA Integration Restructuring Program, the Company recognized $82.6 million of total pre-tax restructuring charges (the "EA Integration Restructuring Charges"), consisting of: (i) $72.6 million of employee-related costs, including severance, retention and other contractual termination benefits; (ii) $5.1 million of lease termination costs; and (iii) $4.9 million of other related charges. The Company expects that cash payments will total $80 million to $85 million in connection with the EA Integration Restructuring Charges, of which $72.0 million were paid through September 30, 2019. The remaining balance is expected to be substantially paid by the end of 2020.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

A summary of the EA Integration Restructuring Charges incurred through September 30, 2019 is presented in the following table:

	Restructuring Charges and Other, Net					
	Employee Severance and Other Personnel Benefits[a]	Lease Termination and Other Costs[b]	Total Restructuring Charges	Inventory Adjustments[c]	Other Related Charges[d]	Total Restructuring and Related Charges
Charges incurred through December 31, 2018	$ 72.2	$ 5.1	$ 77.3	$ 1.9	$ 3.0	$ 82.2
Charges incurred during the nine months ended September 30, 2019	0.4	—	0.4	—	—	0.4
Cumulative charges incurred through September 30, 2019	$ 72.6	$ 5.1	$ 77.7	$ 1.9	$ 3.0	$ 82.6

[a] Includes reversal of previously accrued restructuring charges during the three months ended September 30, 2019.
[b] Lease termination liabilities related to certain exited office space were adjusted following the implementation of ASC 842. See Note 5, "Leases," for additional information.
[c] Inventory adjustments are recorded within cost of sales in the Company's Consolidated Statement of Operations and Comprehensive Loss.
[d] Other related charges are recorded within SG&A in the Company's Consolidated Statement of Operations and Comprehensive Loss.

A summary of the EA Integration Restructuring Charges incurred through September 30, 2019 by reportable segment is presented in the following table:

	Charges incurred during the nine months ended September 30, 2019	Cumulative charges incurred through September 30, 2019
Revlon	$ —	$ 32.9
Elizabeth Arden	0.4	13.7
Portfolio	—	13.1
Fragrances	—	18.0
Total	$ 0.4	$ 77.7

Restructuring Reserve

The liability balance and related activity for each of the Company's restructuring programs are presented in the following table:

				Utilized, Net		
	Liability Balance at January 1, 2019	Expense, Net	Foreign Currency Translation	Cash	Non-cash	Liability Balance at September 30, 2019
2018 Optimization Program:[a]						
Employee severance and other personnel benefits	$ 3.7	$ 12.0	$ —	$ (6.8)	$ —	$ 8.9
Other	1.2	16.1	—	(8.2)	—	9.1
Total 2018 Optimization Program	4.9	28.1	—	(15.0)	—	18.0
EA Integration Restructuring Program:						
Employee severance and other personnel benefits	13.8	0.4	(0.4)	(7.7)	—	6.1
Other[b]	4.2	—	—	(0.4)	(3.5)	0.3
Total EA Integration Restructuring Program	18.0	0.4	(0.4)	(8.1)	(3.5)	6.4
Other individually immaterial actions:[c]						
Employee severance and other personnel benefits	4.6	(1.4)	—	(1.8)	(1.1)	0.3
Other	0.8	0.3	—	(0.4)		0.7
Total other individually immaterial actions	5.4	(1.1)	—	(2.2)	(1.1)	1.0
Total restructuring reserve	$ 28.3	$ 27.4	$ (0.4)	$ (25.3)	$ (4.6)	$ 25.4

[a] $15.6 million relates to other restructuring-related charges that were reflected within SG&A and cost of sales in the Company's September 30, 2019 Consolidated Statement of Operations and Comprehensive Loss.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

(b) Non-cash utilization relates to approximately $3.5 million of lease termination liabilities related to certain exited office space that were adjusted following the implementation of ASC 842. See Note 5, "Leases," for additional information.

(c) Consists primarily of the Company's other individually and collectively immaterial restructuring initiatives, including those in Denmark, Norway and Sweden.

As of September 30, 2019 and 2018, all of the restructuring reserve balances were included within accrued expenses and other current liabilities in the Company's Consolidated Balance Sheets.

3. DISCONTINUED OPERATIONS

In December 2013, the Company announced restructuring actions that primarily included exiting its direct manufacturing, warehousing and sales business operations in mainland China within the Revlon segment (the "December 2013 Program"). The December 2013 Program resulted in the elimination of approximately 1,100 positions in 2014, primarily in China. With the implementation of the December 2013 Program, the results of the China discontinued operations, which relate entirely to the Revlon segment, are included within income from discontinued operations, net of taxes. The summary comparative financial results of discontinued operations were as follows for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net sales	$ —	$ —	$ —	$ —
(Loss) income from discontinued operations, before taxes	(0.3)	(0.4)	2.0	(0.1)
Provision for income taxes	—	—	—	—
(Loss) income from discontinued operations, net of taxes	(0.3)	(0.4)	2.0	(0.1)

As of September 30, 2019 and December 31, 2018, assets and liabilities of the China discontinued operations included in the Consolidated Balance Sheets consisted of the following:

	September 30, 2019	December 31, 2018
Cash and cash equivalents	$ 1.0	$ 1.1
Trade receivables, net	—	0.2
Total current assets	1.0	1.3
Total assets	$ 1.0	$ 1.3
Accounts payable	$ —	$ 0.5
Accrued expenses and other	1.2	3.3
Total current liabilities	1.2	3.8
Total liabilities	$ 1.2	$ 3.8

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

4. INVENTORIES

As of September 30, 2019 and December 31, 2018, the Company's inventory balances consisted of the following:

	September 30, 2019	December 31, 2018
Raw materials and supplies	$ 130.0	$ 143.5
Work-in-process	8.8	5.6
Finished goods	383.2	374.1
	$ 522.0	$ 523.2

5. LEASES

Products Corporation leases facilities for executive offices, warehousing, research and development and sales operations and leases various types of equipment under operating and finance lease agreements. The majority of Products Corporation's real estate leases, in terms of total undiscounted payments, are located in the U.S.

As disclosed in Note 1, in February 2016, the FASB issued ASU No. 2016-02, which requires that a lessee recognize, for both finance leases and operating leases, a liability to make lease payments (the lease liability) and a right-of-use ("ROU") asset representing its right to use the underlying leased asset for the lease term. The lease liability is equal to the present value of the lease payments and the ROU asset is based on the lease liability, subject to certain adjustments, such as pre-payments, initial direct costs, lease incentives and accrued rent.

The Company adopted ASU No. 2016-02 beginning as of January 1, 2019, using a modified retrospective approach and applying the standard's transition provisions at the effective date of January 1, 2019. The comparative information has not been restated and continues to be reported under the lease accounting standard in effect for those periods. Refer to Note 20, "Contingencies," in the Company's 2018 Form 10-K for detail of its minimum rental commitments at December 31, 2018 under legacy ASC 840, "Leases".

The standard had a material impact on the Company's unaudited consolidated balance sheets but did not have an impact on the Company's unaudited statements of operations and comprehensive loss and cash flows.

As of January 1, 2019, the Company's adoption of ASU No. 2016-02 resulted in:

- the recognition of ROU assets for operating leases and finance leases of approximately $109.3 million and $1.5 million, respectively;
- the recognition of lease liabilities for operating leases and finance leases of approximately $123.4 million and $1.4 million, respectively; and
- a decrease of approximately $11.3 million in accrued rent (of which $10.7 million was recorded in other long-term liabilities and $0.6 million was recorded in accrued expenses and other current liabilities), a decrease of approximately $3.5 million in lease termination liabilities and a decrease of approximately $0.7 million in prepaid rent, due to adjustments to balances previously recorded on the unaudited condensed consolidated balance sheets upon transition from the legacy ASC 840 to ASC 842.

Upon adoption of ASU No. 2016-02, the Company elected the available practical expedients allowed by the guidance under:

- ASC 842-10-15-37, by not separating lease components from non-lease components and instead accounting for all components as a single lease component for all of its classes of underlying assets, i.e., for any type of equipment leases and real estate leases; and
- ASC 842-10-65-1, by not reassessing at the transition date: (i) whether any expired or existing contracts are or contain leases; (ii) lease classification for any expired or existing leases; and (iii) initial direct costs for any existing leases.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

The Company determines if an arrangement is a lease at inception, considering whether the contract conveys a right to control the use of the identified asset for a period of time in exchange for consideration. Operating leases are included in operating lease ROU assets, recorded within “Property, Plant and Equipment”, and operating lease liabilities are recorded within either "Accrued expenses and other current liabilities" and/or "Other long-term liabilities" in the Company’s unaudited consolidated balance sheets. Finance leases are included in finance lease ROU assets recorded within “Property, Plant and Equipment”, and finance lease liabilities are recorded within either "Accrued expenses and other current liabilities" and/or "Other long-term liabilities" in the Company’s unaudited consolidated balance sheets.

As most of the Company’s leases do not provide the lease implicit rates, the Company uses its incremental borrowing rates as the discount rate, adjusted as applicable, based on the information available at the lease commencement dates to determine the present value of lease payments. The Company may use the lease implicit rate, when readily determinable, as the discount rate to determine the present value of lease payments. As of January 1, 2019, the Company used an average discount rate of approximately 16%, based on an estimate of the Company's incremental borrowing rates.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the applicable lease term.

At lease commencement, for initial measurement, variable lease payments that do not depend on an index or rate, if any, are excluded from lease payments. Subsequent to initial measurement, these variable payments are recognized when the event determining the amount of the variable consideration to be paid occurs. Leases with an initial lease term of 12 months or less are not included in the lease liability or ROU asset.

The following table includes disclosure related to the new ASC 842 lease standard, after application of the aforementioned practical expedients and short-term lease considerations:

		Nine Months Ended September 30, 2019
Lease Cost:		
Finance Lease Cost:		
Amortization of ROU assets	$	0.2
Interest on lease liabilities		0.1
Operating Lease Cost		31.4
Total Lease Cost		31.7
Other Information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases		0.1
Operating cash flows from operating leases		30.6
Financing cash flows from finance leases		0.7
ROU assets for finance leases	$	1.2
ROU assets for operating leases		93.9
Amortization on ROU assets for finance leases		0.2
Amortization on ROU assets for operating leases		16.7
Weighted-average remaining lease term - finance leases		3.2 years
Weighted-average remaining lease term - operating leases		6.3 years
Weighted-average discount rate - finance leases		16.0%
Weighted-average discount rate - operating leases		15.8%

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Maturities of lease liabilities as of September 30, 2019 were as follows:

	Operating Leases	Finance Leases
October 2019 through December 2019	$ 9.3	$ 0.2
2020	33.1	0.6
2021	29.6	0.5
2022	23.1	0.3
2023	18.9	—
Thereafter	60.3	—
Total undiscounted cash flows	$ 174.3	$ 1.6
Present value:		
Short-term lease liability	$ 13.9	$ 0.7
Long-term lease liability	92.3	0.5
Total lease liability	$ 106.2	$ 1.2
Difference between undiscounted cash flows and discounted cash flows	$ 68.1	$ 0.4

6. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

The following table presents the changes in goodwill by segment during the nine months ended September 30, 2019:

	Revlon	Portfolio	Elizabeth Arden	Fragrances	Total
Balance at January 1, 2019	$ 265.0	$ 171.2	$ 116.9	$ 120.8	$ 673.9
Foreign currency translation adjustment	(0.3)	(0.2)	—	—	(0.5)
Balance at September 30, 2019	$ 264.7	$ 171.0	$ 116.9	$ 120.8	$ 673.4
Cumulative goodwill impairment charges[a]					$ (55.2)

[a] Amount refers to cumulative goodwill impairment charges related to impairments recognized in 2015, 2017 and 2018; no impairment charges were recognized during the nine months ended September 30, 2019.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Intangible Assets, Net

The following tables present details of the Company's total intangible assets as of September 30, 2019 and December 31, 2018:

	September 30, 2019			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Useful Life (in Years)
Finite-lived intangible assets:				
Trademarks and licenses	$ 271.1	$ (106.6)	$ 164.5	13
Customer relationships	247.6	(93.0)	154.6	12
Patents and internally-developed intellectual property	21.1	(11.5)	9.6	5
Distribution rights	31.0	(5.3)	25.7	15
Other	1.3	(1.3)	—	0
Total finite-lived intangible assets	$ 572.1	$ (217.7)	$ 354.4	
Indefinite-lived intangible assets:				
Trade names	$ 142.3	N/A	$ 142.3	
Total indefinite-lived intangible assets	$ 142.3	N/A	$ 142.3	
Total intangible assets	$ 714.4	$ (217.7)	$ 496.7	

	December 31, 2018			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted-Average Useful Life (in Years)
Finite-lived intangible assets:				
Trademarks and licenses	$ 272.3	$ (94.3)	$ 178.0	13
Customer relationships	248.6	(77.9)	170.7	12
Patents and internally-developed intellectual property	20.9	(10.1)	10.8	6
Distribution rights	31.0	(4.0)	27.0	16
Other	1.3	(1.0)	0.3	1
Total finite-lived intangible assets	$ 574.1	$ (187.3)	$ 386.8	
Indefinite-lived intangible assets:				
Trade names	$ 145.2	N/A	$ 145.2	
Total indefinite-lived intangible assets	$ 145.2	N/A	$ 145.2	
Total intangible assets	$ 719.3	$ (187.3)	$ 532.0	

Amortization expense for finite-lived intangible assets was $8.3 million and $10.1 million for the three months ended September 30, 2019 and 2018, respectively, and $31.9 million and $30.3 million for the nine months ended September 30, 2019 and 2018, respectively. Amortization during the first three months of 2019 was affected by the accelerated amortization of the **Pure Ice** intangible assets as a result of the revision of the brand's intangible assets useful lives following the termination of a business relationship with its principal customer in 2018.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

The following table reflects the estimated future amortization expense for each period presented, a portion of which is subject to exchange rate fluctuations, for the Company's finite-lived intangible assets as of September 30, 2019:

	Estimated Amortization Expense
2019	$ 8.7
2020	34.1
2021	33.2
2022	32.3
2023	30.7
Thereafter	215.4
Total	$ 354.4

7. ACCRUED EXPENSES AND OTHER

As of September 30, 2019 and December 31, 2018, the Company's accrued expenses and other current liabilities consisted of the following:

	September 30, 2019	December 31, 2018
Sales returns and allowances	$ 87.9	$ 97.7
Advertising and promotional costs	76.8	76.2
Compensation and related benefits	32.7	55.9
Taxes [a]	24.4	30.9
Restructuring reserve	15.2	26.4
Interest	20.2	33.8
Other [b]	111.1	110.0
Total	$ 368.3	$ 430.9

[a] Accrued Taxes for Products Corporation as of September 30, 2019 and December 31, 2018 were $27.8 million and $34.6 million, respectively.
[b] Accrued Other for Products Corporation as of September 30, 2019 and December 31, 2018 were $111.0 million and $110.1 million, respectively.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

8. LONG-TERM DEBT

As of September 30, 2019 and December 31, 2018, the Company's debt balances consisted of the following:

	September 30, 2019	December 31, 2018
2019 Term Loan Facility due 2023, net of discounts and debt issuance costs [a]	188.4	$ —
2018 Foreign Asset-Based Term Facility due 2021, net of discounts and debt issuance costs [b]	79.5	82.7
Amended 2016 Revolving Credit Facility due 2021, net of debt issuance costs [c]	345.4	330.0
2016 Term Loan Facility: 2016 Term Loan due 2023, net of discounts and debt issuance costs [d]	1,716.3	1,724.6
5.75% Senior Notes due 2021, net of debt issuance costs [e]	497.7	496.6
6.25% Senior Notes due 2024, net of debt issuance costs [f]	442.4	441.4
Spanish Government Loan due 2025	0.4	0.5
	$ 3,270.1	$ 3,075.8
Less current portion[*]	(363.5)	(348.1)
	$ 2,906.6	$ 2,727.7
Short-term borrowings [g]	$ 5.1	$ 9.3

[*] At September 30, 2019, the Company classified $363.5 million as its current portion of long-term debt, comprised primarily of $345.4 million of net borrowings under the Amended 2016 Revolving Credit Facility, net of debt issuance costs, and $18 million of amortization payments on the 2016 Term Loan Facility scheduled to be paid over the next four calendar quarters. At December 31, 2018, the Company classified $348.1 million as its current portion of long-term debt, comprised primarily of $330 million of net borrowings under the Amended 2016 Revolving Credit Facility, net of debt issuance costs, and $18 million of amortization payments on the 2016 Term Loan Facility.

[a] See "Current Year Debt Transactions" below in this Note 8 for additional details regarding the 2019 Term Loan Facility.

[b] See Note 10, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2018 Form 10-K for certain details regarding the euro-denominated senior secured asset-based term loan facility in an aggregate principal amount of €77 million that various foreign subsidiaries of Products Corporation entered into in July 2018 (the “2018 Foreign Asset-Based Term Facility”).

[c] See Note 10, "Long-Term Debt," to the Consolidated Financial Statements in the Company's Form 10-K for certain details regarding Products Corporation's Amended 2016 Revolving Credit Facility. In April 2018, Products Corporation amended the Amended 2016 Revolving Credit Facility Agreement, as detailed below, to, among other things, add a new $41.5 million senior secured first in, last out "Tranche B," while the original $400 million tranche under such facility became a senior secured last in, first out "Tranche A." Tranche A matures on the earlier of: (x) September 7, 2021; and (y) the 91st day prior to the maturity of Products Corporation’s 5.75% Senior Notes, if, on that date (and solely for so long as), (i) any of Products Corporation’s 5.75% Senior Notes remain outstanding and (ii) Products Corporation’s available liquidity does not exceed the aggregate principal amount of the then outstanding 5.75% Senior Notes by at least $200 million. Tranche B matures on April 17, 2020. Total borrowings at face amount under Tranche A and Tranche B under the Amended 2016 Revolving Credit Facility at September 30, 2019 were $307.5 million (excluding $11.3 million of outstanding undrawn letters of credit) and $40.9 million, respectively (the 2016 Term Loan Facility and the Amended 2016 Revolving Credit Facility are collectively referred to as the "2016 Senior Credit Facilities" and the applicable agreements being the “2016 Credit Agreements”).

[d] See Note 10, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2018 Form 10-K for certain details regarding Products Corporation's 2016 Term Loan that matures on the earlier of: (x) September 7, 2023; and (y) the 91st day prior to the maturity of Products Corporation’s 5.75% Senior Notes due 2021 if, on that date (and solely for so long as), (i) any of Products Corporation's 5.75% Senior Notes remain outstanding and (ii) Products Corporation’s available liquidity does not exceed the aggregate principal amount of the then outstanding 5.75% Senior Notes by at least $200 million. The aggregate principal amount outstanding under the 2016 Term Loan Facility at September 30, 2019 was $1,746 million.

[e] See Note 10, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2018 Form 10-K for certain details regarding Products Corporation's 5.75% Senior Notes that mature on February 15, 2021. The aggregate principal amount outstanding under the 5.75% Senior Notes at September 30, 2019 was $500 million.

[f] See Note 10, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2018 Form 10-K for certain details regarding Products Corporation's 6.25% Senior Notes that mature on August 1, 2024. The aggregate principal amount outstanding under the 6.25% Senior Notes at September 30, 2019 was $450 million.

(g) There were no borrowings at September 30, 2019 under the 2019 Senior Line of Credit Facility between Products Corporation and MacAndrews & Forbes Group, LLC, a related party, discussed below.

Current Year Debt Transactions

2019 Term Loan Facility

Principal and Maturity: On August 6, 2019, Products Corporation entered into a senior secured term loan facility among certain affiliated funds, investment vehicles or accounts managed or advised by Ares Management LLC, as lender, in an initial aggregate principal amount of $200 million (the “2019 Term Loan Facility” and such agreement being the “2019 Term Loan Agreement”), and Wilmington Trust, National Association (“Wilmington Trust”), as administrative and collateral agent. Net proceeds from the 2019 Term Loan Facility, which will be used for general corporate purposes, were approximately $188 million, after taking into account approximately $12 million of related fees and expenses. The 2019 Term Loan Facility will mature on the earliest of: (x) the fourth anniversary of the Closing Date; (y) the 180th day prior to the maturity of Products Corporation’s existing 2016 Term Loan Facility, if any loans under the 2016 Term Loan Facility remain outstanding and have not been replaced or refinanced by such date; and (z) the date of any springing maturity of the 2016 Term Loan Facility (i.e., the 91st day prior to the maturity of the 5.75% Senior Notes due February 15, 2021 if any 5.75% Senior Notes remain outstanding by such date).

Guarantees and Security: Products Corporation and its restricted subsidiaries under the 2019 Term Loan Facility (collectively, the “Restricted Group”) are subject to the covenants under the 2019 Term Loan Agreement. The 2019 Term Loan Facility is guaranteed by each existing and future direct or indirect wholly-owned domestic restricted subsidiary of Products Corporation (subject to various exceptions), as well as by Revlon, on a limited recourse basis, and Elizabeth Arden (U.K.) Ltd., Revlon Canada Inc. and Elizabeth Arden (Canada) Limited. The obligations of Revlon, Products Corporation and the subsidiary guarantors under the 2019 Term Loan Facility are secured by pledges of the equity of Products Corporation and the equity of the Restricted Group held by Products Corporation and each subsidiary guarantor (subject to customary exceptions, including equity of first-tier foreign subsidiaries in excess of 66% of the voting equity interests of such entity) and by substantially all tangible and intangible personal and real property of Products Corporation and the subsidiary guarantors (subject to customary exclusions). The 2019 Term Loan Facility and the existing 2016 Term Loan Facility share the same guarantors and collateral, except that the 2019 Term Loan Facility is also secured by a first-priority lien on certain intellectual property of the American Crew business (the “Additional Collateral”) and is guaranteed by the entities established to hold such Additional Collateral. Pursuant to a first lien pari passu intercreditor agreement, dated August 6, 2019, among Revlon, Products Corporation, the subsidiary guarantors, Wilmington Trust and Citibank, N.A. (acting as administrative agent and collateral agent for the 2016 Term Loan Facility), the liens on the shared collateral securing the 2019 Term Loan Facility rank pari passu in priority with the liens on the shared collateral securing the 2016 Term Loan Facility.

License Agreement: In connection with the pledge of such Additional Collateral, Products Corporation entered into intercompany arrangements pursuant to which the Additional Collateral was contributed to a newly-formed subsidiary, Beautyge I, which then further contributed the Additional Collateral to its new wholly-owned subsidiary, Beautyge II, LLC. Products Corporation entered into a license and royalty arrangement on arm’s length terms with Beautyge II, LLC to provide for the Company’s continued use of the Additional Collateral during the term of the 2019 Term Loan Facility.

Interest and Fees: Interest accrues on the 2019 Term Loan Facility at a rate per annum of one-month adjusted LIBOR (which has a floor of 0%) plus a margin of 9.50%. Products Corporation is also obligated to pay customary fees and expenses in connection with the 2019 Term Loan Facility.

Affirmative and Negative Covenants: The 2019 Term Loan Agreement contains certain affirmative and negative covenants that, among other things, limit the Restricted Group’s ability to: (i) incur additional debt; (ii) incur liens; (iii) sell, transfer or dispose of assets; (iv) make investments; (v) make dividends and distributions on, or repurchases of, equity; (vi) make prepayments of contractually subordinated or junior lien debt; (vii) enter into certain transactions with their affiliates; (viii) enter into sale-leaseback transactions; (ix) change their lines of business; (x) restrict dividends from their subsidiaries or restrict liens; (xi) change their fiscal year; and (xii) modify the terms of certain debt. The 2019 Term Loan Agreement also contains additional covenants: (i) restricting the activities of the entities established to hold the Additional Collateral; (ii) limiting the incurrence of secured debt by the Restricted Group to an aggregate principal amount of $50 million (excluding the Amended 2016 Revolving Credit Facility and any refinancing of the 5.75% Senior Notes due 2021); (iii) restricting the transfer by the Restricted Group of material intellectual property to non-guarantor restricted subsidiaries or other affiliates; and (iv) limiting investments by Products Corporation and its subsidiary guarantors in any non-guarantor subsidiary to an outstanding amount of $50 million plus $10 million for ordinary course investments consistent with past practice. These negative covenants are subject to various exceptions, including an “available amount basket" based on 50% of Products Corporation's cumulative consolidated net income from October 1, 2016, subject to Products Corporation's compliance with a 5.0 to 1.0 ratio of Products Corporation's net debt to Consolidated EBITDA (as defined in the 2019 Term Loan Agreement), except such compliance is not required when such baskets are used to make investments.

Financial Covenants: The 2019 Term Loan Agreement contains financial covenants. First, Products Corporation cannot permit at any time both (x) the aggregate principal amount of secured and structurally senior debt to exceed $2.5 billion and (y) the ratio of Products Corporation's net secured and structurally senior debt to Consolidated EBITDA to be greater than 5.0 to 1.0, subject to a one-time equity cure right. Second, Products Corporation's Consolidated EBITDA cannot be less than $250 million for any test period ending on or after March 31, 2021.

Prepayments: The 2019 Term Loan Facility is subject to mandatory prepayments from: (i) the net proceeds from the issuance by Products Corporation or any of its restricted subsidiaries of certain additional debt; (ii) commencing with the excess cash flow calculation with respect to fiscal year ending December 31, 2020, 50% of excess cash flow, with step-downs to 25% and 0% upon achievement of certain first lien leverage ratios and reduced by voluntary prepayments of the 2019 Term Loan Facility, the 2016 Term Loan Facility and revolving loans under the Amended 2016 Revolving Credit Facility (to the extent commitments thereunder are permanently reduced); and (iii) asset sale proceeds of certain non-ordinary course asset sales or other dispositions of property that have not been reinvested to the extent in excess of certain minimum amounts (subject to an aggregate reinvestment cap of $50 million). Products Corporation may voluntarily prepay the 2019 Term Loan Facility at any time. All voluntary prepayments, certain mandatory prepayments and repayments upon acceleration after an event of default of the 2019 Term Loan Facility must be accompanied by a fee (the "Applicable Premium") in an amount equal to: (i) prior to January 1, 2021, a make-whole amount with respect to interest payments through December 31, 2020 plus 10% of the aggregate principal amount prepaid, repaid or required to be repaid; (ii) on and after January 1, 2021, but prior to January 1, 2022, 10% of the aggregate principal amount prepaid, repaid or required to be repaid; (iii) on and after January 1, 2022, but prior to January 1, 2023, 7.5% of the aggregate principal amount prepaid, repaid or required to be repaid; or (iv) thereafter, 5% of the aggregate principal amount prepaid, repaid or required to be repaid. A 5% exit fee is also payable upon the final scheduled maturity of the 2019 Term Loan Facility or if the loans thereunder are accelerated upon an event of default. The 2019 Term Loan Agreement also contains certain customary representations, warranties and events of default.

Events of Default: The 2019 Term Loan Agreement includes customary events of default, including a cross default provision making it an event of default under the 2019 Term Loan Agreement if there is an event of default under Products Corporation's existing 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, the Amended 2019 Senior Line of Credit Agreement or the indentures for Products Corporation's 5.75% Senior Notes or 6.25% Senior Notes. In addition, the lenders under the 2019 Term Loan Agreement may declare all outstanding loans under the 2019 Term Loan Agreement to be due and payable immediately upon an event of default. Under such circumstances, the lenders under the 2016 Credit Agreements, the Amended 2019 Senior Line of Credit Agreement and the 2018 Foreign Asset-Based Term Agreement may also declare all outstanding loans under such facilities to be due and payable immediately as a result of similar cross default provisions, and upon non-payment of any accelerated principal amount, the trustees or noteholders for the 5.75% Senior Notes and 6.25% Senior Notes may declare all outstanding notes to be due and payable immediately as a result of similar cross-acceleration provisions, subject to certain exceptions and limitations described in the relevant instruments.

Fees and expenses incurred in connection with consummating the 2019 Term Loan Agreement of approximately $12 million were capitalized and are being amortized to interest expense over the term of the 2019 Term Loan Agreement using the effective interest method. The aggregate principal amount outstanding under the 2019 Term Loan Facility Agreement at September 30, 2019 was $200 million.

2019 Senior Line of Credit Agreement

In June 2019, Products Corporation entered into a 2019 Senior Unsecured Line of Credit Agreement (the "2019 Senior Line of Credit Agreement") providing Products Corporation with a $30 million senior unsecured line of credit (the "2019 Senior Line of Credit Facility") from MacAndrews & Forbes Group, LLC, a subsidiary of Revlon's majority stockholder. The 2019 Senior Line of Credit Facility allows Products Corporation to request loans thereunder and to use the proceeds of such loans for working capital and other general corporate purposes until the facility matures on December 31, 2019. See Note 20, "Subsequent Events," regarding the extension of the maturity of the 2019 Senior Line of Credit Agreement to December 31, 2020. As of September 30, 2019, there were no borrowings outstanding under this facility.

Any loans outstanding under the 2019 Senior Line of Credit Facility shall bear interest at an annual rate of 8%, which is payable quarterly in arrears in cash. Products Corporation may, at its option, prepay any borrowings under the 2019 Senior Line of Credit Facility, in whole or in part (together with accrued and unpaid interest), at any time prior to maturity, without premium or penalty. Products Corporation is required to repay any outstanding loans under the 2019 Senior Line of Credit Facility, together with accrued interest thereon, if for any reason Products Corporation or any of its subsidiaries has available unrestricted cash that Products Corporation determines, in its reasonable judgment, is not required to run their operations in the ordinary course of business, provided that such repayment would not result in material adverse tax consequences.

The 2019 Senior Line of Credit Agreement includes customary events of default, including a cross default provision making it an event of default under the 2019 Senior Line of Credit Agreement if there exists and continues an event default under Products Corporation's existing bank term loan and revolver credit agreements, the 2018 Foreign Asset-Based Term Agreement or the indentures for Products Corporation's 5.75% Senior Notes or 6.25% Senior Notes. If any such event of default occurs, MacAndrews & Forbes Group, LLC may declare all outstanding loans under the 2019 Senior Line of Credit Facility to be due and payable immediately. For the three and nine months ended September 30, 2019, there were no borrowings or repayments under this facility.

March 2019 Amendment to 2016 Revolving Credit Facility

On March 6, 2019, Products Corporation, Revlon and certain of their subsidiaries entered into Amendment No. 2 ("Amendment No. 2") to the 2016 Revolving Credit Agreement (as amended by Amendment No. 2, the "Amended 2016 Revolving Credit Agreement") in respect of the 2016 Revolving Credit Facility (as in effect after Amendment No. 2, the "Amended 2016 Revolving Credit Facility"). Pursuant to the terms of Amendment No. 2, the maturity date applicable to the $41.5 million senior secured first in, last out Tranche B of the Amended 2016 Revolving Credit Facility was extended from April 17, 2019 to April 17, 2020. Prior to Amendment No. 2, the Amended 2016 Revolving Credit Agreement provided that the "Liquidity Amount" (defined in the Amended 2016 Revolving Credit Agreement as the sum of each borrowing base less the sum of (x) the aggregate outstanding extensions of credit under the Amended 2016 Revolving Credit Facility, and (y) any availability reserve in effect on such date) may exceed the aggregate commitments under the Amended 2016 Revolving Credit Facility by up to 5%. Amendment No. 2 limited the Liquidity Amount to no more than the aggregate commitments under the Amended 2016 Revolving Credit Facility. Prior to Amendment No. 2, under the Amended 2016 Revolving Credit Agreement, a "Liquidity Event Period" generally occurs if Products Corporation's Liquidity Amount fell below the greater of $35 million and 10% of the maximum availability under the Amended 2016 Revolving Credit Facility. Amendment No. 2 changed these thresholds to $50 million and 15%, respectively, only for purposes of triggering certain notification obligations of Products Corporation, increased borrowing base reporting frequency and the ability of the administrative agent to apply amounts collected in controlled accounts for the repayment of loans under the Amended 2016 Revolving Credit Facility. After entering into Amendment No. 2, in March 2019 Products Corporation's availability under the Amended 2016 Revolving Credit Facility was $37.3 million, which was less than the greater of $35 million and 10% of the maximum availability under the Amended 2016 Revolving Credit Facility, which at such date equated to $41.3 million. Accordingly, effective beginning in March 2019 Products Corporation is required to maintain a consolidated fixed charge coverage ratio ("FCCR") of a minimum of 1.0 to 1.0 (which it currently satisfies), the administrative agent may apply amounts collected in controlled accounts for the repayment of loans under the Amended 2016 Revolving Credit Facility, which the administrative agent began applying in March 2019, and Products Corporation is required to provide the administrative agent with weekly borrowing base certificates. Products Corporation will be required to: (i) maintain such 1.0 to 1.0 minimum FCCR until such time that availability under the Amended 2016 Revolving Credit Facility equals or exceeds the greater of $35 million and 10% of the maximum availability under such facility for at least 20 consecutive business days; and (ii) Products Corporation will continue to provide the administrative agent with weekly borrowing base certificates and the administrative agent may continue to apply amounts collected in controlled accounts as set forth above until such time that availability under such facility equals or exceeds the greater of $50 million and 15% of the maximum availability under such facility for at least 20 consecutive business days. Amendment No. 2 also adjusts, among other things, the "payment conditions" required to make unlimited restricted payments.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Covenants

Products Corporation was in compliance with all applicable covenants under the 2016 Credit Agreements, the 2019 Term Loan Agreement, the 2018 Foreign Asset-Based Term Agreement and the 2019 Senior Line of Credit Agreement as of September 30, 2019. At September 30, 2019, the aggregate principal amounts outstanding and availability under Products Corporation's various revolving credit facilities were as follows:

	Commitment	Borrowing Base	Aggregate principal amount outstanding at September 30, 2019	Availability at September 30, 2019 [(a)]
Tranche A of the Amended 2016 Revolving Credit Facility	$ 400.0	$ 400.0	$ 307.5	$ 81.2
Tranche B of the Amended 2016 Revolving Credit Facility	41.5	40.9	40.9	—
Total Tranche A & B of the Amended 2016 Revolving Credit Facility[(a)]	$ 441.5	$ 440.9	$ 348.4	$ 81.2
2019 Senior Line of Credit Facility	$ 30.0	N/A	$ —	$ 30.0

[(a)] Availability as of September 30, 2019 is based upon the borrowing base then in effect of $440.9 million, less $11.3 million of outstanding undrawn letters of credit and $348.4 million then drawn. As Products Corporation's consolidated fixed charge coverage ratio was greater than 1.0 to 1.0 as of September 30, 2019, all of the $81.2 million of availability under the Amended 2016 Revolving Credit Facility was available as of such date.

The Company's foreign subsidiaries held $57.3 million out of the Company's total $60.7 million in cash and cash equivalents as of September 30, 2019. While the cash held by the Company's foreign subsidiaries is primarily used to fund their operations, the Company regularly assesses its global cash needs and the available sources of cash to fund these needs, which regularly includes repatriating foreign-held cash to settle historical intercompany loans and other intercompany payables. The Company believes that it has and will have sufficient liquidity to meet its cash needs for at least the next 12 months based upon the cash generated by its operations, cash on hand, availability under the Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility and other permissible borrowings, along with the option to further settle historical intercompany loans and payables with certain foreign subsidiaries. The Company also expects to generate additional liquidity from cost reductions resulting from the implementation of the 2018 Optimization Program, which was initiated during the fourth quarter of 2018, and cost reductions generated from other cost control initiatives.

9. FAIR VALUE MEASUREMENTS

Assets and liabilities are required to be categorized into three levels of fair value based upon the assumptions used to value the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3, if applicable, generally would require significant management judgment. The three levels for categorizing the fair value measurement of assets and liabilities are as follows:

- Level 1: Fair valuing the asset or liability using observable inputs, such as quoted prices in active markets for identical assets or liabilities;
- Level 2: Fair valuing the asset or liability using inputs other than quoted prices that are observable for the applicable asset or liability, either directly or indirectly, such as quoted prices for similar (as opposed to identical) assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active; and
- Level 3: Fair valuing the asset or liability using unobservable inputs that reflect the Company's own assumptions regarding the applicable asset or liability.

As of September 30, 2019 and December 31, 2018, the Company did not have any financial assets and liabilities that were required to be measured at fair value.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

As of September 30, 2019, the fair value and carrying value of the Company's long-term debt, including the current portion of long-term debt, are categorized in the table below:

	September 30, 2019				
	Fair Value				
	Level 1	Level 2	Level 3	Total	Carrying Value
Liabilities:					
Long-term debt, including current portion[a]	$ —	$ 2,633.7	$ —	$ 2,633.7	$ 3,270.1

As of December 31, 2018, the fair value and carrying value of the Company's long-term debt, including the current portion of long-term debt, are categorized in the table below:

	December 31, 2018				
	Fair Value				
	Level 1	Level 2	Level 3	Total	Carrying Value
Liabilities:					
Long-term debt, including current portion[a]	$ —	$ 2,259.5	$ —	$ 2,259.5	$ 3,075.8

[a] The fair value of the Company's long-term debt, including the current portion of long-term debt, is based on quoted market prices for similar issuances and maturities.

The carrying amounts of the Company's cash and cash equivalents, trade receivables, notes receivable, accounts payable and short-term borrowings approximate their respective fair values.

10. FINANCIAL INSTRUMENTS

Letters of Credit

Products Corporation maintains standby and trade letters of credit for various corporate purposes under which Products Corporation is obligated, of which $11.3 million and $10.1 million (including amounts available under credit agreements in effect at that time) were maintained as of both September 30, 2019 and December 31, 2018, respectively. Included in these amounts are approximately $8.2 million and $7.3 million in standby letters of credit that support Products Corporation's self-insurance programs, in each case as outstanding as of September 30, 2019 and December 31, 2018, respectively. The estimated liability under such programs is accrued by Products Corporation.

Derivative Financial Instruments

The Company may, from time to time, use derivative financial instruments, primarily FX Contracts, to manage foreign currency exchange risk by reducing the effects of fluctuations in foreign currency exchange rates on the Company's net cash flows. The Company does not hold or issue financial instruments for speculative or trading purposes.

Foreign Currency Forward Exchange Contracts

The FX Contracts may, from time to time, be entered into primarily to hedge the anticipated net cash flows resulting from inventory purchases and intercompany payments denominated in currencies other than the local currencies of the Company's foreign and domestic operations and generally have maturities of less than one year. The Company did not enter into any FX Contracts during the nine months ended September 30, 2019. The U.S. Dollar notional amounts of the FX Contracts outstanding at each of September 30, 2019 and December 31, 2018 were nil.

Interest Rate Swap Transaction

In November 2013, Products Corporation executed a forward-starting floating-to-fixed interest rate swap transaction (the "2013 Interest Rate Swap") that, at its inception, was based on a notional amount of $400 million in respect of indebtedness under Products Corporation's 2013 bank term loan that was incurred in connection with completing the October 2013 acquisition of The Colomer Group (the "Old Acquisition Term Loan" and the "Colomer Acquisition," respectively). The 2013 Interest Rate Swap, which initially had a floor of 1.00% that in December 2016 was amended to 0.75%, expired in May 2018. In connection with entering into the 2016 Term Loan Facility, the 2013 Interest Rate Swap was carried over to apply to a notional amount of $400 million in respect of indebtedness under such loan for the remaining balance of the term of such swap. The Company initially designated the 2013 Interest Rate Swap as a cash flow hedge of the variability of the forecasted 3-month LIBOR interest rate payments initially related to the $400 million notional amount under the Old Acquisition Term Loan over the 3-year term of the 2013 Interest Rate Swap (and subsequently to the $400 million notional amount under the 2016 Term Loan Facility). Under the terms of the 2013 Interest Rate Swap, Products Corporation received from the counterparty a floating interest rate based on the higher of the 3-month U.S. Dollar LIBOR or the floor percentage in effect, while paying a fixed interest rate payment to the counterparty equal to 2.0709% (which, with respect to the 2016 Term Loan Facility, effectively fixed the interest rate on such notional amount at 5.5709% through May 2018).

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

As a result of completely refinancing the Old Acquisition Term Loan with a portion of the proceeds from Product's Corporation's consummation of the 2016 Senior Credit Facilities and the issuance of its 6.25% Senior Notes in connection with consummating the Elizabeth Arden Acquisition, the critical terms of the 2013 Interest Rate Swap no longer matched the terms of the underlying debt under the 2016 Term Loan Facility. At the refinancing date, which was the same as the September 7, 2016 Elizabeth Arden Acquisition Date (the "De-designation Date"), the 2013 Interest Rate Swap was determined to no longer be highly effective and the Company discontinued hedge accounting for the 2013 Interest Rate Swap. Following the de-designation of the 2013 Interest Rate Swap, changes in fair value of such swap were accounted for as a component of other non-operating expenses. Accumulated deferred losses of $6.3 million, or $3.9 million net of tax, at the De-designation Date, that were previously recorded as a component of accumulated other comprehensive loss, were fully amortized into earnings over the remaining term of the 2013 Interest Rate Swap, which expired in May 2018. See "*Quantitative Information – Derivative Financial Instruments*" below for additional information on the balance sheet balances related to this swap.

Credit Risk

Exposure to credit risk in the event of nonperformance by any of the counterparties to the Company's derivative instruments is limited to the gross fair value of these derivative instruments in asset positions, which was nil at each of September 30, 2019 and December 31, 2018. The Company attempts to minimize exposure to credit risk by generally entering into derivative contracts with counterparties that have investment-grade credit ratings and are major financial institutions. The Company also periodically monitors any changes in the credit ratings of its counterparties.

Quantitative Information – Derivative Financial Instruments

As of September 30, 2019 and December 31, 2018, the Company did not have any derivative financial instruments.

The effects of the Company's derivative financial instruments on its Unaudited Consolidated Statements of Operations and Comprehensive Loss were as follows for the periods presented:

		Amount of Gain (Loss) Recognized in Net (Loss) Income			
		Three Months Ended September 30,		Nine Months Ended September 30,	
Derivative Instruments	Statement of Operations Classification	2019	2018	2019	2018
Derivative financial instruments:					
2013 Interest Rate Swap	Interest Expense	$ —	$ —	$ —	$ (1.2)
FX Contracts	Foreign currency gain, net	—	—	—	0.2
2013 Interest Rate Swap	Miscellaneous, net	—	—	—	0.2

	Amount of Gain Recognized in Other Comprehensive Loss			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Derivatives previously designated as hedging instruments:				
2013 Interest Rate Swap, net of tax [(a)]	$ —	$ —	$ —	$ 0.7

[(a)] Net of tax benefits of nil and $0.5 million for the three and nine months ended September 30, 2018, respectively.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

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11. PENSION AND POST-RETIREMENT BENEFITS

Net Periodic Benefit Cost

The components of net periodic benefit costs for the Company's pension and the other post-retirement benefit plans for the three months ended September 30, 2019 and 2018, respectively, were as follows:

	Pension Plans		Other Post-Retirement Benefit Plans	
	Three Months Ended September 30,			
	2019	2018	2019	2018
Net periodic benefit costs:				
Service cost	$ 0.4	$ 0.5	$ —	$ —
Interest cost	5.1	4.6	0.1	0.1
Expected return on plan assets	(6.0)	(6.9)	—	—
Amortization of actuarial loss	2.5	2.4	0.1	0.1
Curtailment gain	—	—	—	—
Total net periodic benefit costs prior to allocation	$ 2.0	$ 0.6	$ 0.2	$ 0.2
Portion allocated to Revlon Holdings	—	—	—	—
Total net periodic benefit costs	$ 2.0	$ 0.6	$ 0.2	$ 0.2

In the three months ended September 30, 2019, the Company recognized net periodic benefit cost of $2.2 million, compared to net periodic benefit cost of $0.8 million in the three months ended September 30, 2018, primarily due to lower expected return on plan assets and higher interest cost.

The components of net periodic benefit costs for the Company's pension and the other post-retirement benefit plans for the nine months ended September 30, 2019 and 2018, respectively, were as follows:

	Pension Plans		Other Post-Retirement Benefit Plans	
	Nine Months Ended September 30,			
	2019	2018	2019	2018
Net periodic benefit costs:				
Service cost	$ 1.4	$ 1.5	$ —	$ —
Interest cost	15.0	13.9	0.3	0.3
Expected return on plan assets	(18.0)	(20.8)	—	—
Amortization of actuarial loss	7.5	6.9	0.2	0.3
Total net periodic benefit costs prior to allocation	$ 5.9	$ 1.5	$ 0.5	$ 0.6
Portion allocated to Revlon Holdings	(0.1)	(0.1)	—	—
Total net periodic benefit costs	$ 5.8	$ 1.4	$ 0.5	$ 0.6

In the nine months ended September 30, 2019, the Company recognized net periodic benefit cost of $6.3 million, compared to net periodic benefit cost of $2.0 million in the nine months ended September 30, 2018, primarily due to lower expected return on plan assets and higher interest cost.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Net periodic benefit costs are reflected in the Company's Unaudited Consolidated Financial Statements as follows for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net periodic benefit costs:				
Selling, general and administrative expense	$ 0.5	$ 0.5	$ 1.4	$ 1.5
Miscellaneous, net	1.7	0.3	4.9	0.5
Total net periodic benefit costs	$ 2.2	$ 0.8	$ 6.3	$ 2.0

The Company expects that it will have net periodic benefit cost of approximately $8.3 million for its pension and other post-retirement benefit plans for all of 2019, compared with net periodic benefit cost of $2.6 million in 2018.

Contributions:

The Company's intent is to fund at least the minimum contributions required to meet applicable federal employee benefit laws and local laws, or to directly pay benefit payments where appropriate. During the third quarter of 2019, $3.2 million and $0.2 million were contributed to the Company's pension plans and other post-retirement benefit plans, respectively. During the nine months ended of 2019, $7.3 million and $0.5 million were contributed to the Company's pension plans and other post-retirement benefit plans, respectively. During 2019, the Company expects to contribute approximately $12 million in the aggregate to its pension and other post-retirement benefit plans.

Relevant aspects of the qualified defined benefit pension plans, non-qualified pension plans and other post-retirement benefit plans sponsored by Products Corporation are disclosed in Note 13, "Pension and Post-Retirement Benefits," to the Consolidated Financial Statements in the Company's 2018 Form 10-K.

12. STOCK COMPENSATION PLAN AND OTHER INCENTIVE PROGRAMS

Revlon maintains the Fourth Amended and Restated Revlon, Inc. Stock Plan (the "Stock Plan"), which provides for awards of stock options, stock appreciation rights, restricted or unrestricted stock and restricted stock units ("RSUs") to eligible employees and directors of Revlon and its affiliates, including Products Corporation. An aggregate of 6,565,000 shares were reserved for issuance as Awards under the Stock Plan, of which there remained approximately 1.7 million shares available for grant as of September 30, 2019. In July 2014, the Stock Plan was amended to renew the Stock Plan for a 7-year renewal term expiring on April 14, 2021.

Revlon 2019 Transaction Incentive Program

On August 16, 2019, it was disclosed that MacAndrews & Forbes and Revlon have determined to explore strategic transactions involving Revlon and third parties. In light of this, the Compensation Committee of Revlon's Board of Directors approved a Revlon 2019 Transaction Incentive Program (the "2019 TIP") that enables the Company to award cash-based and RSU-based retention grants and transaction bonus awards, as well as providing for the accelerated vesting of time-based RSUs and restricted shares following a termination without cause or due to death or disability. On September 5, 2019, Revlon's Board approved amendments to the Stock Plan: (1) to allow the Compensation Committee to delegate to Revlon's Chief Executive Officer the authority to grant RSUs to the Company's employees, other than its officers who are subject to Section 16 of the Securities Exchange Act of 1934, as amended (i.e., the Company's Chief Executive Officer, Chief Financial Officer and Chief Accounting Officer & Controller); (2) to allow for accelerated vesting of equity awards upon a termination without cause; (3) to change the minimum vesting period for specified equity awards from 3 years to 2 years; and (4) to increase by 250,000 shares the number of shares of Revlon common stock that are not subject to the Stock Plan's minimum vesting requirements. The Company's President and Chief Executive Officer declined an award under the retention program and will receive a transaction bonus only if the Company completes a transaction.

Effective as of September 5, 2019, the Company granted a total of 206,812 time-based RSUs under the 2019 TIP which are scheduled to vest in equivalent amounts on each of December 31, 2020 and December 31, 2021, subject to continued employment (the “TIP RSUs”). The TIP RSUs vest in full upon an involuntary termination, other than if due to cause; provided that if a change of control occurs or a brand or business segment is sold and (i) the impacted grantee accepts an offer of employment from the buyer, then: (A) if the buyer assumes the TIP RSUs, the grantee will continue to vest in the assumed awards (with the grantee having the continued right to accelerated vesting upon an involuntary termination, other than if due to cause); and (B) if the buyer does not assume the TIP RSUs, the grantee’s TIP RSUs will vest upon closing the change of control; and (ii) the impacted grantee declines an offer of employment from the buyer for substantially comparable total compensation and benefits, the grantee will forfeit their unvested TIP RSUs (collectively, the “Special Vesting Rules”).

The 2019 TIP also provides for the following cash-based awards payable to certain employees, subject to continued employment through the respective vesting dates:

- $6.8 million payable in two equal installments as of December 31, 2020 and December 31, 2021; and
- $2.5 million payable in one installment as of December 31, 2020.

Such cash-based awards follow the same acceleration rules disclosed above following a termination without cause or due to death or disability.

Long-Term Incentive Program

The Company's LTIP RSUs consist of time-based RSUs and performance-based RSUs. Time-based RSUs are scheduled to vest ratably over a 3-year service period, while performance-based RSUs are scheduled to vest based on the achievement of certain Company performance metrics and cliff-vest at the completion of a 3-year performance period.

The fair value of the LTIP and TIP RSUs is determined based on the NYSE closing share price on the grant date.

In connection with the announcement of the 2019 TIP, in August 2019 the Company also approved applying the Special Vesting Rules to outstanding, pre-existing LTIP RSUs, except that accelerated vesting will apply only to any tranche of outstanding, pre-existing LTIP RSUs scheduled to vest in the 12-month period following termination, with any future tranches being forfeited. Prior to the approval of these Special Vesting Rules, while the outstanding, pre-existing LTIP RSUs would generally have accelerated vesting upon a change of control, they did not feature accelerated vesting for termination and, in such cases, they were entirely forfeited upon termination. As of September 30, 2019, there were no acceleration of vesting for pre-existing LTIP RSUs under the above-mentioned provisions.

During the three months ended September 30, 2019, the Company granted nil time-based and performance-based RSU awards under the Stock Plan (the "2019 LTIP RSUs").

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

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During the nine months ended September 30, 2019, the activity related to time-based and performance-based RSUs previously granted to eligible employees and the grant date fair value per share related to these RSUs were as follows under the LTIP and TIP plans, respectively:

	Time-Based LTIP		Performance-Based LTIP	
	RSUs (000's)	Weighted-Average Grant Date Fair Value per RSU	RSUs (000's)	Weighted-Average Grant Date Fair Value per RSU
Outstanding as of December 31, 2018				
LTIP RSUs:				
2018	434.7	$ 19.11	434.7	$ 19.11
2017 [a]	156.4	19.70	156.4	19.70
Total LTIP RSUs Outstanding as of December 31, 2018	591.1		591.1	
Granted				
2019 TIP RSUs Granted [b]	206.8	16.44	n/a	
LTIP RSUs Granted:				
2019	446.0	22.55	446.1	22.55
Total LTIP RSUs Granted	446.0		446.1	
Vested				
2019 TIP RSUs Vested [b]	—	—	n/a	
LTIP RSUs Vested:				
2019	—	—	—	—
2018	(132.8)	19.06	—	—
2017 [a]	(67.4)	19.70	—	—
Total LTIP RSUs Vested	(200.2)		—	
Forfeited/Canceled				
2019 TIP RSUs Forfeited/Canceled [b]	—		n/a	
LTIP RSUs Forfeited/Canceled:				
2019	(2.2)	22.55	(2.2)	22.55
2018	(45.5)	19.70	(51.4)	19.70
2017 [a]	(28.1)	19.70	(34.6)	19.70
Total LTIP RSUs Forfeited/Canceled	(75.8)		(88.2)	
Outstanding as of September 30, 2019				
2019 TIP RSUs [b]	206.8	16.44	n/a	
LTIP RSUs:				
2019	443.8	22.55	443.9	22.55
2018	256.4	19.04	383.3	19.04
2017 [a]	60.9	19.70	121.8	19.70
Total LTIP RSUs	761.1		949.0	
Total LTIP and TIP RSUs Outstanding as of September 30, 2019	967.9		949.0	

[a] The 2017 time-based and performance-based LTIP RSUs are recognized over a 2-year service and performance periods, respectively.
[b] The 2019 TIP provides for RSU awards that are only time-based.

Time-Based LTIP RSUs

The Company recognized a net adjustment to compensation expense related to the time-based LTIP RSUs of $3.0 million for the nine months ended September 30, 2019. As of September 30, 2019, the Company had $12.7 million of total deferred compensation expense related to non-vested, time-based LTIP RSUs. The cost is recognized over the vesting period of the awards, as described above. One tranche of time-based LTIP RSUs vested during the nine months ended September 30, 2019.

Performance-based LTIP RSUs

The Company recognized a net adjustment to compensation expense related to the performance-based LTIP RSUs of $2.4 million for the nine months ended September 30, 2019. As of September 30, 2019, the Company had $14.2 million of total deferred compensation expense related to non-vested, performance-based LTIP RSUs. The cost is recognized over the service period of the awards, as described above. No performance-based LTIP RSUs vested during the nine months ended September 30, 2019.

13. INCOME TAXES

The Company's provision for income taxes represents federal, foreign, state and local income taxes. The Company's effective tax rate differs from the applicable federal statutory rate due to the effect of state and local income taxes, tax rates and income in foreign jurisdictions, foreign earnings taxable in the U.S., the limitation on the deductibility of interest, valuation allowances and other items. The Company’s tax provision changes quarterly based on various factors including, but not limited to, the geographical level and mix of earnings; enacted tax legislation; foreign, state and local income taxes; tax audit settlements and the interaction of various global tax strategies.

For the three and nine months ended September 30, 2019, the Company concluded that the use of the cut-off method was more appropriate than the annual effective tax rate method, because the annual effective tax rate method would not be reliable due to its sensitivity to minimal changes in forecasted annual pre-tax earnings.

The Company recorded a benefit from income taxes of $2.1 million (Products Corporation - $1.8 million) for the three months ended September 30, 2019 and a benefit from incomes taxes of $38.7 million (Products Corporation - $38.2 million) for the three months ended September 30, 2018, respectively. The $36.6 million decrease (Products Corporation - $36.4 million) in the benefit from income taxes, of which $34.3 million was non-cash, was primarily due to: (i) the decreased loss from continuing operations before income taxes; (ii) the mix and level of earnings; (iii) the impact of the 2017 Tax Act mainly due to an adjustment in the third quarter of 2018 related to a new U.S. Treasury regulation issued in September 2018.

The Company recorded a benefit from income taxes of $3.2 million (Products Corporation - $2.4 million) for the nine months ended September 30, 2019 and a benefit from income taxes of $43.1 million (Products Corporation - $42.0 million) for the nine months ended September 30, 2018, respectively. The $39.9 million decrease (Products Corporation - $39.6 million) in the benefit from income taxes, of which $34.3 million was non-cash, was primarily due to: (i) the decreased loss from continuing operations before income taxes; (ii) the mix and level of earnings; (iii) the impact of the 2017 Tax Act mainly due to an adjustment in the third quarter of 2018 related to a new U.S. Treasury regulation issued in September 2018. For a further discussion, see Note 15, "Income Taxes," to the Consolidated Financial Statements in the Company's 2018 Form 10-K and Item 1A. “Risk Factors-Uncertainties in the interpretation and application of the U.S. income tax provisions could have a material impact on the Company's financial condition, results of operations and/or cash flows” in the Company's 2018 Form 10-K.

The Company's effective tax rate for the three months and nine months ended September 30, 2019 was lower than the federal statutory rate of 21%, primarily due to the valuation allowance related to the limitation on the deductibility of interest and the U.S. tax on the Company's foreign earnings.

The Company expects that its tax provision and effective tax rate in any individual quarter and year-to-date period will vary and may not be indicative of the Company's tax provision and effective tax rate for the full year.

The Company concluded that, based on its evaluation of objective verifiable evidence, it does not require a valuation allowance on its federal deferred tax assets, other than those associated with the limitation on the deductibility of interest. The Company does have a valuation allowance on deferred tax assets associated with its activity in certain U.S. states and foreign jurisdictions. These conclusions regarding the establishment of valuation allowances on the Company's deferred tax assets for the nine months ended September 30, 2019 are consistent with the Company's conclusions on such matters as of the year ended December 31, 2018. However, if the Company does not generate sufficient taxable income in future periods, its deferred tax assets may not be realizable on a more-likely-than-not basis, which would result in the Company having to establish an additional valuation allowance against its deferred tax assets. The Company will continue to assess all available evidence, both negative and positive, to determine whether such additional valuation allowance is warranted.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

For a further discussion, see Note 15, "Income Taxes," to the Consolidated Financial Statements in the Company's 2018 Form 10-K and Item 1A. “Risk Factors-Uncertainties in the interpretation and application of the U.S. income tax provisions could have a material impact on the Company's financial condition, results of operations and/or cash flows” in the Company's 2018 Form 10-K.

14. ACCUMULATED OTHER COMPREHENSIVE LOSS

A roll-forward of the Company's accumulated other comprehensive loss as of September 30, 2019 is as follows:

	Foreign Currency Translation	Actuarial (Loss) Gain on Post-retirement Benefits	Other	Accumulated Other Comprehensive Loss
Balance at January 1, 2019	$ (24.4)	$ (209.5)	$ (0.3)	$ (234.2)
Foreign currency translation adjustment	(0.5)	—	—	(0.5)
Amortization of pension related costs, net of tax of $(0.9) million[(a)]	—	7.2	—	7.2
Other comprehensive (loss) income	$ (0.5)	$ 7.2	$ —	$ 6.7
Balance at September 30, 2019	$ (24.9)	$ (202.3)	$ (0.3)	$ (227.5)

[(a)] Amounts represent the change in accumulated other comprehensive loss as a result of the amortization of actuarial losses (gains) arising during each year related to the Company’s pension and other post-retirement plans. See Note 11, "Pension and Post-retirement Benefits," for further discussion of the Company’s pension and other post-retirement plans.

For the three and nine months ended September 30, 2019, the Company did not have any activity related to financial instruments. As the 2013 Interest Rate Swap expired in May 2018 and had been fully amortized into earnings as of June 30, 2018, there was no activity related to the 2013 Interest Rate Swap for the three months ended September 30, 2018. The following is a roll-forward of the amounts reclassified out of accumulated other comprehensive loss into earnings during the nine months ended September 30, 2018 related to the 2013 Interest Rate Swap:

	2013 Interest Rate Swap
Beginning accumulated losses at December 31, 2017	$ (0.7)
Reclassifications into earnings (net of $0.5 million tax benefit)[(a)]	0.7
Ending accumulated losses at September 30, 2018	$ —

[(a)] Reclassified to interest expense.

15. SEGMENT DATA AND RELATED INFORMATION

Operating Segments

Operating segments include components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker (the Company's "Chief Executive Officer") in deciding how to allocate resources and in assessing the Company's performance. As a result of the similarities in the procurement, manufacturing and distribution processes for the Company’s products, much of the information provided in the Unaudited Consolidated Financial Statements and provided in the segment table below is similar to, or the same as, that reviewed on a regular basis by the Company's Chief Executive Officer.

As of September 30, 2019, the Company’s operations are organized into the following reportable segments:

- ***Revlon*** - The Revlon segment is comprised of the Company's flagship Revlon brands. Revlon segment products are primarily marketed, distributed and sold in the mass retail channel, large volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, e-commerce sites, television shopping, department stores, professional hair and nail salons, one-stop shopping beauty retailers and specialty cosmetic stores in the U.S. and internationally under brands such as **Revlon** in color cosmetics; **Revlon ColorSilk** and **Revlon Professional** in hair color; and **Revlon** in beauty tools.

- ***Elizabeth Arden*** - The Elizabeth Arden segment is comprised of the Company's Elizabeth Arden branded products. The Elizabeth Arden segment markets, distributes and sells fragrances, skin care and color cosmetics primarily to prestige retailers, department and specialty stores, perfumeries, boutiques, e-commerce sites, the mass retail channel, travel retailers and distributors, as well as direct sales to consumers via its Elizabeth Arden branded retail stores and elizabetharden.com e-commerce website, in the U.S. and internationally, under brands such as **Elizabeth Arden Ceramide, Prevage, Eight Hour, SUPERSTART, Visible Difference** and **Skin Illuminating** in the Elizabeth Arden skin care brands; and **Elizabeth Arden White Tea, Elizabeth Arden Red Door, Elizabeth Arden 5th Avenue** and **Elizabeth Arden Green Tea** in Elizabeth Arden fragrances.

- ***Portfolio*** - The Company’s Portfolio segment markets, distributes and sells a comprehensive line of premium, specialty and mass products primarily to the mass retail channel, hair and nail salons and professional salon distributors in the U.S. and internationally and large volume retailers, specialty and department stores under brands such as **Almay** and **SinfulColors** in color cosmetics; **American Crew** in men's grooming products (which are also sold direct-to-consumer on its americancrew.com website); **CND** in nail polishes, gel nail color and nail enhancements; **Cutex** nail care products; **Pure Ice** in nail polishes; and **Mitchum** in anti-perspirant deodorants. The Portfolio segment also includes a multi-cultural hair care line consisting of **Creme of Nature** hair care products, which are sold in both professional salons and in large volume retailers and other retailers, primarily in the U.S.; and a body care line under the **Natural Honey** brand and hair color line under the **Llongueras** brand (licensed from a third party) that are both sold in the mass retail channel, large volume retailers and other retailers, primarily in Spain.

- ***Fragrances*** - The Fragrances segment includes the development, marketing and distribution of certain owned and licensed fragrances as well as the distribution of prestige fragrance brands owned by third parties. These products are typically sold to retailers in the U.S. and internationally, including prestige retailers, specialty stores, e-commerce sites, the mass retail channel, travel retailers and other international retailers. The owned and licensed fragrances include brands such as **Juicy Couture** (which are also sold direct-to-consumer on its juicycouturebeauty.com website), **Britney Spears**, **Elizabeth Taylor**, **Curve, John Varvatos**, **Christina Aguilera**, **Giorgio Beverly Hills**, **Ed Hardy**, **Charlie**, **Lucky Brand**, **Paul Sebastian**, **Alfred Sung**, **Jennifer Aniston**, **Mariah Carey**, **Halston**, **Geoffrey Beene**, **La Perla**, **White Shoulders**, **AllSaints** and **Wildfox**.

The Company's management evaluates segment profit for each of the Company's reportable segments. The Company allocates corporate expenses to each reportable segment to arrive at segment profit, and these expenses are included in the internal measure of segment operating performance. The Company defines segment profit as income from continuing operations before interest, taxes, depreciation, amortization, stock-based compensation expense, gains/losses on foreign currency fluctuations, gains/losses on the early extinguishment of debt and miscellaneous expenses. Segment profit also excludes the impact of certain items that are not directly attributable to the reportable segments' underlying operating performance. Such items are shown below in the table reconciling segment profit to consolidated income from continuing operations before income taxes. The Company does not have any material inter-segment sales.

The accounting policies for each of the reportable segments are the same as those described in Note 1, "Description of Business and Summary of Significant Accounting Policies." The Company's assets and liabilities are managed centrally and are reported internally in the same manner as the Unaudited Consolidated Financial Statements; thus, no additional information regarding assets and liabilities of the Company’s reportable segments is produced for the Company's Chief Executive Officer or included in these Unaudited Consolidated Financial Statements.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

The following table is a comparative summary of the Company's net sales and segment profit for Revlon and Product's Corporation by reportable segment for the periods presented.

Revlon, Inc.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Segment Net Sales:				
Revlon	$ 217.3	$ 249.5	$ 716.1	$ 736.9
Elizabeth Arden	123.2	122.1	352.0	333.9
Portfolio	118.2	138.4	354.1	420.5
Fragrances	138.1	145.4	298.0	331.6
Total	$ 596.8	$ 655.4	$ 1,720.2	$ 1,822.9
Segment Profit:				
Revlon	$ 7.3	$ 36.8	$ 58.5	$ 75.6
Elizabeth Arden	12.5	6.6	17.1	2.3
Portfolio	14.4	2.1	25.0	(5.8)
Fragrances	34.2	26.9	53.6	41.2
Total	$ 68.4	$ 72.4	$ 154.2	$ 113.3
Reconciliation:				
Total Segment Profit	$ 68.4	$ 72.4	$ 154.2	$ 113.3
Less:				
Depreciation and amortization	38.9	40.1	124.6	119.4
Non-cash stock compensation expense	3.9	6.3	7.7	14.8
Non-Operating items:				
Restructuring and related charges	5.4	3.8	27.4	14.8
Acquisition and integration costs	0.1	3.4	0.7	12.0
Loss on disposal of minority investment	—	—	—	20.1
Oxford ERP system disruption-related charges	—	16.5	—	49.6
Financial control remediation actions and related charges	3.4	—	9.8	—
Operating income (loss)	16.7	2.3	(16.0)	(117.4)
Less:				
Interest Expense	50.2	46.4	145.7	129.1
Amortization of debt issuance costs	3.7	3.8	10.4	9.1
Foreign currency losses, net	7.6	1.1	9.0	10.7
Miscellaneous, net	1.7	0.4	7.6	0.6
Loss from continuing operations before income taxes	$ (46.5)	$ (49.4)	$ (188.7)	$ (266.9)

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Products Corporation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Segment Net Sales:				
Revlon	$ 217.3	$ 249.5	$ 716.1	$ 736.9
Elizabeth Arden	123.2	122.1	352.0	333.9
Portfolio	118.2	138.4	354.1	420.5
Fragrances	138.1	145.4	298.0	331.6
Total	$ 596.8	$ 655.4	$ 1,720.2	$ 1,822.9
Segment Profit:				
Revlon	$ 7.9	$ 37.4	$ 60.6	$ 77.6
Elizabeth Arden	13.0	6.9	18.2	3.2
Portfolio	14.7	2.5	26.0	(4.6)
Fragrances	34.6	27.3	54.5	42.1
Total	$ 70.2	$ 74.1	$ 159.3	$ 118.3
Reconciliation:				
Total Segment Profit	$ 70.2	$ 74.1	$ 159.3	$ 118.3
Less:				
Depreciation and amortization	38.9	40.1	124.6	119.4
Non-cash stock compensation expense	3.9	6.3	7.7	14.8
Non-Operating items:				
Restructuring and related charges	5.4	3.8	27.4	14.8
Acquisition and integration costs	0.1	3.4	0.7	12.0
Loss on disposal of minority investment	—	—	—	20.1
Oxford ERP system disruption-related charges	—	16.5	—	49.6
Financial control remediation actions and related charges	3.4	—	9.8	—
Operating loss	18.5	4.0	(10.9)	(112.4)
Less:				
Interest Expense	50.2	46.4	145.7	129.1
Amortization of debt issuance costs	3.7	3.8	10.4	9.1
Foreign currency losses, net	7.6	1.1	9.0	10.7
Miscellaneous, net	1.7	0.4	7.6	0.6
Loss from continuing operations before income taxes	$ (44.7)	$ (47.7)	$ (183.6)	$ (261.9)

As of September 30, 2019, the Company had operations established in approximately 25 countries outside of the U.S. and its products are sold throughout the world. Generally, net sales by geographic area are presented by attributing revenues from external customers on the basis of where the products are sold.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

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The following tables present the Company's segment net sales by geography and total net sales by classes of similar products for the periods presented:

	Three Months Ended September 30, 2019					Nine Months Ended September 30, 2019				
	Revlon	Elizabeth Arden	Portfolio	Fragrances	Total	Revlon	Elizabeth Arden	Portfolio	Fragrances	Total
Geographic Area:										
Net Sales										
North America	$ 100.0	$ 29.5	$ 71.4	$ 98.6	$ 299.5	$ 367.9	$ 83.9	$ 214.5	$ 198.4	$ 864.7
EMEA*	49.8	53.5	38.5	28.3	170.1	157.8	148.1	111.4	73.1	490.4
Asia	29.8	30.7	1.0	2.9	64.4	77.8	97.0	3.2	9.6	187.6
Latin America*	17.4	1.8	4.4	2.7	26.3	52.3	6.0	15.8	6.1	80.2
Pacific*	20.3	7.7	2.9	5.6	36.5	60.3	17.0	9.2	10.8	97.3
	$ 217.3	$ 123.2	$ 118.2	$ 138.1	$ 596.8	$ 716.1	$ 352.0	$ 354.1	$ 298.0	$ 1,720.2

	Three Months Ended September 30, 2018					Nine Months Ended September 30, 2018				
	Revlon	Elizabeth Arden	Portfolio	Fragrances	Total	Revlon	Elizabeth Arden	Portfolio	Fragrances	Total
Geographic Area:										
Net Sales										
North America	$ 123.1	$ 40.3	$ 88.1	$ 99.3	$ 350.8	$ 388.2	$ 96.2	$ 264.8	$ 216.9	$ 966.1
EMEA*	57.9	48.3	40.5	33.2	179.9	166.5	141.4	126.0	81.6	515.5
Asia	28.6	23.2	1.1	3.4	56.3	78.5	71.6	3.1	9.9	163.1
Latin America*	19.9	3.2	6.0	3.4	32.5	49.3	7.9	16.8	10.5	84.5
Pacific*	20.0	7.1	2.7	6.1	35.9	54.4	16.8	9.8	12.7	93.7
	$ 249.5	$ 122.1	$ 138.4	$ 145.4	$ 655.4	$ 736.9	$ 333.9	$ 420.5	$ 331.6	$ 1,822.9

* The EMEA region includes Europe, the Middle East, Africa and the Company's international Travel Retail business; the Latin America region includes Mexico; and the Pacific region includes Australia and New Zealand.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2019		2018		2019		2018	
Classes of similar products:								
Net sales:								
Color cosmetics	$ 173.6	*29%*	$ 216.4	*33%*	$ 569.9	*33%*	$ 631.1	*35%*
Fragrance	183.7	*31%*	191.7	*29%*	411.1	*24%*	448.5	*25%*
Hair care	120.5	*20%*	129.6	*20%*	379.0	*22%*	391.0	*21%*
Beauty care	43.6	*7%*	49.7	*8%*	132.7	*8%*	147.5	*8%*
Skin care	75.4	*13%*	68.0	*10%*	227.5	*13%*	204.8	*11%*
	$ 596.8		$ 655.4		$ 1,720.2		$ 1,822.9	

The following table presents the Company's long-lived assets by geographic area as of September 30, 2019 and December 31, 2018:

	September 30, 2019		December 31, 2018	
Long-lived assets, net:				
United States	$ 1,430.8	*84%*	$ 1,416.2	*84%*
International	275.9	*16%*	275.0	*16%*
	$ 1,706.7		$ 1,691.2	

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

16. REVLON, INC. BASIC AND DILUTED EARNINGS PER COMMON SHARE

Shares used in calculating Revlon's basic loss per share are computed using the weighted-average number of Revlon's common shares outstanding during each period. Shares used in diluted loss per share include the dilutive effect of unvested restricted stock, RSUs, TIP RSUs and LTIP RSUs under the Company's Stock Plan using the treasury stock method. For the nine months ended September 30, 2019, Revlon's diluted loss per share equals basic loss per share, as the assumed vesting of restricted stock, RSUs, TIP RSUs and LTIP RSUs would have an anti-dilutive effect. As of September 30, 2019 and 2018, there were no outstanding stock options under the Company's Stock Plan. See Note 12, "Stock Compensation Plan," for information on the LTIP and TIP RSUs.

Following are the components of Revlon's basic and diluted loss per common share for the periods presented:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Numerator:				
Loss from continuing operations, net of taxes	$ (44.4)	$ (10.7)	$ (185.5)	$ (223.8)
(Loss) income from discontinued operations, net of taxes	(0.3)	(0.4)	2.0	(0.1)
Net loss	$ (44.7)	$ (11.1)	$ (183.5)	$ (223.9)
Denominator:				
Weighted-average common shares outstanding – Basic	53,129,004	52,834,879	53,057,154	52,777,883
Effect of dilutive restricted stock	—	—	—	—
Weighted-average common shares outstanding – Diluted	53,129,004	52,834,879	53,057,154	52,777,883
Basic loss per common share:				
Continuing operations	$ (0.84)	$ (0.20)	$ (3.50)	$ (4.24)
Discontinued operations	—	(0.01)	0.04	—
Net loss per common share	$ (0.84)	$ (0.21)	$ (3.46)	$ (4.24)
Diluted loss per common share:				
Continuing operations	$ (0.84)	$ (0.20)	$ (3.50)	$ (4.24)
Discontinued operations	—	(0.01)	0.04	—
Net loss per common share	$ (0.84)	$ (0.21)	$ (3.46)	$ (4.24)
Unvested restricted stock and RSUs under the Stock Plan[a]	314,478	197,667	406,854	165,961

[a] These are outstanding common stock equivalents that were not included in the computation of Revlon's diluted earnings per common share because their inclusion would have had an anti-dilutive effect.

17. CONTINGENCIES

The Company is involved in various routine legal proceedings incidental to the ordinary course of its business. The Company believes that the outcome of all pending legal proceedings in the aggregate is not reasonably likely to have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows. However, in light of the uncertainties involved in legal proceedings generally, the ultimate outcome of a particular matter could be material to the Company's operating results for a particular period depending on, among other things, the size of the loss or the nature of the liability imposed and the level of the Company's income for that particular period.

18. RELATED PARTY TRANSACTIONS

Reimbursement Agreements

Revlon, Products Corporation and MacAndrews & Forbes have entered into reimbursement agreements (the "Reimbursement Agreements") pursuant to which: (i) MacAndrews & Forbes is obligated to provide (directly or through its affiliates) certain professional and administrative services, including, without limitation, employees, to the Company, and to purchase services from third-party providers, such as insurance, legal, accounting and air transportation services, on behalf of the Company, to the extent requested by Products Corporation; and (ii) Products Corporation is obligated to provide certain professional and administrative services, including, without limitation, employees, to MacAndrews & Forbes and to purchase services from third-party providers, such as insurance, legal and accounting services, on behalf of MacAndrews & Forbes, to the extent requested by MacAndrews & Forbes, provided that in each case the performance of such services does not cause an unreasonable burden to MacAndrews & Forbes or Products Corporation, as the case may be.

The Company reimburses MacAndrews & Forbes for the allocable costs of the services that MacAndrews & Forbes purchases for or provides to the Company and for the reasonable out-of-pocket expenses that MacAndrews & Forbes incurs in connection with the provision of such services. MacAndrews & Forbes reimburses Products Corporation for the allocable costs of the services that Products Corporation purchases for or provides to MacAndrews & Forbes and for the reasonable out-of-pocket expenses incurred by Products Corporation in connection with the purchase or provision of such services. Each of the Company, on the one hand, and MacAndrews & Forbes, on the other, has agreed to indemnify the other party for losses arising out of the services provided by it under the Reimbursement Agreements, other than losses resulting from its willful misconduct or gross negligence.

The Reimbursement Agreements may be terminated by either party on 90 days' notice. The Company does not intend to request services under the Reimbursement Agreements unless their costs would be at least as favorable to the Company as could be obtained from unaffiliated third parties.

The Company participates in MacAndrews & Forbes' directors and officers liability insurance program (the "D&O Insurance Program"), as well as its other insurance coverages, such as property damage, business interruption, liability and other coverages, which cover the Company, as well as MacAndrews & Forbes and its subsidiaries. The limits of coverage for certain of the policies are available on an aggregate basis for losses to any or all of the participating companies and their respective directors and officers. The Company reimburses MacAndrews & Forbes from time-to-time for their allocable portion of the premiums for such coverage or the Company pays the insurers directly, which premiums the Company believes are more favorable than the premiums that the Company would pay were it to secure stand-alone coverage. Any amounts paid by the Company directly to MacAndrews & Forbes in respect of premiums are included in the amounts paid under the Reimbursement Agreements.

The net activity related to services purchased under the Reimbursement Agreements during the nine months ended September 30, 2019 and 2018 was $0.3 million expense and $0.4 million income, respectively. As of September 30, 2019 and December 31, 2018, a receivable balance of nil and $0.3 million, respectively, from MacAndrews & Forbes were included in the Company's Consolidated Balance Sheet for transactions subject to the Reimbursement Agreements.

2019 Senior Line of Credit Facility

See Note 8, "Long-term Debt" and Note 20, “Subsequent Events,” regarding the 2019 Senior Line of Credit Agreement between Products Corporation and MacAndrews & Forbes Group, LLC.

Other

During the nine months ended September 30, 2019 and 2018, the Company engaged several companies in which MacAndrews & Forbes had a controlling interest to provide the Company with various ordinary course business services. These services included processing approximately $19.8 million and $16.9 million of coupon redemptions for the Company's retail customers for the nine months ended September 30, 2019 and 2018, respectively, for which the Company incurred fees of approximately $0.5 million and $0.2 million for each of the nine months ended September 30, 2019 and 2018, and other similar advertising, coupon redemption and raw material supply services, for which the Company had net payables aggregating to approximately $0.5 million and $0.2 million for the nine months ended September 30, 2019 and 2018, respectively. As of September 30, 2019 and December 31, 2018, a payable balance of approximately $5.3 million and nil, respectively, were included in the Company's Consolidated Balance Sheet for the aforementioned coupon redemption services. The Company believes that its engagement of each of these affiliates was on arm's length terms, taking into account each firm's expertise in its respective field, and that the fees paid or received were at least as favorable as those available from unaffiliated parties.

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

19. PRODUCTS CORPORATION AND SUBSIDIARIES GUARANTOR FINANCIAL INFORMATION

Products Corporation's 5.75% Senior Notes and 6.25% Senior Notes are fully and unconditionally guaranteed on a senior basis by certain of Products Corporation's direct and indirect wholly-owned domestic subsidiaries (the "5.75% Senior Notes Guarantors" and the "6.25% Senior Notes Guarantors," respectively, and together the "Guarantor Subsidiaries").

The following Condensed Consolidating Unaudited Financial Statements present the financial information as of September 30, 2019 and December 31, 2018, and for each of the three and nine months ended September 30, 2019 and 2018 for (i) Products Corporation on a stand-alone basis; (ii) the Guarantor Subsidiaries on a stand-alone basis; (iii) the subsidiaries of Products Corporation that do not guarantee Products Corporation's 5.75% Senior Notes and 6.25% Senior Notes (the "Non-Guarantor Subsidiaries") on a stand-alone basis; and (iv) Products Corporation, the Guarantor Subsidiaries and the Non-Guarantor Subsidiaries on a consolidated basis. The Condensed Consolidating Unaudited Financial Statements are presented on the equity method, under which the investments in subsidiaries are recorded at cost and adjusted to the applicable share of the subsidiary's cumulative results of operations, capital contributions, distributions and other equity changes. The principal elimination entries eliminate investments in subsidiaries and intercompany balances and transactions.

Products Corporation and Subsidiaries Condensed Consolidating Balance Sheets

As of September 30, 2019

	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 1.2	$ 3.2	$ 56.3	$ —	$ 60.7
Trade receivables, less allowances for doubtful accounts	85.6	130.1	239.2	—	454.9
Inventories	152.4	182.9	186.7	—	522.0
Prepaid expenses and other	234.2	27.4	48.6	—	310.2
Intercompany receivables	2,690.4	2,601.9	377.3	(5,669.6)	—
Investment in subsidiaries	1,570.0	14.5	—	(1,584.5)	—
Property, plant and equipment, net	212.5	94.1	107.1	—	413.7
Deferred income taxes	178.1	(20.4)	(16.5)	—	141.2
Goodwill	160.0	263.9	249.5	—	673.4
Intangible assets, net	13.3	353.3	130.1	—	496.7
Other assets	68.6	19.8	34.5	—	122.9
Total assets	$ 5,366.3	$ 3,670.7	$ 1,412.8	$ (7,254.1)	$ 3,195.7
LIABILITIES AND STOCKHOLDER'S DEFICIENCY					
Short-term borrowings	$ —	$ —	$ 5.1	$ —	$ 5.1
Current portion of long-term debt	363.4	—	0.1	—	363.5
Accounts payable	150.4	79.4	92.5	—	322.3
Accrued expenses and other	139.2	69.4	163.0	—	371.6
Intercompany payables	2,717.3	2,464.1	488.3	(5,669.7)	—
Long-term debt	2,826.8	—	79.8	—	2,906.6
Other long-term liabilities	251.7	36.7	36.2	—	324.6
Total liabilities	6,448.8	2,649.6	865.0	(5,669.7)	4,293.7
Stockholder's deficiency	(1,082.5)	1,021.1	547.8	(1,584.4)	(1,098.0)
Total liabilities and stockholder's deficiency	$ 5,366.3	$ 3,670.7	$ 1,412.8	$ (7,254.1)	$ 3,195.7

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Products Corporation and Subsidiaries Condensed Consolidating Balance Sheets

As of December 31, 2018

	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 7.3	$ 6.6	$ 73.4	$ —	$ 87.3
Trade receivables, less allowances for doubtful accounts	89.7	103.5	238.1	—	431.3
Inventories	150.7	196.5	176.0	—	523.2
Prepaid expenses and other	214.7	25.0	60.0	—	299.7
Intercompany receivables	2,225.4	2,177.2	266.1	(4,668.7)	—
Investment in subsidiaries	1,627.4	30.4	—	(1,657.8)	—
Property, plant and equipment, net	197.1	57.5	99.9	—	354.5
Deferred income taxes	105.9	(6.9)	15.8	—	114.8
Goodwill	159.9	263.9	250.1	—	673.9
Intangible assets, net	21.2	412.2	98.6	—	532.0
Other assets	71.8	23.4	35.6	—	130.8
Total assets	$ 4,871.1	$ 3,289.3	$ 1,313.6	$ (6,326.5)	$ 3,147.5
LIABILITIES AND STOCKHOLDER'S DEFICIENCY					
Short-term borrowings	$ —	$ —	$ 9.3	$ —	$ 9.3
Current portion of long-term debt	348.0	—	0.1	—	348.1
Accounts payable	148.8	88.6	94.7	—	332.1
Accrued expenses and other	152.6	87.0	195.1	—	434.7
Intercompany payables	2,226.8	2,028.9	413.0	(4,668.7)	—
Long-term debt	2,644.6	—	83.1	—	2,727.7
Other long-term liabilities	153.4	11.2	64.1	—	228.7
Total liabilities	5,674.2	2,215.7	859.4	(4,668.7)	4,080.6
Stockholder's deficiency	(803.1)	1,073.6	454.2	(1,657.8)	(933.1)
Total liabilities and stockholder's deficiency	$ 4,871.1	$ 3,289.3	$ 1,313.6	$ (6,326.5)	$ 3,147.5

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Products Corporation and Subsidiaries Condensed Consolidating Statement of Operations and Comprehensive (Loss) Income

	Three Months Ended September 30, 2019				
	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Sales	$ 118.4	$ 174.8	$ 303.9	$ (0.3)	$ 596.8
Cost of sales	64.9	88.1	116.3	(0.3)	269.0
Gross profit	53.5	86.7	187.6	—	327.8
Selling, general and administrative expenses	90.5	82.1	133.7	—	306.3
Acquisition and integration costs	0.1	—	—	—	0.1
Restructuring charges and other, net	1.0	0.5	1.4	—	2.9
Operating (loss) income	(38.1)	4.1	52.5	—	18.5
Other (income) expense:					
Intercompany interest, net	(1.1)	0.6	0.5	—	—
Interest expense	48.5	—	1.7	—	50.2
Amortization of debt issuance costs	3.7	—	—	—	3.7
Foreign currency losses (gains), net	0.9	(0.1)	6.8	—	7.6
Miscellaneous, net	(8.4)	(10.0)	20.1	—	1.7
Other expense (income), net	43.6	(9.5)	29.1	—	63.2
(Loss) income from continuing operations before income taxes	(81.7)	13.6	23.4	—	(44.7)
(Benefit from) provision for income taxes	(31.4)	18.9	10.7	—	(1.8)
(Loss) income from continuing operations, net of taxes	(50.3)	(5.3)	12.7	—	(42.9)
Loss from discontinued operations, net of taxes	—	—	(0.3)	—	(0.3)
Equity in income (loss) of subsidiaries	30.8	0.1	—	(30.9)	—
Net (loss) income	$ (19.5)	$ (5.2)	$ 12.4	$ (30.9)	$ (43.2)
Other comprehensive income (loss)	0.5	3.9	(1.9)	(2.0)	0.5
Total comprehensive (loss) income	$ (19.0)	$ (1.3)	$ 10.5	$ (32.9)	$ (42.7)

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Products Corporation and Subsidiaries Condensed Consolidating Statement of Operations and Comprehensive (Loss) Income

Three Months Ended September 30, 2018

	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Sales	$ 149.3	$ 196.5	$ 308.5	$ 1.1	$ 655.4
Cost of sales	77.2	104.4	122.3	1.1	305.0
Gross profit	72.1	92.1	186.2	—	350.4
Selling, general and administrative expenses	99.6	98.0	141.5	—	339.1
Acquisition and integration costs	2.2	0.4	0.8	—	3.4
Restructuring charges and other, net	0.7	2.0	1.2	—	3.9
Operating (loss) income	(30.4)	(8.3)	42.7	—	4.0
Other (income) expense:					
Intercompany interest, net	(0.8)	0.6	0.2	—	—
Interest expense	44.7	—	1.7	—	46.4
Amortization of debt issuance costs	3.8	—	—	—	3.8
Foreign currency losses, net	0.5	—	0.6	—	1.1
Miscellaneous, net	(4.7)	(16.1)	21.2	—	0.4
Other expense (income), net	43.5	(15.5)	23.7	—	51.7
(Loss) income from continuing operations before income taxes	(73.9)	7.2	19.0	—	(47.7)
(Benefit from) provision for income taxes	(41.5)	1.4	1.9	—	(38.2)
Loss from continuing operations, net of taxes	(32.4)	5.8	17.1	—	(9.5)
Loss from discontinued operations, net of taxes	—	—	(0.4)	—	(0.4)
Equity in (loss) income of subsidiaries	22.5	6.4	—	(28.9)	—
Net (loss) income	$ (9.9)	$ 12.2	$ 16.7	$ (28.9)	$ (9.9)
Other comprehensive (loss) income	(2.6)	(0.5)	(0.3)	0.8	(2.6)
Total comprehensive (loss) income	$ (12.5)	$ 11.7	$ 16.4	$ (28.1)	$ (12.5)

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Products Corporation and Subsidiaries Condensed Consolidating Statement of Operations and Comprehensive (Loss) Income

	Nine Months Ended September 30, 2019				
	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Sales	$ 429.4	$ 428.9	$ 865.4	$ (3.5)	$ 1,720.2
Cost of sales	205.1	217.3	331.8	(3.5)	750.7
Gross profit	224.3	211.6	533.6	—	969.5
Selling, general and administrative expenses	329.5	238.7	399.9	—	968.1
Acquisition and integration costs	0.6	0.1	—	—	0.7
Restructuring charges and other, net	3.4	3.4	4.8	—	11.6
Operating (loss) income	(109.2)	(30.6)	128.9	—	(10.9)
Other (income) expense:					
Intercompany interest, net	(3.5)	2.0	1.5	—	—
Interest expense	140.5	—	5.2	—	145.7
Amortization of debt issuance costs	10.4	—	—	—	10.4
Foreign currency losses, net	1.2	0.2	7.6	—	9.0
Miscellaneous, net	(26.4)	(36.2)	70.2	—	7.6
Other expense (income), net	122.2	(34.0)	84.5	—	172.7
(Loss) income from continuing operations before income taxes	(231.4)	3.4	44.4	—	(183.6)
(Benefit from) provision for income taxes	(36.8)	19.3	15.1	—	(2.4)
(Loss) income from continuing operations, net of taxes	(194.6)	(15.9)	29.3	—	(181.2)
Income from discontinued operations, net of taxes	—	—	2.0	—	2.0
Equity in income (loss) of subsidiaries	39.3	11.8	—	(51.1)	—
Net (loss) income	$ (155.3)	$ (4.1)	$ 31.3	$ (51.1)	$ (179.2)
Other comprehensive income (loss)	6.7	2.7	(1.8)	(0.9)	6.7
Total comprehensive (loss) income	$ (148.6)	$ (1.4)	$ 29.5	$ (52.0)	$ (172.5)

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Products Corporation and Subsidiaries Condensed Consolidating Statement of Operations and Comprehensive (Loss) Income

Nine Months Ended September 30, 2018

	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Sales	$ 478.3	$ 485.3	$ 860.8	$ (1.5)	$ 1,822.9
Cost of sales	231.9	239.4	337.4	(1.5)	807.2
Gross profit	246.4	245.9	523.4	—	1,015.7
Selling, general and administrative expenses	326.6	314.0	441.5	—	1,082.1
Acquisition and integration costs	7.8	1.4	2.8	—	12.0
Restructuring charges and other, net	5.1	2.2	6.6	—	13.9
Loss on disposal of minority investment	20.1	—	—	—	20.1
Operating income	(113.2)	(71.7)	72.5	—	(112.4)
Other (income) expenses:					
Intercompany interest, net	(4.7)	1.8	2.9	—	—
Interest expense	127.0	—	2.1	—	129.1
Amortization of debt issuance costs	9.1	—	—	—	9.1
Foreign currency losses, net	2.5	0.4	7.8	—	10.7
Miscellaneous, net	(15.0)	(41.8)	57.4	—	0.6
Other expense (income), net	118.9	(39.6)	70.2	—	149.5
(Loss) income from continuing operations before income taxes	(232.1)	(32.1)	2.3	—	(261.9)
(Benefit from) provision for income taxes	(49.7)	6.5	1.2	—	(42.0)
(Loss) income from continuing operations, net of taxes	(182.4)	(38.6)	1.1	—	(219.9)
Loss from discontinued operations, net of taxes	—	—	(0.1)	—	(0.1)
Equity in (loss) income of subsidiaries	(37.6)	1.6	—	36.0	—
Net (loss) income	$ (220.0)	$ (37.0)	$ 1.0	$ 36.0	$ (220.0)
Other comprehensive (loss) income	(5.1)	(3.3)	(9.3)	12.6	(5.1)
Total comprehensive (loss) income	$ (225.1)	$ (40.3)	$ (8.3)	$ 48.6	$ (225.1)

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Products Corporation and Subsidiaries Condensed Consolidating Statements of Cash Flows

	Nine Months Ended September 30, 2019				
	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash (used in) provided by operating activities	$ (169.1)	$ 5.6	$ (3.3)	$ —	$ (166.8)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Net cash used in investing activities	(10.9)	(2.0)	(7.1)	—	(20.0)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net decrease in short-term borrowings and overdraft	(11.5)	(7.2)	(3.7)	—	(22.4)
Net borrowings under the Amended 2016 Revolving Credit Facility	13.4	—	—	—	13.4
Net borrowings under the 2019 Term Loan Facility	200.0	—	—	—	200.0
Repayments under the 2016 Term Loan Facility	(13.5)	—	—	—	(13.5)
Payment of financing costs	(12.2)	—	(1.2)	—	(13.4)
Tax withholdings related to net share settlements of restricted stock units and awards	(1.6)	—	—	—	(1.6)
Other financing activities	(0.6)	(0.1)	(0.2)	—	(0.9)
Net cash provided by (used in) financing activities	174.0	(7.3)	(5.1)	—	161.6
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	0.4	(1.8)	—	(1.4)
Net decrease in cash, cash equivalents and restricted cash	(6.0)	(3.3)	(17.3)	—	(26.6)
Cash, cash equivalents and restricted cash at beginning of period	$ 7.2	$ 6.6	$ 73.7	$ —	$ 87.5
Cash, cash equivalents and restricted cash at end of period	$ 1.2	$ 3.3	$ 56.4	$ —	$ 60.9

(except where otherwise noted, all tabular amounts in millions, except share and per share amounts)

Products Corporation and Subsidiaries Condensed Consolidating Statements of Cash Flows

Nine Months Ended September 30, 2018	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash used in operating activities	$ (196.0)	$ (0.5)	$ (100.2)	$ —	$ (296.7)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Net cash used in investing activities	(24.4)	(5.0)	(12.2)	—	(41.6)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net decrease (increase) in short-term borrowings and overdraft	(3.6)	7.3	(1.4)	—	2.3
Net borrowings under the Amended 2016 Revolving Credit Facility	251.3	—	—	—	251.3
Net borrowings under the 2018 Foreign Asset-Based Term Loan	—	—	89.4	—	89.4
Repayments under the 2016 Term Loan Facility	(13.5)	—	—	—	(13.5)
Payments of financing costs	(4.7)	—	(4.7)	—	(9.4)
Tax withholdings related to net share settlements of restricted stock units and awards	(3.6)	—	—	—	(3.6)
Other financing activities	0.3	—	(0.2)	—	0.1
Net cash provided by financing activities	226.2	7.3	83.1	—	316.6
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(0.1)	(3.1)	—	(3.2)
Net increase (decrease) in cash, cash equivalents and restricted cash	5.8	1.7	(32.4)	—	(24.9)
Cash, cash equivalents and restricted cash at beginning of period	$ 0.3	$ 5.3	$ 81.8	$ —	87.4
Cash, cash equivalents and restricted cash at end of period	$ 6.1	$ 7.0	$ 49.4	$ —	$ 62.5

20. SUBSEQUENT EVENTS

Extension of the Maturity of the 2019 Senior Line of Credit

On November 7, 2019, Products Corporation and MacAndrews & Forbes Group, LLC, Revlon's majority stockholder, entered into the Amended and Restated 2019 Senior Unsecured Line of Credit Agreement (the "Amended 2019 Line of Credit Agreement") to extend the maturity of the 2019 Senior Line of Credit Agreement entered into on June 27, 2019 by 1-year, expiring December 31, 2020. As of September 30, 2019 and as of the November 7, 2019 extension date, there were no borrowings outstanding under this facility. As of September 30, 2019, MacAndrews & Forbes Group, LLC and its affiliates beneficially owned 46,223,321 shares of Revlon's Class A common stock, representing approximately 87.2% of Revlon's outstanding shares of voting capital stock as of such date.

Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Overview of the Business

Revlon, Inc. ("Revlon" and together with its subsidiaries, the "Company") conducts its business exclusively through its direct wholly-owned operating subsidiary, Revlon Consumer Products Corporation ("Products Corporation"), and its subsidiaries. Revlon is an indirect majority-owned subsidiary of MacAndrews & Forbes Incorporated (together with certain of its affiliates other than the Company, "MacAndrews & Forbes"), a corporation beneficially owned by Ronald O. Perelman.

The Company operates in four brand-centric reporting segments that are aligned with its organizational structure based on four global brand teams: Revlon; Elizabeth Arden; Portfolio; and Fragrances. The Company manufactures, markets and sells an extensive array of beauty and personal care products worldwide, including color cosmetics; fragrances; skin care; hair color, hair care and hair treatments; beauty tools; men's grooming products; anti-perspirant deodorants; and other beauty care products.

The Company remains focused on its 3 key strategic pillars to drive its future success and growth. First, strengthening its iconic brands through innovation and relevant product portfolios; second, building its capabilities to better communicate and connect with its consumers through media channels where they spend the most time; and third, ensuring availability of its product where consumers shop, both in-store and increasingly online. On August 16, 2019, it was disclosed that MacAndrews & Forbes and Revlon have determined to explore strategic transactions involving Revlon and third parties (the "Strategic Review").

For additional information regarding the Company's business, see "Part 1, Item 1 - Business" in the Company's 2018 Form 10-K.

Certain capitalized terms used in this Form 10-Q are defined throughout this Item 2.

Overview of Net Sales and Earnings Results

Consolidated net sales in the third quarter of 2019 were $596.8 million, a $58.6 million decrease, or 8.9%, compared to $655.4 million in the third quarter of 2018. Excluding the $12.1 million unfavorable impact of foreign currency fluctuations (referred to herein as "FX," "XFX" or on an "XFX basis"), consolidated net sales decreased by $46.5 million, or 7.1%, during the third quarter of 2019. The XFX net sales decrease in the third quarter of 2019 was primarily due to: a $27.8 million, or 11.1%, decrease in Revlon segment net sales, a $17.2 million, or 12.4%, decrease in Portfolio segment net sales and a $5.6 million, or 3.9%, decrease in Fragrances segment net sales; partially offset by a $4.1 million, or 3.4%, increase in Elizabeth Arden segment net sales.

Consolidated net sales in the first nine months of 2019 were $1,720.2 million, a $102.7 million decrease, or 5.6%, compared to $1,822.9 million in the first nine months of 2018. Excluding the $48.8 million unfavorable FX impact, consolidated net sales decreased by $53.7 million, or 2.9%, during the first nine months of 2019. The XFX net sales decrease in the first nine months of 2019 was primarily due to: a $54.2 million, or 12.9%, decrease in Portfolio segment net sales; a $28.0 million, or 8.4%, decrease in Fragrances segment net sales and a $1.3 million, or 0.2%, decrease in Revlon segment net sales; partially offset by a $29.8 million, or 8.9%, increase in Elizabeth Arden segment net sales.

Consolidated loss from continuing operations, net of taxes, in the third quarter of 2019 was $44.4 million, compared to $10.7 million in the third quarter of 2018. The $33.7 million increase in consolidated loss from continuing operations, net of taxes, in the third quarter of 2019 was primarily due to:

- a $36.6 million decrease in the benefit from income taxes, of which $34.3 million was non-cash, primarily due to: (i) the decreased loss from continuing operations before income taxes; (ii) the mix and level of earnings; (iii) the impact of the 2017 Tax Act mainly due to an adjustment in the third quarter of 2018 related to a new U.S. Treasury regulation issued in September 2018;

- $22.6 million of lower gross profit, primarily due to lower net sales;

- $6.5 million of unfavorable variance in foreign currency, resulting from $7.6 million in foreign currency losses during the third quarter of 2019, compared to $1.1 million in foreign currency losses during the third quarter of 2018; and

- a $3.8 million increase in interest expense, primarily due to higher average interest rates and higher debt balances primarily from the 2019 Term Loan Facility entered into in August 2019;

with the foregoing partially offset by:

- $32.7 million of lower SG&A expenses, primarily driven by cost reductions related to the Company's cost optimization initiatives and lower incentive compensation; and

- $3.3 million of lower acquisition and integration costs.

Consolidated loss from continuing operations, net of taxes, in the first nine months of 2019 was $185.5 million, compared to $223.8 million in the first nine months of 2018. The $38.3 million decrease in consolidated loss from continuing operations, net of taxes, in the first nine months of 2019 was primarily due to:

- $113.9 million of lower SG&A expenses, primarily driven by lower brand support expenses as a result of planned lower activity in the first nine months of 2019 and lower general and administrative expenses, primarily driven by cost reductions related to the Company's cost optimization initiatives and lower incentive compensation;

- $20.1 million of lower loss on disposal of minority investment; and

- $11.3 million of lower acquisition and integration costs;

with the foregoing partially offset by:

- $46.2 million of lower gross profit, primarily due to lower net sales;

- a $39.9 million decrease in the benefit from income taxes, of which $34.3 million was non-cash, primarily due to: (i) the decreased loss from continuing operations before income taxes; (ii) the mix and level of earnings; (iii) the impact of the 2017 Tax Act mainly due to an adjustment in the third quarter of 2018 related to a new U.S. Treasury regulation issued in September 2018; and

- a $16.6 million increase in interest expense, primarily due to higher average interest rates and higher borrowings under the Amended 2016 Revolving Credit Facility and higher indebtedness resulting from entering into the 2019 Term Loan Facility in August 2019 and the 2018 Foreign Asset-Based Term Facility in July 2018.

During 2018, the Company's ERP launch impacted the Company's ability to manufacture certain quantities of finished goods and fulfill shipments to retail customers in the U.S. and internationally and resulted in lost net sales and in the Company incurring incremental charges, mainly related to actions that the Company implemented to remediate the decline in customer service levels. Difficulties in implementing the Company's new ERP system also impacted its internal control over financial reporting ("ICFR") and resulted in a material weakness in its ICFR as described in the Company's 2018 Form 10-K. See Part I, Item 4, "Controls and Procedures," in this Form 10-Q for a discussion of the Company's adoption of a plan designed to improve its internal controls to remediate this material weakness in its ICFR and for a summary of the actions taken by the Company to implement such plan.

Recent Debt Transactions

2019 Term Loan Facility

Principal and Maturity: On August 6, 2019, Products Corporation entered into a senior secured term loan facility among certain affiliated funds, investment vehicles or accounts managed or advised by Ares Management LLC, as lender, in an initial aggregate principal amount of $200 million (the "2019 Term Loan Facility" and such agreement being the "2019 Term Loan Agreement"), and Wilmington Trust, National Association ("Wilmington Trust"), as administrative and collateral agent. Net proceeds from the 2019 Term Loan Facility, which will be used for general corporate purposes, were approximately $188 million, after taking into account approximately $12 million of related fees and expenses. The 2019 Term Loan Facility will mature on the earliest of: (x) the fourth anniversary of the Closing Date; (y) the 180th day prior to the maturity of Products Corporation's existing 2016 Term Loan Facility, if any loans under the 2016 Term Loan Facility remain outstanding and have not been replaced or refinanced by such date; and (z) the date of any springing maturity of the 2016 Term Loan Facility (i.e., the 91st day prior to the maturity of the 5.75% Senior Notes due February 15, 2021 if any 5.75% Senior Notes remain outstanding by such date). See "Financial Condition, Liquidity and Capital Resources - 2019 Term Loan Facility" for additional details regarding the 2019 Term Loan Facility.

2019 Senior Line of Credit Agreement

In June 2019, Products Corporation entered into a 2019 Senior Unsecured Line of Credit Agreement (the "2019 Senior Line of Credit Agreement") providing Products Corporation with a $30 million senior unsecured line of credit (the "2019 Senior Line of Credit Facility") from MacAndrews & Forbes Group, LLC, a subsidiary of Revlon's majority stockholder. The 2019 Senior Line of Credit Facility allows Products Corporation to request loans thereunder and to use the proceeds of such loans for working capital and other general corporate purposes until the facility matures on December 31, 2019. See Part II, Item 5, "Other Information," regarding the extension of the maturity of the 2019 Senior Line of Credit Agreement to December 31, 2020. As of September 30, 2019, there were no borrowings outstanding under this facility. See also Part II, Item 5. Other Information, "Extension of the Maturity of the 2019 Senior Line of Credit," regarding the Amended 2019 Senior Line of Credit Agreement.

Any loans outstanding under the 2019 Senior Line of Credit Facility shall bear interest at an annual rate of 8%, which is payable quarterly in arrears in cash. Products Corporation may, at its option, prepay any borrowings under the 2019 Senior Line of Credit Facility, in whole or in part (together with accrued and unpaid interest), at any time prior to maturity, without premium or penalty. Products Corporation is required to repay any outstanding loans under the 2019 Senior Line of Credit Facility, together with accrued interest thereon, if for any reason Products Corporation or any of its subsidiaries has available unrestricted cash that Products Corporation determines, in its reasonable judgment, is not required to run their operations in the ordinary course of business, provided that such repayment would not result in material adverse tax consequences.

The 2019 Senior Line of Credit Agreement includes customary events of default, including a cross default provision making it an event of default under the 2019 Senior Line of Credit Agreement if there exists and continues an event default under Products Corporation's existing bank term loan and revolver credit agreements, the 2018 Foreign Asset-Based Term Agreement or the indentures for Products Corporation's 5.75% Senior Notes or 6.25% Senior Notes. If any such event of default occurs, MacAndrews & Forbes Group, LLC may declare all outstanding loans under the 2019 Senior Line of Credit Facility to be due and payable immediately. For the three and nine months ended September 30, 2019, there were no borrowings outstanding or repayments under this facility.

March 2019 Amendment to the 2016 Revolving Credit Facility

On March 6, 2019, Products Corporation, Revlon and certain of their subsidiaries entered into Amendment No. 2 ("Amendment No. 2") to the 2016 Revolving Credit Agreement (as amended by Amendment No. 2, the "Amended 2016 Revolving Credit Agreement") in respect of the 2016 Revolving Credit Facility (as in effect after Amendment No. 2, the "Amended 2016 Revolving Credit Facility"). Pursuant to the terms of Amendment No. 2, the maturity date applicable to the $41.5 million senior secured first in, last out Tranche B of the Amended 2016 Revolving Credit Facility was extended from April 17, 2019 to April 17, 2020. The Amended 2016 Revolving Credit Agreement provided that the "Liquidity Amount" (defined in the Amended 2016 Revolving Credit Agreement as the sum of each borrowing base less the sum of (x) the aggregate outstanding extensions of credit under the Amended 2016 Revolving Credit Facility, and (y) any availability reserve in effect on such date) may exceed the aggregate commitments under the Amended 2016 Revolving Credit Facility by up to 5%. Amendment No. 2 limits the Liquidity Amount to no more than the aggregate commitments under the Amended 2016 Revolving Credit Facility. Under the Amended 2016 Revolving Credit Agreement, a "Liquidity Event Period" generally occurred if Products Corporation's Liquidity Amount fell below the greater of $35 million and 10% of the maximum availability under the Amended 2016 Revolving Credit Facility. Amendment No. 2 changes these thresholds to $50 million and 15%, respectively, only for purposes of triggering certain notification obligations of Products Corporation, increased borrowing base reporting frequency and the ability of the administrative agent to apply amounts collected in controlled accounts for the repayment of loans under the Amended 2016 Revolving Credit Facility. After entering into Amendment No. 2, in March 2019 Products Corporation's availability under the Amended 2016 Revolving Credit Facility was $37.3 million, which was less than the greater of $35 million and 10% of the maximum availability under the Amended 2016 Revolving Credit Facility, which at such date equated to $41.3 million. Accordingly, effective beginning in March 2019 Products Corporation is required to maintain a FCCR of a minimum of 1.0 to 1.0 (which it currently satisfies), the administrative agent may apply amounts collected in controlled accounts for the repayment of loans under the Amended 2016 Revolving Credit Facility, which the administrative agent began applying in March 2019, and Products Corporation is required to provide the administrative agent with weekly borrowing base certificates. Products Corporation will be required to: (i) maintain such 1.0 to 1.0 minimum FCCR until such time that availability under the Amended 2016 Revolving Credit Facility equals or exceeds the greater of $35 million and 10% of the maximum availability under such facility for at least 20 consecutive business days; and (ii) Products Corporation will continue to provide the administrative agent with weekly borrowing base certificates and the administrative agent may continue to apply amounts collected in controlled accounts as set forth above in each case until such time that availability under such facility is equal or exceeds the greater of $50 million and 15% of the maximum availability under such facility for at least 20 consecutive business days. Amendment No. 2 also adjusts, among other things, the "payment conditions" required to make unlimited restricted payments.

Operating Segments

The Company operates in four reporting segments: Revlon; Elizabeth Arden; Portfolio; and Fragrances:

- ***Revlon*** - The Revlon segment is comprised of the Company's flagship Revlon brands. Revlon segment products are primarily marketed, distributed and sold in the mass retail channel, large volume retailers, chain drug and food stores, chemist shops, hypermarkets, general merchandise stores, e-commerce sites, television shopping, department stores, professional hair and nail salons, one-stop shopping beauty retailers and specialty cosmetic stores in the U.S. and internationally under brands such as **Revlon** in color cosmetics; **Revlon ColorSilk** and **Revlon Professional** in hair color; and **Revlon** in beauty tools.

- ***Elizabeth Arden*** - The Elizabeth Arden segment is comprised of the Company's Elizabeth Arden branded products. The Elizabeth Arden segment markets, distributes and sells fragrances, skin care and color cosmetics primarily to prestige retailers, department and specialty stores, perfumeries, boutiques, e-commerce sites, the mass retail channel, travel retailers and distributors, as well as direct sales to consumers via its Elizabeth Arden branded retail stores and elizabetharden.com e-commerce business under brands such as **Elizabeth Arden Ceramide, Prevage, Eight Hour, SUPERSTART, Visible Difference** and **Skin Illuminating** in the Elizabeth Arden skin care brands; and **Elizabeth Arden White Tea, Elizabeth Arden Red Door, Elizabeth Arden 5th Avenue** and **Elizabeth Arden Green Tea** in Elizabeth Arden fragrances.

- ***Portfolio*** - The Company's Portfolio segment markets, distributes and sells a comprehensive line of premium, specialty and mass products primarily to the mass retail channel, hair and nail salons and professional salon distributors in the U.S. and internationally and large volume retailers, specialty and department stores under brands such as **Almay** and **SinfulColors** in color cosmetics; **American Crew** in men's grooming products (which are also sold direct-to-consumer on its americancrew.com website); **CND** in nail polishes, gel nail color and nail enhancements; **Cutex** in nail care products; **Pure Ice** in nail polishes; and **Mitchum** in anti-perspirant deodorants. The Portfolio segment also includes a multi-cultural hair care line consisting of **Creme of Nature** hair care products, which are sold in both professional salons and in large volume retailers and other retailers, primarily in the U.S.; and a body care line under the **Natural Honey** brand and hair color line under the **Llongueras** brand (licensed from a third party) that are both sold in the mass retail channel, large volume retailers and other retailers, primarily in Spain.
- ***Fragrances*** - The Fragrances segment includes the development, marketing and distribution of certain owned and licensed fragrances, as well as the distribution of prestige fragrance brands owned by third parties. These products are typically sold to retailers in the U.S. and internationally, including prestige retailers, specialty stores, e-commerce sites, the mass retail channel, travel retailers and other international retailers. The owned and licensed fragrances include brands such as **Juicy Couture** (which are also sold direct-to-consumer on its juicycouturebeauty.com website), **Britney Spears**, **Elizabeth Taylor**, **Curve, John Varvatos**, **Christina Aguilera**, **Giorgio Beverly Hills**, **Ed Hardy**, **Charlie**, **Lucky Brand**, **Paul Sebastian**, **Alfred Sung**, **Jennifer Aniston**, **Mariah Carey**, **Halston**, **Geoffrey Beene**, **La Perla**, **White Shoulders**, **AllSaints** and **Wildfox**.

Results of Operations — Revlon, Inc.

Consolidated Net Sales:

Third quarter results:

Consolidated net sales in the third quarter of 2019 were $596.8 million, a $58.6 million, or 8.9%, decrease, compared to $655.4 million in the third quarter of 2018. Excluding the $12.1 million unfavorable FX impact, consolidated net sales decreased by $46.5 million, or 7.1%, during the third quarter of 2019. The XFX net sales decrease in the third quarter of 2019 was primarily due to: a $27.8 million, or 11.1%, decrease in Revlon segment net sales, a $17.2 million, or 12.4%, decrease in Portfolio segment net sales and a $5.6 million, or 3.9%, decrease in Fragrances segment net sales; partially offset by a $4.1 million, or 3.4%, increase in Elizabeth Arden segment net sales.

(all tabular amounts in millions, except share and per share amounts)

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Year-to-date results:

Consolidated net sales in the first nine months of 2019 were $1,720.2 million, a $102.7 million, or 5.6%, decrease compared to $1,822.9 million in the first nine months of 2018. Excluding the $48.8 million unfavorable FX impact, consolidated net sales decreased by $53.7 million, or 2.9%, during the first nine months of 2019. The XFX net sales decrease in the first nine months of 2019 was due primarily to: a $54.2 million, or 12.9%, decrease in Portfolio segment net sales, a $28.0 million, or 8.4%, decrease in Fragrances segment net sales and a $1.3 million, or 0.2%, decrease in Revlon segment net sales; partially offset by a $29.8 million, or 8.9%, increase in Elizabeth Arden segment net sales.

See "Segment Results" below for further information on net sales by segment.

Segment Results:

The Company's management evaluates segment profit for each of the Company's reportable segments. The Company allocates corporate expenses to each reportable segment to arrive at segment profit, as these expenses are included in the internal measure of segment operating performance. The Company defines segment profit as income from continuing operations before interest, taxes, depreciation, amortization, stock-based compensation expense, gains/losses on foreign currency fluctuations, gains/losses on the early extinguishment of debt and miscellaneous expenses. Segment profit also excludes the impact of certain items that are not directly attributable to the segments' underlying operating performance. The Company does not have any material inter-segment sales. For a reconciliation of segment profit to loss from continuing operations before income taxes, see Note 15, "Segment Data and Related Information," to the Unaudited Consolidated Financial Statements in this Form 10-Q.

The following tables provide a comparative summary of the Company's segment results for the periods presented.

	Net Sales						**Segment Profit**					
	Three Months Ended September 30,		**Change**		**XFX Change [a]**		**Three Months Ended September 30,**		**Change**		**XFX Change [a]**	
	2019	**2018**	**$**	**%**	**$**	**%**	**2019**	**2018**	**$**	**%**	**$**	**%**
Revlon	$ 217.3	$ 249.5	$ (32.2)	(12.9)%	$ (27.8)	(11.1)%	$ 7.3	$ 36.8	$ (29.5)	(80.2)%	$ (29.0)	(78.8)%
Elizabeth Arden	123.2	122.1	1.1	0.9 %	4.1	3.4 %	12.5	6.6	5.9	89.4 %	6.5	98.5 %
Portfolio	118.2	138.4	(20.2)	(14.6)%	(17.2)	(12.4)%	14.4	2.1	12.3	N.M.	12.8	N.M.
Fragrances	138.1	145.4	(7.3)	(5.0)%	(5.6)	(3.9)%	34.2	26.9	7.3	27.1 %	7.7	28.6 %
Total	$ 596.8	$ 655.4	$ (58.6)	(8.9)%	$ (46.5)	(7.1)%	$ 68.4	$ 72.4	$ (4.0)	(5.5)%	$ (2.0)	(2.8)%

	Net Sales						**Segment Profit**					
	Nine Months Ended September 30,		**Change**		**XFX Change [a]**		**Nine Months Ended September 30,**		**Change**		**XFX Change [a]**	
	2019	**2018**	**$**	**%**	**$**	**%**	**2019**	**2018**	**$**	**%**	**$**	**%**
Revlon	$ 716.1	$ 736.9	$ (20.8)	(2.8)%	$ (1.3)	(0.2)%	$ 58.5	$ 75.6	$ (17.1)	(22.6)%	$ (14.4)	(19.0)%
Elizabeth Arden	352.0	333.9	18.1	5.4 %	29.8	8.9 %	17.1	2.3	14.8	N.M.	16.5	N.M.
Portfolio	354.1	420.5	(66.4)	(15.8)%	(54.2)	(12.9)%	25.0	(5.8)	30.8	N.M.	31.4	N.M.
Fragrances	298.0	331.6	(33.6)	(10.1)%	(28.0)	(8.4)%	53.6	41.2	12.4	30.1 %	13.1	31.8 %
Total	$ 1,720.2	$ 1,822.9	$ (102.7)	(5.6)%	$ (53.7)	(2.9)%	$ 154.2	$ 113.3	$ 40.9	36.1 %	$ 46.6	41.1 %

[a] XFX excludes the impact of foreign currency fluctuations.
N.M. - Not meaningful

Revlon Segment

Third quarter results:

Revlon segment net sales in the third quarter of 2019 were $217.3 million, a $32.2 million, or 12.9%, decrease, compared to $249.5 million in the third quarter of 2018. Excluding the $4.4 million unfavorable FX impact, total Revlon segment net sales in the third quarter of 2019 decreased by $27.8 million, or 11.1%, compared to the third quarter of 2018. This decrease was primarily driven by lower net sales of **Revlon** color cosmetics in the mass retail channel, due to overall category declines, as well as lower net sales of **Revlon ColorSilk** hair color and **Revlon**-branded beauty tools, primarily in North America.

Revlon segment profit in the third quarter of 2019 was $7.3 million, a $29.5 million, or 80.2%, decrease, compared to $36.8 million in the third quarter of 2018. Excluding the $0.6 million unfavorable FX impact, Revlon segment profit in the third quarter of 2019 decreased by $29.0 million, or 78.8%, compared to the third quarter of 2018. This decrease was primarily driven by the Revlon segment's lower net sales described above and lower gross profit margin.

Year-to-date results:

Revlon segment net sales in the first nine months of 2019 were $716.1 million, a $20.8 million, or 2.8%, decrease, compared to $736.9 million in the first nine months of 2018. Excluding the $19.5 million unfavorable FX impact, total Revlon segment net sales in the first nine months of 2019 decreased by $1.3 million, or 0.2%, compared to the first nine months of 2018. This decrease was primarily driven by lower net sales of **Revlon** color cosmetics, as well as lower net sales of **Revlon**-branded beauty tools and **Revlon ColorSilk** hair color, primarily in North America, partially offset by increases in net sales of **Revlon**-branded hair care and professional products.

Revlon segment profit in the first nine months of 2019 was $58.5 million, a $17.1 million, or 22.6%, decrease, compared to $75.6 million in the first nine months of 2018. Excluding the $2.7 million unfavorable FX impact, Revlon segment profit in the first nine months of 2019 decreased by $14.4 million, or 19.0%, compared to the first nine months of 2018. This decrease was primarily driven by the Revlon segment's lower net sales described above and lower gross profit margin, partially offset by lower brand support expenses.

Elizabeth Arden Segment

Third quarter results:

Elizabeth Arden segment net sales in the third quarter of 2019 were $123.2 million, a $1.1 million, or 0.9%, increase, compared to $122.1 million in the third quarter of 2018. Excluding the $3.0 million unfavorable FX impact, Elizabeth Arden net sales in the third quarter of 2019 increased by $4.1 million, or 3.4%, compared to the third quarter of 2018. This increase was primarily driven by higher net sales of **Elizabeth Arden Ceramide** and **Prevage** skin care products, as well as higher net sales of certain **Elizabeth Arden**-branded fragrances, primarily internationally, partially offset by lower net sales of **Elizabeth Arden**-branded color cosmetics and certain other skin care products, primarily in North America.

Elizabeth Arden segment profit in the third quarter of 2019 was $12.5 million, a $5.9 million, or 89.4%, increase, compared to $6.6 million in third quarter of 2018. Excluding the $0.7 million unfavorable FX impact, Elizabeth Arden segment profit in the third quarter of 2019 increased by $6.5 million, or 98.5%, compared to the third quarter of 2018. This increase was primarily driven by the Elizabeth Arden segment's higher net sales described above, as well as improved gross profit margin.

Year-to-date results:

Elizabeth Arden segment net sales in the first nine months of 2019 were $352.0 million, an $18.1 million, or 5.4%, increase, compared to $333.9 million in the first nine months of 2018. Excluding the $11.7 million unfavorable FX impact, Elizabeth Arden segment net sales in the first nine months of 2019 increased by $29.8 million, or 8.9%, compared to the first nine months of 2018. This increase was primarily driven by higher net sales of **Ceramide** and **Prevage** skin care products and of certain **Elizabeth Arden**-branded fragrances, primarily internationally, partially offset by lower net sales of **Elizabeth Arden**-branded color cosmetics and certain other skin care products.

Elizabeth Arden segment profit in the first nine months of 2019 was $17.1 million, a $14.8 million increase, compared to $2.3 million in the first nine months of 2018. Excluding the $1.8 million unfavorable FX impact, Elizabeth Arden segment profit in the first nine months of 2019 increased by $16.5 million compared to the first nine months of 2018. This increase was primarily driven by the Elizabeth Arden segment's higher net sales described above.

Portfolio Segment

Third quarter results:

Portfolio segment net sales in the third quarter of 2019 were $118.2 million, a $20.2 million, or 14.6%, decrease, compared to $138.4 million in the third quarter of 2018. Excluding the $3.0 million unfavorable FX impact, total Portfolio segment net sales in the third quarter of 2019 decreased by $17.2 million, or 12.4%, compared to the third quarter of 2018. This decrease was driven primarily by the Portfolio segment's lower net sales of **Almay** color cosmetics, **CND** nail products, **Pure Ice** and **SinfulColors** color cosmetics, as well as lower net sales of local and regional brands, primarily in North America. These decreases were partially offset by higher net sales of **Cutex** nail care products internationally.

Portfolio segment profit in the third quarter of 2019 was $14.4 million, a $12.3 million increase compared to $2.1 million in the third quarter of 2018. Excluding the $0.5 million unfavorable FX impact, Portfolio segment profit in the third quarter of 2019 increased by $12.8 million, compared to the third quarter of 2018. This increase was primarily driven by the Portfolio segment's lower brand support expenses and distribution expenses, partially offset by the impact of the lower net sales, as described above.

Year-to-date results:

Portfolio segment net sales in the first nine months of 2019 were $354.1 million, a $66.4 million, or 15.8%, decrease, compared to $420.5 million in the first nine months of 2018. Excluding the $12.2 million unfavorable FX impact, total Portfolio segment net sales in the first nine months of 2019 decreased by $54.2 million, or 12.9%, compared to the first nine months of 2018. This decrease was driven primarily by the Portfolio segment's lower net sales of **CND** nail products, **Almay**, **Pure Ice** and **SinfulColors** color cosmetics, as well as lower net sales of local and regional brands. These decreases were partially offset by higher net sales of **Cutex** nail care products, **American Crew** men's grooming products and **Mitchum** anti-perspirant deodorants.

Portfolio segment profit in the first nine months of 2019 was $25.0 million, a $30.8 million increase compared to a $5.8 million segment loss in the first nine months of 2018. Excluding the $0.6 million unfavorable FX impact, Portfolio segment profit in the first nine months of 2019 increased by $31.4 million compared to the first nine months of 2018. This increase was primarily driven by the Portfolio segment's lower brand support expenses and distribution expenses, partially offset by lower net sales, as described above, and lower gross profit margin.

Fragrances Segment

Third quarter results:

Fragrances segment net sales in the third quarter of 2019 were $138.1 million, a $7.3 million, or 5%, decrease, compared to $145.4 million in the third quarter of 2018. Excluding the $1.7 million unfavorable FX impact, total Fragrances segment net sales in the third quarter of 2019 decreased by $5.6 million, or 3.9%, compared to the third quarter of 2018. This decrease was driven primarily by lower net sales due to the ongoing overall weakness in the mass retail channel, including certain retail store closures, partially offset by higher net sales attributable to certain product launches in 2019 in North America.

Fragrances segment profit in the third quarter of 2019 was $34.2 million, a $7.3 million, or 27.1%, increase, compared to $26.9 million in the third quarter of 2018. Excluding the $0.4 million unfavorable FX impact, Fragrances segment profit in the third quarter of 2019 increased by $7.7 million, or 28.6%, compared to the third quarter of 2018. This increase was primarily driven by the Fragrances segment's lower brand support expenses and distribution costs, as well as improved gross profit margin, partially offset by the segment's lower net sales.

Year-to-date results:

Fragrances segment net sales in the first nine months of 2019 were $298.0 million, a $33.6 million, or 10.1%, decrease, compared to $331.6 million in the first nine months of 2018. Excluding the $5.6 million unfavorable FX impact, total Fragrances segment net sales in the first nine months of 2019 decreased by $28.0 million, or 8.4%, compared to the first nine months of 2018. This decrease was driven primarily by lower net sales in the Fragrances segment due to the ongoing overall weakness in the mass retail channel, including certain retail store closures in North America, partially offset by higher net sales attributable to new products launches in 2019, primarily internationally.

Fragrances segment profit in the first nine months of 2019 was $53.6 million, a $12.4 million, or 30.1%, increase, compared to $41.2 million in the first nine months of 2018. Excluding the $0.7 million unfavorable FX impact, Fragrances segment profit in the first nine months of 2019 increased by $13.1 million, or 31.8%, compared to the first nine months of 2018. This increase was primarily driven by the Fragrances segment's lower brand support expenses and distribution costs, partially offset by the impact of the segment's lower net sales.

(all tabular amounts in millions, except share and per share amounts)

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Geographic Results:

The following tables provide a comparative summary of the Company's North America and International net sales for the periods presented:

	Three Months Ended September 30,		Change		XFX Change [a]	
	2019	2018	$	%	$	%
Revlon						
North America	$ 100.0	$ 123.1	$ (23.1)	(18.8)%	$ (23.1)	(18.8)%
International	117.3	126.4	(9.1)	(7.2)%	(4.7)	(3.7)%
Elizabeth Arden						
North America	$ 29.5	$ 40.3	$ (10.8)	(26.8)%	$ (10.7)	(26.6)%
International	93.7	81.8	11.9	14.5 %	14.8	18.1 %
Portfolio						
North America	$ 71.4	$ 88.1	$ (16.7)	(19.0)%	$ (16.7)	(19.0)%
International	46.8	50.3	(3.5)	(7.0)%	(0.5)	(1.0)%
Fragrance						
North America	$ 98.6	$ 99.3	$ (0.7)	(0.7)%	$ (0.6)	(0.6)%
International	39.5	46.1	(6.6)	(14.3)%	(5.0)	(10.8)%
Total Net Sales	$ 596.8	$ 655.4	$ (58.6)	(8.9)%	$ (46.5)	(7.1)%

	Nine Months Ended September 30,		Change		XFX Change [a]	
	2019	2018	$	%	$	%
Revlon						
North America	$ 367.9	$ 388.2	$ (20.3)	(5.2)%	$ (19.5)	(5.0)%
International	348.2	348.7	(0.5)	(0.1)%	18.2	5.2 %
Elizabeth Arden						
North America	$ 83.9	$ 96.2	$ (12.3)	(12.8)%	$ (11.5)	(12.0)%
International	268.1	237.7	30.4	12.8 %	41.3	17.4 %
Portfolio						
North America	$ 214.5	$ 264.8	$ (50.3)	(19.0)%	$ (49.9)	(18.8)%
International	139.6	155.7	(16.1)	(10.3)%	(4.3)	(2.8)%
Fragrances						
North America	$ 198.4	$ 216.9	$ (18.5)	(8.5)%	$ (18.3)	(8.4)%
International	99.6	114.7	(15.1)	(13.2)%	(9.7)	(8.5)%
Total Net Sales	$ 1,720.2	$ 1,822.9	$ (102.7)	(5.6)%	$ (53.7)	(2.9)%

[a] XFX excludes the impact of foreign currency fluctuations.

Revlon Segment

Third quarter results:

North America

In North America, Revlon segment net sales in the third quarter of 2019 decreased by $23.1 million, or 18.8%, to $100.0 million, compared to $123.1 million in the third quarter of 2018. This decrease was primarily due to the Revlon segment's lower net sales of **Revlon** color cosmetics, as well as lower net sales of **Revlon**-branded beauty tools and **Revlon ColorSilk** hair color, within the U.S. mass retail channel.

International

Internationally, Revlon segment net sales in the third quarter of 2019 decreased by $9.1 million, or 7.2%, to $117.3 million, compared to $126.4 million in the third quarter of 2018. Excluding the $4.4 million unfavorable FX impact, Revlon segment International net sales in the third quarter of 2019 decreased by $4.7 million, or 3.7%, compared to the third quarter of 2018. This decrease was driven by the Revlon segment's lower net sales of **Revlon ColorSilk** hair color and **Revlon** color cosmetics, within the Company's EMEA and Latin America regions.

Year-to-date results:

North America

In North America, Revlon segment net sales in the first nine months of 2019 decreased by $20.3 million, or 5.2%, to $367.9 million, compared to $388.2 million in the first nine months of 2018. Excluding the $0.8 million unfavorable FX impact, Revlon segment net sales in North America in the first nine months of 2019 decreased by $19.5 million, or 5%, compared to the first nine months of 2018. This decrease was primarily due to the Revlon segment's lower net sales of **Revlon** color cosmetics, as well as lower net sales of **Revlon**-branded beauty tools and **Revlon ColorSilk** hair color, partially offset by higher net sales of **Revlon**-branded hair care products within the U.S. mass retail channel.

International

Internationally, Revlon segment net sales in the first nine months of 2019 decreased by $0.5 million, or 0.1%, to $348.2 million, compared to $348.7 million in the first nine months of 2018. Excluding the $18.7 million unfavorable FX impact, Revlon segment International net sales in the first nine months of 2019 increased by $18.2 million, or 5.2%, compared to the first nine months of 2018. This increase was driven primarily by the Revlon segment's higher net sales of **Revlon** color cosmetics, primarily within the Company's Pacific and Latin America regions, due mainly to improved service levels at the Oxford, N.C. facility, and higher net sales of **Revlon**-branded hair-care professional products, following new product launches in Europe.

Elizabeth Arden Segment

Third quarter results:

North America

In North America, Elizabeth Arden segment net sales in the third quarter of 2019 decreased by $10.8 million, or 26.8%, to $29.5 million, compared to $40.3 million in the third quarter of 2018. Excluding the $0.1 million unfavorable FX impact, Elizabeth Arden segment net sales in North America in the third quarter of 2019 decreased by $10.7 million, or 26.6%, compared to the third quarter of 2018. This decrease was primarily due to the Elizabeth Arden segment's decrease in net sales driven by certain retail store closures, partially offset by the segment's higher net sales of **Ceramide** skin care products.

International

Internationally, Elizabeth Arden segment net sales in the third quarter of 2019 increased by $11.9 million, or 14.5%, to $93.7 million, compared to $81.8 million in the third quarter of 2018. Excluding the $2.9 million unfavorable FX impact, Elizabeth Arden segment International net sales in the third quarter of 2019 increased by $14.8 million, or 18.1%, compared to the third quarter of 2018. This increase was driven primarily by the Elizabeth Arden segment's higher net sales of **Ceramide** and **Prevage** skin care products, and of certain **Elizabeth Arden**-branded fragrance brands, within the Company's Asia region, particularly in China, and in the Travel Retail business.

Year-to-date results:

North America

In North America, Elizabeth Arden segment net sales in the first nine months of 2019 decreased by $12.3 million, or 12.8%, to $83.9 million, compared to $96.2 million in the first nine months of 2018. Excluding the $0.8 million unfavorable FX impact, Elizabeth Arden segment net sales in North America in the first nine months of 2019 decreased by $11.5 million, or 12%, compared to the first nine months of 2018. This decrease was driven primarily by the Elizabeth Arden segment's lower net sales of certain other **Elizabeth Arden**-branded skin care and color cosmetics products resulting from certain retail store closures, partially offset primarily by higher net sales of the segment's **Ceramide** skin care brand.

International

Internationally, Elizabeth Arden segment net sales in the first nine months of 2019 increased by $30.4 million, or 12.8%, to $268.1 million, compared to $237.7 million in the first nine months of 2018. Excluding the $10.9 million unfavorable FX impact, Elizabeth Arden segment International net sales in the first nine months of 2019 increased by $41.3 million, or 17.4%, compared to the first nine months of 2018. This increase was driven primarily by higher net sales of the Elizabeth Arden segment's **Ceramide** and **Prevage** skin care products, primarily within the Company's Asia region, particularly in China, and in the Travel Retail business, as well as higher net sales of certain Elizabeth Arden fragrance brands. These increases were partially offset by lower net sales of **Elizabeth Arden**-branded color cosmetics products.

Portfolio Segment

Third quarter results:

North America

In North America, Portfolio segment net sales in the third quarter of 2019 decreased by $16.7 million, or 19%, to $71.4 million, compared to $88.1 million in the third quarter of 2018. This decrease was primarily driven by the Portfolio segment's lower net sales of **Almay** and **Pure Ice** color cosmetics, **Mitchum** anti-perspirant deodorants and **CND** nail products, mainly due to declines in the mass retail channel, as well as lower net sales of local and regional brands.

International

Internationally, Portfolio segment net sales in the third quarter of 2019 decreased by $3.5 million, or 7%, to $46.8 million, compared to $50.3 million in the third quarter of 2018. Excluding the $3.0 million unfavorable FX impact, Portfolio segment International net sales decreased by $0.5 million, or 1%, in the third quarter of 2019, compared to the third quarter of 2018. This decrease was primarily driven by the Portfolio segment's lower net sales of **CND** nail care products, primarily in the Company's EMEA region, as well as lower net sales of local and regional brands. These decreases were partially offset by the segment's higher net sales of **Mitchum** anti-perspirant deodorants and of **Cutex** nail care products, primarily in the EMEA region.

Year-to-date results:

North America

In North America, Portfolio segment net sales in the first nine months of 2019 decreased by $50.3 million, or 19%, to $214.5 million, as compared to $264.8 million in the first nine months of 2018. Excluding the $0.4 million unfavorable FX impact, Portfolio segment net sales in North America in the first nine months of 2019 decreased by $49.9 million, or 18.8%, compared to the first nine months of 2018. This decrease was driven primarily by the Portfolio segment's lower net sales of **Almay** color cosmetics and of **CND** nail products, as well as lower net sales of **Pure Ice** and **SinfulColors** color cosmetics, local and regional brands and **Mitchum** anti-perspirant deodorants. These decreases were partially offset by higher net sales of **American Crew** men's grooming products.

(all tabular amounts in millions, except share and per share amounts)

International

Internationally, Portfolio segment net sales in the first nine months of 2019 decreased by $16.1 million, or 10.3%, to $139.6 million, compared to $155.7 million in the first nine months of 2018. Excluding the $11.8 million unfavorable FX impact, Portfolio segment International net sales decreased by $4.3 million, or 2.8%, in the first nine months of 2019, compared to the first nine months of 2018. This decrease was driven primarily by the Portfolio segment's lower net sales of local and regional brands and of **CND** nail products, primarily in the Company's EMEA region, partially offset by higher net sales of **Mitchum** anti-perspirant deodorants in the EMEA region, and higher net sales of **Cutex** nail care products primarily in Latin America.

Fragrances Segment

Third quarter results:

North America

In North America, Fragrances segment net sales in the third quarter of 2019 decreased by $0.7 million, or 0.7%, to $98.6 million, as compared to $99.3 million in the third quarter of 2018. Excluding the $0.1 million unfavorable FX impact, Fragrances segment North America net sales decreased by $0.6 million, or 0.6%, in the third quarter of 2019, compared to the third quarter of 2018, primarily driven by the segment's lower net sales in the mass retail channel, as well as certain retail store closures in the prestige channel, partially offset by the effect of certain product launches.

International

Internationally, Fragrances segment net sales in the third quarter of 2019 decreased by $6.6 million, or 14.3%, to $39.5 million, compared to $46.1 million in the third quarter of 2018. Excluding the $1.6 million unfavorable FX impact, Fragrances segment International net sales decreased by $5.0 million, or 10.8%, in the third quarter of 2019, compared to the third quarter of 2018, primarily due to the Fragrances segment's lower net sales of certain licensed fragrance brands in the mass retail channel.

Year-to-date results:

North America

In North America, Fragrances segment net sales in the first nine months of 2019 decreased by $18.5 million, or 8.5%, to $198.4 million, as compared to $216.9 million in the first nine months of 2018. Excluding the $0.2 million unfavorable FX impact, Fragrances segment net sales in North America in the first nine months of 2019 decreased by $18.3 million, or 8.4%, compared to the first nine months of 2018. This decrease was primarily driven by the Fragrances segment's lower net sales due to weakness in the mass retail channel, as well as certain retail store closures in the prestige channel.

International

Internationally, Fragrances segment net sales in the first nine months of 2019 decreased by $15.1 million, or 13.2%, to $99.6 million, compared to $114.7 million in the first nine months of 2018. Excluding the $5.4 million unfavorable FX impact, Fragrances segment International net sales decreased by $9.7 million, or 8.5%, in the first nine months of 2019, compared to the first nine months of 2018, primarily due to the Fragrances segment's lower net sales of certain licensed fragrance brands primarily in the mass retail channel, partially offset by new product launches in the Company's EMEA region.

Gross profit:

The table below shows the Company's gross profit and gross margin for the periods presented:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Gross profit	$ 327.8	$ 350.4	$ (22.6)	$ 969.5	$ 1,015.7	$ (46.2)
Percentage of net sales	54.9%	*53.5%*	*1.4%*	*56.4%*	*55.7%*	*0.7%*

(all tabular amounts in millions, except share and per share amounts)

Third quarter results:

Gross profit decreased by $22.6 million in the third quarter of 2019, as compared to the third quarter of 2018. Unfavorable sales volume decreased gross profit in the third quarter of 2019 by approximately $21 million, compared to the third quarter of 2018, with no impact on gross margin. Gross profit as a percentage of net sales (i.e., gross margin) in the third quarter of 2019 increased by 1.4% compared to the third quarter of 2018. The drivers of the gross margin in the third quarter of 2019, as compared to the third quarter of 2018, primarily included:

- the impact of additional costs related to the service level disruptions at the Company's Oxford, N.C. manufacturing facility in the third quarter of 2018, which did not occur in the third quarter of 2019, resulting in increased gross margin by approximately 5 percentage points;
- cost reductions and savings associated with the Company's cost optimization initiatives, which increased gross margin by approximately 3.2 percentage points; and
- lower inventory obsolescence reserves, which increased gross margin by 1.2 percentage points;

with the foregoing offset primarily by:

- higher sales allowances and returns, which decreased gross margin by approximately 6 percentage points; and
- unfavorable FX impacts, which decreased gross margin by 2.1 percentage points.

Year-to-date results:

Gross profit decreased by $46.2 million in the first nine months of 2019, as compared to the first nine months of 2018. Unfavorable sales volume decreased gross profit in the first nine months of 2019 by approximately $26 million, compared to the first nine months of 2018, with no impact on gross margin. Gross profit as a percentage of net sales (i.e., gross margin) in the first nine months of 2019 increased by 0.7 percentage points, as compared to the first nine months of 2018. The drivers of the increase in gross margin in the first nine months of 2019, as compared to the first nine months of 2018, primarily included:

- the impact of additional costs related to the service level disruptions at the Company's Oxford, N.C. manufacturing facility in the first nine months of 2018, which did not occur in the first nine months of 2019, resulting in increased gross margin of 4.3 percentage points; and
- lower inventory obsolescence reserves, which increased gross margin by 0.4 percentage points;

with the foregoing partially offset primarily by:

- unfavorable FX impacts, which decreased gross margin by 3.1 percentage points; and
- the impact of tariffs, which decreased gross margin by approximately 1 percentage point.

SG&A expenses:

The table below shows the Company's SG&A expenses for the periods presented:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
SG&A expenses	$ 308.1	$ 340.8	$ (32.7)	$ 973.2	$ 1,087.1	$ (113.9)

SG&A expenses decreased by $32.7 million in the third quarter of 2019, compared to the third quarter of 2018, primarily driven by:

- lower general and administrative expenses of approximately $24 million, driven by lower costs in the third quarter of 2019 primarily associated with the Company's cost optimization initiatives and lower incentive compensation;
- favorable FX impact of approximately $5 million; and
- lower distribution expenses of approximately $3 million, driven by the net sales decline.

(all tabular amounts in millions, except share and per share amounts)

SG&A expenses decreased by $113.9 million in the first nine months of 2019, compared to the first nine months of 2018, primarily driven by:

- a decrease of approximately $48 million in brand support expenses, driven by planned lower activity in the first nine months of 2019, primarily in North America and within the Portfolio segment and, to a lesser extent, the Revlon and Fragrances segments;
- lower general and administrative expenses of approximately $41 million, primarily associated with the Company's cost optimization initiatives and lower incentive compensation in the first nine months of 2019 and higher costs in the first nine months of 2018 associated with the departure of certain executives; and
- favorable FX impact of approximately $23 million.

Acquisition and Integration Costs:

The table below shows the Company's acquisition and integration costs for the periods presented:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Acquisition Costs	$ —	$ —	$ —	$ —	$ 0.1	$ (0.1)
Integration Costs	0.1	3.4	(3.3)	0.7	11.9	(11.2)
Total acquisition and integration costs	$ 0.1	$ 3.4	$ (3.3)	$ 0.7	$ 12.0	$ (11.3)

The Company incurred $0.1 million and $3.4 million of acquisition and integration costs in the third quarter of 2019 and 2018, respectively, primarily related to the Company's integration of Elizabeth Arden's operations into the Company's business, including professional fees and employee-related costs.

The Company incurred $0.7 million and $12 million of acquisition and integration costs in the first nine months of 2019 and 2018, respectively, primarily related to the Company's integration of Elizabeth Arden's operations into the Company's business, including professional fees and employee-related costs.

Restructuring charges and other, net:

The table below shows the Company's restructuring charges and other, net for the periods presented:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Restructuring charges and other, net	$ 2.9	$ 3.9	$ (1.0)	$ 11.6	$ 13.9	$ (2.3)

Restructuring charges and other, net decreased $1 million and $2.3 million during the three and nine months ended September 30, 2019, respectively, compared to the prior periods of 2018, primarily due to adjustments to previously accrued charges in connection with the Company's restructuring programs. A discussion of the Company's restructuring charges in relation to its restructuring initiatives follows.

2018 Optimization Program

During 2018, the Company announced a new 2018 Optimization Program designed to streamline the Company's operations, reporting structures and business processes, with the objective of maximizing productivity and improving profitability, cash flows and liquidity. During the third quarter of 2019, the Company recorded $5.9 million of restructuring and related charges under the 2018 Optimization Program consisting of: (i) $3.7 million of severance, personnel benefits and other restructuring costs; and (ii) $2.2 million of other restructuring-related charges that were recorded within SG&A and cost of sales. During the first nine months of 2019, the Company recorded $28.1 million of restructuring and related charges under the 2018 Optimization Program consisting of: (i) $12.5 million of severance, personnel benefits and other restructuring costs; and (ii) $15.6 million of other restructuring-related charges that were recorded within SG&A and cost of sales. The Company expects to recognize approximately $30 million to $40 million of total pre-tax restructuring and related charges under the 2018 Optimization Program, consisting of employee-related costs, such as severance, pension and other termination costs, as well as other related charges and approximately $10 million of additional capital expenditures. The Company expects that approximately 85% of these restructuring and related charges will be paid in cash, of which approximately $15.8 million were paid through September 30, 2019. Substantially all of the remaining balance is expected to be paid by the end of 2019, with any residual amount to be paid in 2020. The Company currently projects that the 2018 Optimization Program will result in between $90 million and $95 million of in-year cost reductions during 2019, of which approximately $65 million had been realized as of September 30, 2019, and annualized cost reductions in the range of approximately $125 million to $150 million by the end of 2019. Approximately half of the annualized cost reductions are expected to be realized within cost of sales and the remainder in selling, general and administrative expenses.

(all tabular amounts in millions, except share and per share amounts)

EA Integration Restructuring Program

The EA Integration Restructuring Program was substantially completed by December 31, 2018 and the Company expects to incur limited further charges under this program, primarily related to its exit from certain leased spaces. During the three and nine months ended September 30, 2019, the Company recorded $0.4 million related to restructuring and related actions under the EA Integration Restructuring Program. As of September 30, 2019, the Company had recognized a total of $82.6 million of pre-tax restructuring and related charges consisting of: (i) $72.6 million of employee-related costs, including severance, retention and other contractual termination benefits; (ii) $5.1 million of lease termination costs; and (iii) $4.9 million of other related charges. The Company expects that cash payments will total $80 million to $85 million in connection with the EA Integration Restructuring Charges, of which $72 million were paid through September 30, 2019, with substantially all of the remaining balance expected to be paid by the end of 2020.

For further information on EA Integration Restructuring Program, the 2018 Optimization Program and on the Company's other restructuring initiatives, see Note 2, "Restructuring Charges," to the Unaudited Consolidated Financial Statements in this Form 10-Q.

During the three and nine months ended 2018, the Company recorded $3.9 million and $13.9 million, respectively, of charges primarily related to the EA Integration Restructuring Program.

Interest expense:

The table below shows the Company's interest expense for the periods presented:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	**2018**	**Change**	**2019**	**2018**	**Change**
Interest expense	$ 50.2	$ 46.4	$ 3.8	$ 145.7	$ 129.1	$ 16.6

The $3.8 million increase in interest expense in the third quarter of 2019, as compared to the third quarter of 2018, was primarily due to higher average interest rates and higher debt balances primarily from the 2019 Term Loan Facility entered into in August 2019.

The $16.6 million increase in interest expense in nine months ended September 30, 2019, as compared to the nine months ended September 30, 2018, was primarily due to higher average interest rates and higher debt balances resulting from the 2019 Term Loan Facility entered into in August 2019, the 2018 Foreign Asset-Based Term Facility entered into during the third quarter of 2018, as well as higher borrowings under the Amended 2016 Revolving Credit Facility.

Please refer to "Financial Condition, Liquidity and Capital Resources - Long-Term Debt Instruments" in Item 2 of this Form 10-Q for further information.

Foreign currency losses (gains), net:

The table below shows the Company's foreign currency losses, net for the periods presented:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	**2018**	**Change**	**2019**	**2018**	**Change**
Foreign currency losses, net	$ 7.6	$ 1.1	$ 6.5	$ 9.0	$ 10.7	$ (1.7)

The $7.6 million in foreign currency losses, net, during the third quarter of 2019, compared to $1.1 million in foreign currency losses, net, during the third quarter of 2018, was primarily driven by the net unfavorable impact of the revaluation of certain U.S. Dollar denominated intercompany payables and foreign currency denominated receivables.

(all tabular amounts in millions, except share and per share amounts)

The $9 million in foreign currency losses, net, during the nine months ended September 30, 2019, compared to $10.7 million in foreign currency losses, net, during the nine months ended September 30, 2018, was primarily driven by the net favorable impact of the revaluation of certain U.S. Dollar denominated intercompany payables and foreign currency denominated receivables.

Provision for income taxes:

The table below shows the Company's benefit from income taxes for the periods presented:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Benefit from income taxes	$ (2.1)	$ (38.7)	$ 36.6	$ (3.2)	$ (43.1)	$ 39.9

For the three and nine months ended September 30, 2019, the Company used the cut-off method to calculate the interim effective tax rate for all jurisdictions, because the annual rate method would not be reliable due to its sensitivity to minimal changes in forecasted annual pre-tax earnings. For the three and nine months ended September 30, 2018, the tax rate at the end of the period was calculated using an estimate of the annual effective tax rate expected to be applicable for the full fiscal year.

The Company recorded a benefit from income taxes of $2.1 million for the three months ended September 30, 2019 and a benefit from incomes taxes of $38.7 million for the three months ended September 30, 2018, respectively. The $36.6 million decrease in the Company's benefit from income taxes, of which $34.3 million was non-cash, was primarily due to: (i) the decreased loss from continuing operations before income taxes; (ii) the mix and level of earnings; (iii) the impact of the 2017 Tax Act mainly due to an adjustment in the third quarter of 2018 related to a new U.S. Treasury regulation issued in September 2018.

The Company recorded a benefit from income taxes of $3.2 million for the nine months ended September 30, 2019 and a benefit from income taxes of $43.1 million for the nine months ended September 30, 2018. The $39.9 million decrease in the benefit from income taxes, of which $34.3 million was non-cash, was primarily due to: (i) the decreased loss from continuing operations before income taxes; (ii) the mix and level of earnings; (iii) the impact of the 2017 Tax Act mainly due to an adjustment in the third quarter of 2018 related to a new U.S. Treasury regulation issued in September 2018. For a further discussion, see Note 13, "Income Taxes," to the Unaudited Consolidated Financial Statements in this Form 10-Q, as well as Note 15, "Income Taxes," to the Consolidated Financial Statements in the Company's 2018 Form 10-K and Item 1A. "Risk Factors-Uncertainties in the interpretation and application of the U.S. income tax provisions could have a material impact on the Company's financial condition, results of operations and/or cash flows" in the Company's 2018 Form 10-K.

The Company's effective tax rate for the three months and nine months ended September 30, 2019 was lower than the federal statutory rate of 21%, primarily due to the valuation allowance related to the limitation on the deductibility of interest and the U.S. tax on the Company's foreign earnings.

The Company expects that its tax provision and effective tax rate in any individual quarter and year-to-date period will vary and may not be indicative of the Company's tax provision and effective tax rate for the full year.

The Company concluded that, based on its evaluation of objective verifiable evidence, it does not require a valuation allowance on its federal deferred tax assets, other than those associated with the limitation on the deductibility of interest. The Company does have a valuation allowance on deferred tax assets associated with its activity in certain U.S. states and foreign jurisdictions. These conclusions regarding the establishment of valuation allowances on the Company's deferred tax assets as of the nine months ended September 30, 2019 are consistent with the Company's conclusions on such matters as of the year ended December 31, 2018. However, if the Company does not generate sufficient taxable income in future periods, its deferred tax assets may not be realizable on a more-likely-than-not basis, which would result in the Company having to establish an additional valuation allowance against its deferred tax assets. The Company will continue to assess all available evidence, both negative and positive, to determine whether such additional valuation allowance is warranted.

For a further discussion, see Note 13, "Income Taxes," to the Unaudited Consolidated Financial Statements in this Form 10-Q, as well as Note 15, "Income Taxes," to the Consolidated Financial Statements in the Company's 2018 Form 10-K and Item 1A. "Risk Factors-Uncertainties in the interpretation and application of the U.S. income tax provisions could have a material impact on the Company's financial condition, results of operations and/or cash flows" in the Company's 2018 Form 10-K.

(all tabular amounts in millions, except share and per share amounts)

Results of Operations — Products Corporation

The condensed consolidated statements of income of Products Corporation are essentially identical to the condensed consolidated statements of income of Revlon, Inc. except for the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
Net loss - Revlon, Inc.	$ (44.7)	$ (11.1)	$ (183.5)	$ (223.9)
Selling, general and administrative expenses - public company's costs	1.8	1.7	5.1	5.0
Provision for income taxes	(0.3)	(0.5)	(0.8)	(1.1)
Net loss - Products Corporation	$ (43.2)	$ (9.9)	$ (179.2)	$ (220.0)

Refer to Revlon's "Management Discussion and Analysis of Financial Condition and Results of Operations" herein.

Financial Condition, Liquidity and Capital Resources

At September 30, 2019, the Company had a liquidity position of $166.8 million, consisting of: (i) $60.7 million of unrestricted cash and cash equivalents; (ii) $81.2 million in available borrowing capacity under Products Corporation's Amended 2016 Revolving Credit Facility (which had $348.4 million drawn at such date); (iii) $30 million in available borrowing capacity under the 2019 Senior Line of Credit Facility, which had no borrowings at such date; and less (iv) $5.1 million of outstanding checks. Under the Amended 2016 Revolving Credit Facility, as Products Corporation's consolidated fixed charge coverage ratio ("FCCR") was greater than 1.0 to 1.0 as of September 30, 2019, all of the $81.2 million of availability under the Amended 2016 Revolving Credit Facility was available as of such date. See "Part 1, Item 2. Combined Management's Discussion and Analysis of Financial Condition and Results of Operations--Recent Debt Transactions" for a discussion of the Company's credit facilities and amendments entered into during 2019.

2019 Term Loan Facility

Principal and Maturity: On August 6, 2019, Products Corporation entered into the 2019 Term Loan Facility, which is a senior secured term loan facility among certain affiliated funds, investment vehicles or accounts managed or advised by Ares Management LLC, as lender, in an initial aggregate principal amount of $200 million, and Wilmington Trust, as administrative and collateral agent. Net proceeds from the 2019 Term Loan Facility, which will be used for general corporate purposes, were approximately $188 million, after taking into account approximately $12 million of related fees and expenses. The 2019 Term Loan Facility will mature on the earliest of: (x) the fourth anniversary of the Closing Date; (y) the 180th day prior to the maturity of Products Corporation's existing 2016 Term Loan Facility, if any loans under the 2016 Term Loan Facility remain outstanding and have not been replaced or refinanced by such date; and (z) the date of any springing maturity of the 2016 Term Loan Facility (i.e., the 91st day prior to the maturity of the 5.75% Senior Notes due February 15, 2021 if any 5.75% Senior Notes remain outstanding by such date).

Guarantees and Security: Products Corporation and its restricted subsidiaries under the 2019 Term Loan Facility (collectively, the "Restricted Group") are subject to the covenants under the 2019 Term Loan Agreement. The 2019 Term Loan Facility is guaranteed by each existing and future direct or indirect wholly-owned domestic restricted subsidiary of Products Corporation (subject to various exceptions), as well as by Revlon, on a limited recourse basis, and Elizabeth Arden (U.K.) Ltd., Revlon Canada Inc. and Elizabeth Arden (Canada) Limited. The obligations of Revlon, Products Corporation and the subsidiary guarantors under the 2019 Term Loan Facility are secured by pledges of the equity of Products Corporation and the equity of the Restricted Group held by Products Corporation and each subsidiary guarantor (subject to customary exceptions, including equity of first-tier foreign subsidiaries in excess of 66% of the voting equity interests of such entity) and by substantially all tangible and intangible personal and real property of Products Corporation and the subsidiary guarantors (subject to customary exclusions). The 2019 Term Loan Facility and the existing 2016 Term Loan Facility share the same guarantors and collateral, except that the 2019 Term Loan Facility is also secured by a first-priority lien on certain intellectual property of the American Crew business (the "Additional Collateral") and is guaranteed by the entities established to hold such Additional Collateral. Pursuant to a first lien pari passu intercreditor agreement, dated August 6, 2019, among Revlon, Products Corporation, the subsidiary guarantors, Wilmington Trust and Citibank, N.A. (acting as administrative agent and collateral agent for the 2016 Term Loan Facility), the liens on the shared collateral securing the 2019 Term Loan Facility rank pari passu in priority with the liens on the shared collateral securing the 2016 Term Loan Facility.

License Agreement: In connection with the pledge of such Additional Collateral, Products Corporation entered into intercompany arrangements pursuant to which the Additional Collateral was contributed to a newly-formed subsidiary, Beautyge I, which then further contributed the Additional Collateral to its new wholly-owned subsidiary, Beautyge II, LLC. Products Corporation entered into a license and royalty arrangement on arm's length terms with Beautyge II, LLC to provide for the Company's continued use of the Additional Collateral during the term of the 2019 Term Loan Facility.

Interest and Fees: Interest accrues on the 2019 Term Loan Facility at a rate per annum of one-month adjusted LIBOR (which has a floor of 0%) plus a margin of 9.50%. Products Corporation is also obligated to pay customary fees and expenses in connection with the 2019 Term Loan Facility.

Affirmative and Negative Covenants: The 2019 Term Loan Agreement contains certain affirmative and negative covenants that, among other things, limit the Restricted Group's ability to: (i) incur additional debt; (ii) incur liens; (iii) sell, transfer or dispose of assets; (iv) make investments; (v) make dividends and distributions on, or repurchases of, equity; (vi) make prepayments of contractually subordinated or junior lien debt; (vii) enter into certain transactions with their affiliates; (viii) enter into sale-leaseback transactions; (ix) change their lines of business; (x) restrict dividends from their subsidiaries or restrict liens; (xi) change their fiscal year; and (xii) modify the terms of certain debt. The 2019 Term Loan Agreement also contains additional covenants: (i) restricting the activities of the entities established to hold the Additional Collateral; (ii) limiting the incurrence of secured debt by the Restricted Group to an aggregate principal amount of $50 million (excluding the Amended 2016 Revolving Credit Facility and any refinancing of the 5.75% Senior Notes due 2021); (iii) restricting the transfer by the Restricted Group of material intellectual property to non-guarantor restricted subsidiaries or other affiliates; and (iv) limiting investments by Products Corporation and its subsidiary guarantors in any non-guarantor subsidiary to an outstanding amount of $50 million plus $10 million for ordinary course investments consistent with past practice. These negative covenants are subject to various exceptions, including an "available amount basket" based on 50% of Products Corporation's cumulative consolidated net income from October 1, 2016, subject to Products Corporation's compliance with a 5.0 to 1.0 ratio of Products Corporation's net debt to Consolidated EBITDA (as defined in the 2019 Term Loan Agreement), except such compliance is not required when such baskets are used to make investments.

Financial Covenants: The 2019 Term Loan Agreement contains financial covenants. First, Products Corporation cannot permit at any time both (x) the aggregate principal amount of secured and structurally senior debt to exceed $2.5 billion and (y) the ratio of Products Corporation's net secured and structurally senior debt to Consolidated EBITDA to be greater than 5.0 to 1.0, subject to a one-time equity cure right. Second, Products Corporation's Consolidated EBITDA cannot be less than $250 million for any test period ending on or after March 31, 2021.

Prepayments: The 2019 Term Loan Facility is subject to mandatory prepayments from: (i) the net proceeds from the issuance by Products Corporation or any of its restricted subsidiaries of certain additional debt; (ii) commencing with the excess cash flow calculation with respect to fiscal year ending December 31, 2020, 50% of excess cash flow, with step-downs to 25% and 0% upon achievement of certain first lien leverage ratios and reduced by voluntary prepayments of the 2019 Term Loan Facility, the 2016 Term Loan Facility and revolving loans under the Amended 2016 Revolving Credit Facility (to the extent commitments thereunder are permanently reduced); and (iii) asset sale proceeds of certain non-ordinary course asset sales or other dispositions of property that have not been reinvested to the extent in excess of certain minimum amounts (subject to an aggregate reinvestment cap of $50 million). Products Corporation may voluntarily prepay the 2019 Term Loan Facility at any time. All voluntary prepayments, certain mandatory prepayments and repayments upon acceleration after an event of default of the 2019 Term Loan Facility must be accompanied by a fee (the “Applicable Premium”) in an amount equal to: (i) prior to January 1, 2021, a make-whole amount with respect to interest payments through December 31, 2020 plus 10% of the aggregate principal amount prepaid, repaid or required to be repaid; (ii) on and after January 1, 2021, but prior to January 1, 2022, 10% of the aggregate principal amount prepaid, repaid or required to be repaid; (iii) on and after January 1, 2022, but prior to January 1, 2023, 7.5% of the aggregate principal amount prepaid, repaid or required to be repaid; or (iv) thereafter, 5% of the aggregate principal amount prepaid, repaid or required to be repaid. A 5% exit fee is also payable upon the final scheduled maturity of the 2019 Term Loan Facility or if the loans thereunder are accelerated upon an event of default. The 2019 Term Loan Agreement also contains certain customary representations, warranties and events of default.

Events of Default: The 2019 Term Loan Agreement includes customary events of default, including a cross default provision making it an event of default under the 2019 Term Loan Agreement if there is an event of default under Products Corporation’s existing 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, the Amended 2019 Senior Line of Credit Agreement or the indentures for Products Corporation’s 5.75% Senior Notes or 6.25% Senior Notes. In addition, the lenders under the 2019 Term Loan Agreement may declare all outstanding loans under the 2019 Term Loan Agreement to be due and payable immediately upon an event of default. Under such circumstances, the lenders under the 2016 Credit Agreements, the Amended 2019 Senior Line of Credit Agreement and the 2018 Foreign Asset-Based Term Agreement may also declare all outstanding loans under such facilities to be due and payable immediately as a result of similar cross default provisions, and upon non-payment of any accelerated principal amount, the trustees or noteholders for the 5.75% Senior Notes and 6.25% Senior Notes may declare all outstanding notes to be due and payable immediately as a result of similar cross-acceleration provisions, subject to certain exceptions and limitations described in the relevant instruments.

Fees and expenses incurred in connection with consummating the 2019 Term Loan Agreement of approximately $12 million were capitalized and are being amortized to interest expense over the term of the 2019 Term Loan Agreement using the effective interest method. The aggregate principal amount outstanding under the 2019 Term Loan Facility Agreement at September 30, 2019 was $200 million.

2019 Senior Line of Credit Facility

In June 2019, Products Corporation entered into a 2019 Senior Unsecured Line of Credit Agreement (the "2019 Senior Line of Credit Agreement") providing Products Corporation with a $30 million senior unsecured line of credit (the "2019 Senior Line of Credit Facility") from MacAndrews & Forbes Group, LLC, a subsidiary of Revlon’s majority stockholder. The 2019 Senior Line of Credit Facility allows Products Corporation to request loans thereunder and to use the proceeds of such loans for working capital and other general corporate purposes until the facility matures on December 31, 2019. As of September 30, 2019, there were no borrowings outstanding under this facility. See also Part II, Item 5. Other Information, “Extension of the Maturity of the 2019 Senior Line of Credit,” regarding the Amended 2019 Senior Line of Credit Agreement.

Any loans outstanding under the 2019 Senior Line of Credit Facility shall bear interest at an annual rate of 8%, which is payable quarterly in arrears in cash. Products Corporation may, at its option, prepay any borrowings under the 2019 Senior Line of Credit Facility, in whole or in part (together with accrued and unpaid interest), at any time prior to maturity, without premium or penalty. Products Corporation is required to repay any outstanding loans under the 2019 Senior Line of Credit Facility, together with accrued interest thereon, if for any reason Products Corporation or any of its subsidiaries has available unrestricted cash that Products Corporation determines, in its reasonable judgment, is not required to run their operations in the ordinary course of business, provided that such repayment would not result in material adverse tax consequences.

The 2019 Senior Line of Credit Agreement includes customary events of default, including a cross default provision making it an event of default under the 2019 Senior Line of Credit Agreement if there exists and continues an event default under Products Corporation’s existing bank term loan and revolver credit agreements, the 2018 Foreign Asset-Based Term Agreement or the indentures for Products Corporation’s 5.75% Senior Notes or 6.25% Senior Notes. If any such event of default occurs, MacAndrews & Forbes Group, LLC may declare all outstanding loans under the 2019 Senior Line of Credit Facility to be due and payable immediately. For the three and nine months ended September 30, 2019, there were no borrowings or repayments under this facility.

Amendment No. 2 to the Amended 2016 Revolving Credit Agreement

On March 6, 2019, Products Corporation, Revlon and certain of their subsidiaries entered into Amendment No. 2 to the Amended 2016 Revolving Credit Agreement in respect of the Amended 2016 Revolving Credit Facility. Pursuant to the terms of Amendment No. 2, the maturity date applicable to the $41.5 million senior secured first in, last out Tranche B of the Amended 2016 Revolving Credit Facility was extended from April 17, 2019 to April 17, 2020. The Amended 2016 Revolving Credit Agreement provided that the “Liquidity Amount” (defined in the Amended 2016 Revolving Credit Agreement as the sum of each borrowing base less the sum of (x) the aggregate outstanding extensions of credit under the Amended 2016 Revolving Credit Facility, and (y) any availability reserve in effect on such date) may exceed the aggregate commitments under the Amended 2016 Revolving Credit Facility by up to 5%. Amendment No. 2 limits the Liquidity Amount to no more than the aggregate commitments under the Amended 2016 Revolving Credit Facility. Under the Amended 2016 Revolving Credit Agreement, a “Liquidity Event Period” generally occurred if Products Corporation’s Liquidity Amount fell below the greater of $35 million and 10% of the maximum availability under the Amended 2016 Revolving Credit Facility. Amendment No. 2 changes these thresholds to $50 million and 15%, respectively, only for purposes of triggering certain notification obligations of Products Corporation, increased borrowing base reporting frequency and the ability of the administrative agent to apply amounts collected in controlled accounts for the repayment of loans under the Amended 2016 Revolving Credit Facility. After entering into Amendment No. 2, in March 2019 Products Corporation’s availability under the Amended 2016 Revolving Credit Facility was $37.3 million, which was less than the greater of $35 million and 10% of the maximum availability under the Amended 2016 Revolving Credit Facility, which at such date equated to $41.3 million. Accordingly, effective beginning in March 2019 Products Corporation is required to maintain a FCCR of a minimum of 1.0 to 1.0 (which it currently satisfies), the administrative agent may apply amounts collected in controlled accounts for the repayment of loans under the Amended 2016 Revolving Credit Facility, which the administrative agent began applying in March 2019, and Products Corporation is required to provide the administrative agent with weekly borrowing base certificates. Products Corporation will be required to: (i) maintain such 1.0 to 1.0 minimum FCCR until such time that availability under the Amended 2016 Revolving Credit Facility equals or exceeds the greater of $35 million and 10% of the maximum availability under such facility for at least 20 consecutive business days; and (ii) Products Corporation will continue to provide the administrative agent with weekly borrowing base certificates and the administrative agent may continue to apply amounts collected in controlled accounts as set forth above in each case until such time that availability under such facility is equal or exceeds the greater of $50 million and 15% of the maximum availability under such facility for at least 20 consecutive business days. Amendment No. 2 also adjusts, among other things, the “payment conditions” required to make unlimited restricted payments.

The Company’s foreign operations held $57.3 million out of its total $60.7 million in cash and cash equivalents as of September 30, 2019. While the cash held by the Company’s foreign subsidiaries is primarily used to fund their operations, the Company regularly assesses its global cash needs and the available sources of cash to fund these needs, which regularly includes repatriating foreign-held cash to settle historical intercompany loans and other intercompany payables. The Company believes that it has and will have sufficient liquidity to meet its cash needs for at least the next 12 months based upon the cash generated by its operations, cash on hand, availability under the Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit

Facility and other permissible borrowings, along with the option to further settle historical intercompany loans and payables with certain foreign subsidiaries. The Company also expects to generate additional liquidity from cost reductions resulting from the implementation of the 2018 Optimization Program, which was initiated during the fourth quarter of 2018, and cost reductions generated from other cost control initiatives. See “Part 1, Item 2. Combined Management’s Discussion and Analysis of Financial Condition and Results of Operations--Recent Debt Transactions--2019 Term Loan Facility,” “2019 Term Loan Facility” above in “Financial Condition, Liquidity and Capital Resources” and the Company’s 2018 Form 10-K, Item 1A. Risk Factors -“Restrictions and covenants in Products Corporation’s various debt instruments limit its ability to take certain actions and impose consequences in the event of failure to comply.” During the first nine months of 2019, as part of continuing to effectively manage its working capital needs, the Company continued to repatriate funds to the U.S. using tax-effective methods, such as through the settlement of historical loans and payables due from certain foreign subsidiaries.

In December 2017, the U.S. government enacted the Tax Act, which made broad and complex changes to the U.S. tax code, including a one-time transition tax on certain non-U.S. earnings, the current U.S. taxation of certain foreign earnings in 2018 and following years and limitations on tax deductions for interest expense in 2018 and following years. The Company was not subject to the one-time transition tax due to its deficit in foreign earnings as of the applicable measurement dates. Additionally, the Company determined that the limitation on interest deductibility did not impact the Company's 2018 federal cash taxes due to its net operating loss position. Further, as a result of the Company’s anticipated net operating loss carryover to 2019, the Company expects that the Tax Act will not have a material impact on the Company's cash taxes or liquidity in 2019. As of December 31, 2018, the Company's accounting for the Tax Act was complete. For a further discussion, see Note 13, "Income Taxes," to the Unaudited Consolidated Financial Statements in this Form 10-Q, as well as Note 15, "Income Taxes," to the Consolidated Financial Statements in the Company's 2018 Form 10-K and Item 1A. “Risk Factors - Uncertainties in the interpretation and application of the U.S. income tax provisions could have a material impact on the Company's financial condition, results of operations and/or cash flows" in the Company's 2018 Form 10-K.

Changes in Cash Flows

As of September 30, 2019, the Company had cash, cash equivalents and restricted cash of $60.9 million, compared with $87.4 million at December 31, 2018. The following table summarizes the Company’s cash flows from operating, investing and financing activities for the periods presented:

	Nine Months Ended September 30,	
	2019	2018
Net cash used in operating activities	$ (166.8)	$ (296.7)
Net cash used in investing activities	(20.0)	(41.6)
Net cash provided by financing activities	161.6	316.6
Effect of exchange rate changes on cash and cash equivalents	(1.4)	(3.2)
Net decrease in cash, cash equivalents and restricted cash	(26.6)	(24.9)
Cash, cash equivalents and restricted cash at beginning of period	87.5	87.4
Cash, cash equivalents and restricted cash at end of period	$ 60.9	$ 62.5

Operating Activities

Net cash used in operating activities was $166.8 million and $296.7 million for the nine months ended September 30, 2019 and 2018, respectively. The decrease in cash used in operating activities for the nine months ended September 30, 2019, compared to the nine months ended September 30, 2018, was primarily driven by favorable working capital changes compared to the prior year period, as well as a lower net loss, also as a result of the charges incurred in the prior year period related to the effect of the Oxford, N.C. facility disruption.

Investing Activities

Net cash used in investing activities was $20 million and $41.6 million for the nine months ended September 30, 2019 and 2018, respectively, which was entirely comprised of capital expenditures. The variance in capital expenditures was affected, among other things, by approximately $11.2 million for Elizabeth Arden integration-related investments in the prior year period.

Financing Activities

Net cash provided by financing activities was $161.6 million and $316.6 million for the nine months ended September 30, 2019 and 2018, respectively.

Net cash provided by financing activities for the nine months ended September 30, 2019 primarily included:

- $200 million of borrowings under the 2019 Term Loan Facility;
- $13.4 million of borrowings under the Amended 2016 Revolving Credit Facility;

with the foregoing partially offset by:

- $22.4 million of decreases in short-term borrowings and overdraft;
- $13.5 million of repayments under the 2016 Term Loan Facility; and
- $13.4 million of payment of financing costs incurred in connection with consummating the 2019 Term Loan Facility in August 2019 and Amendment No. 2 to the Amended 2016 Revolving Credit Facility in March 2019.

Net cash provided by financing activities for the nine months ended September 30, 2018 primarily included:

- $251.3 million of borrowings under the 2016 Revolving Credit Facility; and
- $89.4 million of borrowings under the Asset-Based Term Facility;

with the foregoing partially offset by:

- $13.5 million of repayments under the 2016 Term Loan Facility.

Long-Term Debt Instruments

See Note 8, "Long Term Debt," for information regarding Products Corporation's 2016 Term Loan Facility, Amended 2016 Revolving Credit Facility, 2019 Term Loan Facility, 2018 Foreign Asset-Based Term Facility, Amended 2019 Senior Line of Credit Facility, 5.75% Senior Notes and 6.25% Senior Notes. For further detail regarding Products Corporation's long-term debt instruments, see Note 10, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2018 Form 10-K, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition, Liquidity and Capital Resources," in the Company's 2018 Form 10-K.

Covenants

Products Corporation was in compliance with all applicable covenants under the 2016 Credit Agreements, the 2019 Term Loan Agreement, the 2018 Foreign Asset-Based Term Agreement and the 2019 Senior Line of Credit Agreement as of September 30, 2019. As of September 30, 2019, the aggregate principal amounts outstanding and availability under Products Corporation's various revolving credit facilities were as follows:

	Commitment	Borrowing Base	Aggregate principal amount outstanding at September 30, 2019	Availability at September 30, 2019 [a]
Tranche A of the Amended 2016 Revolving Credit Facility	$ 400.0	$ 400.0	$ 307.5	$ 81.2
Tranche B of the Amended 2016 Revolving Credit Facility	41.5	40.9	40.9	—
Total Tranche A & B of the Amended 2016 Revolving Credit Facility[a]	$ 441.5	$ 440.9	$ 348.4	$ 81.2
2019 Senior Line of Credit Facility	$ 30.0	N/A	$ —	$ 30.0

[a] Availability at September 30, 2019 is based upon the borrowing base then in effect of $440.9 million, less $11.3 million of outstanding undrawn letters of credit and $348.4 million then drawn. As Products Corporation's consolidated fixed charge coverage ratio was greater than 1.0 to 1.0 as of September 30, 2019, all of the $81.2 million of availability under the Amended 2016 Revolving Credit Facility was available as of such date.

Products Corporation was in compliance with all applicable covenants under its Senior Notes Indentures as of September 30, 2019, with there being $500 million and $450 million in aggregate principal amount outstanding under the 5.75% Senior Notes and 6.25% Senior Notes, respectively, as of September 30, 2019.

Sources and Uses

The Company's principal sources of funds are expected to be operating revenues, cash on hand and funds that may be available from time to time for borrowing under the Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility and other permissible borrowings. The 2016 Credit Agreements, the 2019 Term Loan Agreement, the Senior Notes Indentures and the 2018 Foreign Asset-Based Term Agreement contain certain provisions that by their terms limit Products Corporation's and its subsidiaries' ability to, among other things, incur additional debt, subject to certain exceptions.

The Company's principal uses of funds are expected to be the payment of operating expenses, including payments in connection with the purchase of permanent wall displays; capital expenditure requirements; debt service payments and costs; cash tax payments; pension and other post-retirement benefit plan contributions; payments in connection with the Company's restructuring programs, such as the EA Integration Restructuring Program and the 2018 Optimization Program; severance not otherwise included in the Company's restructuring programs; business and/or brand acquisitions (including, without limitation, through licensing transactions), if any; debt and/or equity repurchases, if any; costs related to litigation; and payments in connection with discontinuing non-core business lines and/or exiting and/or entering certain territories and/or channels of trade.

The Company's cash contributions to its pension and post-retirement benefit plans in the first nine months of 2019 were $7.8 million.

The Company expects that cash contributions to its pension and post-retirement benefit plans will total approximately $12 million for 2019. The Company's cash taxes paid in the first nine months of 2019 were $6.9 million. The Company expects to pay cash taxes totaling approximately $15 million to $20 million during 2019. For a further discussion, see Note 13, "Income Taxes," to the Unaudited Consolidated Financial Statements in this Form 10-Q, as well as Note 15, "Income Taxes," to the Consolidated Financial Statements in the Company's 2018 Form 10-K and Item 1A. "Risk Factors - Uncertainties in the interpretation and application of the U.S. income tax provisions could have a material impact on the Company's financial condition, results of operations and/or cash flows" in the Company's 2018 Form 10-K.

The Company's purchases of permanent wall displays and capital expenditures in the first nine months of 2019 were $28.4 million and $20 million, respectively. The Company expects that purchases of permanent wall displays will total approximately $50 million to $60 million during 2019 and expects that capital expenditures will total approximately $30 million to $40 million during 2019.

The Company has undertaken, and continues to assess, refine and implement, a number of programs to efficiently manage its working capital, including, among other things, initiatives intended to optimize inventory levels over time; centralized procurement to secure discounts and efficiencies; prudent management of trade receivables and accounts payable; and controls on general and administrative spending. In the ordinary course of business, the Company's source or use of cash from operating activities may vary on a quarterly basis as a result of a number of factors, including the timing of working capital flows.

Continuing to execute the Company's business initiatives could include taking advantage of additional opportunities to reposition, repackage or reformulate one or more brands or product lines, launching additional new products, acquiring businesses or brands (including, without limitation, through licensing transactions), divesting or discontinuing non-core business lines (which may include exiting certain territories), further refining the Company's approach to retail merchandising and/or taking further actions to optimize its manufacturing, sourcing and organizational size and structure, including actions related to the 2018 Optimization Program. Any of these actions, the intended purpose of which would be to create value through improving the Company's financial performance, could result in the Company making investments and/or recognizing charges related to executing against such opportunities. Any such activities may be funded with operating revenues, cash on hand, funds that may be available from time to time under the Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility, other permissible borrowings and/or other permitted additional sources of capital, which actions could increase the Company's total debt.

The Company may also, from time-to-time, seek to retire or purchase its outstanding debt obligations and/or equity in open market purchases, block trades, privately negotiated purchase transactions or otherwise and may seek to refinance some or all of its indebtedness based upon market conditions. Any such retirement or purchase of debt and/or equity may be funded with operating cash flows of the business or other sources and will depend upon prevailing market conditions, liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material.

The Company expects that operating revenues, cash on hand and funds that may be available from time-to-time for borrowing under the Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility and other permissible borrowings will be sufficient to enable the Company to pay its operating expenses for 2019, including payments in connection with the purchase of permanent wall displays, capital expenditures, debt service payments and costs, cash tax payments, pension and other post-retirement plan contributions, payments in connection with the Company's restructuring programs, such as the EA Integration Restructuring Program and the 2018 Optimization Program, severance not otherwise included in the Company's restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, debt and/or equity repurchases, if any, costs related to litigation, discontinuing non-core business lines and/or entering and/or exiting certain territories and/or channels of trade. The Company also expects to generate additional liquidity from cost reductions resulting from the implementation of the 2018 Optimization Program.

There can be no assurance that available funds will be sufficient to meet the Company's cash requirements on a consolidated basis, as, among other things, the Company's liquidity can be impacted by a number of factors, including its level of sales, costs and expenditures, as well as accounts receivable and inventory, which serve as the principal variables impacting the amount of liquidity available under Products Corporation's Amended 2016 Revolving Credit Facility and the 2018 Foreign Asset-Based Term Facility. For example, subject to certain exceptions, loans under the 2018 Foreign Asset-Based Term Facility must be prepaid to the extent that outstanding loans exceed the borrowing base, consisting of accounts receivable and inventory.

If the Company's anticipated level of revenues is not achieved because of, among other things, decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty products in one or more of the Company's segments; adverse changes in tariffs, foreign currency exchange rates, foreign currency controls and/or government-mandated pricing controls; decreased sales of the Company's products as a result of increased competitive activities by the Company's competitors and/or decreased performance by third-party suppliers, whether due to shortages of raw materials or otherwise; changes in consumer purchasing habits, including with respect to retailer preferences and/or sales channels, such as due to any further consumption declines that the Company has experienced; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; retail store closures in the brick-and-mortar channels where the Company sells its products, as consumers continue to shift purchases to online and e-commerce channels; changes in pricing, marketing, advertising and/or promotional strategies by the Company's customers; or less than anticipated results from the Company's existing or new products or from its advertising, promotional, pricing and/or marketing plans; or if the Company's expenses, including, without limitation, for the purchase of permanent displays, capital expenditures, debt service payments and costs, cash tax payments, pension and other post-retirement plan contributions, payments in connection with the Company's restructuring programs (such as the EA Integration Restructuring Program and the 2018 Optimization Program), severance not otherwise included in the Company's restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, debt and/or equity repurchases, if any, costs related to litigation, discontinuing non-core business lines and/or entering and/or exiting certain territories and/or channels of trade, advertising, promotional and marketing activities or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise, exceed the anticipated level of expenses, the Company's current sources of funds may be insufficient to meet the Company's cash requirements.

Any such developments, if significant, could reduce the Company's revenues and operating income and could adversely affect Products Corporation's ability to comply with certain financial and/or other covenants under the 2016 Credit Agreements, the 2019 Term Loan Agreement, the Senior Notes Indentures and/or the 2018 Foreign Asset-Based Term Agreement and in such event the Company could be required to take measures, including, among other things, reducing discretionary spending. (For further discussion of certain risks associated with the Company's business and indebtedness, see Item 1A. "Risk Factors" in the Company's 2018 Form 10-K.)

Derivative Financial Instruments

Foreign Currency Forward Exchange Contracts

Products Corporation enters into foreign currency forward exchange and option contracts ("FX Contracts") from time-to-time primarily for the purpose of hedging anticipated inventory purchases and certain intercompany payments denominated in currencies other than the local currencies of the Company's foreign and domestic operations and generally have maturities of less than one year. The FX Contracts in the Company's hedging program matured in December 2018. The Company did not enter into any FX Contracts during nine months ended September 30, 2019. The U.S. Dollar notional amounts of the FX Contracts outstanding at each of September 30, 2019 and December 31, 2018 were nil.

Interest Rate Swap Transaction

In November 2013, Products Corporation executed a forward-starting floating-to-fixed interest rate swap transaction (the "2013 Interest Rate Swap") that, at its inception, was based on a notional amount of $400 million in respect of indebtedness under the Old Acquisition Term Loan. The 2013 Interest Rate Swap expired in May 2018. Refer to Note 10, "Financial Instruments," in this Form 10-Q for more information on this interest rate swap transaction.

Credit Risk

Exposure to credit risk in the event of nonperformance by any of the counterparties to the Company's outstanding hedging instruments is limited to the gross fair value of the derivative instruments in asset positions, which totaled nil as of September 30, 2019 and December 31, 2018. The Company has from time to time in the past attempted to minimize exposure to credit risk by generally entering into derivative contracts with counterparties that have investment-grade credit ratings and are major financial institutions. If applicable, the Company also periodically monitors any changes in the credit ratings of its counterparties. Given the credit standing of the counterparties that the Company has used from time to time to provide its derivative instruments, the Company believes the risk of loss arising from any non-performance by its counterparties under the derivative instruments that it has entered into from time to time would be remote.

Off-Balance Sheet Transactions

The Company does not maintain any off-balance sheet transactions, arrangements, obligations or other relationships with unconsolidated entities or others that are reasonably likely to have a material current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Discussion of Critical Accounting Policies

For a discussion of the Company's critical accounting policies, see the Company's 2018 Form 10-K.

Effect of Recently Issued Accounting Pronouncements

See discussion of recent accounting pronouncements in Note 1, "Description of Business and Summary of Significant Accounting Policies," to the Unaudited Consolidated Financial Statements in this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not applicable as a smaller reporting company.

Item 4. Controls and Procedures

(a) <u>Disclosure Controls and Procedures</u>. The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the fiscal period covered by this Form 10-Q. Based upon such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that as a result of the material weakness described in "Management's Annual Report on Internal Control Over Financial Reporting," under Item 9A. “Controls and Procedures” of the Company’s 2018 Form 10-K, the Company's disclosure controls and procedures were not effective as of the end of the period covered by this Form 10-Q.

Given the material weakness, the Company performed additional procedures to determine that the Company’s Unaudited Consolidated Financial Statements included in this Form 10-Q were prepared in accordance with U.S. GAAP and fairly present in all material respects the Company's financial condition, results of operations and cash flow for the periods presented. As a result, management, including the Company's Chief Executive Officer and Chief Financial Officer, concluded that the Company’s Unaudited Consolidated Financial Statements included in this Quarterly Report on Form 10-Q were prepared in accordance with U.S. GAAP and fairly present in all material respects the Company’s financial condition, results of operations and cash flow for the periods presented.

(b) <u>Changes in Internal Control over Financial Reporting (“ICFR”)</u>. As disclosed in Part II, Item 9A. “Controls and Procedures” in the Company’s 2018 Form 10-K, the Company identified a material weakness in internal control over financial reporting related to the following deficiencies:

(i) the Company did not perform an effective continuous risk assessment process that adequately identified and assessed risks affecting the Company's internal controls over financial reporting associated with the implementation of its new ERP system in the U.S.;

(ii) the Company did not maintain a sufficient number of knowledgeable, trained personnel in the U.S. operations impacted by the ERP system implementation and in various other operations across the Company who understood and were held accountable for their assigned responsibilities for the design, implementation and operation of internal controls over financial reporting; and

(iii) as a result, the Company did not design, implement and consistently operate effective process-level controls to ensure that it appropriately (a) recorded and accounted for inventory, accounts receivable, net sales and cost of goods sold, (b) reconciled balance sheet accounts, (c) reviewed and approved the complete population of manual journal entries and (d) used complete and accurate information in performing manual controls.

The Company adopted a plan designed to improve its internal controls to remediate the aforementioned material weakness beginning Q1 2019 and through the date of filing this Form 10-Q has taken certain actions within each of the following areas: (i) implemented enhancements to company-wide risk assessment processes; (ii) enhanced the review and sign-off procedures for IT implementations; (iii) enhanced staff and continued to train staff responsible for internal control over financial reporting; (iv) enhanced the Company’s process and control documentation; (v) implemented new processes and controls relative to the execution and oversight of inventory, accounts receivable, net sales and cost of goods sold; (vi) enhanced and continued to reinforce policies around account reconciliations and manual journal entries; (vii) identified and clearly communicated individual employee responsibilities; and (viii) continued to implement new controls and new reporting tools to ensure the completeness and accuracy of information used in performing manual controls. These actions are ongoing and the Company is also continuing to evaluate additional controls and procedures that may be required to remediate the material weakness.

The Company believes that the actions being taken to improve the design and operating effectiveness of its internal controls will effectively remediate the material weakness. However, the material weakness in the Company’s internal control over financial reporting will not be considered remediated until the internal controls that are remediated operate for a sufficient period of time and management concludes, through testing, that these internal controls are operating effectively.

For further information regarding the Company’s material weakness, see Part I, Item 1A. “Risk Factors - Difficulties in implementing the Company’s new ERP system have disrupted the Company's business operations and have caused a material weakness in the Company’s internal control over financial reporting. If the Company is unable to remediate the material weakness in its internal control over financial reporting, it may negatively impact the Company’s ability to prepare its future financial statements in conformity with U.S. GAAP. If the Company experiences ongoing disruptions with such implementation and/or is unable to remediate the material weakness in the future, such events could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows” in the Company's 2018 Form 10-K and Part II, Item 9A. “Controls and Procedures” in the Company's 2018 Form 10-K.

Forward-Looking Statements

This Quarterly Report on Form 10-Q for the period ended September 30, 2019, as well as the Company's other public documents and statements, may contain forward-looking statements that involve risks and uncertainties, which are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the beliefs, expectations, estimates, projections, assumptions, forecasts, plans, anticipations, targets, outlooks, initiatives, visions, objectives, strategies, opportunities, drivers, focus and intents of the Company's management. While the Company believes that its estimates and assumptions are reasonable, the Company cautions that it is very difficult to predict the impact of known and unknown factors, and, of course, it is impossible for the Company to anticipate all factors that could affect its results. The Company's actual results may differ materially from those discussed in such forward-looking statements. Such statements include, without limitation, the Company's expectations, plans and estimates (whether qualitative or quantitative) as to:

(i) the Company's future financial performance and/or sales growth;

(ii) the effect on sales of decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty products in one or more of the Company's segments; adverse changes in tariffs, foreign currency exchange rates, foreign currency controls and/or government-mandated pricing controls; decreased sales of the Company's products as a result of increased competitive activities by the Company's competitors and/or decreased performance by third-party suppliers, whether due to shortages of raw materials or otherwise, changes in consumer purchasing habits, including with respect to retailer preferences and/or among sales channels, such as due to the continuing consumption declines in core beauty categories in the mass retail channel in North America; inventory management by the Company's customers; inventory de-stocking by certain retail customers; space reconfigurations or reductions in display space by the Company's customers; retail store closures in the brick-and-mortar channels where the Company sells its products, as consumers continue to shift purchases to online and e-commerce channels; changes in pricing, marketing, advertising and/or promotional strategies by the Company's customers; less than anticipated results from the Company's existing or new products or from its advertising, promotional, pricing and/or marketing plans; or if the Company's expenses, including, without limitation, for the purchase of permanent displays, capital expenditures, debt service payments and costs, cash tax payments, pension and other post-retirement plan contributions, payments in connection with the Company's restructuring programs (such as the EA Integration Restructuring Program and the 2018 Optimization Program), severance not otherwise included in the Company's restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, debt and/or equity repurchases, if any, costs related to litigation, discontinuing non-core business lines and/or entering and/or exiting certain territories and/or channels of trade, advertising, promotional and marketing activities or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise, exceed the anticipated level of expenses;

(iii) the Company's belief that continuing to execute its business initiatives could include taking advantage of additional opportunities to reposition, repackage or reformulate one or more brands or product lines, launching additional new products, acquiring businesses or brands (including through licensing transactions, if any), divesting or discontinuing non-core business lines (which may include exiting certain territories), further refining its approach to retail merchandising and/or taking further actions to optimize its manufacturing, sourcing and organizational size and structure, any of which, the intended purpose would be to create value through improving the Company's financial performance, could result in the Company making investments and/or recognizing charges related to executing against such opportunities, which activities may be funded with operating revenues, cash on hand, funds available under the Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility, other permissible borrowings and/or other permitted additional sources of capital, which actions could increase the Company's total debt;

(iv) the Company's plans to remain focused on its 3 key strategic pillars to drive its future success and growth, including (1) strengthening its iconic brands through innovation and relevant product portfolios; (2) building its capabilities to better communicate and connect with its consumers through media channels where they spend the most time; and (3) ensuring availability of its product where consumers shop, both in-store and increasingly online;

(v) the effect of restructuring activities, restructuring costs and charges, the timing of restructuring payments and the benefits from such activities, including, without limitation: (A) in connection with implementing the EA Integration Restructuring Program: (1) consolidating offices, eliminating certain duplicative activities and streamlining back-office support (which are designed to reduce the Company's SG&A expenses); and (2) recognizing $82.6 million of the EA Integration Restructuring Charges (all of which are expected to be cash payments), consisting of: (x) $72.6 million of employee-related costs, including severance, retention and other contractual termination benefits; (y) $5.1 million of lease termination costs; and (z) $4.9 million of other related charges; (B) the Company's 2018 Optimization Program designed to streamline the Company's operations, reporting structures and business processes, with the objective of maximizing productivity and improving profitability, cash flows and liquidity, with the major initiatives underlying such program including: (1) optimizing its global supply chain and realizing manufacturing efficiencies and rationalizing its global warehouse network and office locations to drive greater efficiency, lower its cost base and enhance its speed-to-market capabilities for new innovations; (2) enhancing in-market execution and optimizing its commercial and organizational structures to create more efficient global and regional capabilities; and (3) reducing overhead costs and streamlining functions and workflows by leveraging technology and shared services and standardizing and simplifying its business processes, leading to greater agility and faster decision-making; (C) the Company's expectations regarding the amount and timing of the charges and payments related to the 2018 Optimization Program, including that: (1) it will recognize approximately $30 million to $40 million of total pre-tax restructuring and related charges, consisting of employee-related costs, such as severance, pension and other termination costs, as well as related third party expenses; (2) it will incur approximately $10 million of additional capital expenditures; (3) of the restructuring charges, it recorded pre-tax restructuring charges of $28.1 million in the nine months ended September 30, 2019, related to the 2018 Optimization Program, with substantially all of the balance to be recognized in 2019; and (4) approximately 85% of the restructuring charges are to be paid in cash, with approximately $15.8 million paid through September 30, 2019, and substantially all of the remaining balance is expected to be paid by the end of 2019, with any residual amount to be paid in 2020; (D) the Company's expectation that the actions to be implemented under the 2018 Optimization Program will be substantially completed by December 31, 2019; and (E) the Company's projections that the 2018 Optimization Program will result in between $90 million and $95 million of in-year cost reductions during 2019, of which approximately $65 million had been realized as of September 30, 2019, that the annualized cost reductions will be in the range of approximately $125 million to $150 million by the end of 2019 and that approximately half of the annualized cost reductions are expected to be realized within cost of sales and the remainder in selling, general and administrative expenses;

(vi) the Company's expectation that operating revenues, cash on hand and funds that may be available from time to time for borrowing under Products Corporation's Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility and other permissible borrowings will be sufficient to enable the Company to cover its operating expenses for 2019, including the cash requirements referred to in item (viii) below, and the Company's belief that (a) it has and will have sufficient liquidity to meet its cash needs for at least the next 12 months based upon the cash generated by its operations, cash on hand, availability under the Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility and other permissible borrowings, along with the option to further settle intercompany loans and payables with certain foreign subsidiaries, and that such cash resources will be further enhanced as the Company implements its 2018 Optimization Program and cost reductions generated from other cost control initiatives and (b) restrictions and/or taxes on repatriation of foreign earnings will not have a material effect on the Company's liquidity during such period;

(vii) the Company's expected principal sources of funds, including operating revenues, cash on hand and funds available for borrowing under Products Corporation's Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility and other permissible borrowings, as well as the availability of funds from the Company taking certain measures, including, among other things, reducing discretionary spending and the Company's expectation to generate additional liquidity from cost reductions resulting from the implementation of the 2018 Optimization Program and from other cost reduction initiatives;

(viii) the Company's expected principal uses of funds, including amounts required for payment of operating expenses including in connection with the purchase of permanent wall displays; capital expenditure requirements; debt service payments and costs; cash tax payments; pension and other post-retirement benefit plan contributions; payments in connection with the Company's restructuring programs, such as the EA Integration Restructuring Program and the 2018 Optimization Program; severance not otherwise included in the Company's restructuring programs; business and/or brand acquisitions (including, without limitation, through licensing transactions), if any; debt and/or equity repurchases, if any; costs related to litigation; and payments in connection with discontinuing non-core business lines and/or exiting and/or entering certain territories and/or channels of trade (including, without limitation, that the Company may also, from time-to-time, seek to retire or purchase its outstanding debt obligations and/or equity in open market purchases, block trades, privately negotiated purchase transactions or otherwise and may seek to refinance some or all of its indebtedness based upon market conditions and that any such retirement or purchase of debt and/or equity may be funded with operating cash flows of the business or other sources and will depend upon prevailing market conditions, liquidity requirements, contractual restrictions and other factors, and the amounts involved may be material); and its estimates of the amount and timing of such operating and other expenses;

(ix) matters concerning the impact on the Company from changes in interest rates and foreign exchange rates;

(x) the Company's expectation to efficiently manage its working capital, including, among other things, initiatives intended to optimize inventory levels over time; centralized procurement to secure discounts and efficiencies; prudent management of trade receivables, accounts payable and controls on general and administrative spending; and the Company's belief that in the ordinary course of business, its source or use of cash from operating activities may vary on a quarterly basis as a result of a number of factors, including the timing of working capital flows;

(xi) the Company's expectations regarding its future net periodic benefit cost for its U.S. and international defined benefit plans;

(xii) the Company's expectation that its tax provision and effective tax rate in any individual quarter and year-to-date period will vary and may not be indicative of the Company's tax provision and effective tax rate for the full year and, with respect to the Tax Act, the Company's expectation that the Tax Act's limitation on interest deductibility will not impact the Company's 2019 federal cash taxes due to its net operating loss carryover position, and that the Tax Act will not have a material impact on its cash taxes or liquidity in 2019, as well as the Company's expectations regarding whether it will be required to establish additional valuation allowances on its deferred tax assets;

(xiii) the Company's belief that the outcome of all pending legal proceedings in the aggregate is not reasonably likely to have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows, but that in light of the uncertainties involved in legal proceedings generally, the ultimate outcome of a particular matter could be material to the Company's operating results for a particular period depending on, among other things, the size of the loss or the nature of the liability imposed and the level of the Company's income for that particular period;

(xiv) the Company's expectations regarding its implementation of the remediation plan to address the material weakness that it identified in its internal control over financial reporting, as described in Item 4. "Controls and Procedures" of this Form 10-Q; and

(xv) the Company's plans to explore strategic transactions pursuant to the Strategic Review.

Statements that are not historical facts, including statements about the Company's beliefs and expectations, are forward-looking statements. Forward-looking statements can be identified by, among other things, the use of forward-looking language such as "estimates," "objectives," "visions," "projects," "forecasts," "focus," "drive towards," "plans," "targets," "strategies," "opportunities," "assumptions," "drivers," "believes," "intends," "outlooks," "initiatives," "expects," "scheduled to," "anticipates," "seeks," "may," "will" or "should" or the negative of those terms, or other variations of those terms or comparable language, or by discussions of strategies, targets, long-range plans, models or intentions. Forward-looking statements speak only as of the date they are made, and except for the Company's ongoing obligations under the U.S. federal securities laws, the Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Investors are advised, however, to consult any additional disclosures the Company made or may make in the Company's 2018 Form 10-K and in its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, in each case filed with the SEC in 2019 and 2018 (which, among other places, can be found on the SEC's website at http://www.sec.gov, as well as on the Company's corporate website at www.revloninc.com). Except as expressly set forth in this Form 10-Q, the information available from time-to-time on such websites shall not be deemed incorporated by reference into this Form 10-Q. A number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. (See also Item 1A. "Risk Factors" in the Company's 2018 Form 10-K for further discussion of risks associated with the Company's business). In addition to factors that may be described in the Company's filings with the SEC, including this filing, the following factors, among others, could cause the Company's actual results to differ materially from those expressed in any forward-looking statements made by the Company:

(i) unanticipated circumstances or results affecting the Company's financial performance and or sales growth, including: greater than anticipated levels of consumers choosing to purchase their beauty products through e-commerce and other social media channels and/or greater than anticipated declines in the brick-and-mortar retail channel, or either of those conditions occurring at a rate faster than anticipated; the Company's inability to address the pace and impact of the new commercial landscape, such as its inability to enhance its e-commerce and social media capabilities and/or increase its penetration of e-commerce and social media channels; the Company's inability to drive a successful long-term omni-channel strategy and significantly increase its e-commerce penetration; difficulties, delays and/or the Company's inability to (in whole or in part) develop and implement effective content to enhance its online retail position, improve its consumer engagement across social media platforms and/or transform its technology and data to support efficient management of its digital infrastructure; the Company incurring greater than anticipated levels of expenses and/or debt to facilitate the foregoing objectives, which could result in, among other things, less than anticipated revenues and/or profitability; decreased consumer spending in response to weak economic conditions or weakness in the consumption of beauty products in one or more of the Company's segments; adverse changes in tariffs, foreign currency exchange rates, foreign currency controls and/or government-mandated pricing controls; decreased sales of the Company's products as a result of increased competitive activities by the Company's competitors; decreased performance by third-party suppliers, whether due to shortages of raw materials or otherwise; and/or supply disruptions at the Company's manufacturing facilities; changes in consumer preferences, such as reduced consumer demand for the Company's color cosmetics and other current products, including new product launches; changes in consumer purchasing habits, including with respect to retailer preferences and/or among sales channels, such as due to the continuing consumption declines in core beauty categories in the mass retail channel in North America; lower than expected customer acceptance or consumer acceptance of, or less than anticipated results from, the Company's existing or new products; higher than expected retail store closures in the brick-and-mortar channels where the Company sells its products, as consumers continue to shift purchases to online and e-commerce channels; higher than expected purchases of permanent displays, capital expenditures, debt service payments and costs, cash tax payments, pension and other post-retirement plan contributions, payments in connection with the Company's restructuring programs (such as the EA Integration Restructuring Program and the 2018 Optimization Program), severance not otherwise included in the Company's restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, debt and/or equity repurchases, if any, costs related to litigation, discontinuing non-core business lines and/or entering and/or exiting certain territories and/or channels of trade, advertising, promotional and marketing activities or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise or lower than expected results from the Company's advertising, promotional, pricing and/or marketing plans; decreased sales of the Company's existing or new products; actions by the Company's customers, such as greater than expected inventory management and/or de-stocking, and greater than anticipated space reconfigurations or reductions in display space and/or product discontinuances or a greater than expected impact from pricing, marketing, advertising and/or promotional strategies by the Company's customers; and changes in the competitive environment and actions by the Company's competitors, including, among other things, business combinations, technological breakthroughs, implementation of new pricing strategies, new product offerings, increased advertising, promotional and marketing spending and advertising, promotional and/or marketing successes by competitors;

(ii) in addition to the items discussed in (i) above, the effects of and changes in economic conditions (such as volatility in the financial markets, inflation, increasing interest rates, monetary conditions and foreign currency fluctuations, tariffs, foreign currency controls and/or government-mandated pricing controls, as well as in trade, monetary, fiscal and tax policies in international markets) and political conditions (such as military actions and terrorist activities);

(iii) unanticipated costs or difficulties or delays in completing projects associated with continuing to execute the Company's business initiatives or lower than expected revenues or the inability to create value through improving the Company's financial performance as a result of such initiatives, including lower than expected sales, or higher than expected costs, including as may arise from any additional repositioning, repackaging or reformulating of one or more brands or product lines, launching of new product lines, including higher than expected expenses, including for sales returns, for launching its new products, acquiring businesses or brands (including through licensing transactions, if any), divesting or discontinuing non-core business lines (which may include exiting certain territories or converting the Company's go-to-trade structure in certain countries to other business models), further refining its approach to retail merchandising and/or difficulties, delays or increased costs in connection with taking further actions to optimize the Company's manufacturing, sourcing, supply chain or organizational size and structure (including difficulties or delays in and/or the Company's inability to optimally implement the EA Integration Restructuring Program and/or the 2018 Optimization Program and/or less than expected benefits from such programs and/or more than expected costs in implementing such programs, which could cause the Company not to realize the projected cost reductions), as well as the unavailability of cash generated by operations, cash on hand and/or funds under the Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility, other permissible borrowings and/or from other permissible additional sources of capital to fund such potential activities, as well as the unavailability of funds due to potential mandatory repayment obligations under the 2018 Foreign Asset-Based Term Facility;

(iv) difficulties, delays in or less than expected results from the Company's efforts to execute on its 3 key strategic pillars to drive its future success and growth, including, without limitation: (1) less than effective new product development and innovation, less than expected acceptance of its new products and innovations by the Company's consumers and/or customers in one or more of its segments and/or less than expected levels of execution vis-à-vis its new product launches with its customers in one or more of its segments or regions; (2) less than expected levels of advertising, promotional and/or marketing activities for its new product launches, less than expected acceptance of its advertising, promotional, pricing and/or marketing plans and/or brand communication by consumers and/or customers in one or more of its segments, less than expected investment in advertising, promotional and/or marketing activities or greater than expected competitive investment; and/or (3) difficulties or disruptions impacting the Company's ability to ensure availability of its product where consumers shop, both in-store and increasingly online;

(v) difficulties, delays or unanticipated costs or charges or less than expected cost reductions and other benefits resulting from the Company's restructuring activities, such as in connection with the 2018 Optimization Program: (1) difficulties with, delays in or the Company's inability to successfully complete the actions underlying the 2018 Optimization Program, in whole or in part, which could result in less than expected operating and financial benefits from such actions, such as difficulties with, delays in or the Company's inability to generate reductions in its cost base and/or overhead costs; (2) higher than anticipated restructuring charges and/or payments and/or changes in the expected timing of such charges and/or payments; (3) delays in completing the actions underlying the 2018 Optimization Program, which could reduce and/or defer the benefits expected to be realized from such activities, such as providing an additional source of liquidity; and/or (4) less than anticipated annualized cost reductions from the 2018 Optimization Program and/or changes in the timing of realizing such cost reductions, such as due to less than anticipated resources to fund such activities and/or more than expected costs to achieve the expected cost reductions;

(vi) lower than expected operating revenues, cash on hand and/or funds available under the Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility and/or other permissible borrowings or generated from cost reductions related to the 2018 Optimization Program and/or other cost control initiatives; higher than anticipated operating expenses, such as referred to in clause (viii) below; and/or less than anticipated cash generated by the Company's operations or unanticipated restrictions or taxes on repatriation of foreign earnings;

(vii) the unavailability of funds under Products Corporation's Amended 2016 Revolving Credit Facility, the Amended 2019 Senior Line of Credit Facility and/or other permissible borrowings; the unavailability of funds under the 2018 Foreign Asset-Based Term Facility, such as due to reductions in the applicable borrowing base that could require certain mandatory prepayments; the unavailability of funds from difficulties, delays in or the Company's inability to take other measures, such as reducing discretionary spending and/or less than expected liquidity from cost reductions resulting from the implementation of the 2018 Optimization Program and from other cost reduction initiatives;

(viii) higher than expected operating expenses, such as higher than expected purchases of permanent displays, capital expenditures, debt service payments and costs, cash tax payments, pension and other post-retirement plan contributions, payments in connection with the Company's restructuring programs (such as the EA Integration Restructuring Program and the 2018 Optimization Program), severance not otherwise included in the Company's restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, debt and/or equity repurchases, if any, costs related to litigation, discontinuing non-core business lines and/or entering and/or exiting certain territories and/or channels of trade, advertising, promotional and marketing activities or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise;

(ix) unexpected significant impacts on the Company from changes in interest rates or foreign exchange rates;

(x) difficulties, delays or the inability of the Company to efficiently manage its cash and working capital;

(xi) lower than expected returns on pension plan assets and/or lower discount rates, which could result in higher than expected cash contributions, higher net periodic benefit costs and/or less than expected net periodic benefit income;

(xii) unexpected significant variances in the Company's tax provision, effective tax rate and/or unrecognized tax benefits, whether due to the enactment of the Tax Act or otherwise, such as due to the issuance of unfavorable guidance, interpretations, technical clarifications and/or technical corrections legislation by the U.S. Congress, the U.S. Treasury Department or the IRS, unexpected changes in foreign, state or local tax regimes in response to the Tax Act, and/or changes in estimates that may impact the calculation of the Company's tax provisions, as well as changes in circumstances that could adversely impact the Company's expectations regarding the establishment of additional valuation allowances on its deferred tax assets;

(xiii) unanticipated adverse effects on the Company’s business, prospects, results of operations, financial condition and/or cash flows as a result of unexpected developments with respect to the Company's legal proceedings;

(xiv) difficulties or delays that could affect the Company's ability to effectively implement the remediation plan, in whole or in part, to address the material weakness that it identified in its internal control over financial reporting, as described in Item 4. "Controls and Procedures" of this Form 10-Q; and/or

(xv) difficulties or delays that could affect the Company's ability to consummate one or more transactions pursuant to the Strategic Review, such as due to the Company’s respective businesses experiencing disruptions due to transaction-related uncertainty or other factors.

Factors other than those listed above could also cause the Company's results to differ materially from expected results. This discussion is provided pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

Website Availability of Reports, Corporate Governance Information and Other Financial Information

The Company maintains a comprehensive corporate governance program, including Corporate Governance Guidelines for Revlon’s Board of Directors, Revlon’s Board Guidelines for Assessing Director Independence and charters for Revlon’s Audit Committee and Compensation Committee. Revlon maintains a corporate investor relations website, www.revloninc.com, where stockholders and other interested persons may review, without charge, among other things, Revlon's corporate governance materials and certain SEC filings (such as Revlon's annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, proxy statements, annual reports, Section 16 reports reflecting certain changes in the stock ownership of Revlon’s directors and Section 16 officers, and certain other documents filed with the SEC), each of which are generally available on the same business day as the filing date with the SEC on the SEC’s website http://www.sec.gov. Products Corporation's SEC filings are also available on the SEC's website http://www.sec.gov. In addition, under the section of the website entitled, "Corporate Governance," Revlon posts printable copies of the latest versions of its Corporate Governance Guidelines, Board Guidelines for Assessing Director Independence and charters for Revlon's Audit Committee and Compensation Committee, as well as the Company's Code of Conduct and Business Ethics, which includes the Company's Code of Ethics for Senior Financial Officers, and the Audit Committee Pre-Approval Policy. From time-to-time, the Company may post on www.revloninc.com certain presentations that may include material information regarding its business, financial condition and/or results of operations. The business and financial materials and any other statement or disclosure on, or made available through, the websites referenced herein shall not be deemed incorporated by reference into this report.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in various routine legal proceedings incidental to the ordinary course of its business. The Company believes that the outcome of all pending legal proceedings in the aggregate is not reasonably likely to have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows. However, in light of the uncertainties involved in legal proceedings generally, the ultimate outcome of a particular matter could be material to the Company's operating results for a particular period depending on, among other things, the size of the loss or the nature of the liability imposed and the level of the Company's income for that particular period.

Item 1A. Risk Factors

In addition to the other information in this report, investors should consider carefully the risk factors discussed in Part I, Item 1A. "Risk Factors" in the Company's 2018 Form 10-K.

Item 5. Other Information

Extension of the Maturity of the 2019 Senior Line of Credit

On November 7, 2019, Products Corporation and MacAndrews & Forbes Group, LLC, Revlon's majority stockholder, entered into the Amended and Restated 2019 Senior Unsecured Line of Credit Agreement (the "Amended 2019 Line of Credit Agreement") to extend the maturity of the 2019 Senior Line of Credit Agreement entered into on June 27, 2019 by 1-year, expiring December 31, 2020. As of September 30, 2019 and as of the November 7, 2019 extension date, there were no borrowings outstanding under this facility. As of September 30, 2019, MacAndrews & Forbes Group, LLC and its affiliates beneficially owned 46,223,321 shares of Revlon's Class A common stock, representing approximately 87.2% of Revlon's outstanding shares of voting capital stock as of such date. The foregoing description of the Amended 2019 Line of Credit Agreement is qualified in its entirety by reference to the full text of such agreement, a copy of which is incorporated by reference into this Form 10-Q as Exhibit 4.1.

Appointment of Mitra Hormozi, Esq. as a Revlon Director

Effective November 7, 2019, Revlon's Board of Directors appointed Mitra Hormozi, Esq. to serve as a member of Revlon's Board of Directors. Ms. Hormozi previously served as the Company's Executive Vice President and General Counsel from April 2015 to July 2019, responsible for overseeing the Company's worldwide legal affairs. Ms. Hormozi also acted as the Company's Interim Chief Human Resources Officer from October 2018 to February 2019. Prior to joining the Company in April 2015, Ms. Hormozi was a litigation partner at two major law firms from 2011 to 2015 and previously served as Deputy Chief of Staff to then New York State Attorney General, Andrew Cuomo. Ms. Hormozi also served as an Assistant United States Attorney prosecuting high-profile complex racketeering cases in the Eastern District of New York. Since December 2018, Ms. Hormozi has served as a director of Athene Holding Ltd. (including one or more of its U.S. subsidiaries), which is a NYSE-listed company that offers and reinsures retirement savings products. With her background, Ms. Hormozi has extensive experience in both the public and private sectors of the legal field, as well as senior executive and business experience, governmental experience, public company board experience, combined with in-depth knowledge of the Company. Ms. Hormozi also currently sits on The New York State Commission on Legislative, Judicial, & Executive Compensation. Ms. Hormozi received a Bachelor of Arts in history from the University of Michigan and a Juris Doctor from the New York University School of Law.

In November 2019, the Company and Ms. Hormozi entered into a consulting agreement (the "Consulting Agreement"), pursuant to which Ms. Hormozi will assist in transitioning oversight of the Company's worldwide legal affairs to her successor. In exchange for performing these advisory services, the Company will pay Ms. Hormozi a fee of $250,000 per year and she will continue to remain eligible to be paid her 2019 annual bonus award and vest in her outstanding LTIP awards, in each case on a pro-rated basis and subject to the Company's achievement of its applicable performance objectives (supplemental to the Board's compensation program for non-employee directors). The term of the Consulting Agreement expires on December 31, 2020, subject to earlier termination by either party on at least 30 days' notice, among other standard termination rights. The foregoing description of the Consulting Agreement is qualified in its entirety by reference to the full text of such agreement, a copy of which is incorporated by reference into this Form 10-Q as Exhibit 10.2.

Item 6. Exhibits

4.1	Amended and Restated Senior Unsecured Line of Credit Agreement, dated as of November 7, 2019, between Products Corporation, as borrower, and MacAndrews & Forbes Group, LLC, as lender (incorporated by reference to Exhibit 4.1 to RCPC's Current Report on Form 10-Q filed with the SEC on November 8, 2019).
4.2	Term Loan Agreement, dated as of August 6, 2019, by and among Products Corporation, Revlon (solely for the purposes set forth therein), certain lenders party thereto and Wilmington Trust, National Association ("Wilmington Trust"), as administrative agent and collateral agent (incorporated by reference to Exhibit 4.2 to Revlon's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2019 filed with the SEC on August 8, 2019 (the "Revlon Q2 2019 Form 10-Q")).
4.3	Term Loan Guarantee and Collateral Agreement, dated as of August 6, 2019, made by each of the signatories thereto in favor of Wilmington Trust, as collateral agent, for the benefit of the Secured Parties under the Term Loan Agreement (incorporated by reference to Exhibit 4.3 to the Revlon Q2 2019 Form 10-Q).
4.4	Holdings Term Loan Guarantee and Pledge Agreement, dated as of August 6, 2019, made by Revlon in favor of Wilmington Trust, as collateral agent, for the benefit of the Secured Parties under the Term Loan Agreement (incorporated by reference to Exhibit 4.4 to the Revlon Q2 2019 Form 10-Q).
4.5	First Lien Pari Passu Intercreditor Agreement, dated as of August 6, 2019, between Revlon, Products Corporation, certain subsidiaries of Products Corporation party thereto from time to time, Wilmington Trust, as administrative agent and collateral agent, and Citibank, N.A. (incorporated by reference to Exhibit 4.5 to the Revlon Q2 2019 Form 10-Q).
4.6	BrandCo Guarantee and Security Agreement, dated as of August 6, 2019, made by each of the signatories thereto in favor of Wilmington Trust, as administrative agent, for the benefit of the Secured Parties under the Term Loan Agreement (incorporated by reference to Exhibit 4.6 to the Revlon Q2 2019 Form 10-Q).
4.7	Intellectual Property License Agreement, dated as of August 6, 2019, made between Beautyge II, LLC, Products Corporation and other signatories thereto (incorporated by reference to Exhibit 4.7 to the Revlon Q2 2019 Form 10-Q).
*10.1	Amendment dated as of September 5, 2019 to the Fourth Amended and Restated Revlon, Inc. Stock Plan.
*10.2	Consulting Agreement, dated as of November 7, 2019, by and among Revlon, Products Corporation and Mitra Hormozi, Esq.
*31.1	Certification of Debra Perelman, Chief Executive Officer, dated November 8, 2019, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
*31.2	Certification of Victoria Dolan, Chief Financial Officer, dated November 8, 2019, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
**32.1	Certification of Debra Perelman, Chief Executive Officer, dated November 8, 2019, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
**32.2	Certification of Victoria Dolan, Chief Financial Officer, dated November 8, 2019, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Schema
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase
*101.DEF	XBRL Taxonomy Extension Definition Linkbase
*101.LAB	XBRL Taxonomy Extension Label Linkbase
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase

*Filed herewith.
**Furnished herewith.

S I G N A T U R E S

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, each Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: November 8, 2019

Revlon, Inc.
(Registrant)

By: /s/ Debra Perelman	By: /s/ Victoria Dolan	By: /s/ Pamela Bucher
Debra Perelman President, Chief Executive Officer & Director	Victoria Dolan Chief Financial Officer	Pamela Bucher Vice President, Chief Accounting Officer & Controller

Revlon Consumer Products Corporation
(Registrant)

By: /s/ Debra Perelman	By: /s/ Victoria Dolan	By: /s/ Pamela Bucher
Debra Perelman President, Chief Executive Officer & Director	Victoria Dolan Chief Financial Officer	Pamela Bucher Vice President, Chief Accounting Officer & Controller

Amendment to the Fourth Amended and Restated Revlon, Inc. Stock Plan

September 5, 2019

The last sentence of Section 1.2(a) of the Fourth Amended and Restated Revlon, Inc. Stock Plan ("**Stock Plan**") is hereby amended and restated as follows:

To the extent permitted by applicable law, the Committee may delegate to any officer of Revlon the authority to grant options, restricted stock and restricted stock units (each as defined below) to officers or employees of the Company who are not subject to Section 16 of the Exchange Act, or the limitations of Code section 162(m).

Section 2.8(h) of the Stock Plan is hereby amended and restated as follows:

(h) Notwithstanding any other provision of the Plan (but except as otherwise provided in this subsection (h)), Awards other than options and stock appreciation rights shall vest (i.e., become nonforfeitable) over a minimum period of two years; provided that (i) in the event of a Reorganization Event (as defined in Section 3.11(a)) or, in respect of such an Award to any grantee, in the event of the grantee's death, disability, involuntary termination by the Company without cause, or retirement, no such minimum vesting period shall be required, (ii) to the extent vesting in such an Award is conditioned upon the achievement of one or more performance goals, the Award shall vest over a minimum period of one year (rather than over a minimum period of three years), and (iii) subject to Section 3.5 (relating to adjustments upon changes in capitalization), as of any date, the total number of shares of Common Stock with respect to which Awards may be made under this Section 2.8(h) without minimum vesting requirements shall not exceed (A) 906,500 shares (1) less the sum (without duplication) of (a) the number of shares subject to outstanding Awards granted pursuant to this clause (iii) or parts thereof not vested pursuant to the lapse of restrictions, (b) the number of shares subject to Awards granted pursuant to this clause (iii) or parts thereof which are canceled by the Committee and for which cash is paid in respect thereof pursuant to Section 2.8(f), and (c) the number of shares subject to Awards granted pursuant to this clause (iii) or parts thereof which have vested pursuant to the lapse of restrictions, (2) plus (a) the number of shares subject to Awards granted pursuant to this clause (iii) or parts thereof not vested pursuant to the lapse of restrictions which are canceled without payment of cash or other consideration in connection with termination of the grantee's employment, services or otherwise and (b) shares of Common Stock withheld by the Company for taxes upon vesting of any such Awards granted pursuant to this clause (iii)). For purposes of this subsection (h), vesting over a two-year period or one-year period (as the case may be) may include periodic vesting determined by the Committee over such period if the rate of such vesting is proportional throughout such period; provided, however, that, other than Awards granted under clause (iii) of this Section 2.8(h), Awards other than options and stock appreciation rights may not include periodic vesting thereunder for any interval of less than one year.

Exhibit 10.2

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (this "Agreement"), dated as of November 7, 2019 (the "Execution Date"), is made and entered into by and among Mitra Hormozi, Esq. ("Ms. Hormozi"), and Revlon Consumer Products Corporation ("RCPC") and Revlon, Inc. ("Revlon" and collectively with RCPC and its subsidiaries, the "Company").

WHEREAS, Ms. Hormozi was previously employed by the Company as its Executive Vice President and General Counsel, and for a transitional period she provided non-legal services to the Company as its Interim Chief Human Resources Officer, and she resigned from her employment with the Company as of the Execution Date; and

WHEREAS, as consideration for the Company providing Ms. Hormozi with the compensation described herein, Ms. Hormozi agrees to provide Legal Advisory Services to the Company as set forth in this Agreement.

NOW, THEREFORE, in consideration of the covenants and obligations set forth herein, Ms. Hormozi and the Company hereby agree as follows:

1. LEGAL ADVISORY SERVICES. Ms. Hormozi agrees to the following:

a. During the Legal Advisory Period (as defined below), Ms. Hormozi shall serve as a non-employee senior legal advisor ("Senior Legal Advisor") to the Company. In her role as Senior Legal Advisor, Ms. Hormozi shall provide legal advice, assistance and cooperation to the Company if, as, when and to the extent requested by the Company, for the purpose of, among other things, transitioning effective management of the Company's legal functions to Ms. Hormozi's successor as the Company's General Counsel (the "Successor General Counsel"). Ms. Hormozi's services to the Company shall include, without limitation, sharing with the Successor General Counsel Ms. Hormozi's legal expertise, advice, experience, knowledge of and insight with respect to the Company's business and the beauty and fragrance industry in general (any and all of the foregoing, the "Legal Advisory Services"). Ms. Hormozi shall provide the Legal Advisory Services to, and at the direction of, the Successor General Counsel and/or her designees. The parties acknowledge and agree that the Legal Advisory Services to be provided by Ms. Hormozi will consist of the exchange of advice, information and material (including that which may be related to pending or threatened litigation and investigations) that are subject to the attorney-client privilege, work-product privilege and other related privileges and, accordingly, under no circumstances shall the Company be deemed to have waived or diminished its attorney work-product protections, attorney-client privileges or similar protections and privileges as a result of the Legal Advisory Services provided under this Agreement. In no event shall the Legal Advisory Services exceed a number of hours per month that would result in Ms. Hormozi providing greater than 20% of the average number of hours that Ms. Hormozi was providing bona fide services to the Company in the 36-month period prior to the Execution Date.

b. Legal Advisory Services Pay. In consideration of Ms. Hormozi's agreement to provide the Legal Advisory Services and her actually providing the Legal Advisory Services as, when and to the extent requested by the Successor General Counsel and/or her designees, the Company agrees to pay Ms. Hormozi during the Legal Advisory Period a fee at a rate of $250,000 per year (the "Legal Advisory Services Pay"), which will be payable in equal installments on a monthly basis starting on the 15th of the first month following the Execution Date, and on the 15th of every month thereafter during the applicable period (each such date, a "Regular Payment Date").

c. Business Expenses. The Company shall promptly reimburse Ms. Hormozi for reasonable and necessary expenses actually incurred by Ms. Hormozi in connection with the business and affairs of the Company and the performance of Ms. Hormozi's duties hereunder, subject to and in accordance with the Revlon Travel and Entertainment Policy, as in effect from time to time.

d. The "Legal Advisory Period" shall begin on the day following the Execution Date (the "Effective Date") and shall continue until the earliest to occur of:

(i) December 31, 2020 (such period from the Effective Date, the "Term");

(ii) the date on which the Successor General Counsel notifies Ms. Hormozi upon at last 30 days' advance written notice that the Company no longer requires Ms. Hormozi's provision of the Legal Advisory Services for any reason other than for Cause (as defined below), or the date of Ms. Hormozi's death or permanent and total disability;

(iii) the date on which Ms. Hormozi notifies the Successor General Counsel upon at last 30 days' advance written notice that she no longer wishes to provide the Legal Advisory Services for any or no reason; or

(iv) the date on which the Company terminates the Legal Advisory Period as a result of Ms. Hormozi's commission of any of the following act(s): (A) the wilful material failure by Ms. Hormozi to provide or perform the Legal Advisory Services; (B) Ms. Hormozi's commission of any felony or any crime involving moral turpitude; or (C) a Restrictive Covenant Breach, as hereinafter defined (any such event under clause (A), (B) or (C), "Cause"). The Successor General Counsel shall provide written notice of the same to Ms. Hormozi (setting forth in reasonable detail the act(s) alleged to constitute Cause), who shall then have 15 days to cure such event of Cause, if and to the extent any occurrence of Cause is determined by the Successor General Counsel in good faith to be capable of cure.

For the avoidance of doubt, upon the conclusion of the Legal Advisory Period, the Legal Advisory Services Pay shall cease, subject to Section 5 of this Agreement.

2. SERVICE ON BOARD OF DIRECTORS. Effective on or after the Effective Date, it is expected that Ms. Hormozi will be elected to the Board of Directors of Revlon and, if applicable, RCPC, at the discretion of, and subject to approval by, Revlon's (and, if applicable, RCPC's) Board of Directors, and as long as so elected by their respective stockholders. The parties agree that, in addition to the Legal Advisory Services Pay, Ms. Hormozi shall also be entitled to receive additional compensation for her service as a member of the Board of Revlon and/or RCPC, as such director compensation programs may be in effect from time to time. Ms. Hormozi shall make her commercially reasonable best efforts to attend all in-person meetings of Revlon's Board of Directors while serving as a director. As of the Effective Date, in connection with her role as a director, as well as her former service as the Company's General Counsel, Ms. Hormozi shall be covered by the Company's directors and officers insurance policy, as in effect from time to time. By signing this Agreement, Ms. Hormozi represents that, prior to or as of the Execution Date, she has resigned from all other positions that she held as an officer and employee of the Company and as a director of any subsidiary of the Company or otherwise, and agrees to promptly provide any documentation memorializing such actions as may be requested by the Company. In addition to her non-profit affiliations, the Company recognizes that Ms. Hormozi may continue to serve as a director of Athene Holding Ltd. and/or its subsidiaries, and one or more of the standing committees thereof. The process for Ms. Hormozi joining additional boards of directors is set forth in the Company's Corporate Governance Guidelines.

3. COOPERATION. Ms. Hormozi agrees, without limitation as to time, to provide her attendance and truthful testimony where deemed appropriate by the Board, with respect to any investigation or the Company's defense or prosecution of any existing or future claims with respect to any matters about which Ms. Hormozi has knowledge by virtue of providing the Legal Advisory Services, by virtue of serving as a member of the Board of Revlon and/or RCPC as applicable, or by virtue of her prior services to the Company. Such assistance and cooperation shall be provided by Ms. Hormozi without fee or charge, other than the Company's reimbursement of reasonable travel expenses. Assistance shall be given at locations and times mutually agreed upon by Ms. Hormozi and the Company, except with respect to mandated court appearances for which Ms. Hormozi will make himself available upon reasonable notice.

4. CONFIDENTIAL INFORMATION. Unless the Successor General Counsel or the Company's Deputy General Counsel (or their respective designees) consents or directs Ms. Hormozi in writing, she will not at any time during or after her service with the Company, use any Confidential Information (as defined in this Section 4) for her own benefit or disclose any Confidential Information to anyone outside the Company or to any employee or consultant of the Company not also having authorized access to and a legitimate need to know such Confidential Information, nor shall she direct anyone else to do so. In the event Ms. Hormozi is requested or required to make disclosure of any Confidential Information under any court order,

subpoena or other judicial process, she will promptly notify the Company, take all reasonable steps requested by the Company to defend against the compulsory disclosure and permit the Company to take control with counsel of its choice in any proceeding relating to the compulsory disclosure. For purposes of this Agreement, "Confidential Information" means any information, including without limitation, any financial information, projections, forecasts, business plans, synergy and/or cost reduction plans and related actions, litigations, investigations and related legal matters, mergers and acquisitions and divestitures, research and development projects, advertising, marketing and/or promotional plans, new business development projects, status of any contracts or contractual negotiations, formula, pattern, drawing, compilation, program, device, method, technique, computer security information, process, cost data, customer or supplier list or product or related information, directly or indirectly related to the past, present or anticipated business affairs of the Company or its affiliates, that derives value, actual or potential, from not being generally known to the public or to other persons who can obtain value from its disclosure or use, and any information regarding personal matters of any directors, officers or employees, or their respective family members, disclosed to Ms. Hormozi or known to her through or in the course of her service with the Company or its affiliates, directly or indirectly relating to the past, present or anticipated business affairs of the Company or its affiliates. Ms. Hormozi understands that she may not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of Confidential Information that: (a) is made (i) in confidence to a federal, state or local government official, or to her attorney, either directly or indirectly; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. The restrictions set forth in this Section 4 are in addition to, and concurrent with, any confidentiality or similar restrictions, agreements or covenants by which Ms. Hormozi is otherwise bound.

5. RESTRICTIVE COVENANTS. Ms. Hormozi recognizes that in light of the prior legal services that she provided to the Company, which, among other things, involved her providing legal advice and direction to the Company as its General Counsel with full access to all of the Company's attorney-client privileged information, as well as Company information protected by the work product privilege, she will not, during the Term or during any period that she is serving as a director of Revlon: (i) be employed by or provide consulting or other services to any other corporation, firm or business engaged in a consumer or professional cosmetics, fragrances, toiletries business or any other business that is competitive, in any geographical area, with any of the Company's then-current businesses; (ii) solicit any then-current employee of the Company for the purpose of causing them to become employed by or provide services to an entity with which Ms. Hormozi has a then-current business relationship; and/or (iii) solicit or otherwise induce any of the Company's customers, suppliers or vendors to terminate or change their business relationship with the Company.

6. BREACH OF AGREEMENT. Notwithstanding anything herein to the contrary, Ms. Hormozi agrees that the Company may, as a non-exclusive remedy, immediately cease further payment of the Legal Advisory Services Pay in the event Ms. Hormozi commits a material breach of Sections 4 or 5 of this Agreement (a "Restrictive Covenant Breach").

7. SECTION 409A. The intent of the parties is that payments and benefits under this Agreement shall comply with or be exempt from Internal Revenue Code Section 409A and applicable guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted in accordance therewith. In no event whatsoever shall the Company or its affiliates be liable for any tax, interest or penalties that may be imposed on Ms. Hormozi by Code Section 409A or any damages for failing to comply with Code Section 409A or otherwise. To the extent any taxable expense reimbursement or in-kind benefits under this Agreement is subject to Code Section 409A, the amount thereof eligible in any calendar year shall not affect the amount eligible for any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the year in which Ms. Hormozi incurred such expenses, and in no event shall any right to reimbursement or receipt of in-kind benefits be subject to liquidation or exchange for another benefit. Notwithstanding any provisions of this Agreement to the contrary, if Ms. Hormozi is a "specified employee" (within the meaning of Code Section 409A and determined pursuant to any policies adopted by the Company consistent with Code Section 409A), at the time of Ms. Hormozi's separation from service, and if any portion of the payments or benefits to be received by Ms. Hormozi upon separation from service would be considered deferred compensation under Code Section 409A and cannot be paid or provided to Ms. Hormozi without Ms. Hormozi incurring taxes, interest or penalties under Code Section 409A, amounts that would otherwise be payable pursuant to this

Agreement and benefits that would otherwise be provided pursuant to this Agreement, in each case, during the six-month period immediately following Ms. Hormozi's separation from service will instead be paid or made available on the earlier of (i) the first business day of the seventh month following the date of Ms. Hormozi's separation from service or (ii) Ms. Hormozi's death. Each payment under this Agreement is intended to be a "separate payment" and not one of a series of payments for purposes of Code Section 409A.

8. GOVERNING LAW; JURISDICTION; WAIVER OF TRIAL BY JURY. This Agreement shall be governed by, and construed pursuant to, the laws of the State of New York applicable to transactions executed and to be wholly performed in New York between residents thereof, without regard to the state's conflict of law provisions that would require application of the laws of a different jurisdiction, except as otherwise preempted by the laws of the United States. The parties consent and agree to the exclusive jurisdiction of the Federal and State courts sitting in the County of New York for all purposes. ALSO, AS A MATERIAL INDUCEMENT FOR THE PARTIES TO ENTER INTO THIS AGREEMENT, TO THE EXTENT ALLOWED BY LAW, THE PARTIES KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY LITIGATION BASED ON THIS AGREEMENT OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH THIS AGREEMENT, THE CONSULTING RELATIONSHIP, OR ACTIONS OR INACTIONS OF ANY PARTY HERETO. If any action shall be brought to enforce or interpret any of the terms or conditions of this Agreement, the party that substantially prevails shall be entitled to their reasonable attorneys' fees and costs.

9. ENTIRE AGREEMENT. Except as explicitly set forth in this Agreement, this Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof including, but not limited to, any emails or term sheets. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth. In entering into, performing and enforcing this Agreement, each of Ms. Hormozi and the Company disclaim any reliance whatsoever on any representations, warranties, promises, understandings or arrangements that are not expressly set forth, or referred to, in this Agreement. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

10. ASSIGNMENT. This Agreement shall be binding upon the parties hereto and their successors and permitted assignees. This Agreement, and Ms. Hormozi's rights and obligations hereunder, may not be assigned by the parties, nor may the parties pledge, encumber or anticipate any payments or benefits due hereunder, by operation of law or otherwise.

11. SEVERABILITY. Any provision of this Agreement that is held to be invalid or unenforceable under any applicable law or regulation shall, to the extent of any such invalidity or unenforceability, be deemed by the parties (a) to be modified to the extent necessary to cure such invalidity or unenforceability and to carry out so far as possible the intention manifested by the provision in question or (b) if necessary, to be omitted from this Agreement, but such invalidity or unenforceability, and such resulting modification or omission, shall not invalidate or render unenforceable the remaining provisions of this Agreement.

12. CONSTRUCTION OF AGREEMENT. The parties hereto acknowledge and agree that each party has reviewed and negotiated the terms and provisions of this Agreement and has contributed to its drafting. Accordingly, the rule of construction to the effect that ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement. Rather, the terms of this Agreement shall be construed fairly as to both parties hereto and not in favor or against either party. The parties further agree that the recitals set forth in the beginning of this Agreement shall constitute substantive terms of this Agreement.

13. INDEPENDENT CONTRACTOR. Ms. Hormozi warrants that, during the Advisory Period, Ms. Hormozi will at all times be and remain an independent contractor, and will not be considered the agent, partner, principal or employee of the Company or any of its affiliates. Ms. Hormozi will be free to exercise her own judgment as to the manner and method of providing the Legal Advisory Services to the Company, subject to applicable laws and requirements reasonably imposed by the Company. Ms. Hormozi

acknowledges and agrees that, unless expressly authorized by the Company's Chief Executive Officer (the "CEO") or the Board, or in connection with her services as a member of the Board in accordance with her fiduciary duties, she is not authorized to speak publicly, or to issue any other form of communication or disclosure to the public, on behalf of the Company, to enter into agreements on behalf of the Company or to otherwise bind the Company. Ms. Hormozi acknowledges and agrees that, during Advisory Period, she will not be treated as an employee of the Company or any of its subsidiaries or affiliates for purposes of federal, state or local income or other tax withholding, nor unless otherwise specifically provided by law, for purposes of the Federal Insurance Contributions Act, the Social Security Act, the Federal Unemployment Tax Act or any workers' compensation law of any state or country (or subdivision thereof), or for purposes of benefits provided to employees of the Company or any of its affiliates under any employee benefit plan, program, policy or arrangement (including, without limitation, vacation, holiday and sick leave benefits, insurance coverage and retirement benefits). Ms. Hormozi acknowledges and agrees that, as an independent contractor, she will be required to pay (and that the Company will not withhold or remit) any applicable taxes on the fees paid to her by the Company, and to provide workers' compensation insurance and any other coverage required by law.

14. WORK PRODUCT.

(a) Ms. Hormozi acknowledges that any and all records, files, notes and working papers relating to the Legal Advisory Services and all trademarks, artwork, logos, graphics, video, text, data and other materials and information supplied by the Company to Ms. Hormozi in connection with this Agreement, shall remain the sole and exclusive property of the Company to be used only in connection with the Legal Advisory Services.

(b) All work product, including, without limitation, all records, files, notes and working papers, inventions, ideas, know how, data, designs, artwork, text, sketches, drawings, notebook and labbook entries, works and improvements of any kind whatsoever, whether of a technical, artistic or economic nature or otherwise, made or conceived by Ms. Hormozi, either solely or jointly with others (including, without limitation, with the Company or its affiliates), which result from the Legal Advisory Services (collectively, the "Work Product") shall be the sole property of the Company and its designees. Ms. Hormozi hereby agrees to promptly: (i) communicate and to assign to the Company or its designees all such Work Product, (ii) execute and deliver all papers, instruments and assignments requested by the Company or its designees, (iii) perform any other reasonable act that the Company or its designees may require to vest in the Company or its designees all right, title and interest in and to all patents, copyrights, trademarks and other rights in and to the Work Product in any and all countries, and (iv) communicate, cooperate and provide all relevant information required by any attorney of the Company or its affiliates or any of their designees for the preparation of any patent, trademark, domain name, copyright and/or other similar filing. All Work Product and other material developed or acquired by Ms. Hormozi, whether solely or jointly with others, in the course of performing the Legal Advisory Services, as well as all information and material furnished to Ms. Hormozi by the Company, whether or not patented, copyrighted or trademarked, shall remain the property of the Company and its affiliates and shall be held by Ms. Hormozi as their custodian in strict confidence in accordance with the confidentiality provisions of this Agreement and as a trade secret which is the property of the Company or its affiliates.

15. COUNTERPARTS. This Agreement may be executed in separate counterparts, each of which will be deemed to be an original and both of which taken together will constitute one and the same agreement.

16. EXISTING INCENTIVE COMPENSATION. Provided the Term has not been terminated under Sections 1(d)(iii) or (iv) of this Agreement prior to the respective payment and/or vesting dates, as applicable, and subject to Compensation Committee approval, which the Company will promptly seek:

a) 2019 BONUS PROGRAM. Ms. Hormozi will remain eligible for payment of her 2019 annual bonus award under the 2019 Bonus Program (which is targeted at 75% of her annual base salary), subject to being pro-rated for the actual number of days of active employment as the Company's Executive Vice President and General Counsel during 2019, with such bonus being payable: (i) if and to the extent bonuses are payable to other Company executives under the 2019 Bonus Program based upon the achievement of the Company's objectives set for that year, provided that her bonus for this purpose shall be calculated using no less than the corporate funding percentage used for other similarly situated members of the Company's Executive Leadership Team for purposes of bonus funding level calculations; (ii) on the date bonuses under the 2019

Bonus Program would otherwise be payable to other members of the Company's Executive Leadership Team; and (iii) otherwise subject to the terms and conditions of the Revlon Amended and Restated Executive Incentive Compensation Plan; and

b) LONG-TERM INCENTIVE PROGRAM AWARDS ("LTIPs"). Ms. Hormozi will remain eligible for vesting and/or payment of her outstanding LTIP awards as identified on **Exhibit A**, which schedule reflects the pro-rated amount of Ms. Hormozi's time-based and performance based RSU awards under the Company's 2017 Restated LTIP, 2018 LTIP and 2019 LTIP, pro-rated for the actual number of days of active employment as the Company's Executive Vice President and General Counsel during each LTIP's respective performance period, with the performance-based portion of such LTIP awards being payable: (i) if and to the extent performance-based RSUs are vesting and/or payable to other Company executives under the respective LTIPs based upon the achievement of the Company's objectives for the applicable performance periods, provided that Ms. Hormozi's pro-rated LTIPs for this purpose shall be calculated using no less than the corporate funding percentage used for other similarly situated members of the Company's Executive Leadership Team for purposes of LTIP funding level calculations; (ii) on the date time-based and performance based RSUs are otherwise settled for other members of the Company's Executive Leadership Team; and (iii) otherwise subject to the terms and conditions of the Fourth Amended and Restated Revlon, Inc. Stock Plan.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the date first set forth above.

/s/ Mitra Hormozi, Esq.
Ms. Mitra Hormozi, Esq.

REVLON CONSUMER PRODUCTS CORPORATION	REVLON, INC.
By /s/ Ely Bar-Ness Ely Bar-Ness Chief Human Resources Officer	By /s/ Ely Bar-Ness Ely Bar-Ness Chief Human Resources Officer

Mitra Hormozi Pro-Rated Outstanding LTIP Awards

	Performance-based				**Time-based**			
	No. of PRSUs	**Pro-rated Vesting %**	**No. of Pro-rated Units to Vest**	**Vesting Date**	**No. of RSUs**	**Pro-rated Vesting %**	**No. of Pro-rated Units to Vest**	**Vesting Date**
Restated 2017 LTIP	12,690	77%*	9,822	March 2020	6,345	55%****	3,477	March 2020
2018 LTIP	12,690	52%**	6,548	March 2021	4,230	55%****	2,318	March 2020
2019 LTIP	11,086	18%***	2,025	March 2022	3,695	55%****	2,025	March 2020
			18,395				**7,820**	

* 77% represents 565 days of the 730 day (2-year) performance period

** 52% represents 565 days of the 1,095 day (3-year) performance period

*** 18% represents 200 days of the 1,095 day (3-year) performance period

**** 55% represents 200 days of the 365 day time period

Exhibit 31.1

CERTIFICATIONS

I, Debra Perelman, certify that:

1. I have reviewed this quarterly report on Form 10-Q (the "Report") of Revlon, Inc. (the "Registrant");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 8, 2019

/s/ Debra Perelman
Debra Perelman
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Victoria Dolan, certify that:

1. I have reviewed this quarterly report on Form 10-Q (the "Report") of Revlon, Inc. (the "Registrant");

2. Based on my knowledge, this Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Report;

3. Based on my knowledge, the financial statements, and other financial information included in this Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this Report based on such evaluation; and

   (d) Disclosed in this Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: November 8, 2019

/s/ Victoria Dolan
Victoria Dolan
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Revlon, Inc. (the "Company") for the period ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Debra Perelman, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Debra Perelman
Debra Perelman
Chief Executive Officer

November 8, 2019

Exhibit 32.2

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Revlon, Inc. (the "Company") for the period ended September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Victoria Dolan, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Victoria Dolan
Victoria Dolan
Chief Financial Officer

November 8, 2019