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

FORM 10-Q
(Mark One)

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

For the quarterly period ended September 30, 2020

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
33-59650	**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 ☒	No ☐
Revlon Consumer Products Corporation	Yes ☐	No ☒

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 ☒ 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 ☒	Yes ☒ No ☐	Yes ☐ No ☒	Yes ☒ No ☐	Yes ☐ No ☒
Revlon Consumer Products Corporation	Yes ☐ No ☒	Yes ☐ No ☒	Yes ☒ No ☐	Yes ☒ No ☐	Yes ☐ No ☒

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 ☒
Revlon Consumer Products Corporation	Yes ☐	No ☒

Number of shares of common stock outstanding as of September 30, 2020:

Revlon, Inc. Class A Common Stock:	53,330,303
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 ("Products Corporation") Common Stock were held by Revlon, Inc.

Products Corporation meets the conditions set forth in General Instructions H(1)(a) and (b) of Form 10-Q as, among other things, all of Products Corporation's equity securities are owned directly by Revlon, Inc., which is a reporting company under the Securities Exchange Act of 1934, as amended, and which filed with the SEC on November 13, 2020 all of the material required to be filed pursuant to Section 13, 14 or 15(d) thereof. Products Corporation is therefore filing this Form 10-Q with a reduced disclosure format applicable to Products Corporation.

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REVLON, INC. AND SUBSIDIARIES

PART I - FINANCIAL INFORMATION

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

	September 30, 2020	December 31, 2019
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 268.3	$ 104.3
Trade receivables, less allowance for doubtful accounts of $12.4 and $11.4 as of September 30, 2020 and December 31, 2019, respectively	340.8	423.4
Inventories, net	525.5	448.4
Prepaid expenses and other assets	140.8	135.3
Total current assets	1,275.4	1,111.4
Property, plant and equipment, net of accumulated depreciation of $530.3 and $488.1 as of September 30, 2020 and December 31, 2019, respectively	355.8	408.6
Deferred income taxes	230.5	175.1
Goodwill	563.2	673.7
Intangible assets, net of accumulated amortization and impairment of $286.7 and $226.4 as of September 30, 2020 and December 31, 2019, respectively	435.9	490.7
Other assets	112.5	121.1
Total assets	$ 2,973.3	$ 2,980.6
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current liabilities:		
Short-term borrowings	$ 2.0	$ 2.2
Current portion of long-term debt	704.5	288.0
Accounts payable	219.9	251.8
Accrued expenses and other current liabilities	387.9	414.9
Total current liabilities	1,314.3	956.9
Long-term debt	2,926.5	2,906.2
Long-term pension and other post-retirement plan liabilities	166.7	181.2
Other long-term liabilities	148.7	157.5
Stockholders' deficiency:		
Class A Common Stock, par value $0.01 per share: 900,000,000 shares authorized; 57,674,817 and 56,470,490 shares issued as of September 30, 2020 and December 31, 2019, respectively	0.5	0.5
Additional paid-in capital	1,080.5	1,071.9
Treasury stock, at cost: 1,771,032 and 1,625,580 shares of Class A Common Stock as of September 30, 2020 and December 31, 2019, respectively	(35.2)	(33.5)
Accumulated deficit	(2,397.9)	(2,012.7)
Accumulated other comprehensive loss	(230.8)	(247.4)
Total stockholders' deficiency	(1,582.9)	(1,221.2)
Total liabilities and stockholders' deficiency	$ 2,973.3	$ 2,980.6

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,	
	2020	2019	2020	2019
Net sales	$ 477.1	$ 596.8	$ 1,277.7	$ 1,720.2
Cost of sales	234.3	269.0	600.7	750.7
Gross profit	242.8	327.8	677.0	969.5
Selling, general and administrative expenses	253.4	308.1	739.1	973.2
Acquisition, integration and divestiture costs	0.9	0.1	4.2	0.7
Restructuring charges and other, net	(0.7)	2.9	44.8	11.6
Impairment charges	—	—	144.1	—
Gain on divested assets	(1.1)	—	(0.5)	—
Operating (loss) income	(9.7)	16.7	(254.7)	(16.0)
Other expenses:				
Interest expense, net	68.7	50.2	178.0	145.7
Amortization of debt issuance costs	7.8	3.7	17.8	10.4
Gain on early extinguishment of debt	(31.2)	—	(43.1)	—
Foreign currency (gains) losses, net	(9.8)	7.6	9.1	9.0
Miscellaneous, net	(2.6)	1.7	13.9	7.6
Other expenses	32.9	63.2	175.7	172.7
Loss from continuing operations before income taxes	(42.6)	(46.5)	(430.4)	(188.7)
Provision for (benefit from) income taxes	1.9	(2.1)	(45.2)	(3.2)
Loss from continuing operations, net of taxes	(44.5)	(44.4)	(385.2)	(185.5)
(Loss) income from discontinued operations, net of taxes	—	(0.3)	—	2.0
Net loss	$ (44.5)	$ (44.7)	$ (385.2)	$ (183.5)
Other comprehensive income (loss):				
Foreign currency translation adjustments	2.2	(1.8)	7.3	(0.5)
Amortization of pension related costs, net of tax[(a)(b)]	2.8	2.3	9.3	7.2
Other comprehensive income, net	5.0	0.5	16.6	6.7
Total comprehensive loss	$ (39.5)	$ (44.2)	$ (368.6)	$ (176.8)
Basic and Diluted (loss) earnings per common share:				
Continuing operations	$ (0.83)	$ (0.84)	$ (7.22)	$ (3.50)
Discontinued operations	—	—	—	0.04
Net loss	$ (0.83)	$ (0.84)	$ (7.22)	$ (3.46)
Weighted average number of common shares outstanding:				
Basic	53,476,354	53,129,004	53,371,986	53,057,154
Diluted	53,476,354	53,129,004	53,371,986	53,057,154

(a) Net of a $0.5 million tax expense and $0.3 million of tax expense for the three months ended September 30, 2020 and 2019, respectively, and net of a $0.7 million tax benefit and $0.9 million of tax expense for the nine months ended September 30, 2020 and 2019, respectively.
(b) This amount is included in the computation of net periodic benefit costs (income). See Note 10, "Pension and Post-Retirement Benefits," for additional information regarding net periodic benefit costs (income).

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) Income	Total Stockholders' Deficiency
Balance, January 1, 2020	$ 0.5	$ 1,071.9	$ (33.5)	$ (2,012.7)	$ (247.4)	$ (1,221.2)
Treasury stock acquired, at cost [(a)]	—	—	(0.4)	—	—	(0.4)
Stock-based compensation amortization	—	2.4	—	—	—	2.4
Net loss	—	—	—	(213.9)	—	(213.9)
Other comprehensive (loss) income, net [(b)]	—	—	—	—	(2.7)	(2.7)
Balance, March 31, 2020	0.5	1,074.3	(33.9)	(2,226.6)	(250.1)	(1,435.8)
Treasury stock acquired, at cost [(a)]	—	—	(1.3)	—	—	(1.3)
Stock-based compensation amortization	—	1.1	—	—	—	1.1
Net loss	—	—	—	(126.8)	—	(126.8)
Other comprehensive (loss) income, net [(b)]	—	—	—	—	14.3	14.3
Balance, June 30, 2020	0.5	1,075.4	(35.2)	(2,353.4)	(235.8)	(1,548.5)
Treasury stock acquired, at cost [(a)]	—	—	—	—	—	—
Stock-based compensation amortization	—	5.1	—	—	—	5.1
Net loss	—	—	—	(44.5)	—	(44.5)
Other comprehensive (loss) income, net [(b)]	—	—	—	—	5.0	5.0
Balance, September 30, 2020	$ 0.5	$ 1,080.5	$ (35.2)	$ (2,397.9)	$ (230.8)	$ (1,582.9)

	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	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 (loss) 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 (loss) 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 (loss) 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)

[(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 756 and nil shares of Revlon Class A Common Stock during the three months ended September 30, 2020 and 2019, and 127,725 and 85,607 shares of Revlon Class A Common Stock during the nine months ended September 30, 2020 and 2019, respectively, to satisfy certain minimum statutory tax withholding requirements related to the vesting of restricted shares and restricted stock units ("RSUs") 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 $8.50 and nil during the three months ended September 30, 2020 and 2019, and $12.99 and $18.86 during the nine months ended September 30, 2020 and 2019, 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 approximately $6,400 and nil during the three months ended September 30, 2020 and 2019, $1.6 million and $1.6 million during the nine months ended September 30, 2020 and 2019, See Note 11, "Stock Compensation Plan," for details regarding restricted stock awards and RSUs under the Stock Plan.

[b] See Note 13, "Accumulated Other Comprehensive Loss," regarding the changes in the accumulated balances for each component of other comprehensive loss during the nine months ended September 30, 2020 and 2019, 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,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (385.2)	$ (183.5)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	108.3	124.6
Foreign currency losses from re-measurement	9.1	9.0
Amortization of debt discount	1.3	1.2
Stock-based compensation amortization	8.6	7.7
Impairment charges	144.1	—
Benefit from deferred income taxes	(54.4)	(19.0)
Amortization of debt issuance costs	17.8	10.4
Gain on divested assets	(0.5)	—
Pension and other post-retirement cost	4.2	6.3
Gain on early extinguishment of debt	(43.1)	—
Paid-in-kind interest accrued on the 2020 BrandCo Facilities	6.2	—
Change in assets and liabilities:		
Decrease (increase) in trade receivables	78.0	(30.5)
Increase in inventories	(79.4)	(4.9)
Increase in prepaid expenses and other current assets	(1.7)	(5.5)
(Decrease) increase in accounts payable	(27.8)	9.1
Decrease in accrued expenses and other current liabilities	(25.2)	(81.0)
Pension and other post-retirement plan contributions	(7.5)	(7.8)
Purchases of permanent displays	(16.5)	(28.4)
Other, net	6.8	25.5
Net cash used in operating activities	(256.9)	(166.8)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(7.4)	(20.0)
Net cash used in investing activities	(7.4)	(20.0)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net decrease in short-term borrowings and overdraft	(0.7)	(22.4)
Borrowings under the 2020 BrandCo Facilities	880.0	—
Repurchases of the 5.75% Senior Notes	(114.1)	—
Net borrowings under the Amended 2016 Revolving Credit Facility	19.5	13.4
Net borrowings under the 2019 Term Loan Facility [a]	(200.0)	200.0
Repayments under the 2018 Foreign Asset-Based Term Loan	(31.4)	—
Repayments under the 2016 Term Loan Facility	(9.2)	(13.5)
Payment of financing costs	(108.3)	(13.4)
Tax withholdings related to net share settlements of restricted stock and RSUs	(1.6)	(1.6)
Other financing activities	(0.3)	(0.9)
Net cash provided by financing activities	433.9	161.6
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(0.4)	(1.4)
Net increase (decrease) in cash, cash equivalents and restricted cash	169.2	(26.6)
Cash, cash equivalents and restricted cash at beginning of period [b]	104.5	87.5
Cash, cash equivalents and restricted cash at end of period [b]	$ 273.7	$ 60.9
Supplemental schedule of cash flow information:		
Cash paid during the period for:		
Interest	**$ 182.2**	$ 157.9
Income taxes, net of refunds	12.6	6.9
Supplemental schedule of non-cash investing and financing activities:		
Non-cash roll-up of participating lenders from the 2016 Term Loan Facility to the 2020 BrandCo Facilities	$ 846.0	$ —
Paid-in-kind debt issuance costs capitalized to the 2020 BrandCo Facilities	29.1	—

[a] The Company fully repaid the 2019 Term Loan Facility in May 2020.

[b]These amounts include restricted cash of $5.4 million and $0.2 million as of September 30, 2020 and 2019, respectively. The balance as of September 30, 2020 represents: (i) cash on deposit in lieu of a mandatory prepayment under the 2018 Foreign Asset-Based Term Facility; and (ii) cash on deposit to support

outstanding undrawn letters of credit. The balance as of September 30, 2019 represents: (i) cash on deposit in lieu of a mandatory prepayment under the 2018 Foreign Asset-Based Term Facility; and (ii) cash on deposit to support outstanding undrawn letters of credit. These balances were included within prepaid expenses and other current assets and other assets in the Company's Unaudited Consolidated Balance Sheets as of September 30, 2020 and September 30, 2019, respectively.

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, 2020	December 31, 2019
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 268.3	$ 104.3
Trade receivables, less allowance for doubtful accounts of $12.4 and $11.4 as of September 30, 2020 and December 31, 2019, respectively	340.8	423.4
Inventories, net	525.5	448.4
Prepaid expenses and other assets	136.9	131.4
Receivable from Revlon, Inc.	168.7	161.2
Total current assets	1,440.2	1,268.7
Property, plant and equipment, net of accumulated depreciation of $530.3 and $488.1 as of September 30, 2020 and December 31, 2019, respectively	355.8	408.6
Deferred income taxes	211.9	158.1
Goodwill	563.2	673.7
Intangible assets, net of accumulated amortization and impairment of $286.7 and $226.4 as of September 30, 2020 and December 31, 2019, respectively	435.9	490.7
Other assets	112.5	121.1
Total assets	$ 3,119.5	$ 3,120.9
LIABILITIES AND STOCKHOLDER'S DEFICIENCY		
Current liabilities:		
Short-term borrowings	$ 2.0	$ 2.2
Current portion of long-term debt	704.5	288.0
Accounts payable	219.9	251.8
Accrued expenses and other current liabilities	390.8	418.2
Total current liabilities	1,317.2	960.2
Long-term debt	2,926.5	2,906.2
Long-term pension and other post-retirement plan liabilities	166.7	181.2
Other long-term liabilities	153.6	162.7
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, 2020 and December 31, 2019, 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, 2020 and December 31, 2019, respectively	—	—
Additional paid-in capital	1,005.1	996.5
Accumulated deficit	(2,273.4)	(1,893.1)
Accumulated other comprehensive loss	(230.8)	(247.4)
Total stockholder's deficiency	(1,444.5)	(1,089.4)
Total liabilities and stockholder's deficiency	$ 3,119.5	$ 3,120.9

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,	
	2020	**2019**	**2020**	**2019**
Net sales	$ 477.1	$ 596.8	$ 1,277.7	$ 1,720.2
Cost of sales	234.3	269.0	600.7	750.7
Gross profit	242.8	327.8	677.0	969.5
Selling, general and administrative expenses	251.4	306.3	733.2	968.1
Acquisition, integration and divestiture costs	0.9	0.1	4.2	0.7
Restructuring charges and other, net	(0.7)	2.9	44.8	11.6
Impairment charges	—	—	144.1	—
Gain on divested assets	(1.1)	—	(0.5)	—
Operating (loss) income	(7.7)	18.5	(248.8)	(10.9)
Other expenses:				
Interest expense, net	68.7	50.2	178.0	145.7
Amortization of debt issuance costs	7.8	3.7	17.8	10.4
Gain on early extinguishment of debt	(31.2)	—	(43.1)	—
Foreign currency (gains) losses, net	(9.8)	7.6	9.1	9.0
Miscellaneous, net	(2.6)	1.7	13.9	7.6
Other expenses	32.9	63.2	175.7	172.7
Loss from continuing operations before income taxes	(40.6)	(44.7)	(424.5)	(183.6)
Provision for (benefit from) income taxes	2.3	(1.8)	(44.2)	(2.4)
Loss from continuing operations, net of taxes	(42.9)	(42.9)	(380.3)	(181.2)
(Loss) income from discontinued operations, net of taxes	—	(0.3)	—	2.0
Net loss	$ (42.9)	$ (43.2)	$ (380.3)	$ (179.2)
Other comprehensive income (loss):				
Foreign currency translation adjustments	2.2	(1.8)	7.3	(0.5)
Amortization of pension related costs, net of tax[a][b]	2.8	2.3	9.3	7.2
Other comprehensive income, net	5.0	0.5	16.6	6.7
Total comprehensive loss	$ (37.9)	$ (42.7)	$ (363.7)	$ (172.5)

[a] Net of a $0.5 million tax expense and $0.3 million of tax expense for the three months ended September 30, 2020 and 2019, respectively, and net of a $0.7 million tax benefit and $0.9 million of tax expense for the nine months ended September 30, 2020 and 2019, respectively.
[b] This amount is included in the computation of net periodic benefit costs (income). See Note 10, "Pension and Post-Retirement Benefits," for additional information regarding net periodic benefit costs (income).

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) Income	Total Stockholder's Deficiency
Balance, January 1, 2020	$ 54.6	$ 996.5	$ (1,893.1)	$ (247.4)	$ (1,089.4)
Stock-based compensation amortization	—	2.4	—	—	2.4
Net loss	—	—	(212.2)	—	(212.2)
Other comprehensive (loss) income, net [(a)]	—	—	—	(2.7)	(2.7)
Balance, March 31, 2020	54.6	998.9	(2,105.3)	(250.1)	(1,301.9)
Stock-based compensation amortization	—	1.1	—	—	1.1
Net loss	—	—	(125.2)	—	(125.2)
Other comprehensive (loss) income, net [(a)]	—	—	—	14.3	14.3
Balance, June 30, 2020	54.6	1,000.0	(2,230.5)	(235.8)	(1,411.7)
Stock-based compensation amortization	—	5.1	—	—	5.1
Net loss	—	—	(42.9)	—	(42.9)
Other comprehensive (loss) income, net [(a)]	—	—	—	5.0	5.0
Balance, September 30, 2020	$ 54.6	$ 1,005.1	$ (2,273.4)	$ (230.8)	$ (1,444.5)

	Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	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 (loss) 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 (loss) 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 (loss) income, net [(a)]	—	—	—	0.5	0.5
Balance, September 30, 2019	$ 54.6	$ 996.0	$ (1,921.1)	$ (227.5)	$ (1,098.0)

[(a)] See Note 13, "Accumulated Other Comprehensive Loss," regarding the changes in the accumulated balances for each component of other comprehensive loss during the three months ended September 30, 2020 and 2019, 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, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (380.3)	$ (179.2)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	108.3	124.6
Foreign currency losses from re-measurement	9.1	9.0
Amortization of debt discount	1.3	1.2
Stock-based compensation amortization	8.6	7.7
Impairment charges	144.1	—
Benefit from deferred income taxes	(53.1)	(17.8)
Amortization of debt issuance costs	17.8	10.4
Gain on divested assets	(0.5)	—
Pension and other post-retirement cost	4.2	6.3
Gain on early extinguishment of debt	(43.1)	—
Paid-in-kind interest accrued on the 2020 BrandCo Facilities	6.2	—
Change in assets and liabilities:		
Decrease (increase) in trade receivables	78.0	(30.5)
Increase in inventories	(79.4)	(4.9)
Increase in prepaid expenses and other current assets	(9.3)	(12.2)
(Decrease) increase in accounts payable	(27.8)	9.1
Decrease in accrued expenses and other current liabilities	(24.3)	(79.8)
Pension and other post-retirement plan contributions	(7.5)	(7.8)
Purchases of permanent displays	(16.5)	(28.4)
Other, net	7.3	25.5
Net cash used in operating activities	(256.9)	(166.8)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(7.4)	(20.0)
Net cash used in investing activities	(7.4)	(20.0)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net decrease in short-term borrowings and overdraft	(0.7)	(22.4)
Borrowings under the 2020 BrandCo Facilities	880.0	—
Repurchases of the 5.75% Senior Notes	(114.1)	—
Net borrowings under the Amended 2016 Revolving Credit Facility	19.5	13.4
Net borrowings under the 2019 Term Loan Facility [a]	(200.0)	200.0
Repayments under the 2018 Foreign Asset-Based Term Loan	(31.4)	—
Repayments under the 2016 Term Loan Facility	(9.2)	(13.5)
Payment of financing costs	(108.3)	(13.4)
Tax withholdings related to net share settlements of restricted stock and RSUs	(1.6)	(1.6)
Other financing activities	(0.3)	(0.9)
Net cash provided by financing activities	433.9	161.6
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(0.4)	(1.4)
Net increase (decrease) in cash, cash equivalents and restricted cash	169.2	(26.6)
Cash, cash equivalents and restricted cash at beginning of period [b]	104.5	87.5
Cash, cash equivalents and restricted cash at end of period [b]	$ 273.7	$ 60.9
Supplemental schedule of cash flow information:		
Cash paid during the period for:		
Interest	$ 182.2	$ 157.9
Income taxes, net of refunds	12.6	6.9
Supplemental schedule of non-cash investing and financing activities:		
Non-cash roll-up of participating lenders from the 2016 Term Loan Facility to the 2020 BrandCo Facilities	$ 846.0	$ —
Paid-in-kind debt issuance costs capitalized to the 2020 BrandCo Facilities	29.1	—

[a] The Company fully repaid the 2019 Term Loan Facility in May 2020.

[b]These amounts include restricted cash of $5.4 million and $0.2 million as of September 30, 2020 and 2019, respectively, The balance as of September 30, 2020 represents: (i) cash on deposit in lieu of a mandatory prepayment under the 2018 Foreign Asset-Based Term Facility; and (ii) cash on deposit to support outstanding undrawn letters of credit. The balance as of September 30, 2019 represents: (i) cash on deposit in lieu of a mandatory prepayment under the 2018 Foreign Asset-Based Term Facility; and (ii) cash on deposit to support outstanding undrawn letters of credit. These balances were included within prepaid expenses and other current assets and other assets in the Company's Unaudited Consolidated Balance Sheets as of September 30, 2020 and September 30, 2019, respectively.

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 brand-centric reporting units that are aligned with its organizational structure based on four global brand teams: Revlon; Elizabeth Arden; Portfolio; and Fragrances, which represent the Company's four reporting segments. For further information, refer to Note 14, "Segment Data and Related Information."

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.

Certain prior year amounts have been reclassified to conform to the current year presentation.

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: expected sales returns; 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; 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 Revlon's Annual Report on Form 10-K for the fiscal year ended December 31, 2019 (the "2019 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.

Liquidity and Ability to Continue as a Going Concern

The ongoing and prolonged COVID-19 pandemic has continued to adversely impact the Company's business in the third quarter of 2020 and beyond, as social-distancing restrictions and related actions designed to curb the spread of the virus have remained in place or have been reinstated as the COVID-19 pandemic spikes across the globe. These adverse economic conditions have resulted in the general slowdown of the global economy, in turn contributing to a significant decline in net sales within each of the Company's reporting segments and regions.

As previously disclosed, on October 23, 2020, Products Corporation commenced an amended exchange offer (as amended, the "Exchange Offer") to exchange any and all of its outstanding 5.75% Senior Notes due 2021 (the "5.75% Senior Notes"), which closed on November 13, 2020. In the Exchange Offer, for each $1,000 principal amount of 5.75% Senior Notes validly tendered, holders received either, at their option, (i) $275 in cash (plus a $50 early tender/consent fee payable if such 5.75% Senior Notes were tendered at or before 11:59 p.m. New York City time on November 10, 2020 (the "Expiration Time")), for an aggregate of $325 in cash (the "Cash Consideration"), or (ii) a combination of (1) $200 in cash (plus a $50 early tender/consent fee payable if such 5.75% Senior Notes were tendered at or before the Expiration Time), for an aggregate of $250 in cash, plus, (2) (A) the Per $1,000 Pro Rata Share (as hereinafter defined) of $50 million aggregate principal amount of new 2020 ABL FILO Term Loans (as hereinafter defined) and (B) the Per $1,000 Pro Rata Share of $75 million aggregate principal amount of the New BrandCo Second-Lien Term Loans (the "Mixed Consideration" and such loans, together with the

2020 ABL FILO Term Loans, the “New Loans”), if the holder is: (a)(i) a qualified institutional buyer as defined in Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”); (ii) an institutional accredited investor within the meaning of Rule 501(a)(1), (a)(2), (a)(3) or (a)(7) of the Securities Act; or (iii) a person that is not a “U.S. person” within the meaning of Regulation S under the Securities Act, (b) not a natural person and (c) not a “Disqualified Institution” (as defined under the Amended 2016 Revolving Credit Facility and related security documents and intercreditor agreements or the 2020 BrandCo Term Loan Facility and related security documents and intercreditor agreements) (an “Eligible Holder”). The “Per $1,000 Pro Rata Share” is (1) $1,000, divided by (2) the aggregate principal amount of 5.75% Senior Notes tendered for Mixed Consideration by all Eligible Holders and accepted for payment by Products Corporation.

On November 13, 2020, the Company announced that the Exchange Offer was successfully consummated and that Products Corporation had accepted $236 million in aggregate principal amount of 5.75% Senior Notes tendered in the Exchange Offer. Products Corporation used cash on hand to redeem, effective as of November 13, 2020, the remaining $106.8 million in aggregate principal amount of 5.75% Senior Notes pursuant to the terms of the indenture governing the 5.75% Senior Notes. Following the consummation of the Exchange Offer and the satisfaction and discharge of the remaining 5.75% Senior Notes, no 5.75% Senior Notes remained outstanding.

In addition, the Company’s Amended 2016 Revolving Credit Facility matures on September 7, 2021, and the Company is currently in discussions with various lenders to extend such maturity or refinance such facility.

The uncertainty as to Products Corporation’s ability to extend or refinance the Amended 2016 Revolving Credit Facility raises substantial doubt about the Company’s ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties, nor do they include adjustments to reflect the possible future effects of the recoverability and classification of recorded asset amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

For more information, please see the risk factors discussed in Part II, Item 1A. “Risk Factors” of this Quarterly Report on Form 10-Q.

Recently Evaluated and/or Adopted Accounting Pronouncements

In August 2018, the FASB issued Accounting Standard Update ("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. 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 software implementation costs incurred after adoption. The Company adopted ASU No. 2018-15 prospectively, beginning as of January 1, 2020. The Company completed its assessment and determined that this new guidance does not have a material impact on the Company’s results of operations, financial condition and/or financial statement disclosures.

Recently Issued Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." The new guidance under ASU 2020-04 provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. These amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company is in the process of assessing the impact, if any, that ASU No. 2020-04 is expected to have on the Company’s results of operations, financial condition and/or financial statement disclosures.

In December 2019, the FASB issued ASU No. 2019-12, "Income Taxes (Topic 740) - Simplifying the Accounting for Income Taxes," which removes certain exceptions for recognizing deferred taxes for investments, performing intra-period allocations, calculating income taxes in interim periods and how a company accounts for future events. This ASU also adds guidance to reduce complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. This guidance is effective for annual periods beginning after December 15, 2020, with early adoption permitted, including adoption in any interim period. An entity that elects to early adopt the amendments in an interim period should reflect any adjustments as of the beginning of the annual period that includes that interim period. After reviewing this ASU, the Company decided that it will adopt this guidance beginning as of January 1, 2021. The Company completed its assessment of the possible effects of this ASU upon its implementation and determined that it is not expected to have significant impacts 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. This new pronouncement only affects disclosure items and it 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. In November 2019, the FASB issued ASU No. 2019-10, which, among other things, deferred the application of the new guidance on credit losses for smaller reporting companies ("SRC") to 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

Revlon 2020 Restructuring Program

Building upon its previously-announced 2018 Optimization Program, in March 2020 the Company announced that it is implementing a worldwide organizational restructuring (the “Revlon 2020 Restructuring Program”) designed to reduce the Company’s selling, general and administrative expenses, as well as cost of goods sold, improve the Company’s gross profit and Adjusted EBITDA and maximize productivity, cash flow and liquidity. The Revlon 2020 Restructuring Program includes rightsizing the organization and operating with more efficient workflows and processes. The leaner organizational structure is also expected to improve communication flow and cross-functional collaboration, leveraging the more efficient business processes.

As a result of the Revlon 2020 Restructuring Program, the Company expects to eliminate approximately 1,000 positions worldwide, including approximately 650 current employees and approximately 350 open positions of which approximately 785 were eliminated by September 30, 2020. In March 2020, the Company began informing certain employees that were affected by the Revlon 2020 Restructuring Program. While certain aspects of the Revlon 2020 Restructuring Program may be subject to consultations with employees, works councils, unions and/or governmental authorities, the Company currently expects to substantially complete the employee-related actions by the end of 2020 and the other consolidation and outsourcing actions during 2021 and 2022.

In connection with implementing the Revlon 2020 Restructuring Program, the Company expects to recognize during 2020 approximately $60 million to $70 million of total pre-tax restructuring and related charges (the “2020 Restructuring Charges”), consisting primarily of employee-related costs, such as severance, retention and other contractual termination benefits. In addition, the Company expects restructuring charges in the range of $75 million to $85 million to be charged and paid during 2021 and 2022. The Company expects that substantially all of these restructuring charges will be paid in cash, with approximately $55 million to $65 million of the total charges expected to be paid in 2020, approximately $40 million to $45 million expected to be paid in 2021, with the balance expected to be paid in 2022.

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

A summary of the 2020 Restructuring Charges incurred since its inception in March 2020 and through September 30, 2020 is presented in the following table:

	Restructuring Charges and Other, Net					
	Employee Severance and Other Personnel Benefits	Other Costs	Total Restructuring Charges	Leases (a)	Other Related Charges (b)	Total Restructuring and Related Charges
Cumulative charges incurred through September 30, 2020	$ 44.4	$ 1.2	$ 45.6	$ 11.3	$ 4.3	$ 61.2

(a) Lease-related charges are recorded within SG&A in the Company’s Unaudited Consolidated Statement of Operations and Comprehensive Loss. These lease-related charges include: (i) $3.5 million for accelerated recognition of rent expense related to certain abandoned leases; (ii) $3.0 million for the disposal of leasehold improvements and other equipment in connection with certain leases; (iii) $3.9 million of rent expense related to the Revlon 2020 Restructuring Program; and (iv) $0.9 million of disposal of leasehold improvements and other equipment in connection with the abandoned leases identified in clause (i) of this footnote (a).

(b) Other related charges are recorded within SG&A and cost of sales in the Company’s Unaudited Consolidated Statement of Operations and Comprehensive Loss.

A summary of the 2020 Restructuring Charges incurred since its inception in March 2020 and through September 30, 2020 by reportable segment is presented in the following table:

	Cumulative charges incurred through September 30, 2020
Revlon	$ 17.9
Elizabeth Arden	10.0
Portfolio	10.6
Fragrances	7.1
Total	$ 45.6

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. The 2018 Optimization Program was substantially completed by December 31, 2019.

As of September 30, 2020, restructuring and related charges under the 2018 Optimization Program expected to be paid in cash are approximately $32 million of the total $39.6 million of recorded charges, of which $30.3 million were already paid through September 30, 2020, with any residual balance expected to be paid during the remainder of 2020.

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

A summary of the 2018 Optimization Restructuring Charges incurred since its inception in November 2018 and through September 30, 2020 is presented in the following table:

	Restructuring Charges and Other, Net					
	Employee Severance and Other Personnel Benefits[a]	Other Costs	Total Restructuring Charges	Inventory Adjustments[b]	Other Related Charges[c]	Total Restructuring and Related Charges
Charges incurred through December 31, 2019	$ 20.3	$ 0.3	$ 20.6	$ 4.9	$ 14.0	$ 39.5
Charges incurred during the nine months ended September 30, 2020	(0.6)	—	(0.6)	—	0.7	0.1
Cumulative charges incurred through September 30, 2020	$ 19.7	$ 0.3	$ 20.0	$ 4.9	$ 14.7	$ 39.6

[a] Includes reversal due to true-up of previously-accrued restructuring charges.
[b] Inventory adjustments are recorded within cost of sales in the Company’s Unaudited Consolidated Statement of Operations and Comprehensive Loss.
[c] Other related charges are recorded within SG&A in the Company’s Unaudited Consolidated Statement of Operations and Comprehensive Loss.

A summary of the 2018 Optimization Restructuring Charges incurred since its inception in November 2018 and through September 30, 2020 by reportable segment is presented in the following table:

	Charges incurred during the nine months ended September 30, 2020	Cumulative charges incurred through September 30, 2020
Revlon	$ (0.3)	$ 8.5
Elizabeth Arden	(0.1)	4.2
Portfolio	(0.1)	3.9
Fragrances	(0.1)	3.4
Total	$ (0.6)	$ 20.0

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, 2020	Expense, Net	Foreign Currency Translation	Cash	Non-cash	Liability Balance at September 30, 2020
Revlon 2020 Restructuring Program:						
Employee severance and other personnel benefits	$ —	$ 44.4	$ —	$ (20.3)	$ —	$ 24.1
Other	—	1.2	—	(1.2)	—	—
Total Revlon 2020 Restructuring Program	—	45.6	—	(21.5)	—	24.1
2018 Optimization Program:						
Employee severance and other personnel benefits	5.7	(0.6)	—	(3.7)	—	1.4
Other immaterial actions:[a]						
Employee severance and other personnel benefits	4.3	(0.2)	0.2	(0.4)	—	3.9
Total restructuring reserve	$ 10.0	$ 44.8	$ 0.2	$ (25.6)	$ —	$ 29.4

[a] The balance of other immaterial restructuring initiatives primarily consists of balances outstanding under the EA Integration Restructuring Program implemented by the Company in December 2016, which was completed by December 2018. The reversal of charges and payments made during the nine months ended September 30, 2020 primarily related to other individually and collectively immaterial restructuring initiatives.

As of September 30, 2020 and 2019, all of the restructuring reserve balances were included within accrued expenses and other current liabilities in the Company's Consolidated Balance Sheets.

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

3. INVENTORIES

As of September 30, 2020 and December 31, 2019, the Company's net inventory balances consisted of the following:

	September 30, 2020	December 31, 2019
Finished goods	$ 402.2	$ 326.5
Raw materials and supplies	106.8	110.4
Work-in-process	16.5	11.5
	$ 525.5	$ 448.4

4. PROPERTY, PLANT AND EQUIPMENT

As of September 30, 2020 and December 31, 2019, the Company's property, plant and equipment balances consisted of the following:

	September 30, 2020	December 31, 2019
Land and improvements	$ 11.2	$ 11.0
Building and improvements	112.6	113.0
Machinery and equipment	295.9	296.0
Office furniture, fixtures and capitalized software	240.2	241.5
Counters and trade fixtures	51.9	52.9
Leasehold improvements	43.8	50.1
Construction-in-progress	7.0	14.0
Right-of-Use assets	123.5	118.2
Property, plant and equipment and Right-of-Use assets, gross	886.1	896.7
Accumulated depreciation and amortization	(530.3)	(488.1)
Property, plant and equipment and Right-of-Use assets, net	$ 355.8	$ 408.6

Depreciation and amortization expense on property, plant and equipment and right-of-use assets was $18.3 million and $59.3 million during the three and nine months ended September 30, 2020, respectively, and $19.2 million and $65.2 million during the three and nine months ended September 30, 2019, respectively.

5. GOODWILL AND INTANGIBLE ASSETS, NET

Goodwill

In accordance with ASC Topic 350, “Intangibles – Goodwill and Other,” the Company performs its annual impairment test during the fourth quarter of each year. The Company also reviews goodwill for impairment whenever events or changes in circumstances indicate that the carrying value of its goodwill may not be recoverable. After the close of each interim quarter, management assesses whether there exists any indicators of impairment requiring the Company to perform an interim goodwill impairment analysis.

In performing its goodwill impairment assessments the Company uses the simplified approach allowed under ASU No. 2017-04, "Simplifying the Test for Goodwill Impairment." Following the results of such assessments, the Company records non-cash impairment charges in the amount by which the carrying value of each reporting unit exceeded its respective fair value, limited to the amount of each reporting unit's goodwill. Impairment charges are included as a separate component of operating income within the "Impairment charges" caption on the face of the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the applicable quarter-to-date and year-to-date periods.

First and Second Quarter of 2020 Interim Goodwill Assessments

As of March 31, 2020 and June 30, 2020, as a result of COVID-19’s impact on the Company’s operations, the Company determined that indicators of potential impairment existed requiring the Company to perform interim goodwill impairment analyses. These indicators included a deterioration in the general economic conditions, adverse developments in equity and credit markets, deterioration in some of the economic channels in which the Company's operates (especially in the mass retail channel), the recent trading values of the Company's capital stock and the corresponding decline in the Company’s market capitalization and the revision of the Company's internal forecasts as a result of the ongoing and prolonged COVID-19 pandemic. For its first and second quarter of 2020 interim assessments, the Company examined and performed quantitative interim goodwill impairment assessments for all its reporting units, namely: (i) Revlon; (ii) Elizabeth Arden Skin and Color; (iii) Elizabeth Arden Fragrances; (iv) Fragrances; (v) Mass Portfolio; and (vi) Professional Portfolio.

For the first quarter of 2020, as of March 31, 2020:

- The Company determined that it was more likely than not that the fair values of each of its: (i) Revlon; (ii) Elizabeth Arden Skin; and (iii) Color and Fragrances reporting units exceeded their respective carrying amounts for the first quarter of 2020. As of March 31, 2020, prior to the recording of any impairment charges, the Revlon, Elizabeth Arden Skin and Color and Fragrances reporting units had goodwill balances of $264.7 million, $67.4 million and $120.8 million, respectively; and
- The Company also determined that indicators of impairment existed for each of its: (i) Elizabeth Arden Fragrances; (ii) Mass Portfolio; and (iii) Professional Portfolio reporting units. Accordingly, for the three months ended March 31, 2020, the Company recognized a total of $99.8 million of non-cash goodwill impairment charges consisting of: $54.3 million and $19.6 million for the Mass Portfolio and Professional Portfolio reporting units, respectively, within the Company's Portfolio segment and $25.9 million for the Elizabeth Arden Fragrances reporting unit within the Company's Elizabeth Arden segment. Following the recognition of these non-cash goodwill impairment charges, as of March 31, 2020, the Elizabeth Arden Fragrances, Mass Portfolio and Professional Portfolio reporting units had approximately $23.5 million, nil and $97.2 million, respectively, in remaining goodwill.

For the second quarter of 2020, as of June 30, 2020:

- The Company determined that it was more likely than not that the fair values of each of its: (i) Revlon; (ii) Elizabeth Arden Skin and Color; and (iii) Fragrances reporting units exceeded their respective carrying amounts for the second quarter of 2020. As of June 30, 2020, prior to the recording of any impairment charges, the Revlon, Elizabeth Arden Skin and Color and Fragrances reporting units had goodwill balances of $264.9 million, $67.4 million and $120.8 million, respectively; and
- Primarily due to the continued worldwide effects of the ongoing and prolonged COVID-19 pandemic, the Company also determined that indicators of impairment existed for each of its: (i) Elizabeth Arden Fragrances; and (ii) Professional Portfolio reporting units. Accordingly, for the three months ended June 30, 2020, the Company recognized a total of $11.2 million of non-cash goodwill impairment charges consisting of: $9.6 million for the Professional Portfolio reporting unit within the Company's Portfolio segment and $1.6 million for the Elizabeth Arden Fragrances reporting unit within the Company's Elizabeth Arden segment. Following the recognition of these non-cash goodwill impairment charges, as of June 30, 2020, the Elizabeth Arden Fragrances and Professional Portfolio reporting units had approximately $22.0 million and $87.6 million, respectively, in remaining goodwill.

Third Quarter 2020 Interim Goodwill Assessment

As of September 30, 2020, primarily due to the continued worldwide effects of the ongoing and prolonged COVID-19 pandemic, the Company re-assessed whether further indicators of impairment arose during the third quarter of 2020 that might result in additional goodwill impairment charges. For the third quarter of 2020 interim assessment, the Company, in accordance with ASC 350, performed qualitative analyses for its (i) Revlon; (ii) Elizabeth Arden Skin and Color; (iii) Elizabeth Arden Fragrances; (iv) Professional Portfolio; and (v) Fragrances reporting units. As discussed above, the Mass Portfolio reporting unit's goodwill was written down to nil during the first quarter of 2020. In performing its third quarter of 2020 qualitative interim goodwill assessment, the Company considered, among other factors, the financial performance of each of its reporting units, the Company's revised expected future cash flows as affected by the ongoing and prolonged COVID-19 pandemic, as well as the results of the second quarter of 2020 quantitative interim analysis.

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

For the third quarter of 2020, as of September 30, 2020:

- The Company, in accordance with ASC 350, performed qualitative analyses for its: (i) Revlon; (ii) Elizabeth Arden Skin and Color; (iii) Elizabeth Arden Fragrances; (iv) Professional Portfolio; and (v) Fragrances reporting units; and
- Based upon such assessment, the Company determined that it was more likely than not that the fair value of each of its previously mentioned reporting units exceeded their respective carrying amounts as of September 30, 2020. Consequently, no impairment changes were recognized during the three months ended September 30, 2020.

Total non-cash impairment charges recorded on the Company's goodwill were nil and $111.0 million for the three and nine months ended September 30, 2020. No impairment charges were recognized during the nine months ended September 30, 2019.

Inputs and Assumptions Considerations

The above-mentioned fair values for the first and second quarter of 2020 quantitative interim assessments were primarily determined using a weighted average market and income approach. The income approach requires several assumptions including those regarding future sales growth, EBITDA (earnings before interest, taxes, depreciation and amortization) margins, and capital expenditures, which are the basis for the information used in the discounted cash flow model. The weighted-average cost of capital used in the income approach for the first and second quarter of 2020 quantitative interim assessments ranged from 10.5% to 12.0%, with a perpetual growth rate of 2%. For the market approach, for the first and second quarter of 2020 quantitative interim assessments, the Company considered the market comparable method based upon total enterprise value multiples of other comparable publicly-traded companies.

The key assumptions used to determine the estimated fair value of the reporting units for the first and second quarter of 2020 quantitative interim assessments, as well as for the third quarter of 2020 qualitative interim assessment, included the expected success of the Company's future new product launches, the Company's achievement of its expansion plans, the Company's realization of its cost reduction initiatives and other efficiency efforts, as well as certain assumptions regarding COVID-19's expected impact on the Company. If such plans and assumptions do not materialize as anticipated, or if there are further challenges in the business environment in which the Company's reporting units operate, a resulting change in actual results from the Company's key assumptions could have a negative impact on the estimated fair values of the reporting units, which could require the Company to recognize additional impairment charges in future reporting periods.

The inputs and assumptions utilized in the quarterly interim impairment analyses are classified as Level 3 inputs in the fair value hierarchy as defined in ASC Topic 820, “Fair Value Measurements.”

The following table presents the changes in goodwill by segment for the nine months ended September 30, 2020:

	Revlon	Portfolio	Elizabeth Arden	Fragrances	Total
Balance at January 1, 2020	$ 264.9	$ 171.1	$ 116.9	$ 120.8	$ 673.7
Foreign currency translation adjustment	0.3	0.2	—	—	0.5
Goodwill impairment charge	—	(83.5)	(27.5)	—	(111.0)
Balance at September 30, 2020	$ 265.2	$ 87.8	$ 89.4	$ 120.8	$ 563.2
Cumulative goodwill impairment charges[a]					$ (166.2)

[a] Amount refers to cumulative goodwill impairment charges related to impairments recognized in 2015, 2017, 2018 and 2020; nil and $111.0 million of such impairment charges were recognized during the three and nine months ended September 30, 2020, respectively.

In connection with recognizing these goodwill impairment charges for the three and nine months ended September 30, 2020, the Company recognized a tax benefit of approximately nil and $8.3 million, respectively, during such periods.

Intangible Assets, Net

Finite-Lived Intangibles

In accordance with ASC Topic 360, and in conjunction with the Company's performance of its interim impairment testing of goodwill for the first, second and third quarters of 2020, the Company reviewed its finite-lived intangible assets for impairment. In performing such review, the Company makes judgments about the recoverability of its purchased finite-lived intangible assets whenever events or changes in circumstances indicate that an impairment to its finite-lived intangible assets may exist. The Company also considers several indicators of impairment, including, among other factors, the following: (i) whether there exists any significant adverse change in the extent or manner in which a long-lived asset and/or asset group is being used; (ii) whether there exists any projection or forecast demonstrating losses associated with the use of a long-lived asset and/or asset group; and (iii) whether there exists a current expectation that, more likely than not, a long-lived asset and/or asset group will be sold or otherwise disposed of significantly before the end of its previously-estimated useful life. The carrying amount of a finite-lived intangible asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the finite-lived intangible asset and/or asset group and the impairment loss is measured as the amount by which the carrying amount of the finite-lived intangible asset exceeds its fair value. No impairment charges were recognized related to the carrying value of any of the Company's finite-lived intangible assets as a result of the first, second and third quarters of 2020 impairment assessments.

Indefinite-Lived Intangibles

In connection with the interim impairment assessment for the first and second quarters of 2020, the Company also quantitatively reviewed indefinite-lived intangible assets, consisting of certain trade names, using March 31, 2020 and June 30, 2020 carrying values, respectively, similar to goodwill, in accordance with ASC Topic 350.

As a result of COVID-19’s impact on the Company’s operations and on the expected future cash flows of certain asset groups, in connection with the Company's quantitative interim assessment of goodwill in the first and second quarters of 2020, the Company performed quantitative interim assessments for its indefinite-lived intangible assets for the same periods, which resulted in the recognition of:

- $24.5 million of total non-cash impairment charges related to certain indefinite-lived intangible assets within the Company's Mass Portfolio, Elizabeth Arden Fragrances and Elizabeth Arden Skin and Color reporting units in the first quarter of 2020; and
- $8.6 million of total non-cash impairment charges related to certain indefinite-lived intangible assets within the Company's Elizabeth Arden Fragrances and Elizabeth Arden Skin and Color reporting units in the second quarter of 2020.

As of September 30, 2020, in accordance with the approach followed for the third quarter interim assessment of goodwill, the Company performed a qualitative assessment of its indefinite-lived intangible assets considering, among other factors, the financial performance of certain asset groups within its reporting units, the Company's revised, expected future cash flows (also as affected by COVID-19), as well as the results of the second quarter of 2020 quantitative interim analysis of indefinite-lived intangibles. No impairment charges were recognized related to the carrying value of any of the Company's indefinite-lived intangible assets as a result of the third quarter of 2020 qualitative interim impairment assessment. Consequently, total non-cash impairment charges recorded on the Company's indefinite-lived intangible assets were nil and $33.1 million for the three and nine months ended September 30, 2020.

Inputs and Assumptions Considerations

The fair values of the Company's intangible assets were determined based on the undiscounted cash flows method for its finite-lived intangibles and based on the relief from royalty method for its indefinite-lived intangibles, respectively. The inputs and assumptions utilized in the impairment analyses are classified as Level 3 inputs in the fair value hierarchy as defined in ASC Topic 820, “Fair Value Measurements.” These impairment charges were included as a separate component of operating income within the "Impairment charges" caption on the face of the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the three and nine months ended September 30, 2020. A summary of such impairment charges by segments is included in the following table:

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

	Three Months Ended September 30, 2020				
	Revlon	Portfolio	Elizabeth Arden	Fragrances	Total
Indefinite-lived intangible assets	$ —	$ —	$ —	$ —	$ —
Total Intangibles Impairment	$ —	$ —	$ —	$ —	$ —

	Nine Months Ended September 30, 2020				
	Revlon	Portfolio	Elizabeth Arden	Fragrances	Total
Indefinite-lived intangible assets	$ —	$ (2.5)	$ (30.6)	$ —	$ (33.1)
Total Intangibles Impairment	$ —	$ (2.5)	$ (30.6)	$ —	$ (33.1)

In connection with recognizing these intangible assets impairment charges for the three and nine months ended September 30, 2020, the Company recognized a tax benefit of approximately nil and $6.9 million, respectively, during such periods.

The following tables present details of the Company's total intangible assets as of September 30, 2020 and December 31, 2019:

	September 30, 2020				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Weighted-Average Useful Life (in Years)
Finite-lived intangible assets:					
Trademarks and licenses	$ 271.3	$ (122.7)	$ —	$ 148.6	12
Customer relationships	248.8	(107.4)	—	141.4	11
Patents and internally-developed intellectual property	23.7	(15.2)	—	8.5	5
Distribution rights	31.0	(7.0)	—	24.0	14
Other	1.3	(1.3)	—	—	0
Total finite-lived intangible assets	$ 576.1	$ (253.6)	$ —	$ 322.5	
Indefinite-lived intangible assets:					
Trade names	$ 146.5	N/A	$ (33.1)	$ 113.4	
Total indefinite-lived intangible assets	$ 146.5	N/A	$ (33.1)	$ 113.4	
Total intangible assets	$ 722.6	$ (253.6)	$ (33.1)	$ 435.9	

	December 31, 2019				
	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount	Weighted-Average Useful Life (in Years)
Finite-lived intangible assets:					
Trademarks and licenses	$ 271.2	$ (110.9)	$ —	$ 160.3	13
Customer relationships	248.3	(96.5)	—	151.8	11
Patents and internally-developed intellectual property	21.5	(12.1)	—	9.4	5
Distribution rights	31.0	(5.6)	—	25.4	15
Other	1.3	(1.3)	—	—	0
Total finite-lived intangible assets	$ 573.3	$ (226.4)	$ —	$ 346.9	
Indefinite-lived intangible assets:					
Trade names	$ 143.8	N/A	$ —	$ 143.8	
Total indefinite-lived intangible assets	$ 143.8	N/A	$ —	$ 143.8	
Total intangible assets	$ 717.1	$ (226.4)	$ —	$ 490.7	

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

Amortization expense for finite-lived intangible assets was $8.3 million in each of the three months ended September 30, 2020 and 2019, and $25.0 million and $31.9 million for the nine months ended September 30, 2020 and 2019, respectively. The variance with the previous comparable nine-month period was attributable primarily to the accelerated amortization of the **Pure Ice** intangible assets during the quarter ended March 31, 2019 as a result of the revision of the brand’s intangible assets useful lives following the termination of a business relationship with the brand's principal customer.

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, 2020:

	Estimated Amortization Expense
2020	$ 8.7
2021	33.4
2022	32.4
2023	30.9
2024	27.6
Thereafter	189.5
Total	$ 322.5

6. ACCRUED EXPENSES AND OTHER

As of September 30, 2020 and December 31, 2019, the Company's accrued expenses and other current liabilities consisted of the following:

	September 30, 2020	December 31, 2019
Sales returns and allowances	$ 73.9	$ 89.7
Advertising, marketing and promotional costs	72.9	82.8
Taxes [a]	48.1	54.3
Compensation and related benefits	40.1	42.1
Interest	22.0	34.0
Professional services and insurance	15.0	16.3
Short-term lease liability	19.0	14.5
Freight and distribution costs	3.1	13.2
Restructuring reserve	29.4	10.0
Software	3.1	4.0
Other [b]	61.3	54.0
Total	$ 387.9	$ 414.9

[a] Accrued Taxes for Products Corporation as of September 30, 2020 and December 31, 2019 were $51.1 million and $57.6 million, respectively.
[b] Accrued Other as of December 31, 2019 includes approximately $2.3 million of severance to Mr. Fabian Garcia, the Company's former President and Chief Executive Officer, which was paid in 2020.

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

7. DEBT

The table below details the Company's debt balances as of September 30, 2020 and December 31, 2019. See also Note 19, "Subsequent Events," for recent debt activity updates.

	September 30, 2020	December 31, 2019
2020 BrandCo Term Loan Facility due 2025, net of debt issuance costs (see (a) below)	$ 1,625.2	$ —
2019 Term Loan Facility due 2023, net of discounts and debt issuance costs (see (b) below)	—	187.1
2018 Foreign Asset-Based Term Facility due 2021, net of discounts and debt issuance costs (see (c) below)	54.6	82.3
Amended 2016 Revolving Credit Facility due 2021, net of debt issuance costs (see (d) below)	290.2	269.9
2016 Term Loan Facility: 2016 Term Loan due 2023 and 2025, net of discounts and debt issuance costs (see (e) below)	875.2	1,713.6
5.75% Senior Notes due 2021, net of debt issuance costs (see (f) below)	341.7	498.1
6.25% Senior Notes due 2024, net of debt issuance costs (see (g) below)	443.8	442.8
Spanish Government Loan due 2025	0.3	0.4
Debt	$ 3,631.0	$ 3,194.2
Less current portion[*]	(704.5)	(288.0)
Long-term debt	$ 2,926.5	$ 2,906.2
Short-term borrowings (see (h) below)	$ 2.0	$ 2.2

[*] At September 30, 2020, the Company classified $704.5 million as its current portion of long-term debt, comprised primarily of $341.7 million of Products Corporation's 5.75% Senior Notes due February 15, 2021 (the "5.75% Senior Notes"), net of debt issuance costs, $290.2 million of net borrowings under the Amended 2016 Revolving Credit Facility, net of debt issuance costs, $54.6 million of the 2018 Foreign Asset-Based Term Facility due July 9, 2021, net of debt issuance costs and debt discount, $9.2 million of amortization payments on the 2016 Term Loan Facility scheduled to be paid over the next four calendar quarters, and $8.6 million of amortization payments under the 2020 BrandCo Term Loan Facility due within one year. At December 31, 2019, the Company classified $288.0 million as its current portion of long-term debt, comprised primarily of $269.9 million of net borrowings under the Amended 2016 Revolving Credit Facility, net of debt issuance costs, and $18.0 million of amortization payments on the 2016 Term Loan Facility. See below in this Note 7, "Debt," and Note 19, "Subsequent Events," for details regarding the Company's recent debt-related transactions.

[a] The aggregate principal amount outstanding under the 2020 BrandCo Term Loan Facility at September 30, 2020 was $1,761.3 million, including $846.0 million of principal rolled-up from the 2016 Term Loan Facility to the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility. See further details below, within this Note 7, "Debt," and Note 19, "Subsequent Events."

[b] On May 7, 2020, in connection with closing the 2020 BrandCo Facilities, Products Corporation fully repaid the 2019 Term Loan Facility pursuant to that Term Credit Agreement, dated as of August 6, 2019 (the "2019 Term Loan Facility"). See Note 9, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2019 Form 10-K for certain details regarding the 2019 Term Loan Facility, which prior to its repayment was scheduled to mature on the earliest of: (x) August 6, 2023 and (y) the 180th day prior to the stated maturity of Products Corporation's existing 2016 Term Loan Facility, if any loans under the 2016 Term Loan Facility remained outstanding and had not been replaced or refinanced by such date. The lenders under the 2019 Term Loan Facility participated in the 2020 BrandCo Term Loan Facility and, as a result, the Company determined that the full repayment of the 2019 Term Loan Facility represented a debt modification under U.S. GAAP. Accordingly, the Company recorded approximately $33.5 million in connection with fees paid to the lenders for the prepayment of the 2019 Term Loan Facility, as well as approximately $10.3 million in other lenders' fees, which were capitalized as part of the total debt issuance costs for the 2020 BrandCo Term Loan Facility. See further details below, within this Note 7, "Debt," and Note 19, "Subsequent Events."

[c] The aggregate principal amount outstanding under the 2018 Foreign Asset-Based Term Facility at September 30, 2020 was the Euro equivalent of $56.8 million. In connection with the amendment described below, the Company repaid €5 million of the original aggregate principal amount of €77 million. See Note 9, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2019 Form 10-K for certain details regarding the euro-denominated senior secured asset-based term loan facility that various foreign subsidiaries of Products Corporation entered into on July 9, 2018 and which is scheduled to mature on July 9, 2021 (the "2018 Foreign Asset-Based Term Facility"). In May, 2020 the Company entered into an amendment to the 2018 Foreign Asset Based Term Facility to, among other things, increase the margin applicable to the interest rate from EURIBOR (with a floor of 0.50%) plus a margin of 6.50% to EURIBOR (with a floor 0.50%) plus a margin of 7.00%. See further details below, within this Note 7, "Debt."

[d] Total borrowings at face amount under Tranche A of the Amended 2016 Revolving Credit Facility at September 30, 2020 were $291.9 million (excluding $1.4 million of outstanding undrawn letters of credit). See Note 9, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2019 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 $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. On April 17, 2020, the maturity date of the 2018 Tranche B was extended from April 17, 2020 to May 17, 2020 and was fully repaid on such extended maturity date.

[e] The aggregate principal amount outstanding under the 2016 Term Loan Facility at September 30, 2020 was $886.3 million. See Note 9, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2019 Form 10-K for certain details regarding Products Corporation's 2016 Term Loan Facility that was originally scheduled to mature 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 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 "Original Maturity Date"). On May 7, 2020, in connection with closing the 2020 BrandCo Facilities, Products Corporation amended the 2016 Term Loan Facility to, among other things, extend the maturity of a portion of the 2016 Term Loan Facility to June 30, 2025, subject to certain springing maturities (the "Extended Maturity Date"). See further details below within this Note 7, "Debt," and Note 19, "Subsequent Events." As a result of such transaction, as of September 30, 2020, $855.6 million of the 2016 Term Loan Facility is scheduled to mature on the Original Maturity Date and $30.7 million is scheduled to mature on the Extended Maturity Date.

[f] The aggregate principal amount outstanding under the 5.75% Senior Notes at September 30, 2020 was $342.8 million. See Note 9, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2019 Form 10-K for certain details regarding Products Corporation's 5.75% Senior Notes that are scheduled to mature on February 15, 2021. During the nine months ended September 30, 2020, Products Corporation repurchased $157.2 million in aggregate principal face amount of the 5.75% Senior Notes, recording a gain on extinguishment of debt of approximately $43.1 million, which is included in "Gain on early extinguishment of debt" on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the three and nine months ended September 30, 2020. See further details below within this Note 7, "Debt," and Note 19, "Subsequent Events."

[g] The aggregate principal amount outstanding under the 6.25% Senior Notes at September 30, 2020 was $450 million. See Note 9, "Long-Term Debt," to the Consolidated Financial Statements in the Company's 2019 Form 10-K for certain details regarding Products Corporation's 6.25% Senior Notes that are scheduled to mature on August 1, 2024 (the "6.25% Senior Notes").

[h] There were no borrowings at September 30, 2020 under the Second Amended and Restated Unsecured 2019 Senior Line of Credit Facility between Products Corporation and MacAndrews & Forbes Group, LLC ("M&F"), dated as of September 28, 2020 (the "2020 Restated Line of Credit Facility"), which was amended and restated in anticipation of a Future Refinanced European ABL Facility (as hereinafter defined) and will provide Products Corporation with up to a $30 million tranche of a new facility of the 2018 Foreign Asset-Based Term Facility (the "New European ABL FILO Facility") that would be secured on a "last-out" basis by the same collateral as the 2018 Foreign Asset-Based Term Facility or, if no Future Refinanced European ABL Facility is obtained, a stand-alone $30.0 million credit facility secured by the same collateral as the 2018 Foreign Asset-Based Term Facility when that facility is terminated, in each case, subject to a borrowing base.

Current Year Debt Transactions

5.75% Senior Notes Exchange Offer

See Note 19, "Subsequent Events" for important information regarding the Company's debt-related transactions occurring after September 30, 2020. On September 29, 2020, Products Corporation commenced the "Exchange Offer" to exchange any and all of the then-outstanding 5.75% Senior Notes (the "Existing 5.75% Senior Notes"). As described in Note 19, the Exchange Offer was amended on October 23, 2020 and on November 13, 2020, the Company announced that the Exchange Offer was successfully consummated and that Products Corporation had accepted $236 million in aggregate principal amount of 5.75% Senior Notes tendered in the Exchange Offer. Products Corporation used cash on hand to redeem, effective as of November 13, 2020, the remaining $106.8 million in aggregate principal amount of 5.75% Senior Notes pursuant to the terms of the 5.75% Senior Notes Indenture. Following the consummation of the Exchange Offer and the satisfaction and discharge of the remaining 5.75% Senior Notes, no 5.75% Senior Notes remained outstanding as of the closing on November 13, 2020.

Amendments to the 2020 BrandCo Term Loan Facility

Prior to consummating the Exchange Offer, on September 28, 2020, Products Corporation and certain lenders under the 2020 BrandCo Term Loan Facility, representing more than a majority in aggregate principal amount of loans thereunder (the "Supporting BrandCo Lenders"), entered into a Transaction Support Agreement (the "BrandCo TSA") under which the Supporting BrandCo Lenders agreed to take certain actions to facilitate the Exchange Offer and Consent Solicitation, including, among other things:

- Relinquishing certain rights of such Supporting BrandCo Lenders to "roll-up" loans held by such Supporting BrandCo Lenders under the 2016 Term Loan Facility into New BrandCo Second-Lien Term Loans under the 2020 BrandCo Term Loan Facility (the "Roll-up Rights");
- Tendering any Existing 5.75% Senior Notes held by such Supporting BrandCo Lenders into the Exchange Offer and Consent Solicitation;
- Consenting to amendments to the 2020 BrandCo Term Loan Facility to permit the exchange of Existing 5.75% Senior Notes for the New BrandCo Second-Lien Term Loans under the 2020 BrandCo Term Loan Facility as contemplated by the Offering Memorandum and the payment of the BrandCo Support and Consent Consideration;
- Consenting to other amendments to the 2020 BrandCo Term Loan Facility and the Amended 2016 Revolving Credit Facility to permit the Exchange Offer and Consent Solicitation to be completed as contemplated by the Offering Memorandum; and
- Supporting and cooperating with Products Corporation to consummate the transactions contemplated by the BrandCo TSA and the Offering Memorandum, including the Exchange Offer and Consent Solicitation.

In connection with such amendments, Products Corporation agreed to provide the following consideration (collectively, the "BrandCo Support and Consent Consideration") upon the successful consummation of the Exchange Offer:

- $12.5 million aggregate principal amount of New BrandCo Second-Lien Term Loans as a fee to the Supporting BrandCo Lenders under the BrandCo TSA in connection with such Supporting BrandCo Lenders' relinquishment of their Roll-up Rights;
- $10.0 million aggregate principal amount of New BrandCo Second-Lien Term Loans to one of the Supporting BrandCo Lenders in exchange for $18.7 million aggregate principal amount of Products Corporation's 6.25% Senior Notes due 2024 held by such Supporting BrandCo Lender; and
- to all lenders under the 2020 BrandCo Term Loan Facility (including the Supporting BrandCo Lenders), an amendment fee that was payable pro rata based on principal amount of loans consenting, consisting of, at Products Corporation's option, either (x) an aggregate of $2.5 million of cash or (y) $5.0 million aggregate principal amount of New BrandCo Second-Lien Term Loans. Pursuant to the BrandCo Amendment, Products Corporation elected to pay this fee in-kind in the form of $5.0 million aggregate principal amount of New BrandCo Second-Lien Term Loans.

On November 13, 2020, Products Corporation entered into that certain Amendment No. 1 (the "BrandCo Amendment") to the 2020 BrandCo Credit Agreement in connection with the Exchange Offer in order to, among other things, provide for the incurrence of $75 million in aggregate principal amount of New BrandCo Second-Lien Term Loans. The New BrandCo Second Lien Term Loans are a separate tranche of "Term B-2 Loans" (ranking junior to the Term B-1 Loans and senior to the Term B-3 Loans with respect to liens on certain specified collateral) under the BrandCo Credit Agreement. Except as to the use of proceeds, the terms of the New BrandCo Second-Lien Term Loans are substantially consistent with the other Term B-2 Loans. In connection with the BrandCo Amendment, Products Corporation paid certain fees to the lenders in-kind in the form of New BrandCo Second-Lien Term Loans in accordance with the BrandCo TSA.

MacAndrews & Forbes 2020 Restated Line of Credit Facility

In light of the upcoming maturity on July 9, 2021 of the 2018 Foreign Asset-Based Term Facility and the upcoming expiration on December 31, 2020 of the Amended 2019 Senior Line of Credit Facility, the Company sought to refinance or extend both the 2018 Foreign Asset-Based Term Facility and the Amended 2019 Senior Line of Credit Facility. Products Corporation sought to do so in order to reinforce its liquidity position to be better able to address the current business and economic environment and prepare for any further potential disruptions to its business and operations as may be brought on by the ongoing COVID-19 pandemic or other events.

As a result, and anticipating a future refinancing of the 2018 Foreign Asset-Based Term Facility (a "Future Refinanced European ABL Facility"), on September 28, 2020, Products Corporation and M&F entered into the Second Amended and Restated 2019 Senior Unsecured Line of Credit Facility (the "2020 Restated Line of Credit Facility"), which amended and restated the Amended 2019 Senior Line of Credit Facility and will provide Products Corporation with up to a $30 million tranche of a new facility of the 2018 Foreign Asset-Based Term Facility (the "New European ABL FILO Facility") that would be secured on a "last-out" basis by the same collateral as the 2018 Foreign Asset-Based Term Facility or, if no Future Refinanced European ABL Facility is obtained, a stand-alone $30 million credit facility secured by the same collateral as the 2018 Foreign Asset-Based Term Facility when that facility is terminated, in each case, subject to a borrowing base. Upon the earlier of (x) the incurrence of a New European ABL FILO Facility and (y) December 31, 2020, the 2020 Restated Line of Credit Facility will terminate, such that M&F's maximum committed amount under the 2020 Restated Line of Credit Facility will never exceed $30.0 million. As of September 30, 2020, there were no borrowings outstanding under the 2020 Restated Line of Credit Facility.

The New European ABL FILO Facility would mature on (x) the maturity date of any such Future Refinanced European ABL Facility or (y) if there is no Future Refinanced European ABL Facility, July 9, 2022. To the extent the Future Refinanced European ABL Facility exceeds $35.0 million in principal amount, the amount available under the New European ABL FILO Facility would decrease on a dollar-for-dollar basis, such that, if Products Corporation were able to obtain a Future Refinanced ABL Facility of $65.0 million from third parties, there would be no amounts available under the New European ABL FILO Facility. The interest rate for the New European ABL FILO Facility will be LIBOR + 10.00%. The covenants for the New European ABL FILO Facility would be substantially the same as those applicable to the 2018 European ABL Facility.

Consummation of 2020 BrandCo Refinancing Transactions

On May 7, 2020 (the "BrandCo 2020 Facilities Closing Date"), Products Corporation entered into a term credit agreement (the "2020 BrandCo Credit Agreement") with Jefferies Finance LLC, as administrative agent and collateral agent, and certain financial institutions (the "2020 Facilities Lenders") that are lenders or the affiliates of lenders under Products Corporation's Term Loan Credit Agreement, dated as of September 7, 2016 and amended on April 30, 2020 and as amended on the BrandCo 2020 Facilities Closing Date, as further described below (as amended to date, the "2016 Term Loan Facility"). Pursuant to the 2020 BrandCo Credit Agreement, the 2020 Facilities Lenders provided Products Corporation with new and roll-up senior secured term loan facilities (the “2020 BrandCo Facilities” and, collectively, the "2020 BrandCo Term Loan Facility" and, together with the use of proceeds thereof and the Extension Amendment, the “2020 BrandCo Refinancing Transactions”).

Principal and Maturity: The 2020 BrandCo Facilities consist of: (i) a senior secured term loan facility in an aggregate principal amount outstanding on the BrandCo 2020 Facilities Closing Date of $815 million, plus the amount of certain fees and accrued interest that have been capitalized (the “2020 BrandCo Facility”); (ii) commitments in respect of a senior secured term loan facility in an aggregate principal amount of $950 million (the “Roll-up BrandCo Facility”); and (iii) a senior secured term loan facility in an aggregate principal amount outstanding on the BrandCo 2020 Facilities Closing Date of $3 million (the “Junior Roll-up BrandCo Facility”). Additionally, on May 28, 2020, Products Corporation borrowed from the 2020 Facilities Lenders an additional $65 million of term loans under the 2020 BrandCo Facility to repay in full the 2020 Incremental Facility under the 2016 Term Loan Facility, as a result of which the 2020 BrandCo Facility at June 30, 2020 had an aggregate principal amount outstanding of $910.6 million (including paid-in-kind closing fees of $29.1 million and paid-in-kind interest of $1.5 million that were capitalized). Additionally, during the three months ended June 30, 2020 and the three months ended September 30, 2020, certain lenders under the 2016 Term Loan Facility due June 2023, representing $846.0 million in aggregate principal outstanding, rolled-up to the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility due June 2025, as a result of which the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility at September 30, 2020 had an aggregate principal amount outstanding of $846.0 million. The Company determined that the roll-up of such 2016 Term Loan Facility lenders into the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility represented a debt modification under U.S. GAAP, as the cash flow effect between the amount that Products Corporation owed to the participating lenders under the old debt instrument (i.e., the 2016 Term Loan Facility) and the amount that Products Corporation owed to such lenders after the consummation of the roll-up into the new debt instrument (i.e., the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility) on a present value basis was less than 10% and, thus, the debt instruments were not considered to be substantially different within the meaning of ASC 470, Debt, under U.S. GAAP.

The proceeds of the 2020 BrandCo Facility were used: (i) to repay in full approximately $200 million of indebtedness outstanding under Products Corporation’s 2019 Term Loan Facility; (ii) to repay in full and terminate commitments under the 2020 Incremental Facility; and (iii) to pay fees and expenses in connection with the 2020 BrandCo Facilities and the 2020 BrandCo Refinancing Transactions. The Company will use the remaining net proceeds for general corporate purposes, including repurchasing, repaying or refinancing Products Corporation’s outstanding 5.75% Senior Notes. The proceeds of the Roll-up BrandCo Facility are available prior to the third anniversary of the BrandCo 2020 Facilities Closing Date to purchase at par an equivalent amount of any remaining term loans under the 2016 Term Loan Facility held by the lenders participating in the 2020 BrandCo Facility or their transferees. During the three months ended June 30, 2020 and the three months ended September 30, 2020, certain lenders under the 2016 Term Loan Facility due June 2023, representing $846.0 million in aggregate principal outstanding, rolled-up to the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility due June 2025, as a result of which the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility at September 30, 2020 have an aggregate principal amount outstanding of $846.0 million, with a remaining capacity for the roll-up of loans under the 2016 Term Loan Facility of $107.0 million. See “Amendments to the 2020 BrandCo Term Loan Facility” regarding the Supporting BrandCo Lenders relinquishing certain Roll-up Rights and Products Corporation’s issuance of the BrandCo Support and Consent Consideration.

The 2020 BrandCo Facilities will mature on June 30, 2025, subject to a springing maturity 91 days prior to the August 1, 2024 maturity date of Products Corporation’s 6.25% Senior Notes if, on such date, $100 million or more in aggregate principal amount of the 6.25% Senior Notes remain outstanding.

The Company incurred approximately $119.3 million of new debt issuance costs in connection with closing the 2020 BrandCo Facility, which include paid-in kind amounts that are recorded as an adjustment to the carrying amount of the related liability and amortized to interest expense in accordance with the effective interest method over the term of the 2020 BrandCo Facilities.

Borrower, Guarantees and Security: Products Corporation is the borrower under the 2020 BrandCo Facilities and the 2020 BrandCo Facilities are guaranteed by certain of Products Corporation's indirect subsidiaries (the “BrandCos”) that hold certain intellectual property assets related to the Elizabeth Arden and American Crew brands, certain other Portfolio segment brands and certain owned Fragrance segment brands (the “Specified Brand Assets”). While the BrandCos do not guarantee the 2016 Term Loan Facility, all guarantors of the 2016 Term Loan Facility guarantee the 2020 BrandCo Facilities. All of the assets of the BrandCos (including all capital stock issued by the BrandCos) have been pledged to secure the 2020 BrandCo Facility on a first-priority basis, the Roll-up BrandCo Facility on a second-priority basis and the Junior Roll-up BrandCo Facility on a third-priority basis and while such assets do not secure the 2016 Term Loan Facility, the 2020 BrandCo Facilities are secured on a pari passu basis by the assets securing the 2016 Term Loan Facility.

Contribution and License Agreements: In connection with the pledge of the Specified Brand Assets, Products Corporation and certain of its subsidiaries contributed the Specified Brand Assets to the BrandCos. Products Corporation entered into license and royalty arrangements on arm's length terms with the relevant BrandCos to provide for the continued use of the Specified Brand Assets by Products Corporation and its subsidiaries during the term of the 2020 BrandCo Facilities.

Interest and Fees: Loans under the 2020 BrandCo Facility bear interest at a rate equal to LIBOR (with a LIBOR floor of 1.50%) plus (x) 10.50% per annum, payable not less than quarterly in arrears in cash and (y) 2.00% per annum payable not less than quarterly in-kind by adding such amount to the principal amount of outstanding loans under the 2020 BrandCo Facility. Loans under the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility bear interest at a rate equal to LIBOR (with a LIBOR floor of 0.75%) plus 3.50% per annum, payable not less than quarterly in arrears in cash.

Affirmative and Negative Covenants: The 2020 BrandCo Facilities contain certain affirmative and negative covenants that, among other things, limit Products Corporation's and its restricted subsidiaries' 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, unsecured 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 2020 BrandCo Facilities also restrict distributions and other payments from the BrandCos based on certain minimum thresholds of net sales with respect to the Specified Brand Assets. The 2020 BrandCo Facilities also contain certain customary representations, warranties and events of default, including a cross default provision making it an event of default under the 2020 BrandCo Credit Agreement if there is an event of default under Products Corporation's existing 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement or the indentures governing each of Products Corporation's 5.75% Senior Notes due 2021 and its 6.25% Senior Notes due 2024 (the "Senior Notes Indentures"). The lenders under the 2020 BrandCo Credit Agreement may declare all outstanding loans under the 2020 BrandCo Facilities to be due and payable immediately upon an event of default. Under such circumstances, the lenders under the 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, and the holders under the Senior Notes Indentures may also declare all outstanding amounts under such instruments to be due and payable immediately as a result of similar cross default or cross acceleration provisions, subject to certain exceptions and limitations described in the relevant instruments.

Prepayments: The 2020 BrandCo Facilities are subject to certain mandatory prepayments, including from the net proceeds from the issuance of certain additional debt and asset sale proceeds of certain non-ordinary course asset sales or other dispositions of property, subject to certain exceptions. The 2020 BrandCo Facilities may be repaid at any time, subject to customary prepayment premiums.

2016 Term Loan Facility Extension Amendment: Term loan lenders under the 2016 Term Loan Facility were offered the opportunity to participate at par in the 2020 BrandCo Facilities based on their holdings of term loans under the 2016 Term Loan Facility. Lenders participating in the 2020 BrandCo Facilities, as well as other consenting lenders representing, in the aggregate, a majority of the loans and commitments under the 2016 Term Loan Facility, consented to an amendment to the 2016 Term Loan Facility (the "Extension Amendment") that, among other things, made certain modifications to the covenants thereof and extended the maturity date of their term loans ("Extended Term Loans") to June 30, 2025, subject to (i) the same September 7, 2023 springing maturity date of the non-extended term loans under the 2016 Term Loan Facility if, on such date, $75 million or more in aggregate principal amount of the non-extended term loans under the 2016 Term Loan Facility remains outstanding, and (ii) a springing maturity of 91 days prior to the August 1, 2024 maturity date of the 6.25% Senior Notes if, on such date, $100 million or more in aggregate principal amount of the 6.25% Senior Notes remains outstanding. The Extension Amendment became effective on the BrandCo 2020 Facilities Closing Date. As of September 30, 2020, approximately $30.7 million in aggregate principal amount of Extended Term Loans were outstanding after giving effect to the 2020 BrandCo Refinancing Transactions. The Extended Term Loans bear interest at a rate of LIBOR (with a LIBOR floor of 0.75%) plus 3.50% per annum, payable not less than quarterly in arrears in cash, consistent with the interest rate applicable to the non-extended term loans. Approximately $17.0 million of accrued interest outstanding on the 2016 Term Loan Facility was paid on the BrandCo 2020 Facilities Closing Date. The aggregate principal amount of non-extended term loans under the 2016 Term Loan Facility as of September 30, 2020 was approximately $855.6 million.

Repurchases of 5.75% Senior Notes due 2021

On May 7, 2020, Products Corporation used a portion of the proceeds from the 2020 BrandCo Facility to repurchase and subsequently cancel $50 million in aggregate principal face amount of its 5.75% Senior Notes. Products Corporation also paid approximately $0.7 million of accrued interest outstanding on the 5.75% Senior Notes on May 7, 2020. After the BrandCo 2020 Facilities Closing Date, Products Corporation repurchased and subsequently canceled in July 2020 a further $62.8 million in aggregate principal face amount of its 5.75% Senior Notes. Furthermore, during the three months ended September 30, 2020, Products Corporation repurchased and subsequently canceled an additional $44.4 million in aggregate principal face amount of its 5.75% Senior Notes. Accordingly, as of September 30, 2020, Products Corporation had repurchased and subsequently cancelled a total of approximately $157.2 million in aggregate principal face amount of its 5.75% Senior Notes, resulting in a gain on extinguishment of debt of approximately $31.2 million and $43.1 million for the three and nine months ended September 30, 2020, respectively, which were recorded within "Gain on early extinguishment of debt" on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the three and nine months ended September 30, 2020. See Note 7, "Debt," and Note 19, “Subsequent Events” for more information regarding Products Corporation's 5.75% Senior Notes and the related Exchange Offer.

Prepayment of the 2019 Term Loan Facility due 2023

On the BrandCo 2020 Facilities Closing Date, Products Corporation used a portion of the proceeds from the 2020 BrandCo Facility to fully prepay the entire principal amount outstanding under its 2019 Term Loan Facility, totaling $200 million, plus approximately $1.3 million of accrued interest outstanding thereon, as well as approximately $33.5 million in prepayment premiums, $10.3 million in lenders' fees, $0.3 million in legal fees and approximately $2.0 million in other third party fees. As the lenders under the 2019 Term Loan Facility participated in the 2020 BrandCo Term Loan Facility, the Company determined that the full repayment of the 2019 Term Loan Facility represented a debt modification under U.S. GAAP as the cash flow effect between the old debt instrument (i.e., the 2019 Term Loan Facility) and the new debt instrument (i.e., the 2020 BrandCo Facility) on a present value basis was less than 10% and, thus, the debt instruments were not considered to be substantially different within the meaning of ASC 470, Debt, under U.S. GAAP. Accordingly, the $33.5 million of prepayment premiums, as well as the $10.3 million in other lenders' fees were capitalized as part of the aforementioned $119.3 million of total new debt issuance costs for the 2020 BrandCo Term Loan Facility, while the aforementioned $0.3 million of legal fees and $2.0 million in other third party fees were expensed as incurred in the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the nine months ended September 30, 2020.

Amendment to the 2018 Foreign Asset-Based Term Facility

On May 4, 2020, the Company entered into an amendment to the 2018 Foreign Asset Based Term Facility, which had an original outstanding principal amount of €77 million. Such amendment provided for the following:

- increasing the interest rate on the loan from EURIBOR (with a floor 0.50%) plus a margin of 6.50% to EURIBOR (with a floor 0.50%) plus a margin of 7.00%;
- adding a springing maturity date of 91 days prior to the February 15, 2021 maturity of the 5.75% Senior Notes if any of Products Corporation's 5.75% Senior Notes remain outstanding on such date;
- requiring a mandatory prepayment of €5.0 million; and
- clarifying certain terms and waiving certain provisions in connection with the 2020 BrandCo Refinancing Transactions.

Approximately $0.4 million of amendment fees paid to the lenders under 2018 Foreign Asset-Based Term Facility were capitalized and are amortized to interest expense, together with any unamortized debt issuance costs outstanding prior to the amendment. As of September 30, 2020, there was the Euro equivalent of $56.8 million outstanding under the 2018 Foreign Asset-Based Term Facility, reflecting a repayment of €28.5 million made during the quarter ended June 30, 2020.

Incremental Revolving Credit Facility under the 2016 Term Loan Agreement

On April 30, 2020, Products Corporation entered into a Joinder Agreement (the “2020 Joinder Agreement”), with Revlon, certain of their subsidiaries and certain existing lenders (the “Incremental Lenders”) under Products Corporation’s 2016 Term Loan Agreement to provide for a $65 million incremental revolving credit facility (the “2020 Incremental Facility”). On the closing of the 2020 Incremental Facility, Products Corporation borrowed $63.5 million of revolving loans for working capital purposes and subsequently on May 11, 2020 Products Corporation also borrowed the additional $1.5 million of delayed funding revolving loans. Prior to its full repayment on May 28, 2020, amounts outstanding under the 2020 Incremental Facility bore interest at a rate of (x) LIBOR plus 16% or (y) an Alternate Base Rate plus 15%, at Products Corporation’s option. Except as to pricing, maturity and differences due to its revolving nature, the terms of the 2020 Incremental Facility were otherwise substantially consistent with the existing term loans under the 2016 Term Loan Facility. The 2020 Incremental Facility was repaid in full, and the commitments thereunder terminated, on May 28, 2020. Upon such repayment, approximately $2.9 million of upfront commitment fees that Products Corporation incurred in connection with consummating the 2020 Incremental Facility were entirely expensed within "Miscellaneous, net" on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the nine months ended September 30, 2020.

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

Amendments to the 2016 Revolving Credit Agreement

On May 7, 2020, in connection with consummating the 2020 BrandCo Refinancing Transactions, Products Corporation entered into Amendment No. 4 to its Asset-Based Revolving Credit Agreement, dated as of September 7, 2016, as amended (the “2016 Revolving Credit Facility”). Amendment No. 4, among other things, made certain amendments and provided for certain waivers relating to the 2020 BrandCo Refinancing Transactions under the 2016 Revolving Credit Facility. In exchange for such amendments and waivers, the interest rate margin applicable to loans under Tranche A of the 2016 Revolving Credit Facility increased by 0.75%. In connection with the amendments to the 2018 Tranche B of the 2016 Revolving Credit Facility (which was fully repaid on its May 17, 2020 extended maturity date), Products Corporation incurred approximately $1.1 million in lender's fees that upon its full repayment were entirely expensed within “Miscellaneous, net” on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss as of September 30, 2020. See “Recent Developments” and Note 19, “Subsequent Events,” regarding, among other things, Amendment No. 5 to the 2016 Revolving Credit Facility.

Previously, on April 17, 2020 (the “FILO Closing Date”), Products Corporation entered into Amendment No. 3 to the 2016 Revolving Credit Facility (“Amendment No. 3”), pursuant to which, the maturity date applicable to $36.3 million of loans under the $41.5 million senior secured first in, last out 2018 Tranche B under the 2016 Revolving Credit Facility (the “2018 FILO Tranche”) was extended from April 17, 2020 to May 17, 2020 (the “Extended Maturity Date”). Products Corporation repaid the remaining approximately $5.2 million of the 2018 FILO Tranche loans as of the FILO Closing Date. In addition, Amendment No. 3 increased the applicable interest margin for the 2018 FILO Tranche by 0.75%, subject to a LIBOR floor of 0.75%. Products Corporation fully repaid the 2018 FILO Tranche on the Extended Maturity Date.

Covenants

Products Corporation was in compliance with all applicable covenants under the 2020 BrandCo Credit Agreement, 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, the 2020 Restated Line of Credit Facility, as well as with all applicable covenants under its Senior Notes Indentures, in each case as of September 30, 2020. At September 30, 2020, 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, 2020	Availability at September 30, 2020 [(a)]
Amended 2016 Revolving Credit Facility	$ 400.0	$ 345.9	$ 291.9	$ 52.6
2020 Restated Line of Credit Facility	$ 30.0	N/A	$ —	$ 30.0

[(a)] Availability as of September 30, 2020 is based upon the borrowing base then in effect under the Amended 2016 Revolving Credit Facility of $345.9 million, less $1.4 million of outstanding undrawn letters of credit and $291.9 million then drawn. As Products Corporation’s consolidated fixed charge coverage ratio was greater than 1.0 to 1.0 as of September 30, 2020, all of the $52.6 million of availability under the Amended 2016 Revolving Credit Facility was available as of such date. The 2018 Tranche B under the Amended 2016 Revolving Credit Facility was fully repaid in May 2020.

The Company’s foreign subsidiaries held $93.7 million out of the Company's total $268.3 million in cash and cash equivalents as of September 30, 2020. 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 (which as of September 30, 2020 included approximately $175.0 million of proceeds remaining from the 2020 BrandCo Refinancing Transactions), availability under the Amended 2016 Revolving Credit Facility, the 2020 Restated Line of Credit Facility, as well as 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 Revlon 2020 Restructuring Program, which was initiated during the first quarter of 2020, the 2018 Optimization Program and cost reductions generated from other cost control initiatives, including, without limitation, new interim measures to reduce costs in response to COVID-19 (such as: (i) switching to a reduced work week and reducing executive and employee compensation in the range of 20% to 40%; (ii) furloughing approximately 40% of the Company’s U.S.-based employees and those in certain other locations; (iii) suspending the Company’s 2020 merit base salary increases, discretionary profit sharing contributions and matching contributions to the Company’s 401(k) plan; (iv) reducing Board and committee compensation by 50% and eliminating Board and committee meeting fees; and (v) suspending or terminating services and payments under consulting agreements with certain directors), as well as funds provided by selling certain assets (such as the Natural Honey and Floid brands that were sold in December 2019) in connection with the Company's ongoing Strategic Review. For information regarding certain risks related to the Company’s indebtedness, see Item 1A. “Risk Factors” in the Company's 2019 Form 10-K, as supplemented by certain risk factors included in the Company's Quarterly Reports on Form 10-Q and in certain Current Reports on Form 8-K, in each case as filed with the SEC during 2020.

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

8. 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 both September 30, 2020 and December 31, 2019, the Company did not have any financial assets and liabilities that were required to be measured at fair value.

As of September 30, 2020, 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, 2020				
	Fair Value				
	Level 1	Level 2	Level 3	Total	Carrying Value
Liabilities:					
Long-term debt, including current portion[(a)]	$ —	$ 2,068.4	$ —	$ 2,068.4	$ 3,631.0

As of December 31, 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:

	December 31, 2019				
	Fair Value				
	Level 1	Level 2	Level 3	Total	Carrying Value
Liabilities:					
Long-term debt, including current portion[(a)]	$ —	$ 2,522.2	$ —	$ 2,522.2	$ 3,194.2

[(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.

9. 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 $1.4 million and $11.4 million (including amounts available under credit agreements in effect at that time) were maintained as of September 30, 2020 and December 31, 2019, respectively. Included in these amounts are approximately $0.1 million and $8.3 million in standby letters of credit that primarily support Products Corporation's workers compensation, general liability and automobile insurance programs, in each case as outstanding as of September 30, 2020 and December 31, 2019, respectively. The estimated liability under such programs is accrued by Products Corporation.

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

10. 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, 2020 and 2019, respectively, were as follows:

	Pension Plans		Other Post-Retirement Benefit Plans	
	Three Months Ended September 30,			
	2020	2019	2020	2019
Net periodic benefit costs:				
Service cost	$ 0.5	$ 0.4	$ —	$ —
Interest cost	3.8	5.1	0.1	0.1
Expected return on plan assets	(5.7)	(6.0)	—	—
Amortization of actuarial loss	2.7	2.5	0.1	0.1
Total net periodic benefit costs prior to allocation	$ 1.3	$ 2.0	$ 0.2	$ 0.2
Portion allocated to Revlon Holdings	—	—	—	—
Total net periodic benefit costs	$ 1.3	$ 2.0	$ 0.2	$ 0.2

In the three months ended September 30, 2020, the Company recognized net periodic benefit cost of $1.5 million, compared to net periodic benefit cost of $2.2 million in the three months ended September 30, 2019, primarily due to lower interest costs partially offset by lower expected return on plan assets and higher amortization of actuarial loss.

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, 2020 and 2019, respectively, were as follows:

	Pension Plans		Other Post-Retirement Benefit Plans	
	Nine Months Ended September 30,			
	2020	2019	2020	2019
Net periodic benefit costs:				
Service cost	$ 1.3	$ 1.4	$ —	$ —
Interest cost	11.2	15.0	0.3	0.3
Expected return on plan assets	(17.1)	(18.0)	—	—
Amortization of actuarial loss	8.3	7.5	0.3	0.2
Total net periodic benefit costs prior to allocation	$ 3.7	$ 5.9	$ 0.6	$ 0.5
Portion allocated to Revlon Holdings	(0.1)	(0.1)	—	—
Total net periodic benefit costs	$ 3.6	$ 5.8	$ 0.6	$ 0.5

In the nine months ended September 30, 2020, the Company recognized net periodic benefit cost of $4.2 million, compared to net periodic benefit cost of $6.3 million in the nine months ended September 30, 2019, primarily due to lower interest costs partially offset by lower expected return on plan assets and higher amortization of actuarial loss.

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,	
	2020	2019	2020	2019
Net periodic benefit costs:				
Selling, general and administrative expense	$ 0.5	$ 0.5	$ 1.3	$ 1.4
Miscellaneous, net	1.0	1.7	2.9	4.9
Total net periodic benefit costs	$ 1.5	$ 2.2	$ 4.2	$ 6.3

The Company expects that it will have net periodic benefit cost of approximately $5.6 million for its pension and other post-retirement benefit plans for all of 2020, compared with net periodic benefit cost of $7.2 million in 2019.

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 three months ended September 30, 2020, $1.8 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 September 30, 2020, $7.0 million and $0.5 million were contributed to the Company's pension plans and other post-retirement benefit plans, respectively. During 2020, the Company expects to contribute approximately $19 million in the aggregate to its pension and other post-retirement benefit plans.

As a result of the CARES Act passed by the U.S. Congress in March 2020 to address the economic environment resulting from COVID-19, and in accordance with the Limited Relief for Pension Funding and Retirement Plan Distributions provision of such act, the Company expects to defer approximately $9.3 million of contributions that were otherwise scheduled to be paid to its two qualified pension plans at different earlier dates during 2020. The first quarterly contributions for the two qualified plans were originally due by April 15, 2020. The Company had already made $1.6 million in contributions to its qualified pension plans during the first quarter of 2020, prior to adopting the aforementioned provision of the CARES Act. The deferral is in effect only for 2020 and under the CARES relief provisions the Company will be required to pay the contributions by no later than January 1, 2021, including interest at the plans' 2020 effective interest rate ("EIR") from the original due date to the actual payment date.

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 12, "Pension and Post-Retirement Benefits," to the Consolidated Financial Statements in the Company's 2019 Form 10-K.

11. STOCK COMPENSATION PLAN

Revlon maintains the Fourth Amended and Restated Revlon, Inc. Stock Plan (as amended, 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 1.2 million shares available for grant as of September 30, 2020. In July 2014, the Stock Plan was amended to renew the Stock Plan for a 7-year renewal term expiring on April 14, 2021. In September 2019 the Stock Plan was amended in connection with the 2019 TIP, described below, to: (1) 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) allow for accelerated vesting of equity awards upon a termination without cause; (3) 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.

Revlon 2019 Transaction Incentive Program

In August 2019, it was disclosed that MacAndrews & Forbes and Revlon determined to explore strategic transactions involving Revlon and third parties (the "Strategic Review"). 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.

Each Tier 1 participant's 2019 TIP award is payable two-thirds in cash and one-third in RSUs vesting in 50% tranches on each of December 31, 2020 and December 31, 2021, while Tier 2 awards are payable 100% in cash in one lump-sum on December 31, 2020, in each case subject to certain earlier vesting for a change of control or termination of employment without cause, as described below. As of September 5, 2019, the Company approved a total of 206,812 time-based RSUs under Tier 1 of 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 "2019 TIP RSUs"). As of September 30, 2020, a total of 148,168 time-based RSUs under Tier 1 of the 2019 TIP had been granted and are outstanding. 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.

The 2019 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 2019 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 2019 TIP RSUs, the grantee's 2019 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 2019 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: (i) Tier 1 - $6.8 million payable in two equal installments as of December 31, 2020 and December 31, 2021; and (ii) Tier 2 - $2.5 million payable in one installment as of December 31, 2020. Such cash-based awards follow the Special Vesting Rules following a termination without cause or due to death or disability. During 2019 and through September 30, 2020, the Company granted $4.7 million and $2.3 million cash-based awards, net of forfeitures, under Tier 1 and Tier 2 of the 2019 TIP, respectively, which are being amortized over the period from the grant dates to December 31, 2021 and December 31, 2020, respectively. The total amount amortized for these cash-based awards since the program's inception and through September 30, 2020 is approximately $4.8 million, of which $1.0 million and $3.5 million were recorded during the three and nine months ended September 30, 2020, respectively, within "Acquisition, integration and divestiture costs" in the Company's Unaudited Consolidated Statements of Operations and Comprehensive Loss.

Long-Term Incentive Program

The Company's LTIP RSUs consist of time-based RSUs and performance-based RSUs. Time-based RSUs are generally 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 in the case of termination of employment without cause 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.

During the first quarter of 2020, the Company granted approximately 1.3 million time-based and performance-based RSU awards under the Stock Plan (the "2020 LTIP RSUs"). During the second and third quarter of 2020, there were no grants under the 2020 LTIP RSUs. See the roll-forward table in the following sections of this Note 11 for activity related to the nine months ended September 30, 2020.

Acceleration of Vesting

Under the aforementioned provisions for acceleration of vesting, as of September 30, 2020 and since the time these provisions became effective in September 2019, 36,452 LTIP RSUs and 27,356 2019 TIP Tier 1 RSUs were vested on an accelerated basis due to involuntary terminations, resulting in accelerated amortization of approximately $1.2 million. In addition, for the three and nine months ended September 30, 2020 and under the same accelerated vesting provisions, the Company also recorded approximately $0.2 million and $1.0 million of accelerated amortization in connection with the cash portion of the 2019 TIP Tier 1 and Tier 2 awards that were vested on an accelerated basis due to involuntary terminations. See the roll-forward table in the following sections of this Note 11 for activity related to the nine months ended September 30, 2020.

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

During the nine months ended September 30, 2020, 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 2019 TIP programs, 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, 2019				
2019 TIP RSUs [b]	200.6	16.44	n/a	—
LTIP RSUs:				
2019	425.6	22.55	425.6	22.55
2018	241.9	19.00	364.7	19.00
2017 [a]	54.0	19.70	110.9	19.70
Total LTIP RSUs	721.5		901.2	
Total LTIP and TIP RSUs Outstanding as of December 31, 2019	922.1		901.2	
Granted				
2019 TIP RSUs Granted [b]	11.7	10.24	n/a	—
LTIP RSUs:				
2020	626.6	14.96	626.7	14.96
2019	—	—	—	—
2018	—	—	—	—
2017 [a]	—	—	—	—
Total LTIP RSUs Granted	626.6		626.7	
Vested				
2019 TIP RSUs Vested [b][c]	(27.3)	16.44	—	—
LTIP RSUs:				
2019 [c]	(133.9)	22.55	—	—
2018 [c]	(108.5)	19.32	—	—
2017 [a][c]	(53.4)	19.70	(14.2)	19.70
Total LTIP RSUs Vested	(295.8)		(14.2)	
Forfeited/Canceled				
2019 TIP RSUs Forfeited/Canceled [b]	(36.8)	16.44	n/a	—
LTIP RSUs:				
2019	(83.3)	22.55	(112.1)	22.55
2018	(49.0)	17.56	(110.0)	17.97
2017 [a]	(0.6)	19.70	(96.7)	19.70
Total LTIP RSUs Forfeited/Canceled	(132.9)		(318.8)	
Outstanding as of September 30, 2020				
2019 TIP RSUs	148.2	15.95	n/a	—
LTIP RSUs:				
2020	626.6	14.96	626.7	14.96
2019	208.4	22.55	313.5	22.55
2018	84.4	19.43	254.7	19.45
2017 [a]	—	—	—	—
Total LTIP RSUs	919.4		1,194.9	
Total LTIP and TIP RSUs Outstanding as of September 30, 2020	1,067.6		1,194.9	

[a] The 2017 time-based and performance-based LTIP RSUs were recognized over a 2-year service and performance period (i.e., 2018 and 2019).
[b] The 2019 TIP provides for RSU awards that are only time-based.
[c] Includes acceleration of vesting upon involuntary terminations for the nine months ended September 30, 2020 of 30,992 RSUs under the 2019 and 2018 LTIPs and of 27,356 RSUs under the 2019 TIP Tier I awards.

Time-Based LTIP and TIP RSUs

The Company recognized $2.1 million and $5.9 million of net compensation expense related to the time-based LTIP and TIP RSUs for the three and nine months ended September 30, 2020, respectively. As of September 30, 2020, the Company had $12.8 million of total deferred compensation expense related to non-vested, time-based LTIP and TIP RSUs. The cost is recognized over the vesting period of the awards, as described above.

Performance-based LTIP RSUs

The Company recognized $2.5 million and $1.3 million of net compensation expense related to the performance-based LTIP RSUs for the three and nine months ended September 30, 2020, respectively. The amount of net compensation expense recognized during the nine months ended September 30, 2020 was affected by adjustments to the awards' expected achievement rates made primarily as a result of the ongoing adverse impact of COVID-19 on the Company's results of operations. As of September 30, 2020, the Company had $18.9 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.

12. INCOME TAXES

The Company's provision for income taxes represents federal, foreign, state and local income taxes. 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, 2020, the Company concluded that the use of the cut-off tax rate 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 provision for income taxes of $1.9 million (Products Corporation - provision for income taxes of $2.3 million) for the three months ended September 30, 2020 and a benefit from income taxes of $2.1 million (Products Corporation - benefit from income taxes of $1.8 million) for the three months ended September 30, 2019, respectively. The $4.0 million decrease (Products Corporation - $4.1 million) in the benefit from income taxes in the three months ended September 30, 2020, compared to the three months ended September 30, 2019, was primarily due to: (i) the mix and level of earnings; (ii) an increase in the U.S. tax on the Company's foreign earnings; and (iii) increased tax expense from return to provision adjustments, partially offset primarily by an increase in tax benefit from the net change in valuation allowances related to the recognition of previously unrecognized tax losses in Canada.

The Company recorded a benefit from income taxes of $45.2 million (Products Corporation - benefit from income taxes of $44.2 million) for the nine months ended September 30, 2020 and a benefit from income taxes of $3.2 million (Products Corporation - benefit from income taxes of $2.4 million) for the nine months ended September 30, 2019, respectively. The $42.0 million increase (Products Corporation - $41.8 million) in the benefit from income taxes in the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019, was primarily due to: (i) the increased loss from continuing operations before income taxes on which the tax benefit is recognized; (ii) the mix and level of earnings; and (iii) a reduction in the U.S. tax on the Company's foreign earnings, net of the impact of non-deductible impairment charges, partially offset by the net change in valuation allowances recorded related to the limitation on the deductibility of interest.

The Company's effective tax rate for the three months ended September 30, 2020 was lower than the federal statutory rate of 21% primarily due the mix and level of earnings and the change in valuation allowance related to the limitation on the deductibility of interest. The Company's effective tax rate for the nine months ended September 30, 2020 was lower than the federal statutory rate of 21% primarily due to the impact of non-deductible impairment charges and the valuation allowance related to the limitation on the deductibility of interest, partially offset by the impact of the "Coronavirus Aid, Relief and Economic Security Act" (the "CARES Act"), signed into law on March 27, 2020 by President Trump, which resulted in a partial release of a valuation allowance on the Company's 2019 federal tax attributes associated with the limitation on the deductibility of interest.

The CARES Act, among other things, includes provisions providing for refundable payroll tax credits, the deferral of employer social security tax payments, acceleration of alternative minimum tax credit refunds and the increase of the net interest deduction limitation from 30% to 50%. The Company continues to examine the impact that the CARES Act may have on its results of operations, financial condition and/or financial statement disclosures.

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

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.

In assessing the recoverability of its deferred tax assets, the Company continually evaluates all available positive and negative evidence to assess the amount of deferred tax assets for which it is more likely than not to realize a benefit. For any deferred tax asset in excess of the amount for which it is more likely than not that the Company will realize a benefit, the Company establishes a valuation allowance. A valuation allowance is a non-cash charge, and it in no way limits the Company's ability to utilize its deferred tax assets, including its ability to utilize tax loss and credit carryforward amounts.

As of September 30, 2020, the Company concluded that, based on its evaluation of objectively 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 end of the third quarter of 2020 are consistent with the Company's conclusions on such matters as compared to prior quarters. The key assumptions used to determine positive and negative evidence included the Company’s cumulative taxable loss for the past three years, future reversals of existing taxable temporary differences, the Company's cost reduction initiatives and other efficiency efforts, as well as certain assumptions regarding COVID-19's expected impact on the Company. Potential negative evidence, including, among other things, any further worsening of the economies in the jurisdictions in which the Company operates and any future reduced profitability in such jurisdictions could result in additional valuation allowances which would reduce the Company's future deferred tax assets. In such event, the Company's tax expense would likely materially increase in the period the valuation allowance is recognized and adversely impact the Company's results of operations and statement of financial condition in such period. The Company will continue to monitor the circumstances that would require it to establish an additional valuation allowance on its deferred tax assets. Accordingly, depending on future evidence that may become available, the Company's assessments regarding its valuation allowance position may change.

For further information, see Note 14, "Income Taxes," to the Consolidated Financial Statements in the Company's 2019 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 2019 Form 10-K.

13. ACCUMULATED OTHER COMPREHENSIVE LOSS

A roll-forward of the Company's accumulated other comprehensive loss as of September 30, 2020 is as follows:

	Foreign Currency Translation	Actuarial (Loss) Gain on Post-retirement Benefits	Other	Accumulated Other Comprehensive Loss
Balance at January 1, 2020	$ (27.3)	$ (219.8)	$ (0.3)	$ (247.4)
Foreign currency translation adjustment	7.3	—	—	7.3
Amortization of pension related costs, net of tax of $0.7 million[(a)]	—	9.3	—	9.3
Other comprehensive (loss) gain	$ 7.3	$ 9.3	$ —	$ 16.6
Balance at September 30, 2020	$ (20.0)	$ (210.5)	$ (0.3)	$ (230.8)

[(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 10, "Pension and Post-retirement Benefits," for further information on the Company’s pension and other post-retirement plans.

For the three and nine months ended September 30, 2020 and 2019, the Company did not have any activity related to financial instruments.

14. 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, 2020, 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; 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 hair color line under the **Llongueras** brand (licensed from a third party) that is 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: (i) **Juicy Couture** (which are also sold direct-to-consumer on its juicycouturebeauty.com website), **John Varvatos** and **AllSaints** in prestige fragrances; (ii) **Britney Spears**, **Elizabeth Taylor**, **Christina Aguilera**, **Jennifer Aniston** and **Mariah Carey** in celebrity fragrances; and (iii) **Curve**, **Giorgio Beverly Hills**, **Ed Hardy**, **Charlie**, **Lucky Brand**, **‹PS›** (logo of former Paul Sebastian brand), **Alfred Sung**, **Halston**, **Geoffrey Beene** and **White Diamonds** in mass fragrances.

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 Products Corporation by reportable segment for the periods presented.

Revlon, Inc.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Segment Net Sales:				
Revlon	$ 166.0	$ 217.3	$ 482.8	$ 716.1
Elizabeth Arden	106.3	123.2	282.4	352.0
Portfolio	99.6	118.2	298.1	354.1
Fragrances	105.2	138.1	214.4	298.0
Total	$ 477.1	$ 596.8	$ 1,277.7	$ 1,720.2
Segment Profit:				
Revlon	$ 13.5	$ 7.3	$ 41.4	$ 58.5
Elizabeth Arden	3.4	12.5	18.4	17.1
Portfolio	12.2	14.4	33.9	25.0
Fragrances	25.4	34.2	34.6	53.6
Total	$ 54.5	$ 68.4	$ 128.3	$ 154.2
Reconciliation:				
Total Segment Profit	$ 54.5	$ 68.4	$ 128.3	$ 154.2
Less:				
Depreciation and amortization	35.1	38.9	108.3	124.6
Non-cash stock compensation expense	5.1	3.9	8.6	7.7
Non-Operating items:				
Restructuring and related charges	4.5	5.4	61.2	27.4
Acquisition, integration and divestiture costs	0.9	0.1	4.2	0.7
Gain on divested assets	(1.1)	—	(0.5)	—
Financial control remediation and sustainability actions and related charges	0.7	3.4	8.5	9.8
Excessive coupon redemptions	—	—	4.2	—
COVID-19 charges	9.7	—	35.1	—
Capital structure and related charges	9.3	—	9.3	—
Impairment charges	—	—	144.1	—
Operating (loss) income	(9.7)	16.7	(254.7)	(16.0)
Less:				
Interest Expense	68.7	50.2	178.0	145.7
Amortization of debt issuance costs	7.8	3.7	17.8	10.4
Gain on early extinguishment of debt	(31.2)	—	(43.1)	—
Foreign currency (gains) losses, net	(9.8)	7.6	9.1	9.0
Miscellaneous, net	(2.6)	1.7	13.9	7.6
Loss from continuing operations before income taxes	$ (42.6)	$ (46.5)	$ (430.4)	$ (188.7)

(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,	
	2020	2019	2020	2019
Segment Net Sales:				
Revlon	$ 166.0	$ 217.3	$ 482.8	$ 716.1
Elizabeth Arden	106.3	123.2	282.4	352.0
Portfolio	99.6	118.2	298.1	354.1
Fragrances	105.2	138.1	214.4	298.0
Total	$ 477.1	$ 596.8	$ 1,277.7	$ 1,720.2
Segment Profit:				
Revlon	$ 14.2	$ 7.9	$ 43.6	$ 60.6
Elizabeth Arden	3.8	13.0	19.7	18.2
Portfolio	12.6	14.7	35.3	26.0
Fragrances	25.9	34.6	35.6	54.5
Total	$ 56.5	$ 70.2	$ 134.2	$ 159.3
Reconciliation:				
Total Segment Profit	$ 56.5	$ 70.2	$ 134.2	$ 159.3
Less:				
Depreciation and amortization	35.1	38.9	108.3	124.6
Non-cash stock compensation expense	5.1	3.9	8.6	7.7
Non-Operating items:				
Restructuring and related charges	4.5	5.4	61.2	27.4
Acquisition, integration and divestiture costs	0.9	0.1	4.2	0.7
Gain on divested assets	(1.1)	—	(0.5)	—
Financial control remediation and sustainability actions and related charges	0.7	3.4	8.5	9.8
Excessive coupon redemptions	—	—	4.2	—
COVID-19 charges	9.7	—	35.1	—
Capital structure and related charges	9.3	—	9.3	—
Impairment charge	—	—	144.1	—
Operating (loss) income	(7.7)	18.5	(248.8)	(10.9)
Less:				
Interest Expense	68.7	50.2	178.0	145.7
Amortization of debt issuance costs	7.8	3.7	17.8	10.4
Gain on early extinguishment of debt	(31.2)	—	(43.1)	—
Foreign currency (gains) losses, net	(9.8)	7.6	9.1	9.0
Miscellaneous, net	(2.6)	1.7	13.9	7.6
Loss from continuing operations before income taxes	$ (40.6)	$ (44.7)	$ (424.5)	$ (183.6)

As of September 30, 2020, 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)

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, 2020					Nine Months Ended September 30, 2020				
	Revlon	Elizabeth Arden	Portfolio	Fragrances	Total	Revlon	Elizabeth Arden	Portfolio	Fragrances	Total
Geographic Area[(1)]:										
Net Sales										
North America	$ 86.4	$ 30.5	$ 59.9	$ 79.2	$ 256.0	$ 265.6	$ 66.9	$ 182.8	$ 151.1	$ 666.4
EMEA*	41.4	25.3	32.8	18.8	118.3	105.2	64.9	93.6	44.4	308.1
Asia	12.1	43.3	0.4	2.7	58.5	33.6	135.5	1.6	8.1	178.8
Latin America*	11.3	2.5	3.3	1.5	18.6	35.3	3.5	11.6	2.6	53.0
Pacific*	14.8	4.7	3.2	3.0	25.7	43.1	11.6	8.5	8.2	71.4
	$ 166.0	$ 106.3	$ 99.6	$ 105.2	$ 477.1	$ 482.8	$ 282.4	$ 298.1	$ 214.4	$ 1,277.7

	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[(1)]:										
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*	48.1	37.3	38.4	26.8	150.6	153.3	95.8	111.0	68.9	429.0
Asia	30.1	46.5	1.0	4.0	81.6	78.4	148.1	3.2	12.8	242.5
Latin America*	18.8	2.2	4.5	3.1	28.6	56.2	7.2	16.2	7.1	86.7
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

(1) During the first quarter of 2020, the Company changed the presentation of its Travel Retail business, which previously was included in its EMEA Region, as it is currently presented within each geographic area in accordance with the location of the retail customer. Travel Retail net sales represented approximately 2.0% and 4.6% of the Company's total net sales for the third quarter of 2020 and 2019, respectively, and 2.2% and 4.9% of the Company's total net sales for the nine months ended September 30, 2020 and 2019, respectively. Prior year amounts have been updated to reflect the current year presentation.

* The EMEA region includes Europe, the Middle East and Africa; the Latin America region includes Mexico, Central America and South America; and the Pacific region includes Australia and New Zealand.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2020		2019		2020		2019	
Classes of similar products:								
Net sales:								
Color cosmetics	$ 104.7	*22%*	$ 173.6	*29%*	$ 305.3	*24%*	$ 569.9	*33%*
Fragrance	141.6	*30%*	183.7	*31%*	300.5	*24%*	411.1	*24%*
Hair care	115.9	*24%*	120.5	*20%*	338.0	*26%*	379.0	*22%*
Beauty care	50.4	*11%*	43.6	*7%*	141.9	*11%*	132.7	*8%*
Skin care	64.5	*13%*	75.4	*13%*	192.0	*15%*	227.5	*13%*
	$ 477.1		$ 596.8		$ 1,277.7		$ 1,720.2	

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

The following table presents the Company's long-lived assets by geographic area as of September 30, 2020 and December 31, 2019:

	September 30, 2020			December 31, 2019		
Long-lived assets, net:						
United States	$	1,208.1	*82%*	$	1,414.0	*83%*
International		259.3	*18%*		280.1	*17%*
	$	1,467.4		$	1,694.1	

15. REVLON, INC. BASIC AND DILUTED EARNINGS (LOSS) PER COMMON SHARE

Shares used in calculating Revlon's basic loss per share are computed using the weighted-average number of Revlon's shares of Class A Common Stock outstanding during each period. Shares used in diluted loss per share include the dilutive effect of unvested restricted stock, LTIP RSUs and TIP RSUs under the Company's Stock Plan using the treasury stock method. For the respective periods ended September 30, 2020 and 2019, Revlon's diluted loss per share equals basic loss per share, as the assumed vesting of restricted stock, LTIP RSUs and TIP RSUs would have an anti-dilutive effect. As of September 30, 2020 and 2019, there were no outstanding stock options under the Company's Stock Plan. See Note 11, "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,	
	2020	2019	2020	2019
Numerator:				
Loss from continuing operations, net of taxes	$ (44.5)	$ (44.4)	$ (385.2)	$ (185.5)
(Loss) income from discontinued operations, net of taxes	—	(0.3)	—	2.0
Net loss	$ (44.5)	$ (44.7)	$ (385.2)	$ (183.5)
Denominator:				
Weighted-average common shares outstanding – Basic	53,476,354	53,129,004	53,371,986	53,057,154
Effect of dilutive restricted stock and RSUs	—	—	—	—
Weighted-average common shares outstanding – Diluted	53,476,354	53,129,004	53,371,986	53,057,154
Basic and Diluted (loss) earnings per common share:				
Continuing operations	$ (0.83)	$ (0.84)	$ (7.22)	$ (3.50)
Discontinued operations	—	—	—	0.04
Net loss per common share	$ (0.83)	$ (0.84)	$ (7.22)	$ (3.46)
Unvested restricted stock and RSUs under the Stock Plan[(a)]	—	314,478	—	406,854

[(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.

16. CONTINGENCIES

On August 12, 2020, UMB Bank, National Association ("UMB"), purporting to act as successor agent under the Term Credit Agreement, dated as of September 7, 2016 (as amended as of May 7, 2020 and as otherwise amended, restated, supplemented or otherwise modified from time to time, the "2016 Credit Agreement"), filed a lawsuit, titled UMB Bank, National Association v. Revlon, Inc. et al., against Revlon, Inc., Products Corporation, several of Products Corporation's subsidiaries, and several of Products Corporation's contractual counterparties, including Citibank, Jefferies Finance LLC, Jefferies LLC, and Ares Corporate Opportunities Fund V, in the U.S. District Court for the Southern District of New York (the "Complaint"). The Complaint alleged various claims, stemming from alleged breaches of the 2016 Credit Agreement. The Company believes that this lawsuit was without merit. On November 6, 2020, having failed to serve the lawsuit on any defendant or make any effort to pursue the case, UMB Bank dismissed the case without prejudice to its right to refile it at a later date.

The Company is also 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.

17. 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. To ensure the availability of directors and officers liability insurance coverage through January 2023, the Company and MacAndrews & Forbes agreed to collectively make payments under MacAndrews & Forbes' D&O Insurance Program. In furtherance of such arrangement, on July 28, 2020, the Company made a payment of approximately $3.86 million to MacAndrews & Forbes under the Reimbursement Agreements. The Company expects to make a further payment of approximately $1.4 million in July 2021 in respect of its participation in the D&O Insurance Program.

The net activity related to services purchased under the Reimbursement Agreements during the nine months ended September 30, 2020 and 2019 was $0.6 million income and $0.3 million expense, respectively. As of September 30, 2020 and December 31, 2019, a receivable balance of $0.3 million from, and a payable balance of $0.2 million to, MacAndrews & Forbes, respectively, were included in the Company's Unaudited Consolidated Balance Sheet for transactions subject to the Reimbursement Agreements.

2020 Restated Line of Credit Facility

See Note 7, "Debt," in this Form 10-Q regarding the 2020 Restated Line of Credit Facility between Products Corporation and MacAndrews & Forbes Group, LLC.

Other

During the nine months ended September 30, 2020 and 2019, 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 $28.2 million and $19.8 million of coupon redemptions for the Company's retail customers for the nine months ended September 30, 2020 and 2019, respectively, for which the Company incurred fees of approximately $0.8 million and $0.5 million for the nine months ended September 30, 2020 and 2019, respectively, and other similar advertising, coupon redemption and raw material supply services, for which the Company had net payables aggregating to approximately $0.4 million and $0.5 million for the nine months ended September 30, 2020 and 2019, respectively. As of September 30, 2020 and December 31, 2019, a payable balance of approximately $1.7 million and $5.5 million, 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.

In April 2020, in connection with the organizational measures taken by the Company in response to COVID-19, the Company and Ms. Debbie Perelman, the Company’s President and Chief Executive Officer and a member of Revlon’s and Products Corporation’s Boards of Directors, agreed in writing that, effective on or about April 11, 2020, Ms. Perelman’s base salary would be reduced by 40% to $675,000, less all applicable withholdings and deductions, during the span of COVID-19. The Chairman of the Compensation Committee has the authority to reinstate Ms. Perelman’s base salary in effect immediately prior to such amendment at any time he deems appropriate, in his sole discretion, exercised reasonably. In July 2020, the Chairman of the Compensation Committee, acting pursuant to his delegated authority, partially reinstated Ms. Perelman’s base salary to the same 25% reduction applicable to the other members of the Company’s Executive Leadership Team. In late September 2020, the Company's CEO adjusted the initial COVID-driven 25% reduction in the base salary for members of its Executive Leadership Team to a 20% reduction. Also in connection with such COVID-19 measures, in March 2020, the Company agreed in writing with each of Ms. Mitra Hormozi and Mr. E. Scott Beattie that, effective April 1, 2020, their provision of advisory services to the Company was suspended, and payment of their consulting fees was also suspended. In connection with Ms. Hormozi’s resignation from the Board in July 2020, the Company and Ms. Hormozi terminated her Consulting Agreement, dated as of November 7, 2019, as amended, which Consulting Agreement had previously been suspended as part of the organizational cost-reduction measures taken by the Company in response to the ongoing COVID-19 pandemic. The Company’s CEO may reinstate Mr. Beattie’s advisory services and payment of his consulting fees at the appropriate time, in her sole discretion, exercised reasonably. See Note 19, "Subsequent Events."

As previously disclosed in the Company’s 2019 Form 10-K, prior to this suspension of services and payments, in March 2020, the Company and Mr. Beattie entered into an Amended and Restated Consulting Agreement (the “2020 Consulting Agreement”), pursuant to which he was scheduled to serve as Senior Advisor to the Company’s CEO for an additional year, subject to automatic 1-year renewals, unless either party elects not to renew, and subject to certain standard termination rights, in consideration for which, the Company would pay Mr. Beattie a fee of $250,000 per year, supplemental to the Board’s compensation program for non-employee directors. The foregoing description of the 2020 Consulting Agreement is qualified in its entirety by reference to the full text of such agreement, a copy of which was filed with the SEC on March 12, 2020 together with the Company’s 2019 Form 10-K.

MacAndrews & Forbes tendered approximately $15.5 million of 5.75% Senior Notes into the Exchange Offer and, in exchange, received the Mixed Consideration as described herein, in accordance with the terms and conditions of the Exchange Offer.

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

18. 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 Financial Statements present the financial information as of September 30, 2020 and December 31, 2019, and for each of the three and nine months September 30, 2020 and 2019 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 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, 2020

	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 167.8	$ 8.8	$ 91.7	$ —	$ 268.3
Trade receivables, less allowances for doubtful accounts	54.6	107.7	178.5	—	340.8
Inventories, net	141.0	180.9	203.6	—	525.5
Prepaid expenses and other	215.0	31.2	59.4	—	305.6
Intercompany receivables	3,375.6	3,296.1	464.4	(7,136.1)	—
Investment in subsidiaries	1,581.4	(0.1)	—	(1,581.3)	—
Property, plant and equipment, net	184.4	70.5	100.9	—	355.8
Deferred income taxes	243.5	(70.6)	39.0	—	211.9
Goodwill	48.9	264.0	250.3	—	563.2
Intangible assets, net	10.8	192.1	233.0	—	435.9
Other assets	69.0	13.4	30.1	—	112.5
Total assets	$ 6,092.0	$ 4,094.0	$ 1,650.9	$ (8,717.4)	$ 3,119.5
LIABILITIES AND STOCKHOLDER’S DEFICIENCY					
Short-term borrowings	$ —	$ —	$ 2.0	$ —	$ 2.0
Current portion of long-term debt	649.0	—	55.5	—	704.5
Accounts payable	75.1	62.2	82.6	—	219.9
Accrued expenses and other	243.5	(48.2)	195.5	—	390.8
Intercompany payables	3,496.2	3,013.9	625.9	(7,136.0)	—
Long-term debt	2,926.2	—	0.3	—	2,926.5
Other long-term liabilities	172.9	109.3	38.1	—	320.3
Total liabilities	7,562.9	3,137.2	999.9	(7,136.0)	4,564.0
Stockholder’s (deficiency) equity	(1,470.9)	956.8	651.0	(1,581.4)	(1,444.5)
Total liabilities and stockholder’s (deficiency) equity	$ 6,092.0	$ 4,094.0	$ 1,650.9	$ (8,717.4)	$ 3,119.5

(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, 2019

	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 0.8	$ 6.4	$ 97.1	$ —	$ 104.3
Trade receivables, less allowances for doubtful accounts	95.5	92.3	235.6	—	423.4
Inventories, net	131.0	151.5	165.9	—	448.4
Prepaid expenses and other	219.7	26.4	46.5	—	292.6
Intercompany receivables	2,857.7	2,854.6	452.7	(6,165.0)	—
Investment in subsidiaries	1,598.3	30.7	—	(1,629.0)	—
Property, plant and equipment, net	208.7	89.5	110.4	—	408.6
Deferred income taxes	165.0	(37.8)	30.9	—	158.1
Goodwill	159.9	264.0	249.8	—	673.7
Intangible assets, net	13.0	346.9	130.8	—	490.7
Other assets	67.8	16.2	37.1	—	121.1
Total assets	$ 5,517.4	$ 3,840.7	$ 1,556.8	$ (7,794.0)	$ 3,120.9
LIABILITIES AND STOCKHOLDER'S DEFICIENCY					
Short-term borrowings	$ —	$ —	$ 2.2	$ —	$ 2.2
Current portion of long-term debt	287.9	—	0.1	—	288.0
Accounts payable	108.4	39.9	103.5	—	251.8
Accrued expenses and other	124.1	70.0	224.1	—	418.2
Intercompany payables	3,030.3	2,668.7	466.0	(6,165.0)	—
Long-term debt	2,822.2	—	84.0	—	2,906.2
Other long-term liabilities	220.4	118.2	5.3	—	343.9
Total liabilities	6,593.3	2,896.8	885.2	(6,165.0)	4,210.3
Stockholder's (deficiency) equity	(1,075.9)	943.9	671.6	(1,629.0)	(1,089.4)
Total liabilities and stockholder's (deficiency) equity	$ 5,517.4	$ 3,840.7	$ 1,556.8	$ (7,794.0)	$ 3,120.9

(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, 2020

	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Sales	$ 95.7	$ 148.9	$ 232.4	$ 0.1	$ 477.1
Cost of sales	45.6	92.6	96.0	0.1	234.3
Gross profit	50.1	56.3	136.4	—	242.8
Selling, general and administrative expenses	84.4	47.7	119.3	—	251.4
Acquisition and integration costs	0.8	—	0.1	—	0.9
Restructuring charges and other, net	(8.4)	2.7	5.0	—	(0.7)
Impairment charges	(23.4)	22.0	1.4	—	—
Gain on divested assets	(1.1)	—	—	—	(1.1)
Operating (loss) income	(2.2)	(16.1)	10.6	—	(7.7)
Other (income) expense:					
Intercompany interest, net	(0.5)	0.7	(0.2)	—	—
Interest expense	67.3	—	1.4	—	68.7
Amortization of debt issuance costs	7.8	—	—	—	7.8
Gain on early extinguishment of debt	(31.2)	—	—	—	(31.2)
Foreign currency losses (gains), net	1.0	(0.7)	(10.1)	—	(9.8)
Miscellaneous, net	(1.8)	(55.4)	54.6	—	(2.6)
Other expense (income), net	42.6	(55.4)	45.7	—	32.9
(Loss) income from continuing operations before income taxes	(44.8)	39.3	(35.1)	—	(40.6)
(Benefit from) provision for income taxes	(6.3)	17.8	(9.2)	—	2.3
(Loss) income from continuing operations, net of taxes	(38.5)	21.5	(25.9)	—	(42.9)
Equity in income (loss) of subsidiaries	30.0	(10.0)	—	(20.0)	—
Net (loss) income	$ (8.5)	$ 11.5	$ (25.9)	$ (20.0)	$ (42.9)
Other comprehensive income (loss)	5.0	(7.1)	1.6	5.5	5.0
Total comprehensive (loss) income	$ (3.5)	$ 4.4	$ (24.3)	$ (14.5)	$ (37.9)

(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)
Income 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

Nine Months Ended September 30, 2020

	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
Net Sales	$ 305.9	$ 339.6	$ 632.2	$ —	$ 1,277.7
Cost of sales	158.5	190.5	251.7	—	600.7
Gross profit	147.4	149.1	380.5	—	677.0
Selling, general and administrative expenses	247.6	163.8	321.8	—	733.2
Acquisition, integration and divestiture costs	4.0	—	0.2	—	4.2
Restructuring charges and other, net	32.3	7.0	5.5	—	44.8
Impairment charges	120.7	22.0	1.4	—	144.1
Gain on divested assets	(0.5)	—	—	—	(0.5)
Operating (loss) income	(256.7)	(43.7)	51.6	—	(248.8)
Other (income) expense:					
Intercompany interest, net	(3.5)	1.8	1.7	—	—
Interest expense	173.0	—	5.0	—	178.0
Amortization of debt issuance costs	17.8	—	—	—	17.8
Gain on early extinguishment of debt	(43.1)	—	—	—	(43.1)
Foreign currency losses, net	1.6	1.7	5.8	—	9.1
Miscellaneous, net	(0.9)	(71.5)	86.3	—	13.9
Other expense (income), net	144.9	(68.0)	98.8	—	175.7
Loss from continuing operations before income taxes	(401.6)	24.3	(47.2)	—	(424.5)
Benefit from for income taxes	(58.4)	19.2	(5.0)	—	(44.2)
Loss from continuing operations, net of taxes	(343.2)	5.1	(42.2)	—	(380.3)
Equity in (loss) income of subsidiaries	0.7	(36.9)	—	36.2	—
Net (loss) income	$ (342.5)	$ (31.8)	$ (42.2)	$ 36.2	$ (380.3)
Other comprehensive (loss) income	16.6	7.3	4.0	(11.3)	16.6
Total comprehensive (loss) income	$ (325.9)	$ (24.5)	$ (38.2)	$ 24.9	$ (363.7)

(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

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, integration and divestiture 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) expenses:					
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 Statements of Cash Flows

Nine Months Ended September 30, 2020	Products Corporation	Guarantor Subsidiaries	Non-Guarantor Subsidiaries	Eliminations	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES:					
Net cash (used in) provided by operating activities	$ (260.0)	$ 6.6	$ (3.5)	$ —	$ (256.9)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Net cash used in investing activities	(6.0)	(0.5)	(0.9)	—	(7.4)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Net decrease in short-term borrowings and overdraft	2.5	(3.8)	0.6	—	(0.7)
Borrowings under the 2020 BrandCo Facilities	880.0	—	—	—	880.0
Repurchases of the 5.75% Senior Notes	(114.1)	—	—	—	(114.1)
Net borrowings under the Amended 2016 Revolving Credit Facility	19.5	—	—	—	19.5
Net borrowings under the 2019 Term Loan Facility (a)	(200.0)	—	—	—	(200.0)
Repayments under the 2018 Foreign Asset-Based Term Loan	(31.4)	—	—	—	(31.4)
Repayments under the 2016 Term Loan Facility	(9.2)	—	—	—	(9.2)
Payment of financing costs	(109.4)	—	1.1	—	(108.3)
Tax withholdings related to net share settlements of restricted stock and RSUs	(1.6)	—	—	—	(1.6)
Other financing activities	(0.1)	(0.1)	(0.1)	—	(0.3)
Net cash provided by (used in) financing activities	436.2	(3.9)	1.6	—	433.9
Effect of exchange rate changes on cash, cash equivalents and restricted cash	0.4	2.0	(2.8)	—	(0.4)
Net increase (decrease) in cash, cash equivalents and restricted cash	170.6	4.2	(5.6)	—	169.2
Cash, cash equivalents and restricted cash at beginning of period	$ 1.0	$ 6.4	$ 97.2	$ —	$ 104.5
Cash, cash equivalents and restricted cash at end of period	$ 171.6	$ 10.6	$ 91.6	$ —	$ 273.7

(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 (a)	200.0	—	—	—	200.0
Repayments under the 2016 Term Loan Facility	(13.5)	—	—	—	(13.5)
Payments of financing costs	(12.2)	—	(1.2)	—	(13.4)
Tax withholdings related to net share settlements of restricted stock and RSUs	(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

19. SUBSEQUENT EVENTS

5.75% Senior Notes Exchange Offer

On October 23, 2020, Products Corporation amended its previously-announced Exchange Offer to exchange any and all of the then-outstanding $342,785,000 in aggregate principal amount of its Existing 5.75% Senior Notes, as described in the amended and restated Offering Memorandum and Consent Solicitation Statement (the “Offering Memorandum”), dated October 23, 2020, which Exchange Offer closed on November 13, 2020. Concurrently with the Exchange Offer, Products Corporation solicited consents (the “Consent Solicitation”) to eliminate substantially all of the restrictive covenants and certain events of default provisions from the indenture governing the 5.75% Senior Notes (the “5.75% Senior Notes Indenture”).

For each $1,000 principal amount of 5.75% Senior Notes validly tendered, holders received either, at their option, (i) $275 in cash (plus a $50 early tender/consent fee payable if such 5.75% Senior Notes are tendered at or before 11:59 p.m. New York City time, on November 10, 2020 (the "Expiration Time"), for an aggregate of $325 in cash, or (ii) a combination of (1) $200 in cash (plus a $50 early tender/consent fee payable if such 5.75% Senior Notes are tendered at or before the Expiration Time), for an aggregate of $250 in cash, plus, (2) (A) the Per $1,000 Pro Rata Share of $50 million aggregate principal amount of new 2020 ABL FILO Term Loans and (B) the Per $1,000 Pro Rata Share of $75 million aggregate principal amount of the New BrandCo Second-Lien Term Loans, if the holder is: (a)(i) a qualified institutional buyer as defined in Rule 144A under the Securities Act; (ii) an institutional accredited investor within the meaning of Rule 501(a)(1), (a)(2), (a)(3) or (a)(7) of the Securities Act; or (iii) a person that is not a “U.S. person” within the meaning of Regulation S under the Securities Act, (b) not a natural person and (c) not a “Disqualified Institution” (as defined under the Amended 2016 Revolving Credit Facility and related security documents and intercreditor agreements or the 2020 BrandCo Term Loan Facility and related security documents and intercreditor agreements).

On November 13, 2020, the Company announced that the Exchange Offer was successfully consummated and that Products Corporation had accepted $236 million in aggregate principal amount of 5.75% Senior Notes tendered in the Exchange Offer. Products Corporation used cash on hand to redeem, effective as of November 13, 2020, the remaining $106.8 million in aggregate principal amount of 5.75% Senior Notes pursuant to the terms of the 5.75% Senior Notes Indenture. Following the consummation of the Exchange Offer and the satisfaction and discharge of the remaining 5.75% Senior Notes, no 5.75% Senior Notes remained outstanding. Accrued and unpaid interest on the 5.75% Senior Notes that were tendered in the Exchange Offer was paid to, but not including, the settlement date of the Exchange Offer.

The 2020 ABL FILO Term Loans are new “Tranche B” term loans in the aggregate principal amount of $50 million, ranking junior in right of payment to the “Tranche A” revolving loans under the Amended 2016 Revolving Credit Agreement and equal in right of payment with all existing and future unsubordinated indebtedness of Products Corporation and the guarantors under the Amended 2016 Revolving Credit Agreement (such new Tranche B term loans, the “2020 ABL FILO Term Loans”). The 2020 ABL FILO Term Loans will mature six months after the maturity date of the Tranche A Loans (and any extension thereof in part or in whole). The 2020 ABL FILO Term Loans bear interest at a rate of LIBOR (subject to a 1.75% floor) plus 8.50% per annum, accruing from the settlement date of the Exchange Offer. The borrowing base for the 2020 ABL FILO Term Loans consists of an advance rate of 100% of eligible collateral with a customary push down reserve, with collateral consisting of: (i) a first-priority lien on accounts receivable, inventory, cash, negotiable instruments, chattel paper, investment property (other than capital stock), equipment and real property of Products Corporation and the subsidiary guarantors, subject to customary exceptions (the “Priority Collateral”); and (ii) a second-priority lien on substantially all tangible and intangible personal property of Products Corporation and the subsidiary guarantors, subject to customary exclusions (other than the Priority Collateral).

The New BrandCo Second Lien Term Loans are “Term B-2 Loans” in the aggregate principal amount of $75 million (ranking junior to the Term B-1 Loans and senior to the Term B-3 Loans with respect to liens on certain specified collateral) under the 2020 BrandCo Term Loan Facility (such Term B-2 Loans, the “New BrandCo Second-Lien Term Loans”). See Note 7, “Debt,” and Note 19, “Subsequent Events,” regarding the 2020 BrandCo Refinancing Transactions for further details and amounts outstanding under the 2020 BrandCo Credit Agreement).

In conjunction with the Exchange Offer, Products Corporation conducted the Consent Solicitation to effectuate amendments to the 5.75% Senior Notes Indenture, which eliminated substantially all of the restrictive covenants and certain events of default provisions from the 5.75% Senior Notes Indenture.

Amendment No. 1 to BrandCo Credit Agreement

On November 13, 2020, Products Corporation entered into that certain Amendment No. 1 (the “BrandCo Amendment”) to the 2020 BrandCo Credit Agreement in connection with the Exchange Offer in order to, among other things, provide for the incurrence of $75 million in aggregate principal amount of New BrandCo Second-Lien Term Loans. The New BrandCo Second Lien Term Loans are a separate tranche of “Term B-2 Loans” (ranking junior to the Term B-1 Loans and senior to the Term B-3 Loans with respect to liens on certain specified collateral) under the BrandCo Credit Agreement. Except as to the use of proceeds, the terms of the New BrandCo Second-Lien Term Loans are substantially consistent with the other Term B-2 Loans. In connection with the BrandCo Amendment, Products Corporation paid certain fees to the lenders in-kind in the form of New BrandCo Second-Lien Term Loans in accordance with the BrandCo TSA.

Amendment to Credit Facilities; New Tranche B ABL FILO Term Loan Facility

On October 23, 2020 (the “5th Amendment Effective Date”), Products Corporation entered into Amendment No. 5 (the “5th Amendment”) to the Amended 2016 Revolving Credit Agreement.

The 5th Amendment amended and restated the Amended 2016 Revolving Credit Agreement to add a new Tranche B consisting of $50 million aggregate principal amount of “first-in, last-out” Tranche B term loans (such new Tranche B, the “2020 ABL FILO Term Loan Facility” and the loans incurred thereunder, the “2020 ABL FILO Term Loans”). The 5th Amendment also required Products Corporation to maintain "Excess Availability" (as defined in the 5th Amendment) of at least $85 million from the 5th Amendment Effective Date until the transactions contemplated by the Exchange Offer were consummated (such date, the “Exchange Offer Effective Date”). As a result, on October 23, 2020, Products Corporation repaid $35 million of Tranche A loans under the Amended 2016 Revolving Credit Agreement.

On the Exchange Offer Effective Date, Products Corporation’s As-Adjusted Liquidity was required to be at least $175 million (which condition was satisfied) and Products Corporation cannot hold more than $100 million in cash or Cash Equivalents (as defined in the 5th Amendment). Furthermore, the 5th Amendment provides that a $30 million reserve will be automatically and immediately established against the Tranche A Borrowing Base (as defined in the 5th Amendment) if the results of ongoing appraisals and field exams are not delivered to the administrative agent prior to the occurrence of certain specified defaults.

Products Corporation will pay customary fees to Alter Domus (US) LLC as the administrative agent for the 2020 ABL FILO Term Loan Facility. Except as to maturity date, interest, borrowing base and differences due to their nature as term loans, the terms of the 2020 ABL FILO Term Loans are otherwise substantially consistent with the Tranche A Revolving Loans.

COVID-19-Related Compensation Actions

In November 2020, the Compensation Committee of Revlon’s Board of Directors ratified the following changes to the previously-disclosed COVID-19-related compensation arrangements for certain members of management and the Board: (i) the determination by Mr. Alan Bernikow, in his role as Chairman of the Compensation Committee, to reinstate Ms. Perelman’s annual base salary back to its pre-pandemic level of $1,125,000 per annum, pursuant to the Board’s delegation of such authority to Mr. Bernikow at the time such reductions were implemented in April 2020; and (ii) the determinations by Ms. Perelman, in her role as the Company’s President and Chief Executive Officer, to reinstate (A) the annual retainer fees for non-employee Board members, Audit Committee members and the chairmen of the Audit Committee and the Compensation Committee to their pre-pandemic levels (i.e., $115,000 per annum for Revlon Board members, $25,000 per annum for Products Corporation’s Board members, $10,000 per annum for Audit Committee members and $10,000 per annum for the chairman of each of the Audit Committee and Compensation Committee) and (B) the annual base salaries for certain members of the Company’s Executive Leadership Team back to their respective pre-pandemic levels, pursuant to the Board’s delegation of such authority to Ms. Perelman at the time such reductions were implemented in April 2020.

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

RECENT DEVELOPMENTS

Liquidity and Ability to Continue as a Going Concern

The ongoing and prolonged COVID-19 pandemic has continued to adversely impact the Company's business in the third quarter of 2020 and beyond, as social-distancing restrictions and related actions designed to curb the spread of the virus have remained in place or have been reinstated as the COVID-19 pandemic spikes across the globe. These adverse economic conditions have resulted in the general slowdown of the global economy, in turn contributing to a significant decline in net sales within each of the Company's reporting segments and regions.

As previously disclosed, on October 23, 2020, Products Corporation commenced an amended exchange offer (as amended, the "Exchange Offer") to exchange any and all of its outstanding 5.75% Senior Notes due 2021 (the "5.75% Senior Notes"), which closed on November 13, 2020. In the Exchange Offer, for each $1,000 principal amount of 5.75% Senior Notes validly tendered, holders received either, at their option, (i) $275 in cash (plus a $50 early tender/consent fee payable if such 5.75% Senior Notes were tendered at or before 11:59 p.m. New York City time on November 10, 2020 (the "Expiration Time")), for an aggregate of $325 in cash (the "Cash Consideration"), or (ii) a combination of (1) $200 in cash (plus a $50 early tender/consent fee payable if such 5.75% Senior Notes were tendered at or before the Expiration Time), for an aggregate of $250 in cash, plus, (2) (A) the Per $1,000 Pro Rata Share (as hereinafter defined) of $50 million aggregate principal amount of new 2020 ABL FILO Term Loans (as hereinafter defined) and (B) the Per $1,000 Pro Rata Share of $75 million aggregate principal amount of the New BrandCo Second-Lien Term Loans (the "Mixed Consideration" and such loans, together with the 2020 ABL FILO Term Loans, the "New Loans"), if the holder is: (a)(i) a qualified institutional buyer as defined in Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"); (ii) an institutional accredited investor within the meaning of Rule 501(a)(1), (a)(2), (a)(3) or (a)(7) of the Securities Act; or (iii) a person that is not a "U.S. person" within the meaning of Regulation S under the Securities Act, (b) not a natural person and (c) not a "Disqualified Institution" (as defined under the Amended 2016 Revolving Credit Facility and related security documents and intercreditor agreements or the 2020 BrandCo Term Loan Facility and related security documents and intercreditor agreements) (an "Eligible Holder"). The "Per $1,000 Pro Rata Share" is (1) $1,000, divided by (2) the aggregate principal amount of 5.75% Senior Notes tendered for Mixed Consideration by all Eligible Holders and accepted for payment by Products Corporation.

On November 13, 2020, the Company announced that the Exchange Offer was successfully consummated and that Products Corporation had accepted $236 million in aggregate principal amount of 5.75% Senior Notes tendered in the Exchange Offer. Products Corporation used cash on hand to redeem, effective as of November 13, 2020, the remaining $106.8 million in aggregate principal amount of 5.75% Senior Notes pursuant to the terms of the indenture governing the 5.75% Senior Notes. Following the consummation of the Exchange Offer and the satisfaction and discharge of the remaining 5.75% Senior Notes, no 5.75% Senior Notes remained outstanding.

In addition, the Company's Amended 2016 Revolving Credit Facility matures on September 7, 2021, and the Company is currently in discussions with various lenders to extend such maturity or refinance such facility.

The uncertainty as to Products Corporation's ability to extend or refinance the Amended 2016 Revolving Credit Facility raises substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of these uncertainties, nor do they include adjustments to reflect the possible future effects of the recoverability and classification of recorded asset amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

For more information, please see the risk factors discussed in Part II, Item 1A. "Risk Factors" of this Quarterly Report on Form 10-Q.

5.75% Senior Notes Exchange Offer

On October 23, 2020, Products Corporation amended its previously-announced Exchange Offer to exchange any and all of the then-outstanding $342,785,000 in aggregate principal amount of its Existing 5.75% Senior Notes, as described in the amended and restated Offering Memorandum and Consent Solicitation Statement (the “Offering Memorandum”), dated October 23, 2020, which Exchange Offer closed on November 13, 2020. Concurrently with the Exchange Offer, Products Corporation solicited consents to eliminate substantially all of the restrictive covenants and certain events of default provisions from the indenture governing the 5.75% Senior Notes (the “5.75% Senior Notes Indenture”).

For each $1,000 principal amount of 5.75% Senior Notes validly tendered, holders received either, at their option, (i) $275 in cash (plus a $50 early tender/consent fee payable if such 5.75% Senior Notes are tendered at or before 11:59 p.m. New York City time, on November 10, 2020 (the "Expiration Time"), for an aggregate of $325 in cash, or (ii) a combination of (1) $200 in cash (plus a $50 early tender/consent fee payable if such 5.75% Senior Notes are tendered at or before the Expiration Time), for an aggregate of $250 in cash, plus, (2) (A) the Per $1,000 Pro Rata Share of $50 million aggregate principal amount of new 2020 ABL FILO Term Loans and (B) the Per $1,000 Pro Rata Share of $75 million aggregate principal amount of the New BrandCo Second-Lien Term Loans, if the holder is an Eligible Holder.

On November 13, 2020, the Company announced that the Exchange Offer was successfully consummated and that Products Corporation had accepted $236 million in aggregate principal amount of 5.75% Senior Notes tendered in the Exchange Offer. Products Corporation used cash on hand to redeem, effective as of November 13, 2020, the remaining $106.8 million in aggregate principal amount of 5.75% Senior Notes pursuant to the terms of the 5.75% Senior Notes Indenture. Following the consummation of the Exchange Offer and the satisfaction and discharge of the remaining 5.75% Senior Notes, no 5.75% Senior Notes remained outstanding. Accrued and unpaid interest on the 5.75% Senior Notes that were tendered in the Exchange Offer was paid to, but not including, the settlement date of the Exchange Offer.

The 2020 ABL FILO Term Loans are new “Tranche B” term loans in the aggregate principal amount of $50 million, ranking junior in right of payment to the “Tranche A” revolving loans under the Amended 2016 Revolving Credit Agreement and equal in right of payment with all existing and future unsubordinated indebtedness of Products Corporation and the guarantors under the Amended 2016 Revolving Credit Agreement (such new Tranche B term loans, the “2020 ABL FILO Term Loans”). The 2020 ABL FILO Term Loans will mature six months after the maturity date of the Tranche A Loans (and any extension thereof in part or in whole). The 2020 ABL FILO Term Loans bear interest at a rate of LIBOR (subject to a 1.75% floor) plus 8.50% per annum, accruing from the settlement date of the Exchange Offer. The borrowing base for the 2020 ABL FILO Term Loans consists of an advance rate of 100% of eligible collateral with a customary push down reserve, with collateral consisting of: (i) a first-priority lien on accounts receivable, inventory, cash, negotiable instruments, chattel paper, investment property (other than capital stock), equipment and real property of Products Corporation and the subsidiary guarantors, subject to customary exceptions (the “Priority Collateral”); and (ii) a second-priority lien on substantially all tangible and intangible personal property of Products Corporation and the subsidiary guarantors, subject to customary exclusions (other than the Priority Collateral).

The New BrandCo Second Lien Term Loans are “Term B-2 Loans” in the aggregate principal amount of $75 million (ranking junior to the Term B-1 Loans and senior to the Term B-3 Loans with respect to liens on certain specified collateral) under the 2020 BrandCo Term Loan Facility (such Term B-2 Loans, the “New BrandCo Second-Lien Term Loans”). See Note 7, “Debt,” and Note 19, “Subsequent Events,” regarding the 2020 BrandCo Refinancing Transactions for further details and amounts outstanding under the 2020 BrandCo Credit Agreement).

In conjunction with the Exchange Offer, Products Corporation conducted the Consent Solicitation to effectuate amendments to the 5.75% Senior Notes Indenture, which eliminated substantially all of the restrictive covenants and certain events of default provisions from the 5.75% Senior Notes Indenture.

Amendment No. 1 to BrandCo Credit Agreement

On November 13, 2020, Products Corporation entered into that certain Amendment No. 1 (the "BrandCo Amendment") to the 2020 BrandCo Credit Agreement in connection with the Exchange Offer in order to, among other things, provide for the incurrence of $75 million in aggregate principal amount of New BrandCo Second-Lien Term Loans. The New BrandCo Second Lien Term Loans are a separate tranche of "Term B-2 Loans" (ranking junior to the Term B-1 Loans and senior to the Term B-3 Loans with respect to liens on certain specified collateral) under the BrandCo Credit Agreement. Except as to the use of proceeds, the terms of the New BrandCo Second-Lien Term Loans are substantially consistent with the other Term B-2 Loans. In connection with the BrandCo Amendment, Products Corporation paid certain fees to the lenders in-kind in the form of New BrandCo Second-Lien Term Loans in accordance with the BrandCo TSA.

Amendment to Credit Facilities; New Tranche B ABL FILO Term Loan Facility

On October 23, 2020 (the "5th Amendment Effective Date"), Products Corporation entered into Amendment No. 5 (the "5th Amendment") to the Amended 2016 Revolving Credit Agreement.

The 5th Amendment amended and restated the Amended 2016 Revolving Credit Agreement to add a new Tranche B consisting of $50 million aggregate principal amount of "first-in, last-out" Tranche B term loans (such new Tranche B, the "2020 ABL FILO Term Loan Facility" and the loans incurred thereunder, the "2020 ABL FILO Term Loans"). The 5th Amendment also required Products Corporation to maintain "Excess Availability" (as defined in the 5th Amendment) of at least $85 million from the 5th Amendment Effective Date until the transactions contemplated by the Exchange Offer were consummated (such date, the "Exchange Offer Effective Date"). As a result, on October 23, 2020, Products Corporation repaid $35 million of Tranche A loans under the Amended 2016 Revolving Credit Agreement.

On the Exchange Offer Effective Date, Products Corporation's As-Adjusted Liquidity was required to be at least $175 million (which condition was satisfied) and Products Corporation cannot hold more than $100 million in cash or Cash Equivalents (as defined in the 5th Amendment). Furthermore, the 5th Amendment provides that a $30 million reserve will be automatically and immediately established against the Tranche A Borrowing Base (as defined in the 5th Amendment) if the results of ongoing appraisals and field exams are not delivered to the administrative agent prior to the occurrence of certain specified defaults.

Products Corporation will pay customary fees to Alter Domus (US) LLC as the administrative agent for the 2020 ABL FILO Term Loan Facility. Except as to maturity date, interest, borrowing base and differences due to their nature as term loans, the terms of the 2020 ABL FILO Term Loans are otherwise substantially consistent with the Tranche A Revolving Loans.

COVID-19-Related Compensation Actions

In November 2020, the Compensation Committee of Revlon's Board of Directors ratified the following changes to the previously-disclosed COVID-19-related compensation arrangements for certain members of management and the Board: (i) the determination by Mr. Alan Bernikow, in his role as Chairman of the Compensation Committee, to reinstate Ms. Perelman's annual base salary back to its pre-pandemic level of $1,125,000 per annum, pursuant to the Board's delegation of such authority to Mr. Bernikow at the time such reductions were implemented in April 2020; and (ii) the determinations by Ms. Perelman, in her role as the Company's President and Chief Executive Officer, to reinstate (A) the annual retainer fees for non-employee Board members, Audit Committee members and the chairmen of the Audit Committee and the Compensation Committee to their pre-pandemic levels (i.e., $115,000 per annum for Revlon Board members, $25,000 per annum for Products Corporation's Board members, $10,000 per annum for Audit Committee members and $10,000 per annum for the chairman of each of the Audit Committee and Compensation Committee) and (B) the annual base salaries for certain members of the Company's Executive Leadership Team back to their respective pre-pandemic levels, pursuant to the Board's delegation of such authority to Ms. Perelman at the time such reductions were implemented in April 2020.

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.

Business Strategy

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 products where consumers shop, both in-store and increasingly online. The Company also continues to deliver against the objectives of the Revlon 2020 Restructuring Program, which includes rightsizing our organization with the objectives of driving improved profitability, cash flow and liquidity. The Company is also managing the business to conserve cash and liquidity, as well as focusing on stabilizing the business, growing e-commerce and preparing the foundation for achieving future growth.

Strategic Review

In August 2019, it was disclosed that MacAndrews & Forbes and the Company determined to explore strategic transactions involving the Company and third parties. This review is ongoing and remains focused on exploring potential options for the Company's portfolio and regional brands (the "Strategic Review").

COVID-19 Impact on the Company's Business

While the Company continues to execute its business strategy, the ongoing and prolonged COVID-19 pandemic has adversely impacted net sales in all major commercial regions around the globe that are important to the Company's business. COVID-19's adverse impact on the global economy has contributed to significant and extended quarantines, stay-at-home orders and other social distancing measures; closures and bankruptcies of retailers, beauty salons, spas, offices and manufacturing facilities; increased levels of unemployment; travel and transportation restrictions leading to declines in consumer traffic in key shopping and tourist areas around the globe; and import and export restrictions. These adverse economic conditions have resulted in the general slowdown of the global economy, in turn contributing to a significant decline in net sales within each of the Company's reporting segments and regions. As the Company currently expects that the COVID-19 pandemic, including the impact of the pandemic's "second wave," will continue to impact its business going forward, the Company will continue to closely monitor the associated impacts and take appropriate actions in an effort to mitigate COVID-19's negative effects on the Company's operations and financial results.

The ongoing and prolonged COVID-19 pandemic has continued to adversely impact the Company's business in Q3 2020, as social-distancing restrictions and related actions designed to curb the spread of the virus have remained in place or have been reinstated as the COVID-19 pandemic spikes across the globe. These restrictions could continue for the foreseeable future, as global economies face a "second-wave" of the pandemic as re-opening plans are implemented.

The ongoing and prolonged COVID-19 pandemic contributed an estimated $119 million ($119 million "XFX," as hereinafter defined), to the Company's $119.7 million decline in net sales for the three months ended September 30, 2020, compared to the prior year quarter, and an estimated $387 million ($392 million XFX) to the Company's $442.5 million decline in net sales for the nine months ended September 30, 2020, compared to the prior year period. During the three months ended September 30, 2020, the Company experienced increased net sales of **Revlon-branded** beauty tools, **Revlon** hair color products and certain **Elizabeth Arden** skincare products in certain markets, as well as growth in the Company's e-commerce net sales.

For the third quarter of 2020, Revlon segment net sales declined $51.3 million ($51.9 million XFX) versus the prior year quarter, with the ongoing and prolonged COVID-19 pandemic contributing an estimated $50 million ($50 million XFX) to such decline. During the third quarter of 2020, the Revlon segment experienced increased net sales of **Revlon-branded** beauty tools and hair color products in North America. COVID-19 had a similar negative impact on the Company's other reporting segments over such period, with COVID-19 contributing: (i) an estimated $25 million ($25 million XFX) to a $32.9 million ($33.1 million XFX) decline in the Fragrances segment; (ii) an estimated $24 million ($25 million XFX) to a $16.9 million ($18.4 million XFX) decline in the Elizabeth Arden segment; and (iii) an estimated $19 million ($19 million XFX) to a $18.6 million ($19.1 million XFX) decline in the Portfolio segment. Within the Company's Portfolio segment, during the third quarter of 2020 the **Creme of Natur**e brand continued to deliver net sales growth versus the third quarter of 2019, driven by increased demand due to a shift in consumer buying preferences.

On a regional basis, the ongoing and prolonged COVID-19 pandemic had a similar negative impact on the Company's North America and International regions during the third quarter of 2020. Of a $43.5 million ($43.2 million XFX) decline in the Company's net sales in its North America region during the third quarter of 2020 compared to the third quarter of 2019, COVID-19 contributed an estimated $47 million ($47 million XFX) to such decline. Similarly, of a $76.2 million ($79.3 million XFX) decline in the Company's net sales in its International region over such period, COVID-19 contributed an estimated $72 million ($72 million XFX) to such decline. During the third quarter of 2020, on a regional basis, the Company also experienced increased net sales of **Revlon-branded** beauty tools, **Revlon** hair color products and certain **Elizabeth Arden** skincare products, predominantly in China, as well as growth in certain local and regional brands in various markets.

For the nine months ended September 30, 2020, Revlon segment net sales declined $233.3 million ($227.4 million XFX) versus the prior year period, with the ongoing and prolonged COVID-19 pandemic contributing an estimated $174 million ($176 million XFX) to such decline. During the nine months ended September 30, 2020, the Revlon segment experienced increased net sales of **Revlon-branded** beauty tools and **Revlon** hair color products in North America. COVID-19 had a similar negative impact on the Company's other reporting segments over such period, with COVID-19 contributing: (i) an estimated $93 million ($95 million XFX) to a $69.6 million ($66.8 million XFX) decline in the Elizabeth Arden segment, partially offset by higher net sales of **Ceramide** skin care products; (ii) an estimated $65 million ($65 million XFX) to a $83.6 million ($82.0 million XFX) decline in the Fragrances segment; and (iii) an estimated $56 million ($56 million XFX) to a $56.0 million ($52.2 million XFX) decline in the Portfolio segment.

On a regional basis, the ongoing and prolonged COVID-19 pandemic had a similar negative impact on the Company's North America and International regions during the nine months ended September 30, 2020. Of a $198.3 million ($197.3 million XFX) decline in the Company’s net sales in its North America region during the nine months ended September 30, 2020, compared to the prior year period, COVID-19 contributed an estimated $162 million ($163 million XFX) to such decline. Similarly, of a $244.2 million ($231.1 million XFX) decline in the Company’s net sales in its International region over such period, COVID-19 contributed an estimated $225 million ($229 million XFX) to such decline. During the nine months ended September 30, 2020, on a regional basis, the Company also experienced increased net sales of **Revlon-branded** beauty tools, **Revlon** hair color products and certain **Elizabeth Arden** skincare products, predominantly in China, as well as growth in **Cutex** nail care products, and certain local and regional brands, in certain markets.

In April 2020, the Company took several cost reduction measures designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on its net sales, including, without limitation: (i) reducing brand support, as a result of the abrupt decline in retail store traffic; (ii) continuing to monitor the Company’s sales and order flow and periodically scaling down operations and cancelling promotional programs; and (iii) closely managing cash flow and liquidity and prioritizing cash to minimize COVID-19’s impact on the Company’s production capabilities. In April 2020, the Company also implemented various organizational interim measures designed to reduce costs in response to COVID-19, including, without limitation: (i) switching to a reduced work week in the U.S. and in the Company's international locations and reducing executive and employee compensation in the range of 20% to 40%; (ii) furloughing approximately 40% of the Company’s U.S.-based office-based employees and 30% factory-based employees, as well as employees in a majority of the Company's other locations; (iii) suspending the Company’s 2020 merit base salary increases, discretionary profit sharing contributions and matching contributions to the Company’s 401(k) plan; (iv) reducing Board and committee compensation by 50% and eliminating Board and committee meeting fees; and (v) suspending or terminating services and payments under consulting agreements with certain directors. During the third quarter of 2020, the Company started to gradually roll back some of these measures especially with regards to some of the employees previously furloughed and/or on a reduced work week. With most of these measures still in place, including the Revlon 2020 Restructuring Program, the Company achieved cost reductions of approximately $78 million and $231 million during the three and nine months ended September 30, 2020, respectively, that have substantially offset the impact of the decline in the Company's net sales over such period. However, with the ongoing and prolonged COVID-19 pandemic, these mitigation actions may not prove to be effective in insulating the Company from any further damaging economic impacts from the pandemic.

For additional information regarding the Company's business, see "Part 1, Item 1 - Business" in the Company's 2019 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 2020 were $477.1 million, a $119.7 million decrease, or 20.1%, compared to $596.8 million in the third quarter of 2019. Excluding the $2.8 million favorable impact of foreign currency fluctuations (referred to herein as "FX," "XFX" or on an "XFX basis"), consolidated net sales decreased by $122.5 million, or 20.5%, during the third quarter of 2020. The ongoing and prolonged COVID-19 pandemic contributed an estimated $119 million ($119 million XFX) to the Company's $119.7 million decline in net sales in the three months ended September 30, 2020, compared to the three months ended September 30, 2019. The XFX net sales decrease of $122.5 million in the third quarter of 2020 was due to: a $51.9 million, or 23.9%, decrease in Revlon segment net sales; a $33.1 million, or 24.0%, decrease in Fragrances segment net sales; a $19.1 million, or 16.2%, decrease in Portfolio segment net sales; and a $18.4 million, or 14.9%, decrease in Elizabeth Arden segment net sales.

Consolidated net sales in the nine months ended September 30, 2020 were $1,277.7 million, a $442.5 million decrease, or 25.7%, compared to $1,720.2 million in the nine months ended September 30, 2019. Excluding the $14.1 million unfavorable FX impact, consolidated net sales decreased by $428.4 million, or 24.9%, during the nine months ended September 30, 2020. The ongoing and prolonged COVID-19 pandemic contributed an estimated $387 million ($392 million XFX) to the Company's $442.5 million decline in net sales in the nine months ended September 30, 2020, compared to the prior year period. The XFX net sales decrease of $428.4 million in the nine months ended September 30, 2020 was due to: a $227.4 million, or 31.8%, decrease in Revlon segment net sales; a $82.0 million, or 27.5%, decrease in Fragrances segment net sales; a $66.8 million, or 19.0%, decrease in Elizabeth Arden segment net sales; and a $52.2 million, or 14.7%, decrease in Portfolio segment net sales.

Consolidated loss from continuing operations, net of taxes, in the third quarter of 2020 was $44.5 million, compared to $44.4 million in the third quarter of 2019. The $0.1 million increase in consolidated loss from continuing operations, net of taxes, in the second quarter of 2020 was primarily due to:

- $85.0 million of lower gross profit, primarily due to the lower net sales in the third quarter of 2020, primarily as a result of the effects of COVID-19, compared the third quarter of 2019;
- a $18.5 million increase in interest expense in the third quarter of 2020, compared to the third quarter of 2019, primarily due to higher weighted average interest rates and higher weighted average borrowings driven primarily by the 2020 BrandCo Term Loan Facility;
- a $4.1 million increase in amortization of debt issuance costs in the third quarter of 2020, compared to the third quarter of 2019, primarily due to the additional debt issuance costs recorded and amortized in connection with the 2020 BrandCo Refinancing Transactions;
- a $4.0 million decrease in the benefit from income taxes in the third quarter of 2020 compared to the third quarter of 2019, primarily due to: (i) the mix and level of earnings; (ii) an increase in the U.S. tax on the Company's foreign earnings; and (iii) increased tax expense from return to provision adjustments, partially offset primarily by an increase in tax benefit from the net change in valuation allowances related to the recognition of previously unrecognized tax losses in Canada;
- $0.8 million of higher acquisition, integration and divestiture costs in the third quarter of 2020, compared to the third quarter of 2019, relating to the amortization of the cash-based awards under Tier 1 and Tier 2 of the Revlon 2019 Transaction Incentive Program (the "2019 TIP"; see Note 11, "Stock Compensation Plan," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q for additional details on the 2019 TIP);

with the foregoing partially offset by:

- $54.7 million of lower SG&A expenses in the third quarter of 2020 compared to the third quarter of 2019, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as from the Revlon 2020 Restructuring Program;

- a $31.2 million increase in gain on the early extinguishment of debt in the third quarter of 2020, compared to having had no gain in the third quarter of 2019, recorded upon the repurchase and cancellation of approximately $44.4 million in aggregate principal face amount of Products Corporation's 5.75% Senior Notes during the third quarter of 2020; and
- $17.4 million of favorable variance in foreign currency, resulting from $9.8 million in foreign currency gains during the third quarter of 2020, compared to $7.6 million in foreign currency losses during the third quarter of 2019;
- a $4.3 million net decrease in other miscellaneous expenses, net, in the third quarter of 2020 compared to the third quarter of 2019, primarily due to the subsequent true-up in the third quarter of 2020 of financing fees previously expensed in 2020 in connection with the 2020 BrandCo Refinancing Transactions; and
- a $3.6 million decrease in restructuring charges, primarily due to the subsequent true-up in the third quarter of 2020 of restructuring charges previously accrued in 2020 under the Revlon 2020 Restructuring Program, compared to the expenditures incurred primarily under the 2018 Optimization Program in the third quarter of 2019; and

Consolidated loss from continuing operations, net of taxes, in the nine months ended September 30, 2020 was $385.2 million, compared to consolidated loss from continuing operations, net of taxes, of $185.5 million in the nine months ended September 30, 2019. The $199.7 million increase in consolidated loss from continuing operations, net of taxes, in the nine months ended September 30, 2020, compared to nine months ended September 30, 2019, was primarily due to:

- $292.5 million of lower gross profit, primarily due to the COVID-19 related lower net sales in the nine months ended September 30, 2020;
- a $144.1 million increase in non-cash impairment charges recorded for the nine months ended September 30, 2020, primarily attributable to the effects of the ongoing and prolonged COVID-19 pandemic, compared to having had no impairment charges for the nine months ended September 30, 2019. This increase is attributable to non-cash impairment charges of $111.0 million recorded on the Company's goodwill and to $33.1 million of non-cash impairment charges recorded on certain of the Company's indefinite-lived intangible assets following the Company's interim impairment assessments during the first and second quarters of 2020;
- a $33.2 million increase in restructuring charges, primarily related to higher expenditures under the Revlon 2020 Restructuring Program in the nine months ended September 30, 2020, compared to the expenditures incurred primarily under the 2018 Optimization Program in the nine months ended September 30, 2019;
- a $32.3 million increase in interest expense in the nine months ended September 30, 2020, compared to the prior year period, higher weighted average borrowings and higher weighted average interest rates driven primarily by the 2020 BrandCo Term Loan Facility and the 2019 Term Loan Facility (the latter of which was fully repaid in May 2020 using proceeds from the 2020 BrandCo Term Loan Facility);
- a $7.4 million increase in amortization of debt issuance costs in the nine months ended September 30, 2020, compared to the prior year period, primarily due to the additional debt issuance costs recorded and amortized in connection with the 2020 BrandCo Refinancing Transactions;
- a $6.3 million net increase in other miscellaneous expenses, net, in the nine months ended September 30, 2020, compared to the prior year period, primarily due to financing fees expensed in connection with the 2020 BrandCo Refinancing Transactions; and
- $3.5 million of higher acquisition, integration and divestiture costs in the nine months ended September 30, 2020, compared to the prior year period, including $0.7 million in professional fees incurred in connection with the exploration of strategic transactions involving the Company and third parties pursuant to the Strategic Review and approximately $3.5 million relating to the amortization of the cash-based awards under Tier 1 and Tier 2 of the Revlon 2019 TIP (see Note 11, "Stock Compensation Plan," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q for additional details on the 2019 TIP);

with the foregoing partially offset by:

- $234.1 million of lower SG&A expenses in the nine months ended September 30, 2020, compared to the prior year period, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as from the Revlon 2020 Restructuring Program;

- a $43.1 million increase in gain on the early extinguishment of debt in the nine months ended September 30, 2020, compared to having had no gain in the prior year period, primarily due to $31.2 million recorded during the third quarter of 2020 and $11.9 million recorded during the second quarter of 2020 upon the repurchase and subsequent cancellation of approximately $157.2 million in aggregate principal face amount of Products Corporation's 5.75% Senior Notes; and
- a $42.0 million increase in the benefit from income taxes in the nine months ended September 30, 2020, compared to the prior year period, primarily due to: (i) the increased loss from continuing operations before income taxes on which the tax benefit is recognized; (ii) the mix and level of earnings; and (iii) a reduction in the U.S. tax on the Company's foreign earnings, net of the impact of non-deductible impairment charges, partially offset by the net change in valuation allowances recorded related to the limitation on the deductibility of interest.

Recent Debt Transactions

5.75% Senior Notes Exchange Offer

See "Recent Developments" for important information regarding the Company's debt-related transactions occurring after September 30, 2020. On September 29, 2020, Products Corporation commenced the Exchange Offer to exchange any and all of the then-outstanding 5.75% Senior Notes (the "Existing 5.75% Senior Notes"). As described in "Recent Developments," the Exchange Offer was amended on October 23, 2020 and on November 13, 2020, the Company announced that the Exchange Offer was successfully consummated and that Products Corporation had accepted $236 million in aggregate principal amount of 5.75% Senior Notes tendered in the Exchange Offer. Products Corporation used cash on hand to redeem, effective as of November 13, 2020, the remaining $106.8 million in aggregate principal amount of 5.75% Senior Notes pursuant to the terms of the 5.75% Senior Notes Indenture. Following the consummation of the Exchange Offer and the satisfaction and discharge of the remaining 5.75% Senior Notes, no 5.75% Senior Notes remained outstanding as of the closing on November 13, 2020.

Amendments to the 2020 BrandCo Term Loan Facility

Prior to consummating the Exchange Offer, on September 28, 2020, Products Corporation and certain lenders under the 2020 BrandCo Term Loan Facility, representing more than a majority in aggregate principal amount of loans thereunder (the "Supporting BrandCo Lenders"), entered into a Transaction Support Agreement (the "BrandCo TSA") under which the Supporting BrandCo Lenders agreed to take certain actions to facilitate the Exchange Offer and Consent Solicitation, including, among other things:

- Relinquishing certain rights of such Supporting BrandCo Lenders to "roll-up" loans held by such Supporting BrandCo Lenders under the 2016 Term Loan Facility into New BrandCo Second-Lien Term Loans under the 2020 BrandCo Term Loan Facility (the "Roll-up Rights");
- Tendering any Existing 5.75% Senior Notes held by such Supporting BrandCo Lenders into the Exchange Offer and Consent Solicitation;
- Consenting to amendments to the 2020 BrandCo Term Loan Facility to permit the exchange of Existing 5.75% Senior Notes for the New BrandCo Second-Lien Term Loans under the 2020 BrandCo Term Loan Facility as contemplated by the Offering Memorandum and the payment of the BrandCo Support and Consent Consideration;
- Consenting to other amendments to the 2020 BrandCo Term Loan Facility and the Amended 2016 Revolving Credit Facility to permit the Exchange Offer and Consent Solicitation to be completed as contemplated by the Offering Memorandum; and
- Supporting and cooperating with Products Corporation to consummate the transactions contemplated by the BrandCo TSA and the Offering Memorandum, including the Exchange Offer and Consent Solicitation.

In connection with such amendments, Products Corporation agreed to provide the following consideration (collectively, the "BrandCo Support and Consent Consideration") upon the successful consummation of the Exchange Offer:

- $12.5 million aggregate principal amount of New BrandCo Second-Lien Term Loans as a fee to the Supporting BrandCo Lenders under the BrandCo TSA in connection with such Supporting BrandCo Lenders' relinquishment of their Roll-up Rights;
- $10.0 million aggregate principal amount of New BrandCo Second-Lien Term Loans to one of the Supporting BrandCo Lenders in exchange for $18.7 million aggregate principal amount of Products Corporation's 6.25% Senior Notes due 2024 held by such Supporting BrandCo Lender; and

- to all lenders under the 2020 BrandCo Term Loan Facility (including the Supporting BrandCo Lenders), an amendment fee that was payable pro rata based on principal amount of loans consenting, consisting of, at Products Corporation's option, either (x) an aggregate of $2.5 million of cash or (y) $5.0 million aggregate principal amount of New BrandCo Second-Lien Term Loans. Pursuant to the BrandCo Amendment, Products Corporation elected to pay this fee in-kind in the form of $5.0 million aggregate principal amount of New BrandCo Second-Lien Term Loans.

On November 13, 2020, Products Corporation entered into that certain Amendment No. 1 (the "BrandCo Amendment") to the 2020 BrandCo Credit Agreement in connection with the Exchange Offer in order to, among other things, provide for the incurrence of $75 million in aggregate principal amount of New BrandCo Second-Lien Term Loans. The New BrandCo Second Lien Term Loans are a separate tranche of "Term B-2 Loans" (ranking junior to the Term B-1 Loans and senior to the Term B-3 Loans with respect to liens on certain specified collateral) under the BrandCo Credit Agreement. Except as to the use of proceeds, the terms of the New BrandCo Second-Lien Term Loans are substantially consistent with the other Term B-2 Loans. In connection with the BrandCo Amendment, Products Corporation paid certain fees to the lenders in-kind in the form of New BrandCo Second-Lien Term Loans in accordance with the BrandCo TSA.

MacAndrews & Forbes 2020 Restated Line of Credit Facility

In light of the upcoming maturity on July 9, 2021 of the 2018 Foreign Asset-Based Term Facility and the upcoming expiration on December 31, 2020 of the Amended 2019 Senior Line of Credit Facility, the Company sought to refinance or extend both the 2018 Foreign Asset-Based Term Facility and the Amended 2019 Senior Line of Credit Facility. Products Corporation sought to do so in order to reinforce its liquidity position to be better able to address the current business and economic environment and prepare for any further potential disruptions to its business and operations as may be brought on by the ongoing COVID-19 pandemic or other events.

As a result, and anticipating a future refinancing of the 2018 Foreign Asset-Based Term Facility (a "Future Refinanced European ABL Facility"), on September 28, 2020, Products Corporation and M&F entered into the Second Amended and Restated 2019 Senior Unsecured Line of Credit Facility (the "2020 Restated Line of Credit Facility"), which amended and restated the Amended 2019 Senior Line of Credit Facility and will provide Products Corporation with up to a $30 million tranche of a new facility of the 2018 Foreign Asset-Based Term Facility (the "New European ABL FILO Facility") that would be secured on a "last-out" basis by the same collateral as the 2018 Foreign Asset-Based Term Facility or, if no Future Refinanced European ABL Facility is obtained, a stand-alone $30 million credit facility secured by the same collateral as the 2018 Foreign Asset-Based Term Facility when that facility is terminated, in each case, subject to a borrowing base. Upon the earlier of (x) the incurrence of a New European ABL FILO Facility and (y) December 31, 2020, the 2020 Restated Line of Credit Facility will terminate, such that M&F's maximum committed amount under the 2020 Restated Line of Credit Facility will never exceed $30.0 million. As of September 30, 2020, there were no borrowings outstanding under the 2020 Restated Line of Credit Facility.

The New European ABL FILO Facility would mature on (x) the maturity date of any such Future Refinanced European ABL Facility or (y) if there is no Future Refinanced European ABL Facility, July 9, 2022. To the extent the Future Refinanced European ABL Facility exceeds $35.0 million in principal amount, the amount available under the New European ABL FILO Facility would decrease on a dollar-for-dollar basis, such that, if Products Corporation were able to obtain a Future Refinanced ABL Facility of $65.0 million from third parties, there would be no amounts available under the New European ABL FILO Facility. The interest rate for the New European ABL FILO Facility will be LIBOR + 10.00%. The covenants for the New European ABL FILO Facility would be substantially the same as those applicable to the 2018 European ABL Facility.

Consummation of 2020 BrandCo Refinancing Transactions

On May 7, 2020 (the "BrandCo 2020 Facilities Closing Date"), Products Corporation entered into a term credit agreement (the "2020 BrandCo Credit Agreement") with Jefferies Finance LLC, as administrative agent and collateral agent, and certain financial institutions (the "2020 Facilities Lenders") that are lenders or the affiliates of lenders under Products Corporation's Term Loan Credit Agreement, dated as of September 7, 2016 and amended on April 30, 2020 and as amended on the BrandCo 2020 Facilities Closing Date, as further described below (as amended to date, the "2016 Term Loan Facility"). Pursuant to the 2020 BrandCo Credit Agreement, the 2020 Facilities Lenders provided Products Corporation with new and roll-up senior secured term loan facilities (the "2020 BrandCo Facilities" and, collectively, the "2020 BrandCo Term Loan Facility" and, together with the use of proceeds thereof and the Extension Amendment, the "2020 BrandCo Refinancing Transactions").

Principal and Maturity: The 2020 BrandCo Facilities consist of: (i) a senior secured term loan facility in an aggregate principal amount outstanding on the BrandCo 2020 Facilities Closing Date of $815 million, plus the amount of certain fees and accrued interest that have been capitalized (the "2020 BrandCo Facility"); (ii) commitments in respect of a senior secured term loan facility in an aggregate principal amount of $950 million (the "Roll-up BrandCo Facility"); and (iii) a senior secured term loan facility in an aggregate principal amount outstanding on the BrandCo 2020 Facilities Closing Date of $3 million (the "Junior Roll-up BrandCo Facility"). Additionally, on May 28, 2020, Products Corporation borrowed from the 2020 Facilities Lenders an additional $65 million of term loans under the 2020 BrandCo Facility to repay in full the 2020 Incremental Facility under the 2016 Term Loan Facility, as a result of which the 2020 BrandCo Facility at June 30, 2020 had an aggregate principal amount outstanding of $910.6 million (including paid-in-kind closing fees of $29.1 million and paid-in-kind interest of $1.5 million that were capitalized). Additionally, during the three months ended June 30, 2020 and the three months ended September 30, 2020, certain lenders under the 2016 Term Loan Facility due June 2023, representing $846.0 million in aggregate principal outstanding, rolled-up to the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility due June 2025, as a result of which the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility at September 30, 2020 had an aggregate principal amount outstanding of $846.0 million. The Company determined that the roll-up of such 2016 Term Loan Facility lenders into the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility represented a debt modification under U.S. GAAP, as the cash flow effect between the amount that Products Corporation owed to the participating lenders under the old debt instrument (i.e., the 2016 Term Loan Facility) and the amount that Products Corporation owed to such lenders after the consummation of the roll-up into the new debt instrument (i.e., the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility) on a present value basis was less than 10% and, thus, the debt instruments were not considered to be substantially different within the meaning of ASC 470, Debt, under U.S. GAAP.

The proceeds of the 2020 BrandCo Facility were used: (i) to repay in full approximately $200 million of indebtedness outstanding under Products Corporation's 2019 Term Loan Facility; (ii) to repay in full and terminate commitments under the 2020 Incremental Facility; and (iii) to pay fees and expenses in connection with the 2020 BrandCo Facilities and the 2020 BrandCo Refinancing Transactions. The Company will use the remaining net proceeds for general corporate purposes, including repurchasing, repaying or refinancing Products Corporation's outstanding 5.75% Senior Notes. The proceeds of the Roll-up BrandCo Facility are available prior to the third anniversary of the BrandCo 2020 Facilities Closing Date to purchase at par an equivalent amount of any remaining term loans under the 2016 Term Loan Facility held by the lenders participating in the 2020 BrandCo Facility or their transferees. During the three months ended June 30, 2020 and the three months ended September 30, 2020, certain lenders under the 2016 Term Loan Facility due June 2023, representing $846.0 million in aggregate principal outstanding, rolled-up to the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility due June 2025, as a result of which the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility at September 30, 2020 have an aggregate principal amount outstanding of $846.0 million, with a remaining capacity for the roll-up of loans under the 2016 Term Loan Facility of $107.0 million. See "Amendments to the 2020 BrandCo Term Loan Facility" regarding the Supporting BrandCo Lenders relinquishing certain Roll-up Rights and Products Corporation's issuance of the BrandCo Support and Consent Consideration.

The 2020 BrandCo Facilities will mature on June 30, 2025, subject to a springing maturity 91 days prior to the August 1, 2024 maturity date of Products Corporation's 6.25% Senior Notes if, on such date, $100 million or more in aggregate principal amount of the 6.25% Senior Notes remain outstanding.

The Company incurred approximately $119.3 million of new debt issuance costs in connection with closing the 2020 BrandCo Facility, which include paid-in kind amounts that are recorded as an adjustment to the carrying amount of the related liability and amortized to interest expense in accordance with the effective interest method over the term of the 2020 BrandCo Facilities.

Borrower, Guarantees and Security: Products Corporation is the borrower under the 2020 BrandCo Facilities and the 2020 BrandCo Facilities are guaranteed by certain of Products Corporation's indirect subsidiaries (the "BrandCos") that hold certain intellectual property assets related to the Elizabeth Arden and American Crew brands, certain other Portfolio segment brands and certain owned Fragrance segment brands (the "Specified Brand Assets"). While the BrandCos do not guarantee the 2016 Term Loan Facility, all guarantors of the 2016 Term Loan Facility guarantee the 2020 BrandCo Facilities. All of the assets of the BrandCos (including all capital stock issued by the BrandCos) have been pledged to secure the 2020 BrandCo Facility on a first-priority basis, the Roll-up BrandCo Facility on a second-priority basis and the Junior Roll-up BrandCo Facility on a third-priority basis and while such assets do not secure the 2016 Term Loan Facility, the 2020 BrandCo Facilities are secured on a pari passu basis by the assets securing the 2016 Term Loan Facility.

Contribution and License Agreements: In connection with the pledge of the Specified Brand Assets, Products Corporation and certain of its subsidiaries contributed the Specified Brand Assets to the BrandCos. Products Corporation entered into license and royalty arrangements on arm's length terms with the relevant BrandCos to provide for the continued use of the Specified Brand Assets by Products Corporation and its subsidiaries during the term of the 2020 BrandCo Facilities.

Interest and Fees: Loans under the 2020 BrandCo Facility bear interest at a rate equal to LIBOR (with a LIBOR floor of 1.50%) plus (x) 10.50% per annum, payable not less than quarterly in arrears in cash and (y) 2.00% per annum payable not less than quarterly in-kind by adding such amount to the principal amount of outstanding loans under the 2020 BrandCo Facility. Loans under the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility bear interest at a rate equal to LIBOR (with a LIBOR floor of 0.75%) plus 3.50% per annum, payable not less than quarterly in arrears in cash.

Affirmative and Negative Covenants: The 2020 BrandCo Facilities contain certain affirmative and negative covenants that, among other things, limit Products Corporation's and its restricted subsidiaries' 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, unsecured 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 2020 BrandCo Facilities also restrict distributions and other payments from the BrandCos based on certain minimum thresholds of net sales with respect to the Specified Brand Assets. The 2020 BrandCo Facilities also contain certain customary representations, warranties and events of default, including a cross default provision making it an event of default under the 2020 BrandCo Credit Agreement if there is an event of default under Products Corporation's existing 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement or the indentures governing each of Products Corporation's 5.75% Senior Notes due 2021 and its 6.25% Senior Notes due 2024 (the "Senior Notes Indentures"). The lenders under the 2020 BrandCo Credit Agreement may declare all outstanding loans under the 2020 BrandCo Facilities to be due and payable immediately upon an event of default. Under such circumstances, the lenders under the 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, and the holders under the Senior Notes Indentures may also declare all outstanding amounts under such instruments to be due and payable immediately as a result of similar cross default or cross acceleration provisions, subject to certain exceptions and limitations described in the relevant instruments.

Prepayments: The 2020 BrandCo Facilities are subject to certain mandatory prepayments, including from the net proceeds from the issuance of certain additional debt and asset sale proceeds of certain non-ordinary course asset sales or other dispositions of property, subject to certain exceptions. The 2020 BrandCo Facilities may be repaid at any time, subject to customary prepayment premiums.

2016 Term Loan Facility Extension Amendment: Term loan lenders under the 2016 Term Loan Facility were offered the opportunity to participate at par in the 2020 BrandCo Facilities based on their holdings of term loans under the 2016 Term Loan Facility. Lenders participating in the 2020 BrandCo Facilities, as well as other consenting lenders representing, in the aggregate, a majority of the loans and commitments under the 2016 Term Loan Facility, consented to an amendment to the 2016 Term Loan Facility (the "Extension Amendment") that, among other things, made certain modifications to the covenants thereof and extended the maturity date of their term loans ("Extended Term Loans") to June 30, 2025, subject to (i) the same September 7, 2023 springing maturity date of the non-extended term loans under the 2016 Term Loan Facility if, on such date, $75 million or more in aggregate principal amount of the non-extended term loans under the 2016 Term Loan Facility remains outstanding, and (ii) a springing maturity of 91 days prior to the August 1, 2024 maturity date of the 6.25% Senior Notes if, on such date, $100 million or more in aggregate principal amount of the 6.25% Senior Notes remains outstanding. The Extension Amendment became effective on the BrandCo 2020 Facilities Closing Date. As of September 30, 2020, approximately $30.7 million in aggregate principal amount of Extended Term Loans were outstanding after giving effect to the 2020 BrandCo Refinancing Transactions. The Extended Term Loans bear interest at a rate of LIBOR (with a LIBOR floor of 0.75%) plus 3.50% per annum, payable not less than quarterly in arrears in cash, consistent with the interest rate applicable to the non-extended term loans. Approximately $17.0 million of accrued interest outstanding on the 2016 Term Loan Facility was paid on the BrandCo 2020 Facilities Closing Date. The aggregate principal amount of non-extended term loans under the 2016 Term Loan Facility as of September 30, 2020 was approximately $855.6 million.

Repurchases of 5.75% Senior Notes due 2021

On May 7, 2020, Products Corporation used a portion of the proceeds from the 2020 BrandCo Facility to repurchase and subsequently cancel $50 million in aggregate principal face amount of its 5.75% Senior Notes. Products Corporation also paid approximately $0.7 million of accrued interest outstanding on the 5.75% Senior Notes on May 7, 2020. After the BrandCo 2020 Facilities Closing Date, Products Corporation repurchased and subsequently canceled in July 2020 a further $62.8 million in aggregate principal face amount of its 5.75% Senior Notes. Furthermore, during the three months ended September 30, 2020, Products Corporation repurchased and subsequently canceled an additional $44.4 million in aggregate principal face amount of its 5.75% Senior Notes. Accordingly, as of September 30, 2020, Products Corporation had repurchased and subsequently cancelled a total of approximately $157.2 million in aggregate principal face amount of its 5.75% Senior Notes, resulting in a gain on extinguishment of debt of approximately $31.2 million and $43.1 million for the three and nine months ended September 30, 2020, respectively, which were recorded within "Gain on early extinguishment of debt" on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the three and nine months ended September 30, 2020. See "Recent Developments" with respect to the 5.75% Senior Notes Exchange Offer.

Prepayment of the 2019 Term Loan Facility due 2023

On the BrandCo 2020 Facilities Closing Date, Products Corporation used a portion of the proceeds from the 2020 BrandCo Facility to fully prepay the entire principal amount outstanding under its 2019 Term Loan Facility, totaling $200 million, plus approximately $1.3 million of accrued interest outstanding thereon, as well as approximately $33.5 million in prepayment premiums, $10.3 million in lenders' fees, $0.3 million in legal fees and approximately $2.0 million in other third party fees. As the lenders under the 2019 Term Loan Facility participated in the 2020 BrandCo Term Loan Facility, the Company determined that the full repayment of the 2019 Term Loan Facility represented a debt modification under U.S. GAAP as the cash flow effect between the old debt instrument (i.e., the 2019 Term Loan Facility) and the new debt instrument (i.e., the 2020 BrandCo Facility) on a present value basis was less than 10% and, thus, the debt instruments were not considered to be substantially different within the meaning of ASC 470, Debt, under U.S. GAAP. Accordingly, the $33.5 million of prepayment premiums, as well as the $10.3 million in other lenders' fees were capitalized as part of the aforementioned $119.3 million of total new debt issuance costs for the 2020 BrandCo Term Loan Facility, while the aforementioned $0.3 million of legal fees and $2.0 million in other third party fees were expensed as incurred in the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the nine months ended September 30, 2020.

Amendment to the 2018 Foreign Asset-Based Term Facility

On May 4, 2020, the Company entered into an amendment to the 2018 Foreign Asset Based Term Facility, which had an original outstanding principal amount of €77 million. Such amendment provided for the following:

- increasing the interest rate on the loan from EURIBOR (with a floor 0.50%) plus a margin of 6.50% to EURIBOR (with a floor 0.50%) plus a margin of 7.00%;
- adding a springing maturity date of 91 days prior to the February 15, 2021 maturity of the 5.75% Senior Notes if any of Products Corporation's 5.75% Senior Notes remain outstanding on such date;
- requiring a mandatory prepayment of €5.0 million; and
- clarifying certain terms and waiving certain provisions in connection with the 2020 BrandCo Refinancing Transactions.

Approximately $0.4 million of amendment fees paid to the lenders under 2018 Foreign Asset-Based Term Facility were capitalized and are amortized to interest expense, together with any unamortized debt issuance costs outstanding prior to the amendment. As of September 30, 2020, there was the Euro equivalent of $56.8 million outstanding under the 2018 Foreign Asset-Based Term Facility, reflecting a repayment of €28.5 million made during the quarter ended June 30, 2020.

Incremental Revolving Credit Facility under the 2016 Term Loan Agreement

On April 30, 2020, Products Corporation entered into a Joinder Agreement (the "2020 Joinder Agreement"), with Revlon, certain of their subsidiaries and certain existing lenders (the "Incremental Lenders") under Products Corporation's 2016 Term Loan Agreement to provide for a $65 million incremental revolving credit facility (the "2020 Incremental Facility"). On the closing of the 2020 Incremental Facility, Products Corporation borrowed $63.5 million of revolving loans for working capital purposes and subsequently on May 11, 2020 Products Corporation also borrowed the additional $1.5 million of delayed funding revolving loans. Prior to its full repayment on May 28, 2020, amounts outstanding under the 2020 Incremental Facility bore interest at a rate of (x) LIBOR plus 16% or (y) an Alternate Base Rate plus 15%, at Products Corporation's option. Except as to pricing, maturity and differences due to its revolving nature, the terms of the 2020 Incremental Facility were otherwise substantially consistent with the existing term loans under the 2016 Term Loan Facility. The 2020 Incremental Facility was repaid in full, and the commitments thereunder terminated, on May 28, 2020. Upon such repayment, approximately $2.9 million of upfront commitment fees that Products Corporation incurred in connection with consummating the 2020 Incremental Facility were entirely expensed within "Miscellaneous, net" on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the nine months ended September 30, 2020.

Amendments to the 2016 Revolving Credit Agreement

See "Recent Developments" regarding the 5th Amendment to the Amended 2016 Revolving Credit Facility. On May 7, 2020, in connection with consummating the 2020 BrandCo Refinancing Transactions, Products Corporation entered into Amendment No. 4 to its Asset-Based Revolving Credit Agreement, dated as of September 7, 2016, as amended (the "2016 Revolving Credit Facility"). Amendment No. 4, among other things, made certain amendments and provided for certain waivers relating to the 2020 BrandCo Refinancing Transactions under the 2016 Revolving Credit Facility. In exchange for such amendments and waivers, the interest rate margin applicable to loans under Tranche A of the 2016 Revolving Credit Facility increased by 0.75%. In connection with the amendments to the 2018 Tranche B of the 2016 Revolving Credit Facility (which was fully repaid on its May 17, 2020 extended maturity date), Products Corporation incurred approximately $1.1 million in lender's fees that upon its full repayment were entirely expensed within "Miscellaneous, net" on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss as of September 30, 2020. See "Recent Developments" and Note 19, "Subsequent Events," regarding, among other things, Amendment No. 5 to the 2016 Revolving Credit Facility.

Previously, on April 17, 2020 (the "FILO Closing Date"), Products Corporation entered into Amendment No. 3 to the 2016 Revolving Credit Facility ("Amendment No. 3"), pursuant to which, the maturity date applicable to $36.3 million of loans under the $41.5 million senior secured first in, last out 2018 Tranche B under the 2016 Revolving Credit Facility (the "2018 FILO Tranche") was extended from April 17, 2020 to May 17, 2020 (the "Extended Maturity Date"). Products Corporation repaid the remaining approximately $5.2 million of the 2018 FILO Tranche loans as of the FILO Closing Date. In addition, Amendment No. 3 increased the applicable interest margin for the 2018 FILO Tranche by 0.75%, subject to a LIBOR floor of 0.75%. Products Corporation fully repaid the 2018 FILO Tranche on the Extended Maturity Date.

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; 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 hair color line under the **Llongueras** brand (licensed from a third party) that is 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: (i) **Juicy Couture** (which are also sold direct-to-consumer on its juicycouturebeauty.com website), **John Varvatos** and **AllSaints** in prestige fragrances; (ii) **Britney Spears**, **Elizabeth Taylor**, **Christina Aguilera**, **Jennifer Aniston** and **Mariah Carey** in celebrity fragrances; and (iii) **Curve, Giorgio Beverly Hills**, **Ed Hardy**, **Charlie**, **Lucky Brand**, **‹PS›** (logo of former Paul Sebastian brand), **Alfred Sung**, **Halston**, **Geoffrey Beene** and **White Diamonds** in mass fragrances.

Results of Operations — Revlon, Inc.

Consolidated Net Sales:

Third quarter results:

Consolidated net sales in the third quarter of 2020 were $477.1 million, a $119.7 million decrease, or 20.1%, compared to $596.8 million in the third quarter of 2019. Excluding the $2.8 million favorable impact of foreign currency fluctuations (referred to herein as "FX," "XFX" or on an "XFX basis"), consolidated net sales decreased by $122.5 million, or 20.5%, during the third quarter of 2020. The ongoing and prolonged COVID-19 pandemic contributed an estimated $119 million ($119 million XFX) to the Company's $119.7 million decline in net sales in the three months ended September 30, 2020, compared to the three months ended September 30, 2019. The XFX net sales decrease of $122.5 million in the third quarter of 2020 was due to: a $51.9 million, or 23.9%, decrease in Revlon segment net sales; a $33.1 million, or 24.0%, decrease in Fragrances segment net sales; a $19.1 million, or 16.2%, decrease in Portfolio segment net sales; and a $18.4 million, or 14.9%, decrease in Elizabeth Arden segment net sales.

Year-to-date results:

Consolidated net sales in the nine months ended September 30, 2020 were $1,277.7 million, a $442.5 million decrease, or 25.7%, compared to $1,720.2 million in the nine months ended September 30, 2019. Excluding the $14.1 million unfavorable FX impact, consolidated net sales decreased by $428.4 million, or 24.9%, during the nine months ended September 30, 2020. The ongoing and prolonged COVID-19 pandemic contributed an estimated $387 million ($392 million XFX) to the Company's $442.5 million decline in net sales in the nine months ended September 30, 2020, compared to the prior year period. The XFX net sales decrease of $428.4 million in the nine months ended September 30, 2020 was due to: a $227.4 million, or 31.8%, decrease in Revlon segment net sales; a $82.0 million, or 27.5%, decrease in Fragrances segment net sales; a $66.8 million, or 19.0%, decrease in Elizabeth Arden segment net sales; and a $52.2 million, or 14.7%, decrease in Portfolio 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 14, "Segment Data and Related Information," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q.

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

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]	
	2020	2019	$	%	$	%	2020	2019	$	%	$	%
Revlon	$ 166.0	$ 217.3	$ (51.3)	(23.6)%	$ (51.9)	(23.9)%	$ 13.5	$ 7.3	$ 6.2	84.9 %	$ 5.9	80.8 %
Elizabeth Arden	106.3	123.2	(16.9)	(13.7)%	(18.4)	(14.9)%	3.4	12.5	(9.1)	(72.8)%	(9.5)	(76.0)%
Portfolio	99.6	118.2	(18.6)	(15.7)%	(19.1)	(16.2)%	12.2	14.4	(2.2)	(15.3)%	(2.5)	(17.4)%
Fragrances	105.2	138.1	(32.9)	(23.8)%	(33.1)	(24.0)%	25.4	34.2	(8.8)	(25.7)%	(9.1)	(26.6)%
Total	$ 477.1	$ 596.8	$ (119.7)	(20.1)%	$ (122.5)	(20.5)%	$ 54.5	$ 68.4	$ (13.9)	(20.3)%	$ (15.2)	(22.2)%

	Net Sales						Segment Profit					
	Nine Months Ended September 30,		Change		XFX Change [a]		Nine Months Ended September 30,		Change		XFX Change [a]	
	2020	2019	$	%	$	%	2020	2019	$	%	$	%
Revlon	$ 482.8	$ 716.1	$ (233.3)	(32.6)%	$ (227.4)	(31.8)%	$ 41.4	$ 58.5	$ (17.1)	(29.2)%	$ (16.8)	(28.7)%
Elizabeth Arden	282.4	352.0	(69.6)	(19.8)%	(66.8)	(19.0)%	18.4	17.1	1.3	7.6 %	1.6	9.4 %
Portfolio	298.1	354.1	(56.0)	(15.8)%	(52.2)	(14.7)%	33.9	25.0	8.9	35.6 %	8.8	35.2 %
Fragrances	214.4	298.0	(83.6)	(28.1)%	(82.0)	(27.5)%	34.6	53.6	(19.0)	(35.4)%	(19.1)	(35.6)%
Total	$ 1,277.7	$ 1,720.2	$ (442.5)	(25.7)%	$ (428.4)	(24.9)%	$ 128.3	$ 154.2	$ (25.9)	(16.8)%	$ (25.5)	(16.5)%

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

Revlon Segment

Third quarter results:

Revlon segment net sales in the third quarter of 2020 were $166.0 million, a $51.3 million, or 23.6%, decrease, compared to $217.3 million in the third quarter of 2019. Excluding the $0.6 million favorable FX impact, total Revlon segment net sales in the third quarter of 2020 decreased by $51.9 million, or 23.9%, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $50 million ($50 million XFX) to the Revlon segment's decrease in net sales in the third quarter of 2020, compared to the prior year quarter. The Revlon segment XFX decrease in net sales of $51.9 million in the third quarter of 2020 was driven primarily by lower net sales of **Revlon** color cosmetics, as well as lower net sales of **Revlon**-branded professional hair-care products in International regions and lower net sales of **Revlon ColorSilk** hair color products in North America, due, primarily, to the continuing effects of COVID-19 on the mass retail channels and on salon activity, respectively. This decrease was partially offset by higher net sales of **Revlon**-branded beauty tools and hair color products in North America.

Revlon segment profit in the third quarter of 2020 was $13.5 million, a $6.2 million, or 84.9%, increase, compared to $7.3 million in the third quarter of 2019. Excluding the $0.3 million favorable FX impact, Revlon segment profit in the third quarter of 2020 increased by $5.9 million, or 80.8%, compared to the third quarter of 2019. This increase was driven primarily by the Revlon segment's lower brand support and other SG&A expenses, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program, partially offset by the segment's lower net sales, primarily due to COVID-19 as described above, and lower gross profit margin.

Year-to-date results:

Revlon segment net sales in the nine months ended September 30, 2020 were $482.8 million, a $233.3 million, or 32.6%, decrease, compared to $716.1 million in the nine months ended September 30, 2019. Excluding the $5.9 million unfavorable FX impact, total Revlon segment net sales in the nine months ended September 30, 2020 decreased by $227.4 million, or 31.8%, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $174 million ($176 million XFX) to the Revlon segment's decrease in net sales in the nine months ended September 30, 2020, compared to the prior year period. The Revlon segment's XFX decrease in net sales of $227.4 million in the nine months ended September 30, 2020 was driven primarily by lower net sales of **Revlon** color cosmetics, lower net sales of **Revlon**-branded professional hair-care products in International regions, as well as lower net sales of **Revlon ColorSilk** hair color, due, primarily, to the continuing effects of COVID-19 on the mass retail channels and on salons activity, respectively, partially offset by increased net sales of **Revlon**-branded beauty tools and **Revlon** hair color products in North America.

Revlon segment profit in the nine months ended September 30, 2020 was $41.4 million, a $17.1 million, or 29.2%, decrease, compared to $58.5 million in the nine months ended September 30, 2019. Excluding the $0.3 million unfavorable FX impact, Revlon segment profit in the nine months ended September 30, 2020 decreased by $16.8 million, or 28.7%, compared to the nine months ended September 30, 2019. This decrease was driven primarily by the Revlon segment's lower net sales, primarily due to COVID-19 as described above, and lower gross profit margin, partially offset primarily by the segment's lower brand support and other SG&A expenses, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program.

Elizabeth Arden Segment

Third quarter results:

Elizabeth Arden segment net sales in the third quarter of 2020 were $106.3 million, a $16.9 million, or 13.7%, decrease, compared to $123.2 million in the third quarter of 2019. Excluding the $1.5 million favorable FX impact, Elizabeth Arden segment net sales in the third quarter of 2020 decreased by $18.4 million, or 14.9%, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $24 million ($25 million XFX) to the Elizabeth Arden segment's decrease in net sales in the third quarter of 2020, compared to the prior year quarter. The Elizabeth Arden segment XFX decrease in net sales of $18.4 million in the third quarter of 2020 was driven primarily by lower net sales of certain **Elizabeth Arden**-branded skin care products and color cosmetics in International regions, as well as lower net sales of **Elizabeth Arden**-branded fragrances, due, primarily, to the continuing effects of COVID-19 on foot traffic at department stores and other retail outlets, partially offset by higher net sales of **Ceramide** skin care products in North America.

Elizabeth Arden segment profit in the third quarter of 2020 was $3.4 million, a $9.1 million decrease, compared to $12.5 million in the third quarter of 2019. Excluding the $0.4 million favorable FX impact, Elizabeth Arden segment profit in the third quarter of 2020 decreased by $9.5 million, compared to the third quarter of 2019. This decrease was driven primarily by the Elizabeth Arden segment's lower net sales, primarily due to COVID-19 as described above, and lower gross profit margin, partially offset primarily by the segment's lower brand support and other SG&A expenses, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program.

Year-to-date results:

Elizabeth Arden segment net sales in the nine months ended September 30, 2020 were $282.4 million, a $69.6 million, or 19.8%, decrease, compared to $352.0 million in the nine months ended September 30, 2019. Excluding the $2.8 million unfavorable FX impact, Elizabeth Arden segment net sales in the nine months ended September 30, 2020 decreased by $66.8 million, or 19.0%, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $93 million ($95 million XFX) to the Elizabeth Arden segment's decrease in net sales in the nine months ended September 30, 2020, compared to the prior year period. The Elizabeth Arden segment XFX decrease in net sales of $66.8 million in the nine months ended September 30, 2020 was driven primarily by lower net sales of certain **Elizabeth Arden**-branded skin care products, as well as color cosmetics, and lower net sales of **Elizabeth Arden**-branded fragrances, due, primarily, to the continuing effects of COVID-19 on foot traffic at department stores and other retail outlets, partially offset by higher net sales of **Ceramide** skin care products.

Elizabeth Arden segment profit in the nine months ended September 30, 2020 was $18.4 million, a $1.3 million, or 7.6%, increase, compared to $17.1 million in the nine months ended September 30, 2019. Excluding the $0.3 million unfavorable FX impact, Elizabeth Arden segment profit in the nine months ended September 30, 2020 increased by $1.6 million, or 9.4%, compared to the nine months ended September 30, 2019. This increase was driven primarily by the Elizabeth Arden segment's lower other SG&A and brand support expenses and slightly higher gross profit margin, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program, partially offset by the segment's lower net sales, primarily due to COVID-19 as described above.

Portfolio Segment

Third quarter results:

Portfolio segment net sales in the third quarter of 2020 were $99.6 million, a $18.6 million, or 15.7%, decrease, compared to $118.2 million in the third quarter of 2019. Excluding the $0.5 million favorable FX impact, total Portfolio segment net sales in the third quarter of 2020 decreased by $19.1 million, or 16.2%, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $19 million ($19 million XFX) to the Portfolio segment's decrease in net sales in the third quarter of 2020, compared to the prior year quarter. The Portfolio segment XFX decrease in net sales of $19.1 million in the third quarter of 2020 was driven primarily by lower net sales of **Almay** color cosmetics, **CND** nail products and **American Crew** men's grooming products, primarily in North America, as well as lower net sales of certain local and regional brands, driven, primarily, by the continuing effect of COVID-19 on the mass retail channel and on salons. This decrease was partially offset by higher net sales in North America of **Creme of Nature** products and **Mitchum** anti-perspirant deodorants.

Portfolio segment profit in the third quarter of 2020 was $12.2 million, a $2.2 million decrease, compared to $14.4 million in the third quarter of 2019. Excluding the $0.3 million favorable FX impact, Portfolio segment profit in the three months ended September 30, 2020 decreased by $2.5 million, or 17.4%, compared to the three months ended September 30, 2019. This decrease was driven primarily by the Portfolio segment's lower net sales, primarily due to the ongoing and prolonged COVID-19 pandemic, as described above, and lower gross profit margin, partially offset by the segment's lower brand support and other SG&A expenses, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program.

Year-to-date results:

Portfolio segment net sales in the nine months ended September 30, 2020 were $298.1 million, a $56.0 million, or 15.8%, decrease, compared to $354.1 million in the nine months ended September 30, 2019. Excluding the $3.8 million unfavorable FX impact, total Portfolio segment net sales in the nine months ended September 30, 2020 decreased by $52.2 million, or 14.7%, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $56 million ($56 million XFX) to the Portfolio segment's decrease in net sales in the nine months ended September 30, 2020, compared to the prior year period. The Portfolio segment XFX decrease in net sales of $52.2 million in the nine months ended September 30, 2020 was driven primarily by lower net sales of **Almay** color cosmetics, **American Crew** men's grooming products, **CND** nail products, primarily in North America, as well as certain local and regional skin care products brands, driven, primarily, by the continuing effects of COVID-19 on the mass retail channel and salons. This decrease was partially offset primarily by higher net sales of **Creme of Nature** products and of **Cutex** nail care products, primarily in North America.

Portfolio segment profit in the nine months ended September 30, 2020 was $33.9 million, a $8.9 million, or 35.6%, increase compared to $25.0 million in the nine months ended September 30, 2019. Excluding the $0.1 million favorable FX impact, Portfolio segment profit in the nine months ended September 30, 2020 increased by $8.8 million, or 35.2%, compared to the nine months ended September 30, 2019. This increase was driven primarily by the Portfolio segment's lower SG&A and brand support expenses, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program, partially offset by the segment's lower net sales, primarily due to COVID-19, as described above, and slightly lower gross profit margin.

Fragrances Segment

Third quarter results:

Fragrances segment net sales in the third quarter of 2020 were $105.2 million, a $32.9 million, or 23.8%, decrease, compared to $138.1 million in the third quarter of 2019. Excluding the $0.2 million favorable FX impact, total Fragrances segment net sales in the third quarter of 2020 decreased by $33.1 million, or 24.0%, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $25 million ($25 million XFX) to the Fragrances segment's decrease in net sales in the third quarter of 2020, compared to the prior year quarter. The Fragrances segment XFX decrease in net sales of $33.1 million in the third quarter of 2020 was driven primarily by continuing impacts from COVID-19, especially in the prestige channel, resulting in decreased foot traffic.

Fragrances segment profit in the third quarter of 2020 was $25.4 million, a $8.8 million, or 25.7%, decrease, compared to $34.2 million in the third quarter of 2019. Excluding the $0.3 million favorable FX impact, Fragrances segment profit in the third quarter of 2020 decreased by $9.1 million, or 26.6%, compared to the third quarter of 2019. This decrease was driven primarily by the Fragrances segment's lower net sales, primarily due to the ongoing and prolonged COVID-19 pandemic, as described above, and lower gross profit margin, partially offset by the segment's lower brand support and other SG&A expenses, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program.

Year-to-date results:

Fragrances segment net sales in the nine months ended September 30, 2020 were $214.4 million, a $83.6 million, or 28.1%, decrease, compared to $298.0 million in the nine months ended September 30, 2019. Excluding the $1.6 million unfavorable FX impact, total Fragrances segment net sales in the nine months ended September 30, 2020 decreased by $82.0 million, or 27.5%, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $65 million ($65 million XFX) to the Fragrances segment's decrease in net sales in the nine months ended September 30, 2020, compared to the prior year period. The Fragrances segment XFX decrease in net sales of $82.0 million in the nine months ended September 30, 2020 was driven primarily by continuing impacts from COVID-19, especially in the prestige channel, resulting in decreased foot traffic and temporary door closures.

Fragrances segment profit in the nine months ended September 30, 2020 was $34.6 million, a $19.0 million, or 35.4%, decrease, compared to $53.6 million in the nine months ended September 30, 2019. Excluding the $0.1 million favorable FX impact, Fragrances segment profit in the nine months ended September 30, 2020 decreased by $19.1 million, or 35.6%, compared to the nine months ended September 30, 2019. This decrease was driven primarily by the Fragrances segment's lower net sales, primarily due to the ongoing and prolonged COVID-19 pandemic, as described above, and slightly lower gross profit margin, partially offset primarily by lower other SG&A and brand support expenses, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program.

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

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]	
	2020	2019	$	%	$	%
Revlon						
North America	$ 86.4	$ 100.0	$ (13.6)	(13.6)%	$ (13.7)	(13.7)%
International	79.6	117.3	(37.7)	(32.1)%	(38.2)	(32.6)%
Elizabeth Arden						
North America	$ 30.5	$ 29.5	$ 1.0	3.4 %	$ 1.1	3.7 %
International	75.8	93.7	(17.9)	(19.1)%	(19.5)	(20.8)%
Portfolio						
North America	$ 59.9	$ 71.4	$ (11.5)	(16.1)%	$ (11.3)	(15.8)%
International	39.7	46.8	(7.1)	(15.2)%	(7.8)	(16.7)%
Fragrance						
North America	$ 79.2	$ 98.6	$ (19.4)	(19.7)%	$ (19.3)	(19.6)%
International	26.0	39.5	(13.5)	(34.2)%	(13.8)	(34.9)%
Total Net Sales	$ 477.1	$ 596.8	$ (119.7)	(20.1)%	$ (122.5)	(20.5)%

	Nine Months Ended September 30,		Change		XFX Change [a]	
	2020	2019	$	%	$	%
Revlon						
North America	$ 265.6	$ 367.9	$ (102.3)	(27.8)%	$ (102.0)	(27.7)%
International	217.2	348.2	(131.0)	(37.6)%	(125.4)	(36.0)%
Elizabeth Arden						
North America	$ 66.9	$ 83.9	$ (17.0)	(20.3)%	$ (16.7)	(19.9)%
International	215.5	268.1	(52.6)	(19.6)%	(50.1)	(18.7)%
Portfolio						
North America	$ 182.8	$ 214.5	$ (31.7)	(14.8)%	$ (31.4)	(14.6)%
International	115.3	139.6	(24.3)	(17.4)%	(20.8)	(14.9)%
Fragrances						
North America	$ 151.1	$ 198.4	$ (47.3)	(23.8)%	$ (47.2)	(23.8)%
International	63.3	99.6	(36.3)	(36.4)%	(34.8)	(34.9)%
Total Net Sales	$ 1,277.7	$ 1,720.2	$ (442.5)	(25.7)%	$ (428.4)	(24.9)%

[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 2020 decreased by $13.6 million, or 13.6%, to $86.4 million, compared to $100.0 million in the third quarter of 2019. Excluding the $0.1 million favorable FX impact, Revlon segment net sales in North America in the third quarter of 2020 decreased by $13.7 million, or 13.7%, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $15 million ($15 million XFX) to the Revlon segment's decrease in net sales in North America in the third quarter of 2020, compared to the prior year quarter. The Revlon segment's $13.7 million XFX decrease in North America net sales in the third quarter of 2020 was primarily due to the Revlon segment's lower net sales of **Revlon** color cosmetics and of **Revlon ColorSilk** hair color products, due, primarily, to the continuing effects of COVID-19 on the mass retail channel, partially offset by higher net sales of **Revlon**-branded beauty tools and hair-care products.

International

Internationally, Revlon segment net sales in the third quarter of 2020 decreased by $37.7 million, or 32.1%, to $79.6 million, compared to $117.3 million in the third quarter of 2019. Excluding the $0.5 million favorable FX impact, Revlon segment International net sales in the third quarter of 2020 decreased by $38.2 million, or 32.6%, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $35 million ($35 million XFX) to the Revlon segment’s decrease in International net sales in the third quarter of 2020, compared to the prior year quarter. The Revlon segment's $38.2 million XFX decrease in International net sales in the third quarter of 2020 was driven primarily by the Revlon segment's lower net sales of **Revlon** color cosmetics, as well as lower net sales of **Revlon**-branded professional hair-care products due, primarily, to the continuing effects of COVID-19 on the mass retail channel and salons. This decrease was partially offset by higher net sales of **Revlon ColorSilk** hair color products, primarily within the Company's Latin America region, and growth in e-commerce net sales.

Year-to-date results:

North America

In North America, Revlon segment net sales in the nine months ended September 30, 2020 decreased by $102.3 million, or 27.8%, to $265.6 million, compared to $367.9 million in the nine months ended September 30, 2019. Excluding the $0.3 million unfavorable FX impact, Revlon segment net sales in North America in the nine months ended September 30, 2020 decreased by $102.0 million, or 27.7%, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $67 million ($67 million XFX) to the Revlon segment’s decrease in net sales in North America in the nine months ended September 30, 2020, compared to the prior year period. The Revlon segment's $102.0 million XFX decrease in North America net sales in the nine months ended September 30, 2020 was primarily due to the Revlon segment's lower net sales of **Revlon** color cosmetics, as well as **Revlon ColorSilk** hair color products, due, primarily, to the continuing effects of COVID-19 on the mass retail channel, partially offset by higher net sales of **Revlon**-branded beauty tools and hair care products.

International

Internationally, Revlon segment net sales in the nine months ended September 30, 2020 decreased by $131.0 million, or 37.6%, to $217.2 million, compared to $348.2 million in the nine months ended September 30, 2019. Excluding the $5.6 million unfavorable FX impact, Revlon segment International net sales in the nine months ended September 30, 2020 decreased by $125.4 million, or 36.0%, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $107 million ($109 million XFX) to the Revlon segment’s decrease in International net sales in the nine months ended September 30, 2020, compared to the prior year period. The Revlon segment's $125.4 million XFX decrease in International net sales in the nine months ended September 30, 2020 was driven primarily by the Revlon segment's lower net sales of **Revlon** color cosmetics, as well as lower net sales of **Revlon**-branded hair-care professional products and **Revlon ColorSilk** hair color products, within the Company's EMEA, Asia, Latin America and Pacific regions, due, primarily, to the continuing effects of COVID-19 on the mass retail channel and salons.

Elizabeth Arden Segment

Third quarter results:

North America

In North America, Elizabeth Arden segment net sales in the third quarter of 2020 increased by $1.0 million, or 3.4%, to $30.5 million, compared to $29.5 million in the third quarter of 2019. Excluding the $0.1 million unfavorable FX impact, Elizabeth Arden net sales in North America in the third quarter of 2020 increased by $1.1 million, or 3.7%, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $1 million ($1 million XFX) to the Elizabeth Arden segment’s variance in net sales in North America in the third quarter of 2020, compared to the prior year quarter. The Elizabeth Arden segment's $1.1 million XFX increase in North America net sales in the third quarter of 2020 was driven primarily by the Elizabeth Arden segment's higher net sales of **Ceramide** skin care products, partially offset by lower net sales of certain other **Elizabeth Arden**-branded skin care and fragrances products, due, primarily, to the continuing effects of COVID-19 on foot traffic at department stores and other retail outlets.

International

Internationally, Elizabeth Arden segment net sales in the third quarter of 2020 decreased by $17.9 million, or 19.1%, to $75.8 million, compared to $93.7 million in the third quarter of 2019. Excluding the $1.6 million favorable FX impact, Elizabeth Arden segment International net sales in the third quarter of 2020 decreased by $19.5 million, or 20.8%, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $23 million ($24 million XFX) to the Elizabeth Arden segment's decrease in the International net sales in the third quarter of 2020, compared to the prior year quarter. The Elizabeth Arden segment's $19.5 million XFX decrease in International net sales in the third quarter 2020 was driven primarily by lower net sales of **Elizabeth Arden**-branded skin care products and color cosmetics products, as well as certain **Elizabeth Arden**-branded fragrances, primarily within the Company's EMEA and, to a lesser extent, Asia and Pacific regions, due, primarily, to the continuing effects of COVID-19 on foot traffic at department stores and on travel retail outlets.

Year-to-date results:

North America

In North America, Elizabeth Arden segment net sales in the nine months ended September 30, 2020 decreased by $17.0 million, or 20.3%, to $66.9 million, compared to $83.9 million in the nine months ended September 30, 2019. Excluding the $0.3 million unfavorable FX impact, Elizabeth Arden segment net sales in North America in the nine months ended September 30, 2020 decreased by $16.7 million, or 19.9%, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $16 million ($16 million XFX) to the Elizabeth Arden segment's decrease in net sales in North America in the nine months ended September 30, 2020, compared to the prior year period. The Elizabeth Arden segment's $16.7 million XFX decrease in North America net sales in the nine months ended September 30, 2020 was driven primarily by the Elizabeth Arden segment's lower net sales of certain **Elizabeth Arden**-branded skin care products, as well as **Elizabeth Arden**-branded color cosmetics products and fragrances, due, primarily, to the continuing effects of COVID-19 on foot traffic at department stores and other retail outlets. This decrease was partially offset by higher net sales of **Ceramide** skin care products, as well as growth in e-commerce net sales.

International

Internationally, Elizabeth Arden segment net sales in the nine months ended September 30, 2020 decreased by $52.6 million, or 19.6%, to $215.5 million, compared to $268.1 million in the nine months ended September 30, 2019. Excluding the $2.5 million unfavorable FX impact, Elizabeth Arden segment International net sales in the nine months ended September 30, 2020 decreased by $50.1 million, or 18.7%, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $76 million ($79 million XFX) to the Elizabeth Arden segment's decrease in International net sales in the nine months ended September 30, 2020, compared to the prior year period. The Elizabeth Arden segment's $50.1 million XFX decrease in International net sales in the nine months ended September 30, 2020 was driven primarily by lower net sales of certain **Elizabeth Arden**-branded skin care products, as well as lower net sales of **Elizabeth Arden**-branded fragrances and color cosmetics, primarily within the Company's EMEA and, to a lesser extent, Asia, Pacific and Latin America regions, due, primarily, to the continuing effects of COVID-19 on foot traffic at department stores and on travel retail outlets. This decrease was partially offset by higher net sales of **Ceramide** skin care products within the Company's Asia region, as well as growth in e-commerce net sales.

Portfolio Segment

Third quarter results:

North America

In North America, Portfolio segment net sales in the third quarter of 2020 decreased by $11.5 million, or 16.1%, to $59.9 million, compared to $71.4 million in the third quarter of 2019. Excluding the $0.2 million unfavorable FX impact, Portfolio segment North America net sales in the third quarter of 2020 decreased by $11.3 million, or 15.8%, compared to the third quarter third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $14 million ($14 million XFX) to the Portfolio segment's decrease in net sales in North America in the third quarter of 2020, compared to the prior year quarter. The Portfolio segment's $11.3 million XFX decrease in North America net sales in the third quarter of 2020 was driven primarily by the Portfolio segment's lower net sales of **Almay** color cosmetics, **CND** nail products, **American Crew** men's grooming products, driven, primarily, by the continuing effects of COVID-19 on the mass retail channel and on salons. This decrease was partially offset primarily by higher net sales of **Creme of Nature** products, as well as **Mitchum** anti-perspirant deodorants and **Cutex** nail products.

International

Internationally, Portfolio segment net sales in the third quarter of 2020 decreased by $7.1 million, or 15.2%, to $39.7 million, compared to $46.8 million in the third quarter of 2019. Excluding the $0.7 million favorable FX impact, Portfolio segment International net sales decreased by $7.8 million, or 16.7%, in the third quarter of 2020, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $5 million ($5 million XFX) to the Portfolio segment's decrease in International net sales in the third quarter of 2020, compared to the prior year quarter. The Portfolio segment's $7.8 million XFX decrease in International net sales in the third quarter of 2020 was driven primarily by lower net sales of local and regional brands, **CND** nail products, **American Crew** men's grooming products and **Almay** color cosmetics, primarily in the Company's EMEA region, driven, primarily, by the continuing effects of COVID-19 on salons and the mass retail channel.

Year-to-date results:

North America

In North America, Portfolio segment net sales in the nine months ended September 30, 2020 decreased by $31.7 million, or 14.8%, to $182.8 million, as compared to $214.5 million in the nine months ended September 30, 2019. Excluding the $0.3 million unfavorable FX impact, Portfolio segment net sales in North America in the nine months ended September 30, 2020 decreased by $31.4 million, or 14.6%, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $39 million ($39 million XFX) to the Portfolio segment's decrease in net sales in North America in the nine months ended September 30, 2020, compared to the prior year period. The Portfolio segment's $31.4 million XFX decrease in North America net sales in the nine months ended September 30, 2020 was driven primarily by the Portfolio segment's lower net sales of **Almay** color cosmetics, **CND** nail products and **American Crew** men's grooming products, due, primarily, to the continuing effects of COVID-19 on the mass retail channel and on salons. This decrease was partially offset primarily by higher net sales of **Creme of Natur**e and certain other local and regional products brands, **Cutex** nail products and **Mitchum** anti-perspirant deodorants, as well as growth in e-commerce net sales.

International

Internationally, Portfolio segment net sales in the nine months ended September 30, 2020 decreased by $24.3 million, or 17.4%, to $115.3 million, compared to $139.6 million in the nine months ended September 30, 2019. Excluding the $3.5 million unfavorable FX impact, Portfolio segment International net sales decreased by $20.8 million, or 14.9%, in the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $17 million ($17 million XFX) to the Portfolio segment's decrease in International net sales in the nine months ended September 30, 2020, compared to the prior year period. The Portfolio segment's $20.8 million XFX decrease in International net sales in the nine months ended September 30, 2020 was driven primarily by the Portfolio segment's lower net sales of certain local and regional skin care products brands, **American Crew** men's grooming products, **CND** nail products and **Almay** color cosmetics, primarily in the Company's EMEA region, due, primarily, to the continuing effect of COVID-19 on the mass retail channel and on salons.

Fragrances Segment

Third quarter results:

North America

In North America, Fragrances segment net sales in the third quarter of 2020 decreased by $19.4 million, or 19.7%, to $79.2 million, as compared to $98.6 million in the third quarter of 2019. Excluding the $0.1 million unfavorable FX impact, Fragrances segment net sales in North America decreased by $19.3 million, or 19.6%, in the third quarter of 2020, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $16 million ($16 million

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

XFX) to the Fragrances segment's decrease in net sales in North America in the third quarter of 2020, compared to the prior year quarter. The Fragrances segment's $19.3 million XFX decrease in North America net sales in the third quarter of 2020 was driven primarily by lower net sales due to the continuing impacts from COVID-19, especially in the prestige channel, resulting in decreased foot traffic.

International

Internationally, Fragrances segment net sales in the third quarter of 2020 decreased by $13.5 million, or 34.2%, to $26.0 million, compared to $39.5 million in the third quarter of 2019. Excluding the $0.3 million favorable FX impact, Fragrances segment International net sales decreased by $13.8 million, or 34.9%, in the third quarter of 2020, compared to the third quarter of 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $9 million ($9 million XFX) to the Fragrances segment's decrease in International net sales in the third quarter of 2020, compared to the prior year quarter. The Fragrances segment's $13.8 million XFX decrease in International net sales during the third quarter of 2020 was due to lower net sales of certain licensed fragrances primarily in the Company's EMEA region and also, to a lesser extent, in the Company's Pacific, Latin America and Asia regions, due to the continuing impacts from COVID-19, resulting in decreased foot traffic.

Year-to-date results:

North America

In North America, Fragrances segment net sales in the nine months ended September 30, 2020 decreased by $47.3 million, or 23.8%, to $151.1 million, as compared to $198.4 million in the nine months ended September 30, 2019. Excluding the $0.1 million unfavorable FX impact, Fragrances segment net sales in North America decreased by $47.2 million, or 23.8%, in the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $40 million ($40 million XFX) to the Fragrances segment's decrease in net sales in North America in the nine months ended September 30, 2020, compared to the prior year period. The Fragrances segment's $47.2 million XFX decrease in North America net sales in the nine months ended September 30, 2020 was driven primarily by the continuing impacts from COVID-19, especially in the prestige channel, resulting in decreased foot traffic and temporary door closures.

International

Internationally, Fragrances segment net sales in the nine months ended September 30, 2020 decreased by $36.3 million, or 36.4%, to $63.3 million, compared to $99.6 million in the nine months ended September 30, 2019. Excluding the $1.5 million unfavorable FX impact, Fragrances segment International net sales decreased by $34.8 million, or 34.9%, in the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019. The ongoing and prolonged COVID-19 pandemic contributed an estimated $24 million ($25 million XFX) to the Fragrances segment's decrease in International net sales in the nine months ended September 30, 2020, compared to the prior year period. The Fragrances segment's $34.8 million XFX decrease in International net sales in the nine months ended September 30, 2020 was driven primarily by lower net sales in the Company's EMEA region and also, to a lesser extent, in the Company's Asia, Latin America and Pacific regions, due to the continuing impacts from COVID-19, resulting in decreased foot traffic and temporary door closures.

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,		
	2020	2019	Change	2020	2019	Change
Gross profit	$ 242.8	$ 327.8	$ (85.0)	$ 677.0	$ 969.5	$ (292.5)
Percentage of net sales	50.9 %	*54.9 %*	*(4.0)%*	*53.0 %*	*56.4 %*	*(3.4)%*

Third quarter results:

Gross profit decreased by $85.0 million in the third quarter of 2020, as compared to the third quarter of 2019. Unfavorable sales volume, primarily driven by the effects of the ongoing and prolonged COVID-19 pandemic, decreased gross profit in the third quarter of 2020 by approximately $66 million, compared to the third quarter of 2019, with no impact on gross margin. Gross profit as a percentage of net sales (i.e., gross margin) in the third quarter of 2020 decreased by 4.0% compared to the third quarter of 2019. The decrease in gross margin in the third quarter of 2020, as compared to the third quarter of 2019, was impacted by the negative effect of product mix, mainly attributable to the effects of the ongoing and prolonged COVID-19 pandemic, higher manufacturing costs resulting, in part, from the ongoing and prolonged COVID-19 pandemic, as well as unfavorable impacts of tariffs, partially offset by the impact of cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of COVID-19 on the Company's operations, as well as the Revlon 2020 Restructuring Program.

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

Year-to-date results:

Gross profit decreased by $292.5 million in the nine months ended September 30, 2020, as compared to the third quarter of 2019. Unfavorable sales volume, primarily driven by the effects of the ongoing and prolonged COVID-19 pandemic, decreased gross profit in the nine months ended September 30, 2020 by approximately $249 million, compared to the nine months ended September 30, 2019, with no impact on gross margin. Gross profit as a percentage of net sales (i.e., gross margin) in the nine months ended September 30, 2020 decreased by 3.4 percentage points, as compared to the nine months ended September 30, 2019. The decrease in gross margin in the nine months ended September 30, 2020, as compared to the nine months ended September 30, 2019, was impacted by the negative effect of product mix, mainly attributable to the ongoing effects of the ongoing and prolonged COVID-19 pandemic, higher manufacturing costs resulting, in part, from the ongoing and prolonged COVID-19 pandemic, as well as unfavorable impacts of FX and tariffs, partially offset by the impact of cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of COVID-19 on the Company's operations, as well as the Revlon 2020 Restructuring Program.

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,		
	2020	**2019**	**Change**	**2020**	**2019**	**Change**
SG&A expenses	$ 253.4	$ 308.1	$ (54.7)	$ 739.1	$ 973.2	$ (234.1)

Third quarter results:

SG&A expenses decreased by $54.7 million in the third quarter of 2020, compared to the third quarter of 2019, driven primarily by:

- a net decrease of approximately $36 million in brand support expenses, resulting from the Company's ongoing cost reduction initiatives in response to the ongoing and prolonged COVID-19 pandemic and decreased media spend to align with the lower net sales, primarily in North America and in the EMEA regions, primarily within the Revlon segment and, to a lesser extent, within the Portfolio, Elizabeth Arden and Fragrances segments;
- lower distribution expenses of approximately $8 million, driven primarily by the net sales decline;
- lower general and administrative expenses of approximately $7 million, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program; and
- unfavorable FX impact of approximately $2 million.

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

Year-to-date results:

SG&A expenses decreased by $234.1 million in the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019, driven primarily by:

- a net decrease of approximately $111 million in brand support expenses, resulting from the Company's ongoing cost reduction initiatives in response to the ongoing and prolonged COVID-19 pandemic and decreased media spend to align with the lower net sales primarily in North America and in the EMEA regions, primarily within the Revlon segment and, to a lesser extent, within the Elizabeth Arden, Portfolio and Fragrances segments, partially offset by an increase in brand support to support sales growth in Asia;
- lower general and administrative expenses of approximately $82 million, primarily driven by cost reductions achieved through the Company's initiatives designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on the Company's operations, as well as the Revlon 2020 Restructuring Program;
- lower distribution expenses of approximately $24 million, driven primarily by the net sales decline; and
- favorable FX impact of approximately $6 million.

Acquisition, integration and divestiture costs:

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Change	2020	2019	Change
Integration Costs	$ —	$ 0.1	$ (0.1)	$ —	$ 0.7	$ (0.7)
Divestiture Costs	0.9	—	0.9	4.2	—	4.2
Total acquisition, integration and divestiture costs	$ 0.9	$ 0.1	$ 0.8	$ 4.2	$ 0.7	$ 3.5

Third quarter results:

The Company incurred $0.9 million of divestiture costs in the third quarter of 2020 relating to the amortization of the cash-based awards under Tier 1 and Tier 2 of the Revlon 2019 TIP (see Note 11, "Stock Compensation Plan," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q for additional details on the 2019 TIP).

Year-to-date results:

The Company incurred $4.2 million of divestiture costs in the nine months ended September 30, 2020 including $0.7 million in professional fees incurred in connection with the exploration of strategic transactions involving the Company and third parties pursuant to the Strategic Review and approximately $3.5 million relating to the amortization of the cash-based awards under Tier 1 and Tier 2 of the Revlon 2019 TIP (See Note 11, "Stock Compensation Plan," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q for additional details on the 2019 TIP).

The Company incurred $0.7 million of integration costs in the nine months ended September 30, 2019, related primarily 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,		
	2020	2019	Change	2020	2019	Change
Restructuring charges and other, net	$ (0.7)	$ 2.9	$ (3.6)	$ 44.8	$ 11.6	$ 33.2

Restructuring charges and other, net, decreased $3.6 million during the three months ended September 30, 2020, compared to the three months ended September 30, 2019, primarily due to the subsequent true-up in the third quarter of 2020 of restructuring charges previously accrued in 2020 under the Revlon 2020 Restructuring Program, compared to the expenditures incurred primarily under the 2018 Optimization Program in the third quarter of 2019.

Restructuring charges and other, net, increased $33.2 million during the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019, primarily due to higher charges in connection with the Revlon 2020 Restructuring Program, compared to the expenditures incurred primarily under the 2018 Optimization Program in the third quarter of 2019.

Further information on the Company's restructuring charges in relation to its restructuring initiatives follows.

Revlon 2020 Restructuring Program

Building upon its previously-announced 2018 Optimization Program, in March 2020 the Company announced that it is implementing a worldwide organizational restructuring (the "Revlon 2020 Restructuring Program") designed to reduce the Company's SG&A expenses, as well as cost of goods sold, improve the Company's gross profit and Adjusted EBITDA and maximize productivity, cash flow and liquidity. The Revlon 2020 Restructuring Program includes rightsizing the organization and operating with more efficient workflows and processes. The leaner organizational structure is also expected to improve communication flow and cross-functional collaboration, leveraging the more efficient business processes.

As a result of the Revlon 2020 Restructuring Program, the Company expects to eliminate approximately 1,000 positions worldwide, including approximately 650 current employees and approximately 350 open positions of which approximately 785 were eliminated by September 30, 2020.

In March 2020, the Company began informing certain employees that were affected by the Revlon 2020 Restructuring Program. While certain aspects of the Revlon 2020 Restructuring Program may be subject to consultations with employees, works councils, unions and/or governmental authorities, the Company currently expects to substantially complete the employee-related actions by the end of 2020 and the other consolidation and outsourcing actions during 2021 and 2022.

In connection with implementing the Revlon 2020 Restructuring Program, the Company expects to recognize during 2020 approximately $60 million to $70 million of total pre-tax restructuring and related charges (the "2020 Restructuring Charges"), consisting primarily of employee-related costs, such as severance, retention and other contractual termination benefits. In addition, the Company expects restructuring charges in the range of $75 million to $85 million to be charged and paid during 2021 and 2022. The Company expects that substantially all of these restructuring charges will be paid in cash, with approximately $55 million to $65 million of the total charges expected to be paid in 2020, approximately $40 million to $45 million expected to be paid in 2021, with the balance expected to be paid in 2022. During the third quarter of 2020, the Company recorded $4.1 million of net restructuring and related charges under the 2020 Restructuring Program consisting of: (i) $5.1 million of lease and other restructuring-related charges that were recorded within SG&A; and (ii) $1.0 million true up of previously accrued severance and other personnel costs. Since commencing the Revlon 2020 Restructuring Program and through September 30, 2020, the Company recorded $61.2 million of restructuring and related charges under the 2020 Restructuring Program consisting of: (i) $45.6 million of severance and other personnel costs; and (ii) $15.6 million of lease and other restructuring-related charges that were recorded within SG&A. Of these charges, approximately $21.5 million were paid through September 30, 2020.

As a result of the Revlon 2020 Restructuring Program, the Company expects to deliver in the range of $200 million to $230 million of annualized cost reductions by the end of 2022, with approximately 50% of these annualized cost reductions to be realized from the headcount reductions occurring in 2020. During 2020, the Company expects to realize approximately $105 million to $115 million of in-year cost reductions, of which approximately $22 million and $87 million had been achieved during the three and nine months September 30, 2020, respectively.

2018 Optimization Program

During 2018, the Company announced its 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 2020, the Company recorded restructuring charges related to severance and personnel benefits of $0.1 million under the 2018 Optimization Program. During the nine months ended September 30, 2020, the Company recorded, under the 2018 Optimization Program, $0.6 million due to the reversal of previously accrued severance, personnel benefits and other restructuring costs, offset by $0.7 million of other restructuring-related charges that were recorded within SG&A and cost of sales. The Company recognized approximately $39.6 million of cumulative total pre-tax restructuring and related charges under the 2018 Optimization Program since its inception in November 2018, consisting of employee-related costs, such as severance, pension and other termination costs, as well as other related charges within SG&A and cost of sales and approximately $6.5 million of additional capital expenditures. As of September 30, 2020, restructuring and related charges to be paid in cash are approximately $32 million of the total charges, of which $30.3 million were already paid through September 30, 2020, with any residual balance expected to be paid during the remainder of 2020.

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

During the three and nine months ended September 30, 2019, the Company recorded $2.9 million and $11.6 million, respectively, of restructuring charges primarily related to the 2018 Optimization Program.

For further information on the Revlon 2020 Restructuring Program, the 2018 Optimization Program and on the Company's other restructuring initiatives, see Note 2, "Restructuring Charges," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q.

Impairment Charges:

The table below shows the Company's impairment charges for the periods presented:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Change	2020	2019	Change
Impairment charges	$ —	$ —	$ —	$ 144.1	$ —	$ 144.1

During the first and second quarters of 2020, as a result of COVID-19's impact on the Company's operations, the Company determined that indicators of potential impairment existed requiring the Company to perform interim impairment analyses. These indicators included a deterioration in the general economic conditions, developments in equity and credit markets, deterioration in some of the economic channels in which the Company's operates (especially in the mass retail channel), the recent trading values of the Company's capital stock and the corresponding decline in the Company's market capitalization and the revision of the Company's expected future cash flows as a result of COVID-19. Based on the first and second quarters of 2020 interim impairment analyses, the Company recorded $124.3 million and $19.8 million of total non-cash impairment charges for the first and second quarter of 2020, respectively.

As of September 30, 2020, due to the continued worldwide effects of the ongoing and prolonged COVID-19 pandemic, the Company re-assessed whether further indicators of impairment arose during the third quarter of 2020 that might result in additional goodwill impairment charges. Based upon such assessment, the Company determined that it was more likely than not that the fair value of each of its reporting units exceeded their respective carrying amounts as of September 30, 2020. Consequently, no impairment changes were recognized during the three months ended September 30, 2020.

For further information on these non-cash impairment charges, see Note 5, "Goodwill and Intangible Assets, Net," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q.

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,		
	2020	2019	Change	2020	2019	Change
Interest expense	$ 68.7	$ 50.2	$ 18.5	$ 178.0	$ 145.7	$ 32.3

The $18.5 million increase in interest expense in the third quarter of 2020, as compared to the third quarter of 2019, was primarily due to higher weighted average interest rates and higher weighted average borrowings driven primarily by the 2020 BrandCo Term Loan Facility.

The $32.3 million increase in interest expense during the nine months ended September 30, 2020, as compared to the nine months ended September 30, 2019, was primarily due to higher weighted average borrowings and higher weighted average interest rates driven primarily by the 2020 BrandCo Term Loan Facility and the 2019 Term Loan Facility (the latter of which was fully repaid in May 2020 using proceeds from the 2020 BrandCo Term Loan Facility).

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

Gain on early extinguishment of debt:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Change	2020	2019	Change
Gain on early extinguishment of debt	(31.2)	$ —	$ (31.2)	$ (43.1)	$ —	$ (43.1)

Gain on early extinguishment of debt for the three and nine months ended September 30, 2020 includes debt extinguishment gains of $31.2 million recorded during the third quarter of 2020 and $11.9 million recorded during the second quarter of 2020 upon the repurchase and subsequent cancellation of approximately $157.2 million in aggregate principal face amount of Products Corporation's 5.75% Senior Notes occurring in the third and second quarters of 2020.

For information on the terms and conditions of these debt instruments, see "Recent Developments," as well as Note 7, "Debt," and Note 19, "Subsequent Events," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q and Note 9, "Debt," in the Audited Consolidated Financial Statements in the Company's 2019 Form 10-K. Also, 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, 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,		
	2020	2019	Change	2020	2019	Change
Foreign currency (gains) losses, net	$ (9.8)	$ 7.6	$ (17.4)	$ 9.1	$ 9.0	$ 0.1

The $17.4 million increase in foreign currency gains, net, during the third quarter of 2020, compared to the third quarter of 2019, was primarily driven by the net favorable impact of foreign currency fluctuations on certain U.S. Dollar denominated intercompany payables and foreign currency denominated receivables compared to the prior year's quarter.

The $0.1 million increase in foreign currency losses, net, during the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019, was primarily driven by the net unfavorable impact of foreign currency fluctuations on certain U.S. Dollar denominated intercompany payables and foreign currency denominated receivables compared to the prior year's period.

Provision for (benefit from) income taxes:

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	Change	2020	2019	Change
Provision for (benefit from) income taxes	$ 1.9	$ (2.1)	$ 4.0	$ (45.2)	$ (3.2)	$ (42.0)

The Company recorded a provision for income taxes of $1.9 million for the third quarter of 2020, compared to a benefit from income taxes of $2.1 million for the third quarter of 2019. The $4.0 million decrease in the benefit from income taxes for the third quarter of 2020, compared to the same quarter in 2019, was primarily due to: (i) the mix and level of earnings; (ii) an increase in the U.S. tax on the Company's foreign earnings; and (iii) increased tax expense from return to provision adjustments, partially offset primarily by an increase in tax benefit from the net change in valuation allowances related to the recognition of previously unrecognized tax losses in Canada.

The Company recorded a benefit from income taxes of $45.2 million for the nine months ended September 30, 2020, compared to a benefit from income taxes of $3.2 million for the nine months ended September 30, 2019. The $42.0 million increase in the benefit from income taxes for the nine months ended September 30, 2020, compared to same period in 2019, was primarily due to: (i) the increased loss from continuing operations before income taxes on which the tax benefit is recognized; (ii) the mix and level of earnings; and (iii) a reduction in the U.S. tax on the Company's foreign earnings, net of the impact of non-deductible impairment charges, partially offset by the net change in valuation allowances recorded related to the limitation on the deductibility of interest.

The Company's effective tax rate for the three months ended September 30, 2020 was lower than the federal statutory rate of 21% primarily due the mix and level of earnings and the change in valuation allowance related to the limitation on the deductibility of interest. The Company's effective tax rate for the nine months ended September 30, 2020 was lower than the federal statutory rate of 21% primarily due to the impact of non-deductible impairment charges and the valuation allowance related to the limitation on the deductibility of interest, partially offset by the impact of the "Coronavirus Aid, Relief and Economic Security Act" (the "CARES Act"), signed into law on March 27, 2020 by President Trump, which resulted in a partial release of a valuation allowance on the Company's 2019 federal tax attributes associated with the limitation on the deductibility of interest.

The CARES Act, among other things, includes provisions providing for refundable payroll tax credits, the deferral of employer social security tax payments, acceleration of alternative minimum tax credit refunds and the increase of the net interest deduction limitation from 30% to 50%. The Company continues to examine the impact that the CARES Act may have on its results of operations, financial condition and/or financial statement disclosures.

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.

As of September 30, 2020, the Company concluded that, based on its evaluation of objectively 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 end of the third quarter of 2020 are consistent with the Company's conclusions on such matters as compared to prior quarters. The key assumptions used to determine positive and negative evidence included the Company’s cumulative taxable loss for the past three years, future reversals of existing taxable temporary differences, the Company's cost reduction initiatives and other efficiency efforts, as well as certain assumptions regarding COVID-19's expected impact on the Company. Potential negative evidence, including, among other things, any further worsening of the economies in the jurisdictions in which the Company operates and any future reduced profitability in such jurisdictions could result in additional valuation allowances which would reduce the Company's future deferred tax assets. In such event, the Company's tax expense would likely materially increase in the period the valuation allowance is recognized and adversely impact the Company's results of operations and statement of financial condition in such period. The Company will continue to monitor the circumstances that would require it to establish an additional valuation allowance on its deferred tax assets. Accordingly, depending on future evidence that may become available, the Company's assessments regarding its valuation allowance position may change.

For further information, see Note 12, "Income Taxes," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q, as well as Note 14, "Income Taxes," to the Consolidated Financial Statements in the Company's 2019 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 2019 Form 10-K.

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

Results of Operations — Products Corporation

Products Corporation's Unaudited Consolidated Statements of Operations and Comprehensive Loss are essentially identical to Revlon, Inc.'s Unaudited Consolidated Statements of Operations and Comprehensive Loss, except for the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net loss - Revlon, Inc.	$ (44.5)	$ (44.7)	$ (385.2)	$ (183.5)
Selling, general and administrative expenses - public company costs	2.0	1.8	5.9	5.1
Provision for income taxes	(0.4)	(0.3)	(1.0)	(0.8)
Net loss - Products Corporation	$ (42.9)	$ (43.2)	$ (380.3)	$ (179.2)

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, 2020, the Company had a liquidity position of $340.4 million, consisting of: (i) $268.3 million of unrestricted cash and cash equivalents (with approximately $93.7 million held outside the U.S.); (ii) $52.6 million in available borrowing capacity under Products Corporation's Amended 2016 Revolving Credit Facility (which had $291.9 million drawn at such date); (iii) $30 million in available borrowing capacity under the 2020 Restated Line of Credit Facility, which had no borrowings at such date; and less (iv) approximately $10.5 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, 2020, all of the approximately $52.6 million of availability under the Amended 2016 Revolving Credit Facility was available as of such date.

See "Recent Developments," as well as Note 7, "Debt," and Note 19, "Subsequent Events," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q and Note 9, "Debt," to the Company's Audited Consolidated Financial Statements in the Company's 2019 Form 10-K for detailed information on the terms and conditions of the Company's various debt instruments.

5.75% Senior Notes Exchange Offer

See "Recent Developments" for important information regarding the Company's debt-related transactions occurring after September 30, 2020. On September 29, 2020, Products Corporation commenced the Exchange Offer to exchange any and all of the then-outstanding 5.75% Senior Notes. As described in "Recent Developments," the Exchange Offer was amended on October 23, 2020 and on November 13, 2020, the Company announced that the Exchange Offer was successfully consummated and that Products Corporation had accepted $236 million in aggregate principal amount of 5.75% Senior Notes tendered in the Exchange Offer. Products Corporation used cash on hand to redeem, effective as of November 13, 2020, the remaining $106.8 million in aggregate principal amount of 5.75% Senior Notes pursuant to the terms of the 5.75% Senior Notes Indenture. Following the consummation of the Exchange Offer and the satisfaction and discharge of the remaining 5.75% Senior Notes, no 5.75% Senior Notes remained outstanding as of the closing on November 13, 2020.

Amendments to the 2020 BrandCo Term Loan Facility

Prior to consummating the Exchange Offer, on September 28, 2020, Products Corporation and certain lenders under the 2020 BrandCo Term Loan Facility, representing more than a majority in aggregate principal amount of loans thereunder (the "Supporting BrandCo Lenders"), entered into a Transaction Support Agreement (the "BrandCo TSA") under which the Supporting BrandCo Lenders agreed to take certain actions to facilitate the Exchange Offer and Consent Solicitation, including, among other things:

- Relinquishing certain rights of such Supporting BrandCo Lenders to "roll-up" loans held by such Supporting BrandCo Lenders under the 2016 Term Loan Facility into New BrandCo Second-Lien Term Loans under the 2020 BrandCo Term Loan Facility (the "Roll-up Rights");
- Tendering any Existing 5.75% Senior Notes held by such Supporting BrandCo Lenders into the Exchange Offer and Consent Solicitation;
- Consenting to amendments to the 2020 BrandCo Term Loan Facility to permit the exchange of Existing 5.75% Senior Notes for the New BrandCo Second-Lien Term Loans under the 2020 BrandCo Term Loan Facility as contemplated by the Offering Memorandum and the payment of the BrandCo Support and Consent Consideration;
- Consenting to other amendments to the 2020 BrandCo Term Loan Facility and the Amended 2016 Revolving Credit Facility to permit the Exchange Offer and Consent Solicitation to be completed as contemplated by the Offering Memorandum; and
- Supporting and cooperating with Products Corporation to consummate the transactions contemplated by the BrandCo TSA and the Offering Memorandum, including the Exchange Offer and Consent Solicitation.

In connection with such amendments, Products Corporation agreed to provide the following consideration (collectively, the "BrandCo Support and Consent Consideration") upon the successful consummation of the Exchange Offer:

- $12.5 million aggregate principal amount of New BrandCo Second-Lien Term Loans as a fee to the Supporting BrandCo Lenders under the BrandCo TSA in connection with such Supporting BrandCo Lenders' relinquishment of their Roll-up Rights;
- $10.0 million aggregate principal amount of New BrandCo Second-Lien Term Loans to one of the Supporting BrandCo Lenders in exchange for $18.7 million aggregate principal amount of Products Corporation's 6.25% Senior Notes due 2024 held by such Supporting BrandCo Lender; and
- to all lenders under the 2020 BrandCo Term Loan Facility (including the Supporting BrandCo Lenders), an amendment fee that was payable pro rata based on principal amount of loans consenting, consisting of, at Products Corporation's option, either (x) an aggregate of $2.5 million of cash or (y) $5.0 million aggregate principal amount of New BrandCo Second-Lien Term Loans. Pursuant to the BrandCo Amendment, Products Corporation elected to pay this fee in-kind in the form of $5.0 million aggregate principal amount of New BrandCo Second-Lien Term Loans.

On November 13, 2020, Products Corporation entered into that certain Amendment No. 1 (the "BrandCo Amendment") to the 2020 BrandCo Credit Agreement in connection with the Exchange Offer in order to, among other things, provide for the incurrence of $75 million in aggregate principal amount of New BrandCo Second-Lien Term Loans. The New BrandCo Second Lien Term Loans are a separate tranche of "Term B-2 Loans" (ranking junior to the Term B-1 Loans and senior to the Term B-3 Loans with respect to liens on certain specified collateral) under the BrandCo Credit Agreement. Except as to the use of proceeds, the terms of the New BrandCo Second-Lien Term Loans are substantially consistent with the other Term B-2 Loans. In connection with the BrandCo Amendment, Products Corporation paid certain fees to the lenders in-kind in the form of New BrandCo Second-Lien Term Loans in accordance with the BrandCo TSA.

MacAndrews & Forbes 2020 Restated Line of Credit Facility

In light of the upcoming maturity on July 9, 2021 of the 2018 Foreign Asset-Based Term Facility and the upcoming expiration on December 31, 2020 of the Amended 2019 Senior Line of Credit Facility, the Company sought to refinance or extend both the 2018 Foreign Asset-Based Term Facility and the Amended 2019 Senior Line of Credit Facility. Products Corporation sought to do so in order to reinforce its liquidity position to be better able to address the current business and economic environment and prepare for any further potential disruptions to its business and operations as may be brought on by the ongoing COVID-19 pandemic or other events.

As a result, and anticipating a future refinancing of the 2018 Foreign Asset-Based Term Facility (a "Future Refinanced European ABL Facility"), on September 28, 2020, Products Corporation and M&F entered into the Second Amended and Restated 2019 Senior Unsecured Line of Credit Facility (the "2020 Restated Line of Credit Facility"), which amended and restated the Amended 2019 Senior Line of Credit Facility and will provide Products Corporation with up to a $30 million tranche of a new facility of the 2018 Foreign Asset-Based Term Facility (the "New European ABL FILO Facility") that would be secured on a "last-out" basis by the same collateral as the 2018 Foreign Asset-Based Term Facility or, if no Future Refinanced European ABL Facility is obtained, a stand-alone $30 million credit facility secured by the same collateral as the 2018 Foreign Asset-Based Term Facility when that facility is terminated, in each case, subject to a borrowing base. Upon the earlier of (x) the incurrence of a New European ABL FILO Facility and (y) December 31, 2020, the 2020 Restated Line of Credit Facility will terminate, such that M&F's maximum committed amount under the 2020 Restated Line of Credit Facility will never exceed $30.0 million. As of September 30, 2020, there were no borrowings outstanding under the 2020 Restated Line of Credit Facility.

The New European ABL FILO Facility would mature on (x) the maturity date of any such Future Refinanced European ABL Facility or (y) if there is no Future Refinanced European ABL Facility, July 9, 2022. To the extent the Future Refinanced European ABL Facility exceeds $35.0 million in principal amount, the amount available under the New European ABL FILO Facility would decrease on a dollar-for-dollar basis, such that, if Products Corporation were able to obtain a Future Refinanced ABL Facility of $65.0 million from third parties, there would be no amounts available under the New European ABL FILO Facility. The interest rate for the New European ABL FILO Facility will be LIBOR + 10.00%. The covenants for the New European ABL FILO Facility would be substantially the same as those applicable to the 2018 European ABL Facility.

Consummation of 2020 BrandCo Refinancing Transactions

On May 7, 2020 (the "BrandCo 2020 Facilities Closing Date"), Products Corporation entered into a term credit agreement (the "2020 BrandCo Credit Agreement") with Jefferies Finance LLC, as administrative agent and collateral agent, and certain financial institutions (the "2020 Facilities Lenders") that are lenders or the affiliates of lenders under Products Corporation's Term Loan Credit Agreement, dated as of September 7, 2016 and amended on April 30, 2020 and as amended on the BrandCo 2020 Facilities Closing Date, as further described below (as amended to date, the "2016 Term Loan Facility"). Pursuant to the 2020 BrandCo Credit Agreement, the 2020 Facilities Lenders provided Products Corporation with new and roll-up senior secured term loan facilities (the "2020 BrandCo Facilities" and, collectively, the "2020 BrandCo Term Loan Facility" and, together with the use of proceeds thereof and the Extension Amendment, the "2020 BrandCo Refinancing Transactions").

Principal and Maturity: The 2020 BrandCo Facilities consist of: (i) a senior secured term loan facility in an aggregate principal amount outstanding on the BrandCo 2020 Facilities Closing Date of $815 million, plus the amount of certain fees and accrued interest that have been capitalized (the "2020 BrandCo Facility"); (ii) commitments in respect of a senior secured term loan facility in an aggregate principal amount of $950 million (the "Roll-up BrandCo Facility"); and (iii) a senior secured term loan facility in an aggregate principal amount outstanding on the BrandCo 2020 Facilities Closing Date of $3 million (the "Junior Roll-up BrandCo Facility"). Additionally, on May 28, 2020, Products Corporation borrowed from the 2020 Facilities Lenders an additional $65 million of term loans under the 2020 BrandCo Facility to repay in full the 2020 Incremental Facility under the 2016 Term Loan Facility, as a result of which the 2020 BrandCo Facility at June 30, 2020 had an aggregate principal amount outstanding of $910.6 million (including paid-in-kind closing fees of $29.1 million and paid-in-kind interest of $1.5 million that were capitalized). Additionally, during the three months ended June 30, 2020 and the three months ended September 30, 2020, certain lenders under the 2016 Term Loan Facility due June 2023, representing $846.0 million in aggregate principal outstanding, rolled-up to the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility due June 2025, as a result of which the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility at September 30, 2020 had an aggregate principal amount outstanding of $846.0 million. The Company determined that the roll-up of such 2016 Term Loan Facility lenders into the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility represented a debt modification under U.S. GAAP, as the cash flow effect between the amount that Products Corporation owed to the participating lenders under the old debt instrument (i.e., the 2016 Term Loan Facility) and the amount that Products Corporation owed to such lenders after the consummation of the roll-up into the new debt instrument (i.e., the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility) on a present value basis was less than 10% and, thus, the debt instruments were not considered to be substantially different within the meaning of ASC 470, Debt, under U.S. GAAP.

The proceeds of the 2020 BrandCo Facility were used: (i) to repay in full approximately $200 million of indebtedness outstanding under Products Corporation's 2019 Term Loan Facility; (ii) to repay in full and terminate commitments under the 2020 Incremental Facility; and (iii) to pay fees and expenses in connection with the 2020 BrandCo Facilities and the 2020 BrandCo Refinancing Transactions. The Company will use the remaining net proceeds for general corporate purposes, including repurchasing, repaying or refinancing Products Corporation's outstanding 5.75% Senior Notes. The proceeds of the Roll-up BrandCo Facility are available prior to the third anniversary of the BrandCo 2020 Facilities Closing Date to purchase at par an equivalent amount of any remaining term loans under the 2016 Term Loan Facility held by the lenders participating in the 2020 BrandCo Facility or their transferees. During the three months ended June 30, 2020 and the three months ended September 30, 2020, certain lenders under the 2016 Term Loan Facility due June 2023, representing $846.0 million in aggregate principal outstanding, rolled-up to the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility due June 2025, as a result of which the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility at September 30, 2020 have an aggregate principal amount outstanding of $846.0 million, with a remaining capacity for the roll-up of loans under the 2016 Term Loan Facility of $107.0 million. See "Amendments to the 2020 BrandCo Term Loan Facility" regarding the Supporting BrandCo Lenders relinquishing certain Roll-up Rights and Products Corporation's issuance of the BrandCo Support and Consent Consideration.

The 2020 BrandCo Facilities will mature on June 30, 2025, subject to a springing maturity 91 days prior to the August 1, 2024 maturity date of Products Corporation's 6.25% Senior Notes if, on such date, $100 million or more in aggregate principal amount of the 6.25% Senior Notes remain outstanding.

The Company incurred approximately $119.3 million of new debt issuance costs in connection with closing the 2020 BrandCo Facility, which include paid-in kind amounts that are recorded as an adjustment to the carrying amount of the related liability and amortized to interest expense in accordance with the effective interest method over the term of the 2020 BrandCo Facilities.

Borrower, Guarantees and Security: Products Corporation is the borrower under the 2020 BrandCo Facilities and the 2020 BrandCo Facilities are guaranteed by certain of Products Corporation's indirect subsidiaries (the "BrandCos") that hold certain intellectual property assets related to the Elizabeth Arden and American Crew brands, certain other Portfolio segment brands and certain owned Fragrance segment brands (the "Specified Brand Assets"). While the BrandCos do not guarantee the 2016 Term Loan Facility, all guarantors of the 2016 Term Loan Facility guarantee the 2020 BrandCo Facilities. All of the assets of the BrandCos (including all capital stock issued by the BrandCos) have been pledged to secure the 2020 BrandCo Facility on a first-priority basis, the Roll-up BrandCo Facility on a second-priority basis and the Junior Roll-up BrandCo Facility on a third-priority basis and while such assets do not secure the 2016 Term Loan Facility, the 2020 BrandCo Facilities are secured on a pari passu basis by the assets securing the 2016 Term Loan Facility.

Contribution and License Agreements: In connection with the pledge of the Specified Brand Assets, Products Corporation and certain of its subsidiaries contributed the Specified Brand Assets to the BrandCos. Products Corporation entered into license and royalty arrangements on arm's length terms with the relevant BrandCos to provide for the continued use of the Specified Brand Assets by Products Corporation and its subsidiaries during the term of the 2020 BrandCo Facilities.

Interest and Fees: Loans under the 2020 BrandCo Facility bear interest at a rate equal to LIBOR (with a LIBOR floor of 1.50%) plus (x) 10.50% per annum, payable not less than quarterly in arrears in cash and (y) 2.00% per annum payable not less than quarterly in-kind by adding such amount to the principal amount of outstanding loans under the 2020 BrandCo Facility. Loans under the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility bear interest at a rate equal to LIBOR (with a LIBOR floor of 0.75%) plus 3.50% per annum, payable not less than quarterly in arrears in cash.

Affirmative and Negative Covenants: The 2020 BrandCo Facilities contain certain affirmative and negative covenants that, among other things, limit Products Corporation's and its restricted subsidiaries' 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, unsecured 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 2020 BrandCo Facilities also restrict distributions and other payments from the BrandCos based on certain minimum thresholds of net sales with respect to the Specified Brand Assets. The 2020 BrandCo Facilities also contain certain customary representations, warranties and events of default, including a cross default provision making it an event of default under the 2020 BrandCo Credit Agreement if there is an event of default under Products Corporation's existing 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement or the indentures governing each of Products Corporation's 5.75% Senior Notes due 2021 and its 6.25% Senior Notes due 2024 (the "Senior Notes Indentures"). The lenders under the 2020 BrandCo Credit Agreement may declare all outstanding loans under the 2020 BrandCo Facilities to be due and payable immediately upon an event of default. Under such circumstances, the lenders under the 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, and the holders under the Senior Notes Indentures may also declare all outstanding amounts under such instruments to be due and payable immediately as a result of similar cross default or cross acceleration provisions, subject to certain exceptions and limitations described in the relevant instruments.

Prepayments: The 2020 BrandCo Facilities are subject to certain mandatory prepayments, including from the net proceeds from the issuance of certain additional debt and asset sale proceeds of certain non-ordinary course asset sales or other dispositions of property, subject to certain exceptions. The 2020 BrandCo Facilities may be repaid at any time, subject to customary prepayment premiums.

2016 Term Loan Facility Extension Amendment: Term loan lenders under the 2016 Term Loan Facility were offered the opportunity to participate at par in the 2020 BrandCo Facilities based on their holdings of term loans under the 2016 Term Loan Facility. Lenders participating in the 2020 BrandCo Facilities, as well as other consenting lenders representing, in the aggregate, a majority of the loans and commitments under the 2016 Term Loan Facility, consented to an amendment to the 2016 Term Loan Facility (the "Extension Amendment") that, among other things, made certain modifications to the covenants thereof and extended the maturity date of their term loans ("Extended Term Loans") to June 30, 2025, subject to (i) the same September 7, 2023 springing maturity date of the non-extended term loans under the 2016 Term Loan Facility if, on such date, $75 million or more in aggregate principal amount of the non-extended term loans under the 2016 Term Loan Facility remains outstanding, and (ii) a springing maturity of 91 days prior to the August 1, 2024 maturity date of the 6.25% Senior Notes if, on such date, $100 million or more in aggregate principal amount of the 6.25% Senior Notes remains outstanding. The Extension Amendment became effective on the BrandCo 2020 Facilities Closing Date. As of September 30, 2020, approximately $30.7 million in aggregate principal amount of Extended Term Loans were outstanding after giving effect to the 2020 BrandCo Refinancing Transactions. The Extended Term Loans bear interest at a rate of LIBOR (with a LIBOR floor of 0.75%) plus 3.50% per annum, payable not less than quarterly in arrears in cash, consistent with the interest rate applicable to the non-extended term loans. Approximately $17.0 million of accrued interest outstanding on the 2016 Term Loan Facility was paid on the BrandCo 2020 Facilities Closing Date. The aggregate principal amount of non-extended term loans under the 2016 Term Loan Facility as of September 30, 2020 was approximately $855.6 million.

Repurchases of 5.75% Senior Notes due 2021

On May 7, 2020, Products Corporation used a portion of the proceeds from the 2020 BrandCo Facility to repurchase and subsequently cancel $50 million in aggregate principal face amount of its 5.75% Senior Notes. Products Corporation also paid approximately $0.7 million of accrued interest outstanding on the 5.75% Senior Notes on May 7, 2020. After the BrandCo 2020 Facilities Closing Date, Products Corporation repurchased and subsequently canceled in July 2020 a further $62.8 million in aggregate principal face amount of its 5.75% Senior Notes. Furthermore, during the three months ended September 30, 2020, Products Corporation repurchased and subsequently canceled an additional $44.4 million in aggregate principal face amount of its 5.75% Senior Notes. Accordingly, as of September 30, 2020, Products Corporation had repurchased and subsequently cancelled a total of approximately $157.2 million in aggregate principal face amount of its 5.75% Senior Notes, resulting in a gain on extinguishment of debt of approximately $31.2 million and $43.1 million for the three and nine months ended September 30, 2020, respectively, which were recorded within "Gain on early extinguishment of debt" on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the three and nine months ended September 30, 2020. See "Recent Debt Transactions—Exchange Offer" in this Item 7. "Combined Management's Discussion and Analysis of Financial Condition and Results of Operations" for more information regarding Products Corporation's 5.75% Senior Notes and the related Exchange Offer.

Prepayment of the 2019 Term Loan Facility due 2023

On the BrandCo 2020 Facilities Closing Date, Products Corporation used a portion of the proceeds from the 2020 BrandCo Facility to fully prepay the entire principal amount outstanding under its 2019 Term Loan Facility, totaling $200 million, plus approximately $1.3 million of accrued interest outstanding thereon, as well as approximately $33.5 million in prepayment premiums, $10.3 million in lenders' fees, $0.3 million in legal fees and approximately $2.0 million in other third party fees. As the lenders under the 2019 Term Loan Facility participated in the 2020 BrandCo Term Loan Facility, the Company determined that the full repayment of the 2019 Term Loan Facility represented a debt modification under U.S. GAAP as the cash flow effect between the old debt instrument (i.e., the 2019 Term Loan Facility) and the new debt instrument (i.e., the 2020 BrandCo Facility) on a present value basis was less than 10% and, thus, the debt instruments were not considered to be substantially different within the meaning of ASC 470, Debt, under U.S. GAAP. Accordingly, the $33.5 million of prepayment premiums, as well as the $10.3 million in other lenders' fees were capitalized as part of the aforementioned $119.3 million of total new debt issuance costs for the 2020 BrandCo Term Loan Facility, while the aforementioned $0.3 million of legal fees and $2.0 million in other third party fees were expensed as incurred in the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the nine months ended September 30, 2020.

Amendment to the 2018 Foreign Asset-Based Term Facility

On May 4, 2020, the Company entered into an amendment to the 2018 Foreign Asset Based Term Facility, which had an original outstanding principal amount of €77 million. Such amendment provided for the following:

- increasing the interest rate on the loan from EURIBOR (with a floor 0.50%) plus a margin of 6.50% to EURIBOR (with a floor 0.50%) plus a margin of 7.00%;
- adding a springing maturity date of 91 days prior to the February 15, 2021 maturity of the 5.75% Senior Notes if any of Products Corporation's 5.75% Senior Notes remain outstanding on such date;
- requiring a mandatory prepayment of €5.0 million; and
- clarifying certain terms and waiving certain provisions in connection with the 2020 BrandCo Refinancing Transactions.

Approximately $0.4 million of amendment fees paid to the lenders under 2018 Foreign Asset-Based Term Facility were capitalized and are amortized to interest expense, together with any unamortized debt issuance costs outstanding prior to the amendment. As of September 30, 2020, there was the Euro equivalent of $56.8 million outstanding under the 2018 Foreign Asset-Based Term Facility, reflecting a repayment of €28.5 million made during the quarter ended June 30, 2020.

Incremental Revolving Credit Facility under the 2016 Term Loan Agreement

On April 30, 2020, Products Corporation entered into a Joinder Agreement (the “2020 Joinder Agreement”), with Revlon, certain of their subsidiaries and certain existing lenders (the “Incremental Lenders”) under Products Corporation’s 2016 Term Loan Agreement to provide for a $65 million incremental revolving credit facility (the “2020 Incremental Facility”). On the closing of the 2020 Incremental Facility, Products Corporation borrowed $63.5 million of revolving loans for working capital purposes and subsequently on May 11, 2020 Products Corporation also borrowed the additional $1.5 million of delayed funding revolving loans. Prior to its full repayment on May 28, 2020, amounts outstanding under the 2020 Incremental Facility bore interest at a rate of (x) LIBOR plus 16% or (y) an Alternate Base Rate plus 15%, at Products Corporation’s option. Except as to pricing, maturity and differences due to its revolving nature, the terms of the 2020 Incremental Facility were otherwise substantially consistent with the existing term loans under the 2016 Term Loan Facility. The 2020 Incremental Facility was repaid in full, and the commitments thereunder terminated, on May 28, 2020. Upon such repayment, approximately $2.9 million of upfront commitment fees that Products Corporation incurred in connection with consummating the 2020 Incremental Facility were entirely expensed within "Miscellaneous, net" on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss for the nine months ended September 30, 2020.

On May 7, 2020, in connection with consummating the 2020 BrandCo Refinancing Transactions, Products Corporation entered into Amendment No. 4 to its Asset-Based Revolving Credit Agreement, dated as of September 7, 2016, as amended (the “2016 Revolving Credit Facility”). Amendment No. 4, among other things, made certain amendments and provided for certain waivers relating to the 2020 BrandCo Refinancing Transactions under the 2016 Revolving Credit Facility. In exchange for such amendments and waivers, the interest rate margin applicable to loans under Tranche A of the 2016 Revolving Credit Facility increased by 0.75%. In connection with the amendments to the 2018 Tranche B of the 2016 Revolving Credit Facility (which was fully repaid on its May 17, 2020 extended maturity date), Products Corporation incurred approximately $1.1 million in lender's fees that upon its full repayment were entirely expensed within “Miscellaneous, net” on the Company's Unaudited Consolidated Statement of Operations and Comprehensive Loss as of September 30, 2020. See “Recent Developments” and Note 19, “Subsequent Events,” regarding, among other things, Amendment No. 5 to the 2016 Revolving Credit Facility.

Previously, on April 17, 2020 (the “FILO Closing Date”), Products Corporation entered into Amendment No. 3 to the 2016 Revolving Credit Facility (“Amendment No. 3”), pursuant to which, the maturity date applicable to $36.3 million of loans under the $41.5 million senior secured first in, last out 2018 Tranche B under the 2016 Revolving Credit Facility (the “2018 FILO Tranche”) was extended from April 17, 2020 to May 17, 2020 (the “Extended Maturity Date”). Products Corporation repaid the remaining approximately $5.2 million of the 2018 FILO Tranche loans as of the FILO Closing Date. In addition, Amendment No. 3 increased the applicable interest margin for the 2018 FILO Tranche by 0.75%, subject to a LIBOR floor of 0.75%. Products Corporation fully repaid the 2018 FILO Tranche on the Extended Maturity Date.

Changes in Cash Flows

As of September 30, 2020, the Company had cash, cash equivalents and restricted cash of $273.7 million (which as of September 30, 2020 included approximately $175.0 million of proceeds remaining from the 2020 BrandCo Refinancing Transactions), compared with $104.5 million at December 31, 2019. The following table summarizes the Company’s cash flows from operating, investing and financing activities for the periods presented:

	Nine Months Ended September 30,	
	2020	**2019**
Net cash used in operating activities	$ (256.9)	$ (166.8)
Net cash used in investing activities	(7.4)	(20.0)
Net cash provided by financing activities	433.9	161.6
Effect of exchange rate changes on cash and cash equivalents	(0.4)	(1.4)
Net increase (decrease) in cash, cash equivalents and restricted cash	169.2	(26.6)
Cash, cash equivalents and restricted cash at beginning of period	104.5	87.5
Cash, cash equivalents and restricted cash at end of period	$ 273.7	$ 60.9

Operating Activities

Net cash used in operating activities was $256.9 million and $166.8 million for the nine months ended September 30, 2020 and 2019, respectively. The increase in cash used in operating activities for the nine months ended September 30, 2020, compared to the nine months ended September 30, 2019, was primarily driven by lower net sales, primarily due to the COVID-19 impacts described above, partially offset by cost reductions achieved through the

Company's initiatives designed to mitigate the adverse impact of COVID-19 on the Company's operations, including the Revlon 2020 Restructuring Program.

Investing Activities

Net cash used in investing activities was $7.4 million for the nine months ended September 30, 2020, compared to $20.0 million of net cash used in investing activities for the nine months ended September 30, 2019. The decrease in cash used in investing activities was related to lower capital expenditures in the nine months ended September 30, 2020 compared to the prior year period.

Financing Activities

Net cash provided by financing activities was $433.9 million and $161.6 million for the nine months ended September 30, 2020 and 2019, respectively.

Net cash provided by financing activities for the nine months ended September 30, 2020 primarily included:

- $880.0 of borrowings under the 2020 BrandCo Term Loan Facility; and
- $19.5 million net borrowings under the Amended 2016 Revolving Credit Agreement;

with the foregoing partially offset by:

- $200.0 million used to fully repay the 2019 Term Loan Facility;
- $114.1 million used to repurchase approximately $157.2 million in aggregate principal face amount of Products Corporation's 5.75% Senior Notes;
- $108.3 million used to pay financing costs incurred in connection with the 2020 BrandCo Refinancing Transactions;
- $31.4 million used to partially repay the 2018 Foreign Asset-Based Term Loan;
- $19.5 million used to partially repay the Amended 2016 Revolving Credit Agreement;
- $9.2 million used to partially repay the 2016 Term Loan Facility; and
- $0.7 million of decreases in short-term borrowings and overdraft.

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

- $59.9 million of borrowings under the Amended 2016 Revolving Credit Facility; and

with the foregoing partially offset by:

- $9.0 million of repayments under the 2016 Term Loan Facility;
- $18.8 million of decreases in short-term borrowings and overdraft; and
- $1.4 million of payment of financing costs incurred in connection with the Amendment No. 2 to the Amended 2016 Revolving Credit Facility.

Long-Term Debt Instruments

For detailed information on the terms and conditions of Products Corporation's various outstanding debt instruments, including, without limitation, the 2020 BrandCo Facilities, 2016 Term Loan Facility, Amended 2016 Revolving Credit Facility, 2019 Term Loan Facility (which was fully repaid as part of consummating the 2020 BrandCo Refinancing Transactions), 2018 Foreign Asset-Based Term Facility, 2020 Restated Line of Credit Facility, 5.75% Senior Notes and 6.25% Senior Notes, see the aforementioned discussion in this Form 10-Q under "Financial Condition, Liquidity and Capital Resources - Consummation of 2020 BrandCo Refinancing Transactions" and Note 9, "Debt," to the Consolidated Financial Statements in Revlon's 2019 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 Revlon's 2019 Form 10-K. For information regarding certain risks related to the Company's indebtedness, see Item 1A. "Risk Factors" in the Company's 2019 Form 10-K, as updated by Part II, Item 1A. "Risk Factors" in the Company's Form 10-Qs filed with the SEC during 2020.

Covenants

Products Corporation was in compliance with all applicable covenants under the 2020 BrandCo Credit Agreement, 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, the 2020 Restated Line of Credit Facility, as well as with all applicable covenants under its Senior Notes Indentures, in each case as of September 30, 2020. As of September 30, 2020, 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, 2020	Availability at September 30, 2020 (a)
Amended 2016 Revolving Credit Facility	$ 400.0	$ 345.9	$ 291.9	$ 52.6
2020 Restated Line of Credit Facility	$ 30.0	N/A	$ —	$ 30.0

(a) Availability as of September 30, 2020 is based upon the borrowing base then in effect under the Amended 2016 Revolving Credit Facility of $345.9 million, less $1.4 million of outstanding undrawn letters of credit and $291.9 million then drawn. As Products Corporation's consolidated fixed charge coverage ratio was greater than 1.0 to 1.0 as of September 30, 2020, all of the $52.6 million of availability under the Amended 2016 Revolving Credit Facility was available as of such date. The 2018 Tranche B under the Amended 2016 Revolving Credit Facility was fully repaid in May 2020.

Sources and Uses

The Company's principal sources of funds are expected to be operating revenues, cash on hand (which as of September 30, 2020 included approximately $175.0 million of proceeds remaining from the 2020 BrandCo Refinancing Transactions) and funds that may be available from time to time for borrowing under the Amended 2016 Revolving Credit Facility, the 2020 Restated Line of Credit Facility and other permissible borrowings. The 2016 Credit Agreements, 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 2018 Optimization Program and the Revlon 2020 Restructuring Program; severance not otherwise included in the Company’s restructuring programs; business and/or brand acquisitions (including, without limitation, through licensing transactions), if any; additional 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. For information regarding certain risks related to the Company’s indebtedness and cash flows, see Item 1A. “Risk Factors” in the Company's 2019 Form 10-K, as updated by Part II, Item 1A. “Risk Factors” in the Company’s Form 10-Qs filed with the SEC during 2020.

The Company’s cash contributions to its pension and post-retirement benefit plans in the nine months ended September 30, 2020 were $7.5 million. The Company expects that cash contributions to its pension and post-retirement benefit plans will be approximately $19 million in the aggregate for 2020. The Company’s cash taxes paid in the nine months ended September 30, 2020 were $12.6 million. The Company expects to pay net cash taxes totaling approximately $10 million to $15 million in the aggregate during 2020. For a further discussion, see Note 10, "Pension and Post-Retirement Benefits," and Note 12, "Income Taxes," to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q.

The Company’s purchases of permanent wall displays and capital expenditures in the nine months ended September 30, 2020 were $16.5 million and $7.4 million, respectively. The Company expects that purchases of permanent wall displays will total approximately $35 million to $45 million in the aggregate during 2020 and expects that capital expenditures will total approximately $10 million to $20 million in the aggregate during 2020.

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. For certain of the Company’s other recent cost reduction initiatives, see “COVID-19 Impact on the Company’s Business” under the Overview section of this "Management Discussion and Analysis of Financial Condition and Results of Operations".

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. 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 2020 Restated 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. (See “Financial Condition, Liquidity and Capital Resources - Consummation of 2020 BrandCo Refinancing Transactions” regarding the Company’s repurchase of certain 5.75% Senior Notes during the second and third quarters of 2020).

The Company expects that operating revenues, cash on hand (which as of September 30, 2020 included approximately $175.0 million of proceeds remaining from the 2020 BrandCo Refinancing Transactions) and funds that may be available from time-to-time for borrowing under the Amended 2016 Revolving Credit Facility, the 2020 Restated Line of Credit Facility and other permissible borrowings will be sufficient to enable the Company to pay its operating expenses for 2020, 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 2018 Optimization Program and the Revlon 2020 Restructuring 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 Revlon 2020 Restructuring Program and the
2018 Optimization Program, and cost reductions generated from other cost control initiatives, including, without limitation, the Company’s interim measures to reduce costs in response to the COVID-19 pandemic (such as: (i) switching to a reduced work week and reducing executive and employee compensation in the range of 20% to 40%; (ii) furloughing approximately 40% of the Company’s U.S.-based employees and those in certain other locations; (iii) suspending the Company’s 2020 merit base salary increases, discretionary profit sharing contributions and matching contributions to the Company’s 401(k) plan; (iv) reducing Board and committee compensation by 50% and eliminating Board and committee meeting fees; and (v) suspending or terminating services and payments under consulting agreements with certain directors), as well as funds provided by selling certain assets (such as the Natural Honey and Floid brands that were sold in December 2019) in connection with the Company's ongoing Strategic Review.

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. For information regarding certain risks related to the Company’s indebtedness and cash flows, see Item 1A. “Risk Factors” in the Company's 2019 Form 10-K, as updated by Part II, Item 1A. “Risk Factors” in the Company’s Form 10-Qs filed with the SEC during 2020.

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, whether attributable to the COVID-19 pandemic or otherwise; 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 2018 Optimization Program and the Revlon 2020 Restructuring Program), severance not otherwise included in the Company’s restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, additional 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 2020 BrandCo Credit Agreement, 2016 Credit Agreements, the 6.25% Senior Notes indenture 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 2019 Form 10-K, as updated by Part II, Item 1A. “Risk Factors” in the Company’s Form 10-Qs filed with the SEC during 2020.

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 2019 Form 10-K.

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) Evaluation of Disclosure Controls and Procedures. 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. In March 2020, the Company announced the Revlon 2020 Restructuring Program and in April 2020 the Company took several financial measures, such as implementing a reduced work week and furloughing a significant number of employees, designed to mitigate the adverse financial impacts of COVID-19 (the "COVID-19 Organizational Actions"). In response, the Company implemented mitigating actions to address the potential for any impact from these measures on the Company's disclosure controls and procedures and its internal control over financial reporting, such as transferring responsibilities for the eliminated positions and furloughed employees and enhancing employee training and internal controls monitoring. 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 the Company's disclosure controls and procedures were effective as of September 30, 2020.

(b) Changes in Internal Control Over Financial Reporting ("ICFR"). There have not been any changes in the Company's internal control over financial reporting during the quarter ended September 30, 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. As described in Item 4(a) above, the Revlon 2020 Restructuring Program and the Company's COVID-19 Organizational Actions did not materially affect, nor are they reasonably likely to materially affect, the Company's ICFR for the quarter ended September 30, 2020.

Forward-Looking Statements

This Quarterly Report on Form 10-Q for the period ended September 30, 2020, 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, whether due to COVID-19 or otherwise; 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 2018 Optimization Program and the Revlon 2020 Restructuring Program), severance not otherwise included in the Company's restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, additional 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 which as of September 30, 2020 included approximately $175.0 million of proceeds remaining from the 2020 BrandCo Refinancing Transactions, funds available under the Amended 2016 Revolving Credit Facility, the 2020 Restated 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 products 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: (1) the Company’s plans to implement the Revlon 2020 Restructuring Program; including its expectation and belief that the Revlon 2020 Restructuring Program will reduce the Company’s selling, general and administrative expenses, as well as cost of goods sold, improve the
Company’s gross profit and Adjusted EBITDA and maximize productivity, cash flow and liquidity, as well as rightsizing the organization and operating with more efficient workflows and processes and that the leaner organizational structure will improve communication flow and cross-functional collaboration, leveraging the more efficient business processes; (2) the Company’s expectation that the Revlon 2020 Restructuring Program will result in the elimination of approximately 1,000 positions worldwide including approximately 650 current employees and approximately 350 open positions; (3) the Company’s expectation that it will substantially complete the employee-related actions by the end of 2020 and the other consolidation and outsourcing actions during 2021 and 2022; (4) the Company’s expectations regarding the amount and timing of the 2020 Restructuring Charges and payments related to the Revlon 2020 Restructuring Program, including that: (a) it will recognize during 2020 approximately $60 million to $70 million of total pre-tax restructuring and related charges and in addition restructuring charges in the range of $75 million to $85 million to be charged and paid during 2021 and 2022; and (b) substantially all of the 2020 Restructuring Charges will be paid in cash, with approximately $55 million to $65 million of the total charges expected to be paid in 2020, approximately $40 million to $45 million expected to be paid in 2021, with the balance expected to be paid in 2022; and (5) the Company’s expectations that as a result of the Revlon 2020 Restructuring Program, the Company will deliver in the range of $200 million to $230 million of annualized cost reductions by the end of 2022, with approximately 50% of these annualized cost reductions to be realized from the headcount reductions occurring in 2020, including the Company’s expectations that during 2020, the Company will realize approximately $105 million to $115 million of in-year cost reductions;

(vi) the Company's expectation that operating revenues, cash on hand (which as of September 30, 2020 included approximately $175.0 million of proceeds remaining from the 2020 BrandCo Refinancing Transactions) and funds that may be available from time to time for borrowing under Products Corporation's Amended 2016 Revolving Credit Facility, the 2020 Restated Line of Credit Facility, and other permissible borrowings will be sufficient to enable the Company to cover its operating expenses for 2020, 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 (which as of September 30, 2020 included approximately $175.0 million of proceeds remaining from the 2020 BrandCo Refinancing Transactions), availability under the Amended 2016 Revolving Credit Facility, the 2020 Restated 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 its Revlon 2020 Restructuring Program and cost reductions generated from other cost control initiatives, including, without limitation, the Company's interim measures to reduce costs in response to the COVID-19 pandemic (such as: (i) switching to a reduced work week and reducing executive and employee compensation in the range of 20% to 40%; (ii) furloughing approximately 40% of the Company's U.S.-based employees and those in certain other locations; (iii) suspending the Company's 2020 merit base salary increases, discretionary profit sharing contributions and matching contributions to the Company's 401(k) plan; (iv) reducing Board and committee compensation by 50% and eliminating Board and committee meeting fees; and (v) suspending or terminating services and payments under consulting agreements with certain directors), as well as funds provided by selling certain assets (such as the Natural Honey and Floid brands that were sold in December 2019) in connection with the Company's ongoing Strategic Review, 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 (which as of September 30, 2020 included approximately $175.0 million of proceeds remaining from the 2020 BrandCo Refinancing Transactions) and funds available for borrowing under Products Corporation's Amended 2016 Revolving Credit Facility, the 2020 Restated 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 the Revlon 2020 Restructuring Program and from other cost reduction initiatives, including, without limitation, the Company's interim measures to reduce costs in response to the COVID-19 pandemic (such as: (i) switching to a reduced work week and reducing executive and employee compensation in the range of 20% to 40%; (ii) furloughing approximately 40% of the Company's U.S.-based employees and those in certain other locations; (iii) suspending the Company's 2020 merit base salary increases, discretionary profit sharing contributions and matching contributions to the Company's 401(k) plan; (iv) reducing Board and committee compensation by 50% and eliminating Board and committee meeting fees; and (v) suspending or terminating services and payments under consulting agreements with certain directors), as well as funds provided by selling certain assets (such as the Natural Honey and Floid brands that were sold in December 2019) in connection with the Company's ongoing Strategic Review;

(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 2018 Optimization Program and the Revlon 2020 Restructuring 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 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 UMB lawsuit is without merit and its plans to vigorously to contest it and that the outcome of all other 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; and

(xiv) the Company's plans to explore certain 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 2019 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 2020 and 2019 (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 this Form 10-Q 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, whether attributable to

COVID-19 or otherwise; 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 COVID-19, shortages of raw materials or otherwise; and/or supply disruptions at the Company's manufacturing facilities, whether attributable to COVID-19 or otherwise; 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, whether attributable to COVID-19 or otherwise; lower than expected customer acceptance or consumer acceptance of, or less than anticipated results from, the Company's existing or new products, whether attributable to COVID-19 or otherwise; 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, whether attributable to COVID-19 or otherwise; 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 2018 Optimization Program and the Revlon 2020 Restructuring 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, whether attributable to COVID-19 or otherwise; decreased sales of the Company’s existing or new products, whether attributable to COVID-19 or otherwise; 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, whether attributable to COVID-19 or otherwise; 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, whether attributable to COVID-19 or otherwise, 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), political conditions (such as military actions and terrorist activities) and natural disasters, such as the devastating fires in Australia and the earthquakes in Puerto Rico;

(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 2018 Optimization Program and/or the Revlon 2020 Restructuring 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 2020 Restated Line of Credit Facility and/or 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, in each case whether attributable to COVID-19 or otherwise; (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, in each case whether attributable to COVID-19 or otherwise; and/or (3) difficulties or disruptions impacting the Company's ability to ensure availability of its products where consumers shop, both in-store and increasingly online, including, without limitation, difficulties with, delays in or the inability to achieve the Company’s expected results, such as due to, among other things, the Company’s business experiencing greater than anticipated disruptions due to COVID-19 related uncertainty or other related factors making it more difficult to maintain relationships with employees, business partners or governmental entities and/or other unanticipated circumstances, trends or events affecting the Company’s financial performance, including decreased consumer spending in response to the COVID-19 pandemic and related conditions and restrictions, weaker than expected economic conditions due to the COVID-19 pandemic and its related restrictions and conditions continuing for periods longer than currently estimated or COVID-19 expanding into more territories than currently anticipated, or other weakness in the consumption of beauty-related products, lower than expected acceptance of the Company’s new products, adverse changes in foreign currency exchange rates, decreased sales of the Company’s products as a result of increased competitive activities by the Company’s competitors, the unavailability of one or more forms of additional credit in the current capital markets and/or decreased performance by third party suppliers;

(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 and/or the Revlon 2020 Restructuring Program, higher than anticipated restructuring charges and/or payments and/or changes in the expected timing of such charges and/or payments; and/or less than expected additional sources of liquidity from such initiatives;

(vi) lower than expected operating revenues, cash on hand and/or funds available under the Amended 2016 Revolving Credit Facility, the 2020 Restated Line of Credit Facility and/or other permissible borrowings or generated from cost reductions resulting from the implementation of the Revlon 2020 Restructuring Program and the 2018 Optimization Program and/or other cost control initiatives, including, without limitation, the Company’s interim measures to reduce costs in response to the COVID-19 pandemic (such as: (i) switching to a reduced work week and reducing executive and employee compensation in the range of 20% to 40%; (ii) furloughing approximately 40% of the Company’s U.S.-based employees and those in certain other locations; (iii) suspending the Company’s 2020 merit base salary increases, discretionary profit sharing contributions and matching contributions to the Company’s 401(k) plan; (iv) reducing Board and committee compensation by 50% and eliminating Board and committee meeting fees; and (v) suspending or terminating services and payments under consulting agreements with certain directors), and/or from selling certain assets (such as the Natural Honey and Floid brands that were sold in December 2019) in connection with the Company's ongoing Strategic Review; 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 2020 Restated 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 Revlon 2020 Restructuring Program and the 2018 Optimization Program and from other cost reduction initiatives, including, without limitation, the Company's interim measures to reduce costs in response to the COVID-19 pandemic (such as: (i) switching to a reduced work week and reducing executive and employee compensation in the range of 20% to 40%; (ii) furloughing approximately 40% of the Company's U.S.-based employees and those in certain other locations; (iii) suspending the Company's 2020 merit base salary increases, discretionary profit sharing contributions and matching contributions to the Company's 401(k) plan; (iv) reducing Board and committee compensation by 50% and eliminating Board and committee meeting fees; and (v) suspending or terminating services and payments under consulting agreements with certain directors), and/or from selling certain assets (such as the Natural Honey and Floid brands that were sold in December 2019) in connection with the Company's ongoing Strategic Review;

(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 2018 Optimization Program and/or the Revlon 2020 Restructuring Program), severance not otherwise included in the Company's restructuring programs, business and/or brand acquisitions (including, without limitation, through licensing transactions), if any, additional 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; and/or

(xiv) 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

On August 12, 2020, UMB Bank, National Association ("UMB"), purporting to act as successor agent under the Term Credit Agreement, dated as of September 7, 2016 (as amended as of May 7, 2020 and as otherwise amended, restated, supplemented or otherwise modified from time to time, the "2016 Credit Agreement"), filed a lawsuit, titled UMB Bank, National Association v. Revlon, Inc. et al., against Revlon, Inc., Products Corporation, several of Products Corporation's subsidiaries, and several of Products Corporation's contractual counterparties, including Citibank, Jefferies Finance LLC, Jefferies LLC, and Ares Corporate Opportunities Fund V, in the U.S. District Court for the Southern District of New York (the "Complaint"). The Complaint alleged various claims, stemming from alleged breaches of the 2016 Credit Agreement. The Company believes that this lawsuit was without merit. On November 6, 2020, having failed to serve the lawsuit on any defendant or make any effort to pursue the case, UMB Bank dismissed the case without prejudice to its right to refile it at a later date.

The Company is also 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, when evaluating the Company's business investors should consider carefully the following risk factors which have been updated since the Company's 2019 Form 10-K. For definitions of certain capitalized terms used in this Form 10-Q referring to the Company's debt facilities, see Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations - Financial Condition, Liquidity and Capital Resources - Long-Term Debt Instruments" of this Form 10-Q and in the Company's 2019 Form 10-K.

Revlon is a holding company with no business operations of its own and is dependent on its subsidiaries to pay certain expenses and dividends. In addition, shares of the capital stock of Products Corporation, Revlon's wholly-owned operating subsidiary, are pledged by Revlon to secure its obligations under the 2016 Credit Agreements and the 2020 BrandCo Credit Agreement.

Revlon is a holding company with no business operations of its own. Revlon's only material asset is all of the outstanding capital stock of Products Corporation, Revlon's wholly-owned operating subsidiary, through which Revlon conducts its business operations. As such, Revlon's net income has historically consisted predominantly of its equity in the net loss of Products Corporation, which for 2019 and 2018 was $151.2 million and $289.1 million, respectively (in each case excluding $7.9 million and $6.3 million, respectively, in expenses primarily related to Revlon being a public holding company). Revlon is dependent on the earnings and cash flow of, and dividends and distributions from, Products Corporation to pay Revlon's expenses incidental to being a public holding company and to pay any cash dividend or distribution on its Class A Common Stock in each case that may be authorized by Revlon's Board of Directors.

Products Corporation may not generate sufficient cash flow to pay dividends or distribute funds to Revlon because, for example, Products Corporation may not generate sufficient cash or net income; state laws may restrict or prohibit Products Corporation from issuing dividends or making distributions unless Products Corporation has sufficient surplus or net profits, which Products Corporation may not have; or because contractual restrictions, including negative covenants contained in Products Corporation's various debt instruments, may prohibit or limit such dividends or distributions.

The terms of Products Corporation's 2016 Credit Agreements, the indenture governing Products Corporation's 6.25% Senior Notes due 2024 (the "6.25% Senior Notes Indenture" and the "6.25% Senior Notes," respectively) and the 2020 BrandCo Credit Agreement (as hereinafter defined) generally restrict Products Corporation from paying dividends or making distributions to Revlon, except in limited circumstances. For example, Products Corporation is permitted to pay dividends and make distributions to Revlon to enable Revlon to, among other things, maintain its existence and its ownership of Products Corporation, such as paying professional fees (e.g., legal, accounting and insurance fees), regulatory fees (e.g., SEC filing fees and NYSE listing fees), pay certain taxes and other expenses related to being a public holding company and, subject to certain limitations, to pay dividends, if any, on Revlon's outstanding securities or make distributions in certain circumstances to finance Revlon’s purchase of shares of its Class A Common Stock issued in connection with the delivery of such shares to grantees under the Fourth Amended and Restated Revlon, Inc. Stock Plan, as amended. These limitations therefore restrict Revlon's ability to pay dividends on its Class A Common Stock.

All of the shares of Products Corporation’s capital stock held by Revlon are pledged to secure Revlon’s guarantee of Products Corporation's obligations under its 2016 Credit Agreements and the 2020 BrandCo Credit Agreement. A foreclosure upon the shares of Products Corporation's common stock would result in Revlon no longer holding its only material asset, would have a material adverse effect on the holders and price of Revlon’s Class A Common Stock and would be a change of control under Products Corporation’s other debt instruments. (See also Item 1A. Risk Factors - "Shares of Revlon Class A Common Stock and Products Corporation's capital stock are pledged to secure various of Revlon's and/or other of the Company's affiliates’ obligations and foreclosure upon these shares or dispositions of shares could result in the acceleration of debt under Products Corporation's 2016 Senior Credit Facilities, 2018 Foreign Asset-Based Term Facility, 2020 BrandCo Facilities, 2020 Restated Line of Credit Facility and/or its 6.25% Senior Notes and could have other consequences.")

Products Corporation’s substantial indebtedness could adversely affect the Company’s operations and flexibility and Products Corporation’s ability to service its debt.

Products Corporation has a substantial amount of outstanding indebtedness. As of September 30, 2020 the Company’s total indebtedness was $3,791.4 million (or $3,633.0 million net of discounts and debt issuance costs), including: (i) $1,761.3 million in aggregate principal amount of its 2020 BrandCo Term Loan Facility; (ii) $450 million in aggregate principal amount of its 6.25% Senior Notes; (iii) $342.8 million in aggregate principal amount of its 5.75% Senior Notes; (iv) $291.9 million of secured indebtedness under Tranche A of its Amended 2016 Revolving Credit Facility; (v) $886.3 million in aggregate principal amount of secured indebtedness under its 2016 Term Loan Facility; (vi) the Euro equivalent of $56.8 million in aggregate principal amount of secured indebtedness under its 2018 Foreign Asset-Based Term Facility; (vii) nil in aggregate principal amount of indebtedness under its 2020 Restated Line of Credit Facility; and (viii) $2.0 million in aggregate principal amount of other indebtedness. On November 13, 2020, Products Corporation successfully consummated the Exchange Offer and accepted $236 million in aggregate principal amount of 5.75% Senior Notes tendered in the Exchange Offer. Products Corporation issued $50 million aggregate principal amount of new ABL FILO Term Loans and $75 million aggregate principal amount of the New BrandCo Second-Lien Term Loans. Products Corporation used cash on hand to redeem, effective as of November 13, 2020, the remaining $106.8 million in aggregate principal amount of 5.75% Senior Notes pursuant to the terms of the 5.75% Senior Notes Indenture. Following the consummation of the Exchange Offer and the satisfaction and discharge of the remaining 5.75% Senior Notes, no 5.75% Senior Notes remained outstanding.

In addition, in May 2020 Products Corporation repaid in full the 2019 Term Loan Facility, incurred additional indebtedness under the 2020 BrandCo Term Loan Facility and exchanged a significant portion of indebtedness under the 2016 Term Loan Facility for indebtedness under the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility in connection with the 2020 BrandCo Refinancing Transactions (see Note 7, "Debt" and Note 19, “Subsequent Events,” to the Company's Unaudited Consolidated Financial Statements in this Form 10-Q. See also, "Recent Debt Transactions" in Item 7. "Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."). If the Company is unable to maintain or increase its profitability and cash flow and sustain such results in future periods, it could adversely affect the Company's operations and Products Corporation's ability to service its debt and/or comply with the financial and/or operating covenants under its various debt instruments. (See also 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.")

The Company is subject to the risks normally associated with substantial indebtedness, including the risk that the Company’s profitability and cash flow will be insufficient to meet required payments of principal and interest under Products Corporation’s various debt instruments, and the risk that Products Corporation will be unable to refinance existing indebtedness when it becomes due or, if it is unable to comply with the financial or operating covenants under its various debt instruments, to obtain any necessary consents, waivers or amendments or that the terms of any such refinancing and/or consents, waivers or amendments will be less favorable than the current terms of such indebtedness. Products Corporation’s substantial indebtedness could also have the effect of:

- limiting the Company’s ability to fund (including by obtaining additional financing) the costs and expenses of executing the Company’s business initiatives, future working capital, capital expenditures, advertising, promotional and/or marketing expenses, new product development costs, purchases and reconfigurations of wall displays, acquisitions, and related integration costs, investments, restructuring programs and other general corporate purposes;

- requiring the Company to dedicate a substantial portion of its cash flow from operations to payments on Products Corporation's indebtedness, thereby reducing the availability of the Company's cash flow necessary for executing the Company's business initiatives and for other general corporate purposes;
- placing the Company at a competitive disadvantage compared to its competitors that have less debt;
- exposing the Company to potential events of default (if not cured or waived) under the financial and operating covenants contained in Products Corporation's various debt instruments;
- limiting the Company's flexibility in responding to changes in its business and the industry in which it operates; and
- making the Company more vulnerable in the event of adverse economic conditions or a downturn in its business.

Although agreements governing Products Corporation's indebtedness, including the 2016 Credit Agreements, the 6.25% Senior Notes Indenture and the 2020 BrandCo Credit Agreement (as hereinafter defined), limit Products Corporation's ability to borrow funds, under certain circumstances Products Corporation is allowed to borrow a significant amount of additional money, some of which, in certain circumstances and subject to certain limitations, could be secured indebtedness. To the extent that more debt, whether secured or unsecured, is added to the Company's current debt levels, the risks described above would increase further. See "Recent Debt Transactions" in Item 7. "Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."

Even after the consummation of the Exchange Offer, Products Corporation's ability to pay the principal amount of its indebtedness depends on many factors.

The 2020 Restated Line of Credit Facility matures on December 31, 2020 (provided that upon the incurrence of a New European ABL FILO Facility under such facility, the New European ABL FILO Facility would mature on (x) the maturity date of any such Future Refinanced European ABL Facility or (y) if there is no Future Refinanced European ABL Facility, July 9, 2022); the 2018 Foreign Asset-Based Term Facility matures in July 2021; Tranche A under the Amended 2016 Revolving Credit Facility matures no later than September 2021; the 2016 Term Loan Facility matures no later than September 2023; Tranche B under the Amended 2016 Revolving Credit Agreement matures no later than December 2023; the 6.25% Senior Notes mature in August 2024; and the 2020 BrandCo Facilities and the Extended Term Loans mature no later than June 2025. The 2020 BrandCo Facilities have a springing maturity that accelerates to the 91st day prior to the maturity of the 6.25% Senior Notes if an aggregate principal amount of the 6.25% Senior Notes in excess of $100 million remains outstanding by such date. For a more complete description of the maturities of these debt instruments, including events that could accelerate their respective maturities, see "Recent Developments," as well as Note 7, "Debt," and Note 19, "Subsequent Events," to the Company's unaudited Consolidated Financial Statements in this Form 10-Q. See also, "Recent Debt Transactions" in Item 7. "Combined Management's Discussion and Analysis of Financial Condition and Results of Operations." Products Corporation currently anticipates that, in order to pay the principal amount of its outstanding indebtedness upon the occurrence of any event of default, or to repurchase any of the 6.25% Senior Notes if a change of control occurs, or in the event that Products Corporation's cash flows from operations are insufficient to allow it to pay the principal amount of its indebtedness by their respective maturity dates, the Company will be required to refinance some or all of Products Corporation's indebtedness, seek to sell assets or operations, seek to sell additional Revlon equity, seek to sell debt securities of Revlon or Products Corporation and/or seek additional capital contributions or loans from MacAndrews & Forbes or from the Company's other affiliates and/or third parties. The Company may be unable to take any of these actions due to a variety of commercial or market factors or constraints in Products Corporation's various debt instruments, including, for example, market conditions being unfavorable for an equity or debt issuance, additional capital contributions or loans not being available from affiliates and/or third parties, or that the transactions may not be permitted under the terms of Products Corporation's various debt instruments then in effect, including restrictions on the incurrence of additional debt, incurrence of liens, asset dispositions and/or related party transactions included in such debt instruments. Such actions, if ever taken, may not enable the Company to satisfy its cash requirements if the actions do not result in sufficient cost reductions or generate a sufficient amount of additional capital, as the case may be.

None of the Company's affiliates are required to make any capital contributions, loans or other payments to Products Corporation regarding its obligations on its indebtedness, other than the 2020 Restated Line of Credit Facility. Products Corporation may not be able to pay the principal amount of its indebtedness using any of the above actions because, under certain circumstances, the 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, the 2020 BrandCo Credit Agreement, the 6.25% Senior Notes Indenture, any of Products Corporation's other debt instruments and/or the debt instruments of Products Corporation's subsidiaries then in effect may not permit the Company to take such actions. (See also 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").

The future state of the credit markets, including any volatility and/or tightening of the credit markets and reduction in credit availability, could adversely impact the Company's ability to refinance or replace, in whole or in part, Products Corporation's outstanding indebtedness by their respective maturity dates, which could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows.

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.

The agreements that govern Products Corporation's indebtedness, including the 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, the 2020 BrandCo Credit Agreement and Products Corporation's 6.25% Senior Notes Indenture, contain a number of significant restrictions and covenants that limit Products Corporation's ability (subject in each case to certain exceptions) to, among other things:

- borrow money;
- use assets as security in other borrowings or transactions;
- pay dividends on stock or purchase stock;
- sell assets and use the proceeds from such sales;
- enter into certain transactions with affiliates;
- make certain investments;
- prepay, redeem or repurchase specified indebtedness; and
- permit restrictions on the payment of dividends to Products Corporation by its subsidiaries.

These covenants affect Products Corporation's operating flexibility by, among other things, restricting its ability to incur indebtedness that could be used to fund the costs of executing the Company's business initiatives and to grow the Company's business, as well as to fund general corporate purposes.

Certain breaches under the 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, the 2020 BrandCo Credit Agreement, the 2020 Restated Line of Credit Facility and/or the 6.25% Senior Notes Indenture would permit the Company's lenders to accelerate amounts outstanding thereunder. The acceleration of amounts outstanding under the 2016 Senior Credit Facilities, the 2018 Foreign Asset-Based Term Facility, the 2020 BrandCo Credit Agreement, the 2020 Restated Line of Credit Facility and/or the 6.25% Senior Notes would in certain circumstances constitute an event of default under the other instruments permitting amounts outstanding under such instruments to be accelerated. See "Recent Debt Transactions" in Item 7. "Combined Management's Discussion and Analysis of Financial Condition and Results of Operations." In addition, holders of the 6.25% Senior Notes may require Products Corporation to repurchase their notes in the event of a change of control under the applicable indenture and a change of control would be an event of default under the 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement and the 2020 BrandCo Credit Agreement. Products Corporation may not have sufficient funds at the time of any such breach or change of control to repay, in full or in part, amounts outstanding under the 2016 Senior Credit Facilities, the 2020 BrandCo Credit Agreement, the 2020 Restated Line of Credit Facility or the 2018 Asset-Based Term Facility or to repay, repurchase or redeem, in full or in part, the 6.25% Senior Notes.

Events beyond the Company's control could impair the Company's operating performance, which could affect Products Corporation's ability to comply with the terms of Products Corporation's debt instruments. Such events may include decreased consumer spending in response to the ongoing and prolonged COVID-19 pandemic or other 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 any further consumption declines that the Company has experienced; 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, those for pension expense under its benefit plans, restructuring programs and related severance expenses, acquisitions and related integration costs, capital expenditures, costs related to litigation, advertising, promotional and/or marketing activities or for sales returns related to any reduction of space by the Company's customers, product discontinuances or otherwise, exceed the Company's anticipated level of expenses.

Under such circumstances, Products Corporation may be unable to comply with the requirements of one or more of its various debt instruments, including any financial covenants in the 2016 Credit Agreements. If Products Corporation is unable to satisfy such requirements at any future time, Products Corporation would need to seek an amendment or waiver of such requirements. The respective lenders under the 2016 Credit Agreements may not consent to any amendment or waiver requests that Products Corporation may make in the future, and, if they do consent, they may only do so on terms that are unfavorable to Products Corporation and/or Revlon.

If Products Corporation is unable to obtain any such waiver or amendment, Products Corporation's inability to meet the requirements of the 2016 Credit Agreements would constitute an event of default under such agreements, which, under certain circumstances, would permit the bank lenders to accelerate the repayment of the 2016 Senior Credit Facilities, and, under certain circumstances, would constitute an event of default under the 2020 BrandCo Credit Agreement, the 2018 Foreign Asset-Based Term Agreement, the 2020 Restated Line of Credit Agreement and the 6.25% Senior Notes Indenture. An event of default under the 6.25% Senior Notes Indenture would permit the 6.25% Senior Notes Trustee or the Requisite Note Holders to accelerate payment of the principal and accrued, but unpaid, interest on the 6.25% Senior Notes. An event of default under the 2020 Restated Line of Credit Agreement, under certain circumstances, would permit the lenders to accelerate the repayment of such facility.

Products Corporation's assets and/or cash flows and/or that of Products Corporation's subsidiaries may not be sufficient to fully repay borrowings under its various debt instruments, either upon maturity or if accelerated upon an event of default or change of control, and if the Company is required to repay, repurchase and/or redeem, in whole or in part, amounts outstanding under its 2016 Senior Credit Facilities, the 2018 Foreign Asset-Based Term Facility, the 2020 BrandCo Credit Agreement, the 2020 Restated Line of Credit Facility and/or its 6.25% Senior Notes, it may be unable to refinance or restructure the payments on such debt. See "Recent Debt Transactions" in Item 7. "Combined Management's Discussion and Analysis of Financial Condition and Results of Operations." Further, if the Company is unable to repay, refinance or restructure its indebtedness under the 2016 Senior Credit Facilities, the 2018 Foreign Asset-Based Term Facility and/or the 2020 BrandCo Credit Agreement, the lenders could proceed against the collateral securing that indebtedness, subject to certain conditions and limitations as set forth in the related intercreditor agreements and collateral agreements. As described above, the consequences of complying with the foregoing restrictions, covenants and limitations under the Company's various debt instruments could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows.

Limits on Products Corporation's borrowing capacity under the Amended 2016 Revolving Credit Facility and the 2018 Foreign Asset-Based Term Facility may affect the Company's ability to finance its operations.

At September 30, 2020, Products Corporation had $291.9 million in aggregate borrowings outstanding under the Amended 2016 Revolving Credit Facility and the Euro equivalent of $56.8 million outstanding under the 2018 Foreign Asset-Based Term Facility as of September 30, 2020. While the Amended 2016 Revolving Credit Facility provides for up to $400.0 million of commitments, the Company's ability to borrow funds under such facility is limited by a borrowing base determined relative to the value, from time-to-time, of certain eligible assets.

While the 2018 Foreign Asset-Based Term Facility provides for a euro-denominated senior secured asset-based term loan facility in an original aggregate principal amount of €77 million, the full amount of which was funded on the closing of the facility in July 2018, the 2018 Foreign Asset-Based Term Agreement requires the maintenance of a borrowing base supporting the borrowing thereunder, based on the sum of: (i) 85% of eligible accounts receivable; and (ii) 90% of the net orderly liquidation value of eligible inventory, in each case with respect to certain of Products Corporation's subsidiaries organized in Australia, Bermuda, Germany, Italy, Spain and Switzerland, subject to certain customary availability reserves.

Under the Amended 2016 Revolving Credit Facility and the 2018 Foreign Asset-Based Term Facility, if the value of the Company's eligible assets is not sufficient to support the full borrowing base under the respective facility, Products Corporation will not have complete access to the entire commitment available under such facilities, but rather would have access to a lesser amount as determined by the borrowing base.

The Borrowers must prepay loans under the Amended 2016 Revolving Credit Facility and the 2018 Foreign Asset-Based Term Facility to the extent that outstanding loans exceed its respective borrowing base under the 2018 Foreign Asset-Based Term Facility, in lieu of a mandatory prepayment, the Loan Parties may deposit cash in an amount not to exceed 10% of the borrowing base into a designated U.S. bank account with the Agent that is subject to a control agreement (such cash, the "Qualified Cash"). If any such over-advance has not been cured within 60 days, the Qualified Cash may be applied, at the Agent's option, to prepay the loans under the 2018 Foreign Asset-Based Term Facility. To the extent certain levels of availability are obtained during a certain period of time, the Borrowers can withdraw the Qualified Cash from such bank account. In addition, the 2018 Foreign Asset-Based Term Facility is subject to mandatory prepayments from the net proceeds from the incurrence by the Loan Parties of debt not permitted thereunder.

As Products Corporation continues to manage its working capital (including its and its subsidiaries inventory and accounts receivable, which are significant components of the eligible assets comprising the borrowing base under the Amended 2016 Revolving Credit Facility and the 2018 Foreign Asset-Based Term Facility), this could reduce the borrowing base under the Amended 2016 Revolving Credit Facility and/or the 2018 Asset-Based Term Facility. Further, if Products Corporation borrows funds under the Amended 2016 Revolving Credit Facility, subsequent changes in the value or eligibility of the assets within the borrowing base could require Products Corporation to pay down amounts outstanding under such facility so that there is no amount outstanding in excess of the then-existing borrowing base. Likewise, subsequent changes in the value or eligibility of the assets within the borrowing base under the 2018 Foreign Asset-Based Term Facility could require Products Corporation to pay down amounts outstanding under such facility so that there is no amount outstanding in excess of the then-existing borrowing base, which, unlike the Amended 2016 Revolving Credit Facility, cannot be re-borrowed.

The Company's ability to borrow under the Amended 2016 Revolving Credit Facility is also conditioned upon its compliance with other covenants in the agreements that govern the 2016 Senior Credit Facilities. Because of these limitations, the Company may not always be able to meet its cash requirements with funds borrowed under the Amended 2016 Revolving Credit Facility, which could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows.

If one or more lenders under the Amended 2016 Revolving Credit Facility are unable to fulfill their commitment to advance funds to Products Corporation under such facility, it would impact the Company's liquidity and, depending upon the amount involved and the Company's liquidity requirements, it could have an adverse effect on the Company's ability to fund its operations, which could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows.

At September 30, 2020, the Company had a liquidity position of $340.4 million, consisting of: (i) $268.3 million of unrestricted cash and cash equivalents (with approximately $93.7 million held outside the U.S.); (ii) $52.6 million in available borrowing capacity under Products Corporation's Amended 2016 Revolving Credit Facility (which had $291.9 million drawn at such date); (iii) $30 million in available borrowing capacity under the 2020 Restated Line of Credit Facility, which had no borrowings at such date; and less (iv) approximately $10.5 million of outstanding checks. See "Recent Debt Transactions" in Item 7. "Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."

A substantial portion of Products Corporation's indebtedness is subject to floating interest rates and the potential discontinuation or replacement of LIBOR could result in an increase to our interest expense.

A substantial portion of the Products Corporation's indebtedness is subject to floating interest rates, which makes the Company more vulnerable in the event of adverse economic conditions, increases in prevailing interest rates or a downturn in the Company's business. As of September 30, 2020, $2,966.4 million of Products Corporation's total indebtedness, or approximately 79% of its total indebtedness, was subject to floating interest rates.

In July 2017, the U.K.'s Financial Conduct Authority, which regulates LIBOR, announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021. It is unclear whether or not LIBOR will cease to exist at that time (and if so, what reference rate will replace it) or if new methods of calculating LIBOR will be established such that it continues to exist after 2021. Certain of Products Corporation's financing agreements, including its 2016 Term Loan Facility, the Amended 2016 Revolving Credit Facility and the 2020 BrandCo Facilities are made at variable rates that use LIBOR as a benchmark for establishing the applicable interest rate. While the 2016 Credit Agreements contain limited "fallback" provisions providing for comparable or successor rates in the event LIBOR is unavailable, these provisions may not adequately address the actual changes to LIBOR or its successor rates. For example, if future rates based upon the successor reference rate (or a new method of calculating LIBOR) are higher than LIBOR rates as currently determined, it may have a material adverse effect on our business, prospects, results of operations, financial condition and/or cash flows. On the other hand, if future rates based upon the successor reference rate (or a new method of calculating LIBOR) are lower than LIBOR rates as currently determined, the lenders under such credit agreements may seek amendments to increase the applicable interest rate margins or invoke their right to require the use of the alternate base rate in place of LIBOR, which could result in an increase to our interest expense as discussed below. By contrast, the 2020 BrandCo Credit Agreement contains provisions governing the selection and adjustment of replacement reference rates. More generally, a phase-out of LIBOR could cause market volatility or disruption and may adversely affect our access to the capital markets and cost of funding, which would have a material adverse effect on our business, prospects, results of operations, financial condition and/or cash flows.

Similar considerations as the ones described above with respect to LIBOR as benchmark for establishing interest rates apply to EURIBOR. Our 2018 Foreign Asset-Based Term Facility is denominated in Euros and the interest rate thereunder is tied to EURIBOR. To the extent that EURIBOR becomes unavailable, the agreement contains fallback provisions ultimately providing for a rate determined by the administrative agent as the all-in-cost of funds for borrowings denominated in Euros with maturities comparable to the interest period applicable to the loans under the 2018 Foreign Asset-Based Term Facility.

As of September 30, 2020, the entire $886.3 million in aggregate principal amount outstanding under the 2016 Term Loan Facility bore interest, at Product Corporation's option, at a rate per annum of LIBOR (which has a floor of 0.75%) plus a margin of 3.5% or an alternate base rate plus a margin of 2.5%, payable quarterly, at a minimum. At September 30, 2020, LIBOR and the alternate base rate for the 2016 Term Loan Facility were 0.75% and 3.25%, respectively. As of September 30, 2020, $291.9 million in aggregate principal amount outstanding under Tranche A of the Amended 2016 Revolving Credit Facility bore interest, at Products Corporation's option, at a rate per annum equal to either: (i) the alternate base rate plus an applicable margin equal to 0.25%, 0.50% or 0.75%, depending on the average excess availability (based on the borrowing base as most recently reported by Products Corporation to the administrative agent from time-to-time); or (ii) the Eurocurrency rate plus an applicable margin equal to 1.25%, 1.5% or 1.75%, depending on the average excess availability (based on the borrowing base as most recently reported by Products Corporation to the administrative agent from time-to-time). Under the Amended 2016 Revolving Credit Facility, the applicable margin increases as average excess availability thereunder decreases. Under the 2018 Foreign Asset-Based Term Facility, which had the Euro equivalent of $56.8 million in aggregate principal amount outstanding as of September 30, 2020, interest accrues on borrowings at a rate per annum equal to the EURIBOR rate plus a 6.50% applicable margin. Interest accrues on the 2020 BrandCo Term Loan Facility at a rate per annum equal to (i) 2.00%, payable in kind, plus (ii) LIBOR (which has a floor of 1.50%) plus a margin of 10.5%. Interest accrues on the Roll-up BrandCo Facility and the Junior Roll-up BrandCo Facility at a rate per annum of LIBOR (which has a floor of 0.75%) plus a margin of 3.5%. See "Recent Debt Transactions" in Item 7. "Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."

If any of LIBOR (or its successor rate), the prime rate or the federal funds effective rate increases, Products Corporation's debt service costs will increase to the extent that Products Corporation has elected such rates for its outstanding loans. Based on the amounts outstanding under the 2016 Senior Credit Facilities, the 2018 Foreign Asset-Based Term Facility, the 2020 BrandCo Facilities and other short-term borrowings (which, in the aggregate, are Products Corporation's only debt currently subject to floating interest rates) as of September 30, 2020, a 1% increase in LIBOR (or an equivalent successor rate) would increase the Company's annual interest expense by $30.5 million. Based on the same amounts outstanding, a change from LIBOR to the alternate base rate in the case of the 2016 Credit Agreements would increase the Company's annual interest expense by $15.0 million. Increased debt service costs would adversely affect the Company's cash flows and could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows.

The Company's ability to service its debt and meet its cash requirements depends on many factors, including achieving anticipated levels of revenue and expenses. If such revenue or expense levels prove to be other than as anticipated, the Company may be unable to meet its cash requirements or Products Corporation may be unable to meet the requirements of the 2016 Credit Agreements, 2018 Foreign Asset-Based Term Loan Agreement, 2020 BrandCo Credit Agreement and/or 2020 Restated Line of Credit Agreement, which could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows.

The Company currently expects that operating revenues, cash on hand, and funds that may be available for borrowing under the Amended 2016 Revolving Credit Facility, the 2020 Restated Line of Credit Facility and other permissible borrowings will be sufficient to enable the Company to cover its operating expenses for 2020, including: cash requirements for the payment of expenses in connection with executing the Company's business initiatives and its advertising, promotional, pricing and/or marketing plans; purchases of permanent wall displays; capital expenditure requirements; debt service payments and costs; cash tax payments; pension and other post-retirement plan contributions; payments in connection with the Company's restructuring programs (including, without limitation, the EA Integration Restructuring Program, the 2018 Optimization Program and the Revlon 2020 Restructuring 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. See "Recent Debt Transactions" in Item 7. "Combined Management's Discussion and Analysis of Financial Condition and Results of Operations."

However, if the Company's anticipated level of revenue is not achieved because of, for example, decreased consumer spending in response to the ongoing and prolonged COVID-19 pandemic or other 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 the consumption declines in core beauty categories in the mass retail channel in North America; inventory management by the Company's customers; space reconfigurations or reductions in display space by the Company's customers; retail store closures in 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, those for pension expense under its benefit plans, capital expenditures, restructuring and severance costs (including, without limitation, for the EA Integration Restructuring Program, the 2018 Optimization Program and the Revlon 2020 Restructuring Program), acquisition and integration costs, costs related to litigation, advertising, promotional or 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 its cash requirements. In addition, such developments, if significant, could reduce the Company's revenues and could have a material adverse effect on Products Corporation's ability to comply with the terms of the 2016 Credit Agreements, 2018 Foreign Asset-Based Term Loan Agreement, 2020 BrandCo Credit Agreement and/or 2020 Restated Line of Credit Agreement (See also 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," which discusses, among other things, the consequences of noncompliance with Products Corporation's debt covenants).

If the Company's operating revenues, cash on hand and/or funds that may be available for borrowing are insufficient to cover the Company's expenses and/or are insufficient to enable Products Corporation to comply with the requirements of the 2016 Credit Agreements, 2018 Foreign Asset-Based Term Loan Agreement, 2020 BrandCo Credit Agreement and/or 2020 Restated Line of Credit Agreement, the Company could be required to adopt one or more of the alternatives listed below:

- delaying the implementation of or revising certain aspects of the Company's business initiatives;
- reducing or delaying purchases of wall displays and/or expenses related to the Company's advertising, promotional and/or marketing activities;
- reducing or delaying capital spending;
- implementing new restructuring programs;
- refinancing Products Corporation's indebtedness;
- selling assets or operations;
- seeking additional capital contributions and/or loans from MacAndrews & Forbes, the Company's other affiliates and/or third parties;
- selling additional Revlon equity or debt securities or Products Corporation's debt securities; and/or
- reducing other discretionary spending.

The Company may not be able to take any of these actions because of a variety of commercial or market factors or constraints in one or more of Products Corporation's various debt instruments, including, for example, market conditions being unfavorable for an equity or a debt issuance, additional capital contributions or loans not being available from affiliates and/or third parties, or that the transactions may not be permitted under the terms of one or more of Products Corporation's various debt instruments then in effect, such as due to restrictions on the incurrence of debt, incurrence of liens, asset dispositions and/or related party transactions. If the Company is required to take any of these actions, it could have a material adverse effect on its business, prospects, results of operations, financial condition and/or cash flows.

Such actions, if ever taken, may not enable the Company to satisfy its cash requirements or enable Products Corporation to comply with the terms of the 2016 Credit Agreements, 2018 Foreign Asset-Based Term Loan Agreement and/or 2020 BrandCo Credit Agreement if the actions do not result in sufficient cost reductions or generate a sufficient amount of additional capital, as the case may be. (See also 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," which discusses, among other things, the consequences of noncompliance with Products Corporation's debt covenants).

Shares of Revlon Class A Common Stock and Products Corporation's capital stock are pledged to secure various of Revlon's and/or other of the Company's affiliates’ obligations and foreclosure upon these shares or dispositions of shares could result in the acceleration of debt under Products Corporation's 2016 Senior Credit Facilities, 2018 Foreign Asset-

Based Term Facility, 2020 BrandCo Facilities, 2020 Restated Line of Credit Facility and/or its 6.25% Senior Notes and could have other consequences.

All of Products Corporation's shares of common stock are pledged to secure Revlon's guarantee under the 2016 Senior Credit Facilities and the 2020 BrandCo Facilities. MacAndrews & Forbes has advised the Company that it has pledged shares of Revlon's Class A Common Stock to secure certain obligations of MacAndrews & Forbes. Additional shares of Revlon and shares of common stock of intermediate holding companies between Revlon and MacAndrews & Forbes may from time-to-time be pledged to secure obligations of MacAndrews & Forbes. A default under any of these obligations that are secured by the pledged shares could cause a foreclosure with respect to such shares of Revlon's Class A Common Stock, Products Corporation's common stock or stock of intermediate holding companies between Revlon and MacAndrews & Forbes.

A foreclosure upon any such shares of common stock or dispositions of shares of Revlon's Class A Common Stock, Products Corporation's common stock or stock of intermediate holding companies between Revlon and MacAndrews & Forbes that are beneficially owned by MacAndrews & Forbes could, in a sufficient amount, constitute a "change of control" under Products Corporation's 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement, the 2020 BrandCo Credit Agreement and the 6.25% Senior Notes Indenture. A change of control constitutes an event of default under the 2016 Credit Agreements, the 2018 Foreign Asset-Based Term Agreement and the 2020 BrandCo Credit Agreement that would permit Products Corporation's and its subsidiaries' lenders to accelerate amounts outstanding under such facilities. In addition, holders of the 6.25% Senior Notes may require Products Corporation to repurchase their respective notes under those circumstances.

Products Corporation may not have sufficient funds at the time of any such change of control to repay in full or in part the borrowings under the 2016 Senior Credit Facilities, the 2018 Foreign Asset-Based Term Facility, the 2020 BrandCo Facilities and the 2020 Restated Line of Credit Facility (as a result of its cross-default provisions) and/or to repurchase or redeem some or all of the 6.25% Senior Notes. (See also Item 1A. Risk Factors - "The Company's ability to service its debt and meet its cash requirements depends on many factors, including achieving anticipated levels of revenue and expenses. If such revenue or expense levels prove to be other than as anticipated, the Company may be unable to meet its cash requirements or Products Corporation may be unable to meet the requirements of the 2016 Credit Agreements, 2018 Foreign Asset-Based Term Loan Agreement, 2020 BrandCo Credit Agreement and/or 2020 Restated Line of Credit Agreement, which could have a material adverse effect on the Company's business, prospects, results of operations, financial condition and/or cash flows."

The ongoing and prolonged COVID-19 pandemic has resulted in significantly decreased net sales for the Company and has had, and could continue to have, a significant adverse effect on the Company's business, results of operations, financial condition and/or cash flows.

The ongoing and prolonged COVID-19 pandemic has had, and continues to have, a significant adverse effect on the Company's business around the globe, which could continue for the foreseeable future. After China began reporting on the spread of the COVID-19 coronavirus in early 2020, there have been over 45 million cases of the COVID-19 coronavirus globally and it has contributed to over 1.1 million deaths worldwide, according to data from the World Health Organization. The COVID-19 pandemic has adversely impacted net sales in all major commercial regions that are important to the Company's business. COVID-19's adverse impact on the global economy has contributed to significant and extended quarantines, stay-at-home orders and other social distancing measures; closures and bankruptcies of retailers, beauty salons, spas, offices and manufacturing facilities; increased levels of unemployment; travel and transportation restrictions leading to declines in consumer traffic in key shopping and tourist areas around the globe; and import and export restrictions. These adverse economic conditions have resulted in the general slowdown of the global economy, in turn contributing to a significant decline in net sales within each of the Company's reporting segments and regions.

The ongoing and prolonged COVID-19 pandemic has continued to adversely impact the Company's business in Q3 2020, as social-distancing restrictions and related actions designed to curb the spread of the virus have remained in place or have been reinstated as the COVID-19 pandemic spikes across the globe. These restrictions could continue for the foreseeable future, as global economies face a "second-wave" of the pandemic as re-opening plans are implemented.

The ongoing and prolonged COVID-19 pandemic contributed an estimated $119 million ($119 million "XFX," as hereinafter defined), to the Company's $119.7 million decline in net sales for the three months ended September 30, 2020 three months ended September 30, 2020, compared to the prior year quarter, and an estimated $387 million ($392 million XFX) to the Company's $442.5 million decline in net sales for the nine months ended September 30, 2020, compared to the prior year period.

In April 2020, the Company took several cost reduction measures designed to mitigate the adverse impact of the ongoing and prolonged COVID-19 pandemic on its net sales, including, without limitation: (i) reducing brand support, as a result of the abrupt decline in retail store traffic; (ii) continuing to monitor the Company’s sales and order flow and periodically scaling down operations and cancelling promotional programs; and (iii) closely managing cash flow and liquidity and prioritizing cash to minimize COVID-19’s impact on the Company’s production capabilities. In April 2020, the Company also implemented various organizational interim measures designed to reduce costs in response to COVID-19, including, without limitation: (i) switching to a reduced work week in the U.S. and in the Company's international locations and reducing executive and employee compensation in the range of 20% to 40%; (ii) furloughing approximately 40% of the Company’s U.S.-based office-based employees and 30% factory-based employees, as well as employees in a majority of the Company's other locations; (iii) suspending the Company’s 2020 merit base salary increases, discretionary profit sharing contributions and matching contributions to the Company’s 401(k) plan; (iv) reducing Board and committee compensation by 50% and eliminating Board and committee meeting fees; and (v) suspending or terminating services and payments under consulting agreements with certain directors. During the third quarter of 2020, the Company started to gradually roll back some of these measures especially with regards to some of the employees previously furloughed and/or on a reduced work week. With most of these measures still in place, including the Revlon 2020 Restructuring Program, the Company achieved cost reductions of approximately $78 million and $231 million during the three and nine months ended September 30, 2020, respectively, that have substantially offset the impact of the decline in the Company's net sales over such period. However, with the ongoing and prolonged COVID-19 pandemic, these mitigation actions may not prove to be effective in insulating the Company from any further damaging economic impacts from the pandemic.

The ongoing and prolonged COVID-19 pandemic has caused the Company and various of its key third party suppliers to temporarily close one or more of their manufacturing facilities. While these closures have not yet had a material adverse impact on the Company’s ability to operate and fulfill orders, if the COVID-19 restrictions continue for a period longer than the period for the re-opening of retailers, such restrictions could lead to a shortage of raw materials, components and finished products, which in turn could cause the Company to be unable to ship products to retailers and consumers and continue to adversely impact the Company’s net sales. The continuation of any of the foregoing events or other unforeseen consequences of the COVID-19 pandemic would continue to significantly adversely affect the Company’s business, results of operations, financial condition and cash flows.

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 2019 Form 10-K.

Item 5. Other Information

MacAndrews & Forbes tendered approximately $15.5 million of 5.75% Senior Notes into the Exchange Offer and, in exchange, received the Mixed Consideration as described herein, in accordance with the terms and conditions of the Exchange Offer.

Item 6. Exhibits

4.	***Instruments Defining the Rights of Security Holders, including Indentures.***
*4.1	Second Amended and Restated Senior Unsecured Line of Credit Agreement, dated as of September 28, 2020, between Products Corporation, as borrower, and MacAndrews & Forbes Group, LLC, as lender.
10.	***Material Contracts.***
*10.1	Transaction Support Agreement, dated as of September 28, 2020, by and among Products Corporation, Revlon and certain beneficial holders, or investment advisors or managers for the account of beneficial holders, of term loans under the BrandCo Credit Agreement, dated as of May 7, 2020, by and among Products Corporation, Revlon, certain lenders party thereto and Jefferies Finance LLC, as administrative agent and collateral agent.
*31.1	Certification of Debra Perelman, Chief Executive Officer, dated November 13, 2020, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
*31.2	Certification of Victoria Dolan, Chief Financial Officer, dated November 13, 2020, pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act.
**32.1	Certification of Debra Perelman, Chief Executive Officer, dated November 13, 2020, 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 13, 2020, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
*101.INS	Inline XBRL Instance Document
*101.SCH	Inline XBRL Taxonomy Extension Schema
*101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
*101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
*101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
*101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
*104	Cover Page Interactive Data File, formatted in Inline XBRL and contained in Exhibit 101

*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 13, 2020

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

Exhibit 4.1
EXECUTION VERSION

REVLON CONSUMER PRODUCTS CORPORATION,
as Borrower

SECOND AMENDED AND RESTATED
2019 SENIOR UNSECURED LINE OF CREDIT AGREEMENT

Dated as of September 28, 2020

MACANDREWS & FORBES GROUP, LLC,

as Lender

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SECOND AMENDED AND RESTATED 2019 SENIOR UNSECURED LINE OF CREDIT AGREEMENT

SECOND AMENDED AND RESTATED 2019 SENIOR UNSECURED LINE OF CREDIT AGREEMENT, dated as of September 28, 2020, between REVLON CONSUMER PRODUCTS CORPORATION, a Delaware corporation (the "Borrower"), and MACANDREWS & FORBES GROUP, LLC, a Delaware limited liability company (the "Lender").

W I T N E S S E T H :

WHEREAS, the Borrower has requested the Lender to extend credit on an unsecured basis in order to enable the Borrower, subject to the terms and conditions of this Agreement, to borrow on a revolving basis from time to time prior to the Termination Date;

WHEREAS, the Lender is willing to make such loans to the Borrower only on the terms and subject to the conditions set forth herein; and

WHEREAS, the Lender is willing to make the commitments set forth in Section 8.14 hereof, in lieu of but not in addition to the Loans (as defined below), subject to the terms set forth in Section 8.14;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto hereby agree as follows:

SECTION 1. DEFINITIONS

1.1 Defined Terms

. Except as qualified by Section 8.14, as used in this Agreement, the following terms shall have the following respective meanings (such definitions to be equally applicable to the singular and plural forms thereof):

"2020 Term Loan Agreement" means the BrandCo Credit Agreement, dated as of May 7, 2020, by and among the Borrower, Revlon, Inc., certain financial institutions from time to time parties thereto, and Jefferies Finance LLC, as administrative and collateral agent.

"Affiliate" of any Person means any Person that directly or indirectly controls, or is under common control with, or is controlled by, such Person. As used in this definition, "control" (including with its correlative meanings, "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"Agreement" shall mean this Second Amended and Restated 2019 Senior Unsecured Line of Credit Agreement, as the same may be amended, supplemented or otherwise modified from time to time.

"Applicable Bank Account" is defined in Section 2.2(a) hereof.

"Bank Revolving Credit Agreement" means the Asset-Based Revolving Credit Agreement, dated as of September 7, 2016, as amended and restated as of April 17, 2018, by and among the Borrower, certain Local Borrowing Subsidiaries from time to time parties thereto, Revlon, Inc., certain financial institutions from time to time parties thereto, and Citibank, N.A., as Administrative Agent, as amended March 6, 2019, April 17, 2020, May 7, 2020 and as further, supplemented and otherwise modified from time to time.

"Bankruptcy Law" means Title 11 of the United States Code or any similar Federal or state law for the relief of debtors.

"Borrower" is defined in the introductory paragraph of this Agreement.

"Borrowing Amount", "Borrowing Date" and "Borrowing Notice" are each defined in Section 2.2(a) hereof.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks in New York, New York are authorized or required by law to close.

"Commitment" means the obligation of the Lender to make Loans to the Borrower hereunder in an aggregate principal amount at any one time outstanding of up to $30,000,000, as such obligation may be reduced from time to time in accordance with Section 2.3 hereof.

"Commitment Period" means the period from and including the Effective Date to but not including the Termination Date.

"Contractual Obligation" means, with respect to any Person, any provision of any material debt security or of any material preferred stock or other equity interest issued by such Person or of any material indenture, mortgage, agreement, guarantee, instrument or undertaking to which such Person is a party or by which it or any of its material property is bound.

"Custodian" means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

"Default" means any of the events specified in Section 7.1 hereof, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition specifically set forth therein, has been satisfied.

"Dollars" and "$" mean dollars in lawful currency of the United States of America.

"Effective Date" is defined in Section 5.1 hereof.

"Event of Default" means any of the events specified in Section 7.1 hereof; provided, that any requirement for the giving of notice, the lapse of time, or both, or any other condition specifically set forth therein, has been satisfied.

"Foreign Asset-Based Term Loan Agreement" means the Asset-Based Term Loan Credit Agreement, dated as of July 9, 2018, among Revlon Holdings B.V. and Revlon Finance LLC, as borrowers, certain subsidiaries of the Borrower, as guarantors, certain financial institutions from time to time parties thereto, and Citibank, N.A., as administrative agent and collateral agent, as amended May 4, 2020 and as further amended, supplemented and otherwise modified from time to time.

"Governmental Authority" means any nation or government, any state or other political subdivision thereof and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government (including, without limitation, any governmental department, commission, board, bureau, agency or instrumentality, or other court or arbitrator, in each case whether of the United States of America or foreign).

"Interest Payment Date" means, as to any Loan, and December 31, 2019, March 31, 2020, June 30, 2020, September 30, 2020 and December 31 2020.

"Lender" is defined in the introductory paragraph of this Agreement.

"Loans" is defined in Section 2.1(a) hereof.

"Person" means an individual, a partnership, a corporation, a business trust, a joint stock company, a limited liability company, a trust, an unincorporated association, a joint venture, a Governmental Authority or any other entity of any nature whatsoever.

"Requirement of Law" means, for any Person, the certificate of incorporation and by-laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its material property or to which such Person or any of its material property is subject.

"Restricted Subsidiary" has the meaning set forth in the Bank Revolving Credit Agreement.

"Significant Subsidiary" means any Subsidiary other than an "Immaterial Subsidiary" (as defined in the Bank Revolving Credit Agreement).

"Subsidiary" of any Person means a corporation or other entity of which shares of capital stock or other ownership interests having ordinary voting power (other than stock or other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the directors of such corporation, or other Persons performing similar functions for such entity, are owned, directly or indirectly, by such Person; provided, that (a) unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower and (b) unless otherwise qualified, all references to a "wholly-owned Subsidiary" in this Agreement shall refer to a Subsidiary or Subsidiaries of the Borrower of which the Borrower directly or indirectly owns all of the capital stock or other ownership interests (other than directors' qualifying shares).

"Termination Date" means December 31, 2020 or, if earlier, the date upon which the Commitment shall terminate in accordance with the terms hereof.

"Term Loan Agreement" means the Term Credit Agreement, dated as of September 7, 2016, by and among the Borrower, Revlon, Inc., certain financial institutions from time to time parties thereto, and Citibank, N.A., as Administrative Agent, as amended May 7, 2020 and as further amended, supplemented and otherwise modified from time to time.

SECTION 1. Other Definition Provisions.

(a) All terms defined in this Agreement shall have such defined meanings when used in any certificate or other document made or delivered pursuant hereto or thereto unless otherwise defined therein.

(b) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; and Section and subsection references contained in this Agreement are references to Sections and subsections in or to this Agreement, unless otherwise specified.

SECTION 2. AMOUNT AND TERMS OF COMMITMENT

2.1 The Commitment.

(a) Subject to the terms and conditions hereof, the Lender agrees to make revolving loans ("Loans") in Dollars to the Borrower from time to time during the Commitment Period with an aggregate principal amount outstanding at any one time not to exceed the amount of the Commitment then in effect.

(b) During the Commitment Period, the Borrower may use the Commitment by borrowing, prepaying the Loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

2.2 Procedure for Borrowing.

(a) The Borrower may borrow under the Commitment during the Commitment Period on any Business Day; provided, that, unless the Lender otherwise agrees, the Borrower shall deliver to the Lender a written notice (or provide a telephonic notice promptly confirmed in writing) (a "Borrowing Notice") which must (i) specify the date on which such borrowing is to be made (the "Borrowing Date"), the amount to be borrowed from the Lender on such Borrowing Date (the "Borrowing Amount"), and the bank account and other pertinent wire transfer instructions to which such borrowing is to be deposited by the Lender (the "Applicable Bank Account"), (ii) certify that all applicable conditions to such borrowing hereunder have been satisfied and (iii) be received by the Lender prior to 1:00 p.m., New York City time, at least one Business Day prior to such Borrowing Date or, in the case of a Loan to be made on the Effective Date, on or before the Borrowing Date.

(b) On each Borrowing Date set forth in a Borrowing Notice, the Lender will make a Loan to the Borrower in an amount equal to the lesser of (i) the Borrowing Amount set forth in such Borrowing Notice, and (ii) the undrawn portion of the Commitment as then in effect by making the proceeds thereof available to the Borrower in immediately available funds in Dollars not later than 4:00 p.m., New York City time, on such Borrowing Date to the Applicable Bank Account.

2.3 Voluntary Termination or Reduction of the Commitment.

The Borrower shall have the right, in its sole discretion, to terminate the Commitment or, from time to time, to permanently reduce the Commitment during the Commitment Period by delivering to the Lender a written notice specifying such termination or the amount of such reduction. Any termination of or permanent reduction in the Commitment pursuant to this Section 2.3 shall take effect on the date specified in such written notice.

2.4 Repayment of Loans; Evidence of Debt.

i. The Borrower hereby unconditionally promises to pay to the Lender the then unpaid principal amount of each Loan on the Termination Date. The Borrower hereby further agrees to pay to the Lender interest on the unpaid principal amount of each Loan from time to time outstanding from the date hereof until payment in full thereof at the rates per annum and in the manner set forth in Section 3.4 hereof.

ii. The Lender shall maintain an account evidencing the indebtedness of the Borrower to the Lender resulting from the Loans, including the outstanding principal amount of each Loan, accrued and unpaid interest outstanding in respect thereof and the amount of any sum received by the Lender hereunder from the Borrower in respect of the Loans and the manner in which it was applied. The entries made in such account of the Lender shall, to the extent permitted by applicable law, be prima facie evidence of the existence and amounts of the obligations of the Borrower therein recorded; provided, however, that the failure of the Lender to maintain any such account, or any error therein, shall not in any manner affect the obligation of the Borrower to repay (with applicable interest) the Loans in accordance with the terms of this Agreement.

SECTION 3 PROVISIONS RELATING TO THE LOANS

3.1 Optional Prepayments

. The Borrower may prepay the Loans, in whole or in part, at any time without premium or penalty, together with any interest accrued but unpaid on the amount prepaid. Each such optional prepayment shall be applied, first, to the aggregate principal amount outstanding under the Loans, and, second, to any accrued and unpaid interest on the Loans.

3.2 Mandatory Prepayments.

(a) If, at any time, the aggregate outstanding principal amount of the Loans exceeds the Commitment then in effect, the Borrower shall immediately repay the principal amount of the Loans in an amount equal to such excess, together with any interest accrued but unpaid on the amount prepaid.

(b) Upon the effective date of any reduction in the Commitment pursuant to Section 2.3 hereof, the Borrower shall prepay on such date the aggregate principal amount of the Loans then outstanding in excess of the Commitment after giving effect to such reduction, together with any interest accrued but unpaid on the amount prepaid.

(c) If on any date for any reason the Borrower and its Subsidiaries have available unrestricted cash in excess of amounts required in the Borrower's reasonable judgment to run the operations of the Borrower and its Subsidiaries in the ordinary course of business, Borrower shall prepay on such date the aggregate principal amount of the Loans then outstanding in an amount equal to such available borrowing capacity or excess cash, as applicable (except to the extent that using such excess cash to prepay Loans would result in material adverse tax consequences after taking into account all relevant factors), together with interest accrued but unpaid on such amount.

(d) On the Termination Date, the Commitment shall terminate and the Borrower shall cause all outstanding Loans, together with any interest accrued but unpaid thereon, to be paid in full.

3.3 Interest Rate and Payment Dates.

(a) Each Loan shall bear interest on the unpaid principal amount thereof at a rate per annum from time to time equal to 8.00%.

(b) If all or a portion of any Loan, any interest payable thereon or any other amount payable hereunder shall not be paid when due (whether at the stated maturity, by acceleration, as a result of an event requiring a mandatory prepayment or otherwise), then, for so long as such amount remains unpaid, such overdue amount shall bear interest at a rate per annum equal to the rate otherwise in effect plus 2%.

(c) Interest accrued from time to time in respect of each Loan shall be payable in cash in arrears on each Interest Payment Date; provided, that interest accruing pursuant to paragraph (b) of this Section 3.3 shall be payable from time to time on demand. Any accrued and unpaid interest on the Loans shall be payable in full in cash on the Termination Date.

(d) Interest shall be calculated on the basis of a 365 (or 366, as the case may be) day year for the actual days elapsed.

3.4 Method of Payments.

(a) All payments (including prepayments) to be made by the Borrower on account of principal, interest, costs and expenses shall be made without set-off, counterclaim, deduction or withholding and shall be made to the Lender at such location or to such account as the Lender may specify to the Borrower, on or prior to 1:00 p.m., New York City time, on the due date thereof, in Dollars and in immediately available funds.

(b) If any payment hereunder becomes due and payable on a day other than a Business Day, such payment shall be extended to the next succeeding Business Day and interest thereon shall be payable at the then applicable rate during such extension.

SECTION 4. REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement and to make the Loans hereunder, the Borrower hereby represents and warrants to the Lender that:

4.1 Corporate Existence

. The Borrower is duly incorporated, validly existing and in good standing under the laws of the State of Delaware.

4.2 Corporate Power.

(a) The Borrower has the corporate power, authority and legal right to execute, deliver and perform this Agreement and to borrow hereunder, and it has taken as of the Effective Date all necessary corporate action to authorize its borrowings on the terms and conditions of this Agreement and to authorize the execution, delivery and performance of this Agreement.

(b) No consent of any other Person (including, without limitation, stockholders or creditors of the Borrower or of any parent entity of the Borrower), and no consent, license, permit, approval or authorization of, exemption by, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement by or against the Borrower, except for any consents, licenses, permits, approvals or authorizations, exemptions, registrations, filings or declarations that have already been obtained and remain in full force and effect.

(c) This Agreement has been executed and delivered by a duly authorized officer of the Borrower and constitutes the legal, valid and binding obligation of the Borrower, enforceable against it in accordance with its terms except as enforceability may be limited by Bankruptcy Laws or other similar laws affecting creditors' rights generally and except as enforceability may be limited by general principles of equity.

4.3 No Legal Bar to Loans

The execution, delivery and performance of this Agreement, and the consummation of the transactions contemplated hereby, will not violate any Contractual Obligation or material Requirement of Law to which the Borrower or any of its Subsidiaries is a party, or by which the Borrower or any of its Subsidiaries or any of their respective material properties or assets may be bound, and will not result in the creation or imposition of any lien on any of their respective material properties or assets pursuant to the provisions of any such Contractual Obligation.

4.4 Use of Proceeds

. The Borrower will use the proceeds of the Loans hereunder to provide working capital for the Borrower and its Subsidiaries and for other general corporate purposes.

SECTION 5 CONDITIONS PRECEDENT

SECTION 1 Conditions to Initial Loan

. The obligation of the Lender to make the initial Loan requested to be made by it shall be subject to the satisfaction or waiver by the Lender of the following conditions precedent (the date on which said conditions are satisfied or waived being herein called the "Effective Date"):

(a) Agreement. The Lender shall have received this Agreement, executed and delivered by a duly authorized officer of the Borrower.

(b) Additional Matters. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in form and substance to the Lender, and the conditions set forth in Section 5.2 hereof shall have been satisfied or waived by the Lender.

SECTION 2 Conditions to Each Loan

. The obligation of the Lender to make any Loan requested to be made on any Borrowing Date (including, without limitation, the initial Loan) shall be subject to the satisfaction or waiver by the Lender of the following conditions precedent:

(a) Credit Availability. The amount of the Loan requested to be made on such Borrowing Date shall not exceed the amount that the Lender is obligated to make in accordance with Section 2.1(a) hereof.

(b) Representations and Warranties. Each of the representations and warranties made by the Borrower in or pursuant to this Agreement (other than Section 4.4 hereof) shall be true and correct in all material respects on and as of such Borrowing Date as if made on and as of such date and the representations and warranties made by the Borrower in Section 4.4 hereof shall be true and correct on and as of such Borrowing Date as if made on and as of such date, in all cases both before and after giving effect to such Loan and the use of the proceeds thereof.

(c) No Default. No Default or Event of Default shall have occurred and be continuing on such Borrowing Date, both before and after giving effect to the Loan requested to be made on such date.

Each borrowing by the Borrower hereunder shall constitute a representation and warranty by the Borrower as of the Borrowing Date thereof that the conditions contained in this Section 5.2 have been satisfied.

SECTION 6 FURTHER ASSURANCES

6.1 Notices; Further Assurances

. The Borrower shall notify the Lender in writing promptly following the occurrence of any Event of Default, as defined in any of the Bank Revolving Credit Agreement, the Foreign Asset-Based Term Loan Agreement, the Term Loan Agreement, the 2020 Term Loan Agreement and the indentures for the 2021 Notes and the 2024 Notes (each as defined in the Bank Revolving Credit Agreement). Upon the request of the Lender, the Borrower will execute and deliver such further instruments, provide such further information and do such further acts as may be reasonably necessary or proper to carry out more effectively the purpose of this Agreement.

SECTION 7 EVENTS OF DEFAULT

7.1 Events of Default

. An “Event of Default” occurs if:

(a) the Borrower defaults in any payment of interest on any Loan when the same becomes due and payable and such default continues for a period of 30 days;

(b) the Borrower defaults in the payment of the principal of any Loan when the same becomes due and payable;

(c) the Borrower fails to comply with any of the other material covenants or agreements applicable to it in this Agreement (other than those referred to in (a) or (b) above) and such failure continues for 60 days after receipt of written notice thereof from the Lender;

(d) any representation or warranty made or deemed made by the Borrower in this Agreement shall prove to have been incorrect, false or misleading in any material respect on or as of the date when made or deemed to have been made;

(e) an Event of Default, as defined in any of the Bank Revolving Credit Agreement, the Foreign Asset-Based Term Loan Agreement, the Term Loan Agreement, the 2020 Term Loan Agreement and the indentures for the 2021 Notes and the 2024 Notes (each as defined in the Bank Revolving Credit Agreement), occurs and is continuing;

(f) the Borrower or any Restricted Subsidiary of the Borrower that is a Significant Subsidiary pursuant to or within the meaning of any Bankruptcy Law:

1. commences a voluntary case;

2. consents to the entry of an order for relief against it in an involuntary case;

3. consents to the appointment of a Custodian of it or for any substantial part of its property; or

4. makes a general assignment for the benefit of its creditors; or takes any comparable action under any foreign Bankruptcy Laws;

(g) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

1. is for relief against the Borrower or any Restricted Subsidiary of the Borrower that is a Significant Subsidiary in an involuntary case;

2. appoints a Custodian of the Borrower or any Restricted Subsidiary of the Borrower that is a Significant Subsidiary for any substantial part of the Borrower's property; or

3. orders the winding up or liquidation of the Borrower or any Restricted Subsidiary of the Borrower that is a Significant Subsidiary;

or any similar relief is granted under any foreign Bankruptcy Laws and the order or decree remains unstayed and in effect for 60 consecutive days; or

(h) any final judgment or final judgments for the payment of money in excess (net of amounts covered by third-party insurance with insurance carriers who in the reasonable judgment of the Borrower are creditworthy and who have not disclaimed liability with respect to such judgment or judgments) of $50 million or its foreign currency equivalent is entered against the Borrower or any Restricted Subsidiary of the Borrower that is a Significant Subsidiary and is not discharged and either (A) an enforcement proceeding has been commenced by any creditor upon such judgment or decree or (B) there is a period of 60 days following the entry of such judgment or decree during which such judgment or decree is not discharged, waived or the execution thereof stayed and, in the case of (B), such default continues for 60 consecutive days.

For the avoidance of doubt, after the commencement of an event specified in paragraph (f) or (g) of this Section 7.1 with respect to a Restricted Subsidiary that is not a Significant Subsidiary, if such Restricted Subsidiary subsequently becomes a Significant Subsidiary, the occurrence of any events specified in paragraph (f) or (g) of this Section 7.1 with respect to such Restricted Subsidiary arising from or in connection with such previously commenced event shall not constitute an Event of Default pursuant to such paragraph (f) or (g).

If an Event of Default shall have occurred and is continuing, (A) if such event is an Event of Default specified in paragraph (f) or (g) of this Section 7.1 with respect to the Borrower, automatically the Commitment shall immediately terminate and the Loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement shall immediately become due and payable, and (B) if such event is any other Event of Default, either or both of the following actions may be taken: (i) the Lender may by notice to the Borrower declare the Commitment to be terminated forthwith, whereupon such Commitment shall immediately terminate; and (ii) the Lender may by notice to the Borrower declare the Loans hereunder (with accrued interest thereon) and all other amounts owing by the Borrower under this Agreement to be due and payable forthwith, whereupon the same shall immediately become due and payable. Except as expressly provided above in this Section 7.1, presentment, demand, protest and all other notices of any kind are hereby expressly waived.

SECTION 8 MISCELLANEOUS

8.1 Amendments and Waivers

. This Agreement shall not be amended, supplemented or otherwise modified, except by written instrument which has been duly executed and delivered by each party hereto. In the case of any waiver of the terms hereof, the parties to this Agreement shall be restored to their former positions and rights hereunder, and any Default or any Event of Default waived shall, to the extent provided in such waiver, be deemed to be cured and not continuing; but, no such waiver shall extend to any subsequent or other Default or Event of Default, or impair any right consequent thereon.

8.2 Notices

. All notices, consents, requests and demands to or upon the respective parties hereto to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or three Business Days after being deposited in the mail, certified mail, return receipt requested, postage prepaid, or, in the case of electronic mail notice, when sent and receipt has been confirmed, addressed as follows (or to such other address as may be hereafter notified by any of the respective parties hereto):

Borrower: Revlon Consumer Products Corporation
One New York Plaza
New York, New York 10004
Attention: Michael Sheehan

Lender: MacAndrews & Forbes Group, LLC
35 East 62nd Street
New York, New York 10065
Attention: Frances Townsend

provided, that any notice, request or demand to or upon the Lender pursuant to Sections 2 and 3 shall not be effective until received.

8.3 No Waiver; Cumulative Remedies

. No failure to exercise and no delay in exercising, on the part of the Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

8.4 Survival of Representations and Warranties

. All representations and warranties made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

8.5 Payment of Expenses; General Indemnity

. The Borrower agrees (a) to pay or reimburse the Lender for all of its reasonable out-of-pocket attorneys' fees and expenses incurred in connection with the preparation, execution and delivery of, and any amendment, supplement or modification to, this Agreement and any other documents prepared in connection herewith (including without limitation any documentation relating to the Foreign Facility referred to below), and the consummation of the transactions contemplated hereby and thereby, (b) to pay or reimburse the Lender for all its reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) incurred in connection with the enforcement or preservation of any rights under this Agreement and any such other documents, (c) to pay, indemnify, and to hold the Lender harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay caused by the Borrower in paying, stamp, excise and other similar taxes, if any, if legal, which may be payable or determined to be payable in connection with the execution and delivery of, or consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement and any such other documents, and (d) to pay, indemnify, and hold harmless the Lender from and against any and all other liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (including, without limitation, reasonable attorneys' fees and expenses) with respect to the execution, delivery, consummation, enforcement, performance and administration of this Agreement and any such other documents (all of the foregoing, collectively, the "indemnified liabilities"); provided, that the Borrower shall have no obligation hereunder with respect to indemnified liabilities arising from (i) the gross negligence or willful misconduct of the Lender, (ii) legal proceedings commenced against the Lender by any security holder or creditor thereof arising out of and based upon rights afforded any such security holder or creditor solely in its capacity as such or (iii) amounts of the types referred to in clauses (a) through (c) above except as provided therein. The agreements in this Section 8.5 shall survive the termination of the Commitment and the repayment of the Loans and all other amounts payable hereunder.

8.6 Successors and Assigns

. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lender and their respective successors and permitted assigns and, except as set forth below, neither the Borrower nor the Lender may assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the other party. This Agreement, or the Lender's obligations hereunder, may be assigned, delegated or transferred, in whole or in part, by the Lender to any Affiliate of the Lender over which the Lender or any of its Affiliates exercises investment authority, including, without limitation, with respect to voting and dispositive rights; provided any such assignee assumes the obligations of the Lender hereunder and agrees in writing to be bound by the terms of this Agreement in the same manner as the Lender. Notwithstanding the foregoing, no such assignment shall relieve the Lender of its obligations hereunder if such assignee fails to perform such obligations. Without complying with the provisions of this Section 8.6, the Lender may satisfy its obligations under Sections 2.1 or 2.2 hereof by causing an Affiliate of the Lender to satisfy its obligations under such Sections.

8.7 Counterparts

. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts (including by electronic transmission), and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

8.8 Severability

. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.9 Integration

. This Agreement represents the agreement of the Borrower and the Lender with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by the Lender for the benefit of the Borrower relative to the subject matter hereof not expressly set forth or referred to herein.

8.10 **GOVERNING LAW**

. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8.11 Submission To Jurisdiction; Waivers

. The Borrower hereby irrevocably and unconditionally:

(a) submits for itself and its property in any legal action or proceeding relating to this Agreement, or for recognition and enforcement of any judgment in respect thereof, to the non-exclusive general jurisdiction of the Courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(b) consents that any such action or proceeding may be brought in such courts and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(c) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the Borrower at its address set forth in Section 8.2 or at such other address of which the Lender shall have been notified pursuant thereto;

(d) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction; and

(e) waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this subsection any special, exemplary, punitive or consequential damages.

8.12 **WAIVERS OF JURY TRIAL**

. **THE BORROWER AND THE LENDER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND FOR ANY COUNTERCLAIM THEREIN.**

8.13 Effect of Amendment and Restatement

. This Agreement amends, restates and supersedes in its entirety that certain Amended and Restated 2019 Senior Unsecured Line of Credit Agreement, dated as of November 7, 2019, between the Lender and the Borrower.

8.14 Covenant Regarding Foreign Asset-Based Term Loan Agreement.

(a) Subject to the prior repayment in full of the Loans and the termination of the Commitment, and subject to the remainder of this Section 8.14, the Lender shall, promptly at the request of the Borrower (and in no event later than five (5) Business Days after such request accompanied by documentation satisfying the terms set forth in Section 8.14(b)), become party to the Foreign Asset-Based Term Loan Agreement, as the same shall be amended and extended or refinanced (the "Amended Foreign Loan Agreement") or, in the event the Borrower is not successful in extending or refinancing the Foreign Asset-Based Term Loan Agreement, enter into a new loan agreement (the credit facility thereunder, a "Stand Alone Foreign Facility") and related security and other documents necessary to effect the transactions contemplated thereby, in each case as a lender and on the terms and conditions set forth in Section 8.14(b) (the foregoing undertaking, the "Secured Commitment").

(b) The amendment and/or loan documentation referred to in Section 8.14(a) and all related documentation shall (i) include the terms set forth below, and (ii) otherwise be substantially the same as those governing the Foreign Asset-Based

Term Loan Agreement or, to the extent not the same, reasonably acceptable to Borrower and Lender:

1. Lender will provide a $30,000,000 senior secured term loan facility to be drawn in full or in part, at the Borrower's option, under the Amended Foreign Loan Agreement (the "FILO Facility" and together with the Stand Alone Foreign Facility, the "Foreign Facility") or under a new loan agreement governing the Stand Alone Foreign Facility;

2. the borrower and guarantors under the Foreign Facility shall be the same as under the Foreign Asset-Based Term Loan Agreement;

3. the FILO Facility will mature on the same date as the maturity date of any extended or refinanced Foreign Asset-Based Term Loan Agreement, and the maturity date of the Foreign Facility will be July 9, 2022;

4. the Foreign Facility shall bear interest at a rate of LIBOR plus 10.00%;

5. the interest payment dates for the Foreign Facility shall be consistent with the Foreign Asset-Based Term Loan Agreement;

6. the Foreign Facility shall be secured by the same assets that secure the Foreign Asset-Based Term Loan Agreement and subject to a customary borrowing base;

7. (a) the FILO Facility shall be first-in/last-out as to payment priority, permitting not less than $27,000,000[1] of senior priority loans secured by the same collateral and not more than $35,000,000 of senior priority loans, whether at closing or thereafter, except to the extent that the FILO Facility is reduced on a dollar-for-dollar basis by the amount of senior priority loans in excess of $35,000,000 (i.e., the aggregate of the FILO Facility and the senior priority tranche shall not exceed $65,000,000); and (b) the Stand Alone Foreign Facility shall have a first lien on the collateral;

8. the collateral eligibility requirements for the Foreign Facility shall be the same as under the Foreign Asset-Based Term Loan Agreement and the borrowing base advance rates against the NOLV of eligible inventory and against receivables shall not exceed 95.0%;

9. the amount available to draw under the FILO Facility at any time shall be the lesser of (x) $30,000,000 (as reduced in accordance with clause (x) below) and (y)(i) the borrowing base at such time minus (ii) the aggregate principal amount of senior priority loans outstanding at such time (inclusive of any fees payable in connection therewith) to third party lenders;

[1] Based on €48,500,000 outstanding currently.

10. in the event the Foreign Asset-Based Term Loan Agreement is extended or refinanced, other than by Lender, in an aggregate principal amount in excess of $35,000,000, the $30,000,000 commitment amount referred to in Section 8.14(b)(i) shall be reduced on a dollar-for-dollar basis by the amount of such excess;

11. for the avoidance of doubt, no fees shall be payable in connection with the Secured Commitment or the funding thereof (other than, without duplication, costs and expenses to the extent payable pursuant to Section 8.5 or the corresponding provisions of the Foreign Asset-Based Term Loan Agreement);

12. the Foreign Facility shall contain a cross-default to the Term Loan Agreement, Bank Revolving Credit Agreement and 2020 Term Loan Agreement for the benefit of Lender, and absence of default shall be a condition to draw on the Foreign Facility; and

13. availability of the Foreign Facility shall be conditioned upon the consummation by Borrower of an exchange offer for its 5.75% Senior Notes due 2021 on terms, including the minimum tender condition, not materially less favorable to the Borrower in the aggregate than those set forth in the confidential Offering Memorandum and Consent Solicitation Statement, provided to the Lender on or prior to the date hereof.

(c) The Secured Commitment shall terminate on the latest to occur of (i) the Termination Date, (ii) the date on which the undertakings of this Section 8.14 are satisfied and (iii) July 9, 2021.

(d) This Section 8.14 shall, as applicable, survive the Termination Date and terminate as set forth in section (c) above.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized officers as of the day and year first above written.

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ Victoria L. Dolan
Name: Victoria L. Dolan
Title: Chief Financial Officer

MACANDREWS & FORBES GROUP, LLC

By: /s/ Jeffrey Brodsky
Name: Jeffrey Brodsky
Title: Chief Financial Officer

<u>TRANSACTION SUPPORT AGREEMENT</u>

This TRANSACTION SUPPORT AGREEMENT (as amended, supplemented, or otherwise modified from time to time, this "**Agreement**") dated as of September 28, 2020, is entered into by and among:

(a) Revlon Consumer Products Corporation (the "**Borrower**") and REVLON, INC. ("**Holdings**"), each, a Delaware corporation (collectively with the Borrower's wholly-owned subsidiaries, the "**Company**"); and

(b) the undersigned beneficial holders, or investment advisors or managers for the account of beneficial holders (in such capacity, the "**Initial Consenting Lenders**") of term loans (the "**BrandCo Loans**") under the Term Loan Credit Agreement, dated as of May 7, 2020, among the Borrower, Holdings, Jefferies Finance LLC, as administrative agent and collateral agent, and certain financial institutions that are lenders thereunder (the "**BrandCo Credit Agreement**");

The Company and each Consenting Lender (as defined below) are collectively referred to herein as the "**Parties**" and each, individually as a "**Party**".

WHEREAS, as of the date hereof, the Initial Consenting Lenders hold, in the aggregate, more than 50% of the BrandCo Loans, and constitute the Applicable Required Lenders (as defined in the BrandCo Credit Agreement) under the BrandCo Credit Agreement.

WHEREAS, the Parties intend to consummate a series of transactions (collectively, the "**Transactions**") on the Closing Date on the terms set forth in the term sheet attached hereto as **<u>Exhibit A</u>** (the "**Term Sheet**") and involving, among other things:

(a) an exchange offer (the "**Exchange Offer**") to the 5.75% Senior Noteholders pursuant to which any 5.75% Senior Noteholders may tender their 5.75% Senior Notes in exchange for a combination of (i) cash in an amount to be determined by the Company; <u>provided</u>, that the Company shall comply with the Minimum Liquidity Closing Condition (as defined below) on a pro forma basis, taking into account payment of any such cash consideration, (ii) up to $75 million aggregate principal amount of newly issued Term B-2 Loans under the BrandCo Credit Agreement (the "**New Second Lien BrandCo Loans**"), (iii) up to $50 million aggregate principal amount of new "first in, last out" loans under the ABL Credit Agreement (the "**New FILO Loans**") and (iv) such other consideration as may be determined by the Company in its discretion; and

(b) the Exchanging BrandCo Lenders will exchange $18,700,000 aggregate principal amount of 6.25% Senior Notes held by the Exchanging BrandCo Lenders for $10,000,000 aggregate principal amount of the New Second Lien BrandCo Loans (the "**BrandCo Lender Notes Exchange**");

(c) the Company, the Consenting Lenders and the BrandCo Agent shall enter into the BrandCo Facility Amendment (as defined below), pursuant to which (i) certain Consenting Lenders shall relinquish all or a portion of their Excess Roll-Up Amount (as defined in the BrandCo Credit Agreement) in the amounts set forth in the Term Sheet, and (ii) the terms and provisions of the BrandCo Credit Agreement shall be modified to permit the incurrence of the New Second Lien BrandCo Loans in the amounts set forth in the Term Sheet and to limit the amount of New FILO Loans that may be issued in any exchange for 5.75% Senior Notes to $50 million in aggregate principal amount;

(d) the Company, the Required Lenders (as defined in the ABL Credit Agreement), and the ABL Agent shall enter into the ABL Amendment, pursuant to which the terms and provisions of the ABL Credit Agreement shall be modified as necessary or appropriate to permit the Exchange Offer and other Transactions, including the incurrence of the New FILO Loans in connection therewith; and

(e) in consideration for its consent to the BrandCo Facility Amendment and its other obligations hereunder, the Company shall pay to each Consenting Lender a (i) in the case of each Consenting Lender that relinquishes all or a portion of its Excess Roll-Up Amount, a relinquishment fee consisting of such Consenting Lender's pro rata share (based on its Excess Roll-Up Amount relinquished relative to the aggregate Excess Roll-Up Amount relinquished by all Consenting Lenders) of $12.5 million aggregate principal amount of New Second Lien BrandCo Loans, and (ii) an amendment fee consisting of such Consenting Lender's pro rata share (based on the aggregate principal amount of BrandCo Loans held by such Consenting Lender relative to the aggregate principal amount of BrandCo Loans held by all Consenting Lenders) of, in the Company's option, either (A) $2.5 million of cash, or (B) $5 million aggregate principal amount of additional New Second Lien BrandCo Loans. For the avoidance of doubt the foregoing fees will be made available to all holders of BrandCo Loans pro rata.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, on a several but not joint basis, agree as follows:

1. **Certain Definitions.**

As used in this Agreement, the following terms have the following meanings:

i. "**5.75% Senior Notes**" means the 5.75% Senior Notes due 2021 issued by the Borrower pursuant to the 5.75% Senior Notes Indenture.

ii. "**5.75% Senior Notes Indenture**" means that certain Indenture, dated as of February 8, 2013, by and among the Borrower, as issuer, the guarantor parties thereto and U.S.

Bank N.A., as indenture trustee, as may be amended, supplemented or otherwise modified from time to time.

iii.“**5.75% Senior Noteholder**” means the beneficial holders, or investment advisors or managers for the account of beneficial holders of the 5.75% Senior Notes.

iv.“**6.25% Senior Notes**” means the 6.25% Senior Notes due 2024 issued by the Borrower pursuant to the 6.25% Senior Notes Indenture.

v.“**6.25% Senior Notes Indenture**” means that certain Indenture, dated as of August 4, 2016, by and among the Borrower, as issuer, the guarantor parties thereto and U.S. Bank N.A., as indenture trustee, as may be amended, supplemented or otherwise modified from time to time.

vi.“**ABL Agent**” means Citibank, N.A., it is capacity as administrative agent and collateral agent under the ABL Credit Agreement.

vii.“**ABL Amendment**” means the amendment to the ABL Credit Agreement pursuant to which the terms and provisions of the ABL Credit Agreement shall be modified as necessary or appropriate to permit the Exchange Offer and the other Transactions and effectuate the incurrence of the New FILO Loans in connection therewith, which amendment shall be in form and substance consistent with this Agreement and the Term Sheet and reasonably acceptable to the Company and the Requisite Consenting Lenders.

viii.“**ABL Credit Agreement**” means that certain Asset-Based Revolving Credit Agreement, dated as of September 7, 2016, among the Borrower, the local borrowing subsidiaries party thereto, Holdings, the lenders and issuing lenders from time to time party thereto and Citibank, N.A., as administrative agent, collateral agent, issuing lender and swingline lender, as the same may be amended, supplemented or otherwise modified from time to time.

ix.“**Ad Hoc Group**” means the ad hoc group of BrandCo Lenders represented by DPW.

x.“**Alternative Transaction**” means any dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors, transaction, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of a material portion of assets, sale, issuance, or other disposition of any equity or debt interests, financing or equity, or recapitalization or restructuring of the Company, other than the Transactions.

xi.“**Automatic Termination Event**” means:

1. the entry of an order, judgment or decree adjudicating Holdings or any of its subsidiaries bankrupt or insolvent, including the entry of any order for relief with respect to Holdings or any of its subsidiaries under title 11 of the United States Code;

2. the filing or commencement of any voluntary proceeding, or any involuntary proceeding unless such proceeding is withdrawn or dismissed within thirty (30) calendar days, relating to Holdings or any of its subsidiaries under any bankruptcy, reorganization, arrangement, administration, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction;

3. (1) the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of Holdings or any of its subsidiaries or of any substantial part of their property, or (2) the filing of an application for the appointment of such custodian, receiver, assignee, trustee, sequestrator or similar official of Holdings or any of its subsidiaries or of any substantial part of their property that is not withdrawn, dismissed or successfully challenged by the Company within thirty (30) calendar days;

4. the making by Holdings or any of its subsidiaries of an assignment for the benefit of creditors;

5. the taking of any corporate action by Holdings or any of its subsidiaries in furtherance of any action described in the foregoing clauses (i)-(iv), unless consented to by the Requisite Consenting Lenders; or

6. the occurrence of the Closing.

xii.“**BrandCo Agent**” means Jefferies Finance LLC, in its capacity as administrative agent and collateral agent under the BrandCo Credit Agreement.

xiii.“**BrandCo Facility Amendment**” means the amendment to the BrandCo Credit Agreement pursuant to which (i) certain Consenting Lenders shall relinquish all or a portion of their Excess Roll-Up Amount (as defined in the BrandCo Credit Agreement) in the amounts set forth in the Term Sheet, and (ii) the terms and provisions of the BrandCo Credit Agreement shall be modified to permit the incurrence of the New Second Lien BrandCo Loans in the amounts set forth in the Term Sheet, and to limit the amount of New FILO Loans that may be issued in any exchange for 5.75% Senior Notes to $50 million in aggregate principal amount; provided, that such amendment shall be in form and substance consistent with this Agreement and the Term Sheet and otherwise acceptable to the Company and the Requisite Consenting Lenders.

xiv.“**BrandCo Lender Notes Exchange Documents**” means any documentation necessary or appropriate to implement and effectuate the BrandCo Lender Notes Exchange, which shall be reasonably acceptable to the Exchanging BrandCo Lenders and the Company.

xv.“**BrandCo Lenders**” means the Lenders (as defined in the BrandCo Credit Agreement).

xvi.“**Closing**” means the consummation of the Transactions, and any other transactions contemplated by this Agreement and the Definitive Documents.

xvii.“**Closing Date**” means the date on which the Closing occurs.

xviii.“**Consenting Lenders**” means, collectively, the Initial Consenting Lenders and the Subsequent Consenting Lenders.

xix.“**Definitive Documents**” means the BrandCo Facility Amendment, the ABL Amendment, the Exchange Documents, the BrandCo Lender Notes Exchange Documents and any other documents directly related to any of the foregoing, which shall, in each case, be consistent with the terms and conditions set forth in this Agreement and the Term Sheet and otherwise in form and substance reasonably acceptable to the to the Company and the Requisite Consenting Lenders; except as otherwise contemplated in Section 4(b); provided, that the BrandCo Lender Notes Exchange Documents shall also be in form and substance consistent with the terms and conditions set forth in this Agreement and the Term Sheet and reasonably acceptable to the Exchanging BrandCo Lenders.

xx.“**DPW**” means Davis Polk & Wardwell LLP, as counsel to the Ad Hoc Group.

xxi.“**Exchange Documents**” means the Confidential Offering Memorandum and Consent Solicitation Statement or other offer document with respect to the Exchange Offer, and any other documentation necessary or appropriate to implement and effectuate the Exchange Offer, in each case which shall be in form and substance consistent with the terms and conditions set forth in this Agreement and the Term Sheet and otherwise reasonably acceptable to the Company and the Requisite Consenting Lenders.

xxii.“**Exchanging BrandCo Lenders**” means certain holders of the 6.25% Senior Notes, identified on Schedule 1.

xxiii.“**Governmental Entity**” means the United States and any State (including the District of Columbia and Puerto Rico), Commonwealth, District, Territory, municipality (including a political subdivision or public agency or instrumentality of a State), foreign state, or a department, agency, or instrumentality of the foregoing.

xxiv.“**Paul, Weiss**” means Paul, Weiss, Rifkind, Wharton & Garrison LLP, counsel to the Company.

xxv.“**Person**” means an individual, firm, corporation (including any non-profit corporation), partnership, limited liability company, joint venture, association, trust, Governmental Entity, or other entity or organization.

xxvi.“**Requisite Consenting Lenders**” means the Consenting Lenders holding, in the aggregate, at least a majority of the BrandCo Loans held by all Consenting Lenders as of the date of any action taken or consent provided by the Requisite Consenting Lenders pursuant to this Agreement.

xxvii.“**SEC**” means the United States Securities and Exchange Commission.

xxviii.“**Securities Act**” means the Securities Act of 1933, as amended.

xxix."**Subsequent Consenting Lender**" means beneficial holder, investment advisor or manager for the account of a beneficial holder of BrandCo Loans that executes a Joinder Agreement, including any Person that receives a Transfer of BrandCo Loans in accordance with Section 3.02.

xxx."**Support Effective Date**" means the date on which counterpart signature pages to this Agreement have been executed and delivered by (i) the Company and (ii) the Initial Consenting Lenders.

xxxi."**Support Period**" means the period commencing on the Support Effective Date and ending on the earlier of (i) the date on which this Agreement is terminated in accordance with Section 5 hereof and (ii) the Closing Date.

xxxii."**Term B-2 Loans**" shall have the meaning ascribed to such term in the BrandCo Credit Agreement.

2. **Commencement and Closing Date.**

Section a Commencement. On or before September 29, 2020 (the "**Commencement Date**"), the Company will commence the Exchange Offer for a period ending before October 23, 2020 (the "**Participation Period**").

Section b Period Modifications. The Company may in its sole discretion modify, adjust, or extend the Participation Period upon notice to the Consenting Lenders; provided, that the Closing Date will be no later than the Outside Date (as defined below).

Section c Closing and Location. The Closing will take place on the Closing Date at the offices of Paul, Weiss, 1285 Avenue of the Americas, New York, NY 10019, or such other place as will be mutually agreed to by the Company and the Requisite Consenting Lenders.

Section d Minimum Liquidity Closing Condition. It shall be a condition to Closing and the execution of the Brandco Amendment that as of the Closing Date (the "**Minimum Liquidly Closing Condition**") the amount of Unrestricted Cash (as defined in the ABL Credit Agreement as of the Support Effective Date) of the Borrower and its Restricted Subsidiaries (as defined in the ABL Credit Agreement as of the Support Effective Date), plus the amount of the Borrower's Excess Availability (as defined in the ABL Credit Agreement as of the Support Effective Date) under the ABL Credit Agreement, less the outstanding principal amount of the 5.75% Senior Notes that will remain outstanding immediately following the Closing Date, shall not be less than $175 million.

Section e Consummation of Closing. All acts, deliveries and confirmations comprising the Closing, regardless of chronological sequence, will be deemed to occur contemporaneously and simultaneously upon the occurrence of the last act, delivery or confirmation of the Closing and none of such acts, deliveries or confirmations will be effective unless and until the last of same will have occurred.

3. **Agreements of the Consenting Lenders.**

Section 3.1 Each of the Consenting Lenders (severally and not jointly and severally) agree during the Support Period to: (a) support and cooperate with the Company to consummate the Transactions in accordance with this Agreement and the Definitive Documents; (b) to the extent a Consenting Lenders is also a 5.75% Senior Noteholder as of the date hereof, irrevocably consent, tender and exchange any 5.75% Senior Notes held by such Consenting Lender as of the date hereof in connection with the Exchange Offer; (c) support and, as applicable, take all reasonable action necessary and requested by the Company to implement and consummate the Exchange Offer and BrandCo Lender Notes Exchange, including without limitation, the BrandCo Facility Amendment, subject to the payment on the Closing Date of the relinquishment and amendment fees contemplated hereunder; (d) complete, enter into, and effectuate the Definitive Documents within the timeframes contemplated herein and as reasonably necessary to achieve the Closing; (e) act in good faith consistent with this Agreement; (f) refrain from directly or indirectly taking any action that would be inconsistent with this Agreement or interfere with the implementation and consummation Transactions; and (g) not, directly or indirectly, seek, support, negotiate, engage in any discussions related to, or solicit an Alternative Transaction; provided, that the members of the Ad Hoc Group shall be permitted to negotiate or engage in discussions related to an Alternative Transaction with the Company, other BrandCo Lenders and any advisors retained by the Ad Hoc Group.

Section 3.2 Transfers. Each Consenting Lender agrees that during the Support Period, it shall not sell, assign, transfer, or otherwise dispose of ("**Transfer**"), directly or indirectly, any of the BrandCo Loans, 5.75% Senior Notes, options thereon, or rights or interests therein (including grant any proxies, deposit any BrandCo Loans or 5.75% Senior Notes into a voting trust or entry into a voting agreement with respect to such BrandCo Loans or 5.75% Senior Notes), and any purported Transfer shall be void and without effect unless (a) the transferee thereof is an Initial Consenting Lender, or (b) before such Transfer, agrees in writing for the benefit of the Parties to become a Consenting Lender and to be bound by all of the terms of this Agreement applicable to Consenting Lenders (including with respect to any and all BrandCo Loans and 5.75% Senior Notes it already may hold against or in the Company before such Transfer) by executing a joinder agreement substantially in the form attached hereto as **Exhibit B** (a "**Joinder Agreement**"), and delivering an executed copy thereof within two (2) business days following such execution to Paul, Weiss and DPW. Upon compliance with the foregoing, (x) the transferee shall be deemed to be a Subsequent Consenting Lender hereunder to the extent of such transferred rights and obligations and (y) the transferor shall be deemed to relinquish its rights (and be released from its obligations) under this Agreement to the extent of such transferred rights and obligations. Each Consenting Lender agrees that any Transfer of any BrandCo Loans or 5.75% Senior Notes that does not comply with the terms and procedures set forth herein shall be deemed void *ab initio*, and each other Party shall have the right to enforce the voiding of such Transfer. Notwithstanding the foregoing, this Section 3.02 shall not prohibit any Transfer that is requested by the Company in order to facilitate the consummation of the Transactions.

Notwithstanding anything to the contrary in this Agreement, (i) a Consenting Lender may Transfer BrandCo Loans or 5.75% Senior Notes to an entity that is acting in its capacity as a Qualified Marketmaker (as defined below) without the requirement that the Qualified Marketmaker be or become an entity identified in Section 3.02(a) or (b) hereof (a "**Permitted Transferee**") or a Subsequent Consenting Lender; provided that the Qualified Marketmaker subsequently Transfers the right, title or interest to such BrandCo Loans or 5.75% Senior Notes to a transferee that is a Permitted Transferee or becomes a Subsequent Consenting Lender as provided herein and the Transfer documentation between the transferor and such Qualified Marketmaker shall contain a requirement that provides for such; provided, further, that if a Consenting Lender is acting in its capacity as a Qualified Marketmaker, it may Transfer any BrandCo Loans or 5.75% Senior Notes that it acquires from a holder of such BrandCo Loans or 5.75% Senior Notes that is not a Consenting Lender without the requirement that the transferee be a Permitted Transferee or become a Subsequent Consenting Lender.

Notwithstanding the foregoing, if at the time of a proposed Transfer of any BrandCo Loans or 5.75% Senior Notes to a Qualified Marketmaker, such claims or interests (x) may be voted, tendered or consent solicited with respect to a Transaction, then the proposed transferor must first vote, tender or consent such claims or interests in accordance with Section 3.01, or (y) have not yet been and may yet be voted, tendered or consent solicited with respect to a Transaction and such Qualified Marketmaker does not Transfer such BrandCo Loans or 5.75% Senior Notes to a Permitted Transferee or a Subsequent Consenting Lender before the third business day before the expiration of an applicable voting, tendering or consent deadline (such date, the "Qualified Marketmaker Joinder Date"), such Qualified Marketmaker shall be required to (and the Transfer documentation to the Qualified Marketmaker shall have provided that it shall), on the first business day immediately after the Qualified Marketmaker Joinder Date, become a Subsequent Consenting Lender with respect to such BrandCo Loans and 5.75% Senior Notes in accordance with the terms hereof; provided, further, that the Qualified Marketmaker shall automatically, and without further notice or action, no longer be a Subsequent Consenting Lender with respect to such claim or interest at such time that the transferee becomes a Permitted Transferee or Subsequent Consenting Lender in accordance with this Agreement.

For these purposes, "**Qualified Marketmaker**" means an entity that (x) holds itself out to the market as standing ready in the ordinary course of business to purchase from and sell to customers BrandCo Loans or 5.75% Senior Notes or enter with customers into long and/or short positions in BrandCo Loans or 5.75% Senior Notes, in its capacity as a dealer or market maker in such BrandCo Loans or 5.75% Senior Notes; and (y) is in fact regularly in the business of making a market in claims, interest and/or securities of issuers or borrowers.

Section 3.3 Additional Claims or Interests. If any Consenting Lender acquires additional BrandCo Loans or 5.75% Senior Notes, then such acquired BrandCo Loans and 5.75% Senior Notes will be subject to this Agreement (other than with respect to any BrandCo Loans or 5.75% Senior Notes acquired by such Consenting Lender in its capacity as Qualified

Marketmaker). Upon reasonable request by counsel to the Company, counsel to the Consenting Lenders shall provide such Consenting Lenders' then-current holdings of BrandCo Loans and 5.75% Senior Notes.

Section 3.4 Forbearance. During the Support Period, the Consenting Lenders agree not to support, join, or otherwise assist any Person in litigation against the Company in connection with any of the Company's outstanding indebtedness; provided, that the foregoing will not limit any of the Consenting Lenders' rights to enforce any rights under this Agreement or to respond to any litigation brought by others.

4. **Additional Agreements of the Company.**

In addition to the obligations of the Company set forth in Section 2.01 of this Agreement, the Company also agrees during the Support Period to use commercially reasonable efforts to do all things in furtherance of the Transactions, including:

(a) to (i) inform the Consenting Lenders of the level of participation by 5.75% Senior Noteholders in the Exchange Offer by the date that is ten (10) business days after the Commencement Date, or such earlier date as the Company may reasonably know, (ii) to obtain any required regulatory or third-party approvals for the Transactions (if any), (iii) complete, enter into, and effectuate the Definitive Documents within the timeframes contemplated herein and as reasonably necessary to achieve the Closing, which will be in form and substance reasonably acceptable to the Company and the Requisite Consenting Lenders, (iv) act in good faith and take all reasonable actions necessary to consummate the Transactions in a timely manner and otherwise support the Transactions, and (v) not directly or indirectly take any action that would be inconsistent with this Agreement or interfere with the Transactions;

(b) not make, or allow to be made, any amendment, modification, supplement or waiver to or other alteration to any of the Definitive Documents except any such amendments, modifications, supplements, or waivers (i) that are procedural, technical or conforming in nature, in each case to the extent not materially adverse to the Consenting Lenders (ii) solely with respect to the Exchange Documents, that are not materially adverse to the Consenting Lenders, or (iii) to which the Requisite Consenting Lenders have consented to in writing; and

(c) (i) complete or deliver to the respective collateral agents all filings and recordings and take all other similar actions that are required in connection with the perfection of the security interests contemplated by the Definitive Documents, and (ii) take all actions necessary to maintain in full force and effect such security interests.

5. **Termination of Agreement.**

Section a. Generally. This Agreement will automatically terminate upon (a) the occurrence of an Automatic Termination Event, or (b) notice, delivered in accordance with Section 19 hereof, from (x) the Requisite Consenting Lenders to the other Parties at any time after the occurrence of any Lender Termination Event (as defined below), or (y) the Company (which for the avoidance of doubt, may be delivered by Holdings on behalf of the Company) to the other Parties at any time after the occurrence of any Company Termination Event (as defined below). Each of the dates in this Section 5 may be extended by mutual agreement among the Company and the Requisite Consenting Lenders, which agreement may be evidenced by an e-mail confirmation between Paul, Weiss and DPW.

Section 5.2. A "**Lender Termination Event**" will mean any of the following:

a. the Commencement Date has not occurred by 11:59 p.m. (Eastern Time) on September 29, 2020;

b. the Closing has not occurred by 11:59 p.m. (Eastern Time) on November 2, 2020 (the "**Outside Date**");

c. the material breach by the Company of (i) any covenant contained in this Agreement or (ii) in any respect, any other obligations of the Company set forth in this Agreement or any Definitive Document, which breach remains uncured seven (7) business days after notice from the Requisite Consenting Lenders;

d. the representations or warranties made by the Company hereunder or under any of the Definitive Documents will have been untrue when made or will have become untrue, and any other representation or warranty made by the Company hereunder will have been untrue when made or will have become untrue, in each case, that could, excluding any representation or warranty of the Company that is already qualified by materiality in Section 7 hereof, reasonably be expected to have a material adverse impact on the consummation of the Transactions and has not been cured within seven (7) business days;

e. the occurrence of an Event of Default under the BrandCo Credit Agreement;

f. the Company consents to or fails to contest in a timely and appropriate manner any involuntary proceeding or petition under any bankruptcy, reorganization, arrangement, administration, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction;

g. the filing or execution of any Definitive Document (or any modification or amendment thereto) in a form that does not comply with the terms of this Agreement;

h. the announcement by the Company of its intention to withdraw the Exchange Offer or the announcement by the Company of its intention to pursue, or the execution by the Company of any definitive written agreement with respect to, an Alternative Transaction, in each case, without the consent of the Requisite Consenting Lenders;

i. (i) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of, or the commencement of any proceeding (by application, petition, motion or otherwise) that is not dismissed within seven (7) business days seeking, any ruling, judgment or order enjoining the consummation of, rendering illegal or declaring unenforceable the Transactions or (ii) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling, judgment or order declaring any BrandCo Loans, or any transaction related thereto, to be illegal or unenforceable; or

j. the termination by the Company of the Exchange Offer without the Company having accepted for exchange the 5.75% Senior Notes validly tendered pursuant thereto.

Section 5.3. A “**Company Termination Event**” will mean any of the following:

a. the Closing has not occurred by 11:59 p.m. (Eastern Time) on the Outside Date;

b. the material breach by one or more of the Consenting Lenders of any of the representations, warranties, or covenants of such Consenting Lender set forth in this Agreement, which breach remains uncured seven (7) business days after notice from the Company to the Consenting Lenders, and the non-breaching Consenting Lenders no longer collectively beneficially own or control at least two-thirds of the total outstanding BrandCo Loans;

c. the board of directors, board of managers, or similar governing body of the Company reasonably determines in good faith after consultation with counsel that continued performance under this Agreement would be inconsistent with the exercise of its fiduciary duites under applicable law;

d. the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling, judgment or order enjoining the consummation of or rendering illegal the Transactions, and such ruling, judgment or order has not been reversed or vacated by Outside Date; provided that the Company did not seek, request, support or fail to contest such ruling, judgment or order; or

e. the termination by the Company of the Exchange Offer without the Company having accepted for exchange the 5.75% Senior Notes validly tendered pursuant thereto.

Section 5.4. Mutual Termination. This Agreement may be terminated by mutual agreement of the Company and the Requisite Consenting Lenders upon the receipt of written notice delivered in accordance with Section 19 hereof.

Section 5.5. Effect of Termination. Upon the termination of this Agreement in accordance with Section 5 hereof, this Agreement will forthwith become void and of no further force or effect and each Party will, except as provided otherwise in this Agreement, be immediately released from its liabilities, obligations, commitments, undertakings and agreements under or related to this Agreement and will have all the rights and remedies that it would have had and will be entitled to take all actions, whether with respect to the Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement, including all rights and remedies available to it under applicable law, the BrandCo Credit Agreement, and any ancillary documents or agreements thereto; provided, that in no event will any such termination relieve a Party from liability for its breach or non-performance of its obligations hereunder before the date of such termination. Upon any termination of this Agreement, other than in connection with the consummating of the Closing, each Consenting Lender will be deemed to have automatically revoked and withdrawn its participation in and consent with respect to the BrandCo Facility Amendment and the Exchange Offer, as applicable, without any further action and irrespective of the expiration or availability of any "withdrawal period" or similar restriction, whereupon any such consents will be deemed, for all purposes to be null and void *ab* initio and will not be considered or otherwise used in any manner by the Parties in connection with the Transactions and this Agreement, and the Company agrees not to accept any such consents and to take actions reasonably required to allow the Consenting Lenders to arrange with their custodian and brokers to effectuate the withdrawal of such consents, including the reopening or extension of any withdrawal or similar periods.

Section 5.6. Settlement. This Agreement and the Definitive Documents are part of a proposed settlement among certain of the Parties. If the Closing does not occur, nothing herein will be construed as a waiver by any Party of any or all of such Party's rights and the Parties expressly reserve any and all of their respective rights. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto will not be admissible into evidence in any proceeding other than a proceeding to enforce its terms.

6. **Additional Documents.**

Each Party hereby covenants and agrees to cooperate with each other in good faith in connection with, and will exercise commercially reasonable efforts with respect to, the negotiation, drafting and execution and delivery of the Definitive Documents. For the avoidance of doubt, subject to Section 4(b), each Definitive Document shall be in form and substance reasonably acceptable to the Company and the Requisite Consenting Lenders.

7. **Representations and Warranties.**

Section 7.1. The Company and Initial Consenting Lenders, severally (and not jointly and severally), represents and warrants to the other that the following statements are true, correct and complete as of the date hereof:

a. such Party is validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all requisite corporate, partnership, limited liability company or similar authority to enter into this Agreement and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder; and the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, limited liability company, partnership or other similar action on its part;

b. the execution, delivery and performance by such Party of this Agreement does not and will not (i) violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its charter or bylaws (or other similar governing documents) or those of any of its subsidiaries, or (ii) in the case of the Consenting Lenders, conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it or any of its subsidiaries is a party, and (iii) in the case of the Company, conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any contractual obligation to which it or any of its subsidiaries is a party, except, in the case of this clause (iii), for any such conflict, breach or default as would not reasonably be expected to materially affect the ability of such Party to consummate the Transactions in a timely manner or for such Party to perform any of its material obligations under this Agreement;

c. the execution, delivery and performance by such Party of this Agreement does not and will not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state or governmental authority or regulatory body, except such filings as may be necessary or required for disclosure by the SEC; and

d. this Agreement is the legally valid and binding obligation of such Party, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability or a ruling of a court.

Section 7.2. Each Consenting Lender severally (and not jointly and severally), represents and warrants to the other Parties that, as of the date hereof, such Consenting Lender (a) is not a Qualified Marketmaker, (b) (i) is the beneficial owner of the BrandCo Loans and 5.75% Senior Notes set forth below its name on the signature page hereof or (ii) has, with respect to the beneficial owners of such BrandCo Loans and 5.75% Senior Notes (x) sole investment or voting discretion with respect to such BrandCo Loans and 5.75% Senior Notes, (y) full power and authority to vote on and consent to matters concerning such BrandCo Loans and 5.75% Senior Notes, and (z) full power and authority to bind or act on the behalf of, such beneficial owners.

Section 7.3. Holdings and its subsidiaries each represents and warrants on a joint and several basis (and not any other Person or entity other than Holdings and each of its subsidiaries) to the Initial Consenting Lenders that the following statements are true, correct and complete as of the date hereof:

a. neither Holdings nor any of its subsidiaries nor to the knowledge of Holdings and its subsidiaries, any director, officer, agent, or employee of Holdings or any of Holdings' subsidiaries is aware of or has taken any action, directly or indirectly, that would result in a violation by such Persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder;

b. the operations of Holdings and its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving Holdings or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened;

c. neither Holdings nor any of its subsidiaries nor, to the knowledge of Holdings, any director, officer, agent, or employee of Holdings or any of its subsidiaries is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department, the U.S. Department of Commerce, the U.S. Department of State, or other relevant sanctions authority (collectively, "**Sanctions**"), nor is Holdings or any of its subsidiaries located, organized or resident in a country or territory that is the subject of Sanctions;

d. as of their respective dates (or, if amended prior to the date hereof, as of the date of such amendment), the Company's reports and documents filed or furnished by it with the SEC under the U.S. Securities Exchange Act of 1934, as amended or the Securities Act if it were subject to the reporting requirements thereunder (the SEC filings through the date hereof, including any amendments thereto, the "**Company Reports**"), taken as a whole, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances in which they were made, not misleading;

e. the Company's consolidated financial statements (including, in each case, any notes thereto) contained in the Company Reports were prepared (i) in accordance with generally accepted accounting principles in the United States of America ("**GAAP**") applied on a consistent basis throughout the periods indicated (except as may be indicated in the notes thereto or, in the case of interim consolidated financial statements, where information and footnotes contained in such financial statements are not required under the rules of the SEC to be in compliance with GAAP) and (ii) in compliance, as of their respective dates of filing with the SEC, in all material respects with applicable accounting requirements with the published rules and regulations of the SEC with respect thereto if the Company were required to file such reports, and in each case such consolidated financial statements fairly presented, in all material respects, the consolidated financial position, results of operations, changes in stockholder's equity and cash flows of the Company as of the respective dates thereof and for the respective periods covered thereby (subject, in the case of unaudited statements, to normal year-end adjustments); and

f. no default or event of default has occurred and is continuing under any material indebtedness of Holdings or any of its subsidiaries or will occur as a result of the consummation of any transaction contemplated by this Agreement or the Term Sheet.

8. **Disclosure; Publicity.**

Section 8.1. On the Support Effective Date, the Company shall file a Form 8-K with the SEC or otherwise disseminate a press release disclosing the existence of this Agreement and the terms hereof. On the Commencement Date, the Company shall file a Form 8-K with the SEC or otherwise disseminate a press release disclosing the existing of the Exchange Documents and the terms thereof, and the current liquidity information provided to the Consenting Lenders as contemplated under the Term Sheet. In addition, the Company shall make the disclosures required pursuant to the Term Sheet. If the Company fails to make the foregoing disclosures in compliance with the terms specified herein, any Initial Consenting Lender may publicly disclose the foregoing, including this Agreement, and all of its exhibits and schedules (subject to the redactions called for by this Section 8 hereof), and the Company hereby waives any claims against the Initial Consenting Lenders arising as a result of such disclosure by an Initial Consenting Lender in compliance with this Agreement.

Section 8.2. The Company will submit drafts to DPW of any press releases, public documents, and any and all filings with the SEC that constitute disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement at least two (2) business days before making any such disclosure (if practicable, and if two (2) business days before is not practicable, then as soon as practicable but in no event less than 24 hours before making any such disclosure), and will afford them a reasonable opportunity to comment on such documents and disclosures and will incorporate any such reasonable comments in good faith.

Section 8.3. Except as required by law or otherwise permitted under the terms of any other agreement between the Company and any Consenting Lender, no Party or its advisors will disclose to any person (including, for the avoidance of doubt, any other Consenting Lender), other than advisors to the Company, the principal amount or percentage of any BrandCo Loans or 5.75% Senior Notes held by any Consenting Lenders, in each case, without such Consenting Lender's prior written consent; provided, that (a) if such disclosure is required by law, subpoena, or other legal process or regulation, the disclosing Party will afford the relevant Consenting Lender a reasonable opportunity to review and comment in advance of such disclosure and will take all reasonable measures to limit such disclosure and (b) the foregoing will not prohibit the disclosure of the aggregate percentage or aggregate principal amount of BrandCo Loans and 5.75% Senior Notes held by all the Consenting Lenders collectively. Notwithstanding the provisions in this Section 8, any Party hereto may disclose, if consented to in writing by a Consenting Lender, such Consenting Lender's individual holdings.

Section 8.4. Except as specifically agreed in writing by the Company, no Consenting Lender (nor such party's directors, officers, affiliates, partners, employees, agents, advisors, attorneys, accountants, auditors, consultants, bankers, financial advisors, or any other representative) may, directly or indirectly, communicate with any director, officer, employee, or agent of the Company, any creditor, lender, affiliate, or equity holder of the Company, or any customer, supplier, or other person providing goods or services to the Company, or any Representative of any of the foregoing, regarding the Company, its assets, liabilities, businesses, operations, personnel, prospects or financial condition, or the Transactions; provided, however, that the Consenting Lenders (and such party's directors, officers, affiliates, partners, employees, agents, advisors, attorneys, accountants, auditors, consultants, bankers, financial advisors, or any other representative) may communicate with other BrandCo Lenders regarding the Company, its assets, liabilities, businesses, operations, personnel, prospects or financial condition, or the Transactions.

9. **Amendments and Waivers.**

Except as otherwise expressly set forth herein, (a) this Agreement, including any exhibits hereto, may not be waived, modified, amended or supplemented except in a writing signed by the Company and the Requisite Consenting Lenders; and (b) any change, modification or amendment to the Definitive Documents may not be made without the written consent of the Company and the Requisite Consenting Lenders, other than as contemplated by Section 4(b) of this Agreement. No waiver, modification, amendment or supplement to this Agreement, including any exhibits hereto, that is disproportionately adverse to any Consenting Lender as compared to similarly situated Consenting Lenders shall be binding upon such Consenting Lender unless such Consenting Lender has consented in writing to such waiver, modification, amendment or supplement.

10. **Effectiveness.**

This Agreement will become effective and binding on the Parties on the date of the Support Effective Date; provided that signature pages executed by Consenting Lenders will be delivered to (a) other Consenting Lenders in a redacted form that removes such Consenting Lender's holdings of the BrandCo Loans and 5.75% Senior Notes and (b) the Company, Paul, Weiss and DPW in an unredacted form (to be held by Paul, Weiss and DPW on a professionals' eyes only basis).

11. **GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL.**

THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS WHICH WOULD REQUIRE THE APPLICATION OF THE LAW OF ANY OTHER JURISDICTION. BY ITS EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ANY LEGAL ACTION, SUIT OR PROCEEDING AGAINST IT WITH RESPECT TO ANY MATTER UNDER OR ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT RENDERED IN ANY SUCH ACTION, SUIT OR PROCEEDING, MAY BE BROUGHT IN ANY FEDERAL OR STATE COURT IN THE BOROUGH OF MANHATTAN, THE CITY OF NEW YORK, AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE PARTIES HEREBY IRREVOCABLY ACCEPTS AND SUBMITS ITSELF TO THE NONEXCLUSIVE

JURISDICTION OF EACH SUCH COURT, GENERALLY AND UNCONDITIONALLY, WITH RESPECT TO ANY SUCH ACTION, SUIT OR PROCEEDING. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

12. **Specific Performance/Remedies.**

It is understood and agreed by the Parties that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party will be entitled to specific performance and injunctive or other equitable relief (including reasonable and documented attorneys' fees and costs) as a remedy of any such breach, without the necessity of proving the inadequacy of money damages as a remedy.

13. **Survival.**

Notwithstanding the termination of this Agreement pursuant to Section 5 hereof, Section 5.06, 8.01 and 8.02, and 11–21 will survive such termination and will continue in full force and effect for the benefit of the Parties in accordance with the terms hereof; provided, however, that any liability of a Party for failure to comply with the terms of this Agreement will survive such termination.

14. **Headings.**

The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and will not affect the interpretation hereof or, for any purpose, be deemed a part of this Agreement.

15. **Successors and Assigns; Severability; Several Obligations.**

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns. If any provision of this Agreement, or the application of any such provision to any person or circumstance, will be held invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision hereof and this Agreement will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon any such determination of invalidity, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a reasonably acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible. The agreements, representations and obligations of the Parties are, in all respects, ratable and several and neither joint nor joint and several.

16. **No Third-Party Beneficiaries.**

Unless expressly stated herein, this Agreement will be solely for the benefit of the Parties and no other person or entity will be a third-party beneficiary hereof.

17. **Prior Negotiations; Entire Agreement.**

This Agreement, including the exhibits and schedules hereto, constitutes the entire agreement of the Parties, and supersedes all other prior negotiations, with respect to the subject matter hereof, except that the Parties acknowledge that any confidentiality agreements (if any) heretofore executed between the Company and each Initial Consenting Lender will continue in full force and effect in accordance with the terms thereof.

18. **Counterparts.**

This Agreement may be executed in several counterparts, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same agreement. Execution copies of this Agreement may be delivered by electronic mail, which will be deemed to be an original for the purposes of this paragraph.

19. **Notices.**

All notices hereunder will be deemed given if in writing and delivered by electronic mail, courier or by registered or certified mail (return receipt requested) to the following addresses and electronic mail addresses:

(1) If to the Company, to:

Revlon Consumer Products Corporation
One New York Plaza
New York, New York 10004
Attention: Michael T. Sheehan, Senior Vice President, Deputy General Counsel and Secretary (Michael.sheehan@revlon.com)

with a copy (which will not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
Attention: Paul M. Basta (pbasta@paulweiss.com)
Alice Eaton (aeaton@paulweiss.com)

(2) If to a Consenting Lender, to the addresses or electronic mail addresses set forth below the Consenting Lender's signature, with a copy (which will not constitute notice) to:

Davis, Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: Eli J. Vonnegut (eli.vonnegut@davispolk.com)
Stephanie Massman (stephanie.massman@davispolk.com)

Any notice given by delivery, mail, or courier will be effective when received. Any notice given by electronic mail will be effective upon transmission.

20. **Reservation of Rights; No Admission.**

Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict the ability of each of the Parties (i) to protect and preserve its rights, remedies and interests, including its claims against any of the other Parties (or their respective affiliates or subsidiaries), (ii) purchase, sell, or enter into any transactions in connection with the BrandCo Loans or 5.75% Senior Notes, (iii) enforce any right under the BrandCo Credit Agreement or 5.75% Senior Notes Indenture, subject to the terms hereof, (iv) consult with other Consenting Lenders or any other Party regarding the Transactions or any Alternative Transaction, or (v) enforce any right, remedy, condition, consent or approval requirement under this Agreement or in any of the Definitive Documents. In addition, the Company shall not be obligated to consummate the BrandCo Facility Amendment if it determines that such amendment is not necessary to effectuate the Exchange Offer. Without limiting the foregoing, if this Agreement is terminated in accordance with its terms for any reason (other than consummation of the Transaction), the Parties each fully and expressly reserve any and all of their respective rights, remedies, claims, defenses and interests, subject to Sections 5 and 12 in the case of any claim for breach of this Agreement arising before termination. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert.

21. **Relationship among Parties.**

It is understood and agreed that no Consenting Lender has any duty of trust or confidence in any kind or form with any other Consenting Lender, and, except as expressly provided in this Agreement, there are no commitments between them. In this regard, it is understood and agreed that any Consenting Lender may acquire BrandCo Loans, 5.75% Senior Notes, or other debt or equity securities of the Company without the consent of the Company or any other Consenting Lender, subject to applicable securities laws and the terms of this Agreement; <u>provided</u> that no Consenting Lender will have any responsibility for any such acquisition to any other entity by virtue of this Agreement.

22. **No Solicitation; Representation by Counsel; Adequate Information.**

Section22.1 This Agreement is not and will not be deemed to be a solicitation to tender or exchange any of the BrandCo Loans or 5.75% Senior Notes. Each Party acknowledges that it has had an opportunity to receive information from the Company and that it has been represented by counsel in connection with this Agreement and the transactions contemplated hereby. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel will have no application and is expressly waived.

Section22.2 Although none of the Parties intends that this Agreement should constitute, and they each believe it does not constitute, an offering of securities, each Consenting Lender acknowledges, agrees, and represents to the other Parties that it (a) is an "accredited investor" as such term is defined in Rule 501(a) of the Securities Act, (b) is a "qualified institutional buyer" as such term is defined in Rule 144A of the Securities Act, (c) understands that the securities to be acquired by it pursuant to the Transactions, if any, have not been registered under the Securities Act and that such securities are being offered and sold pursuant to an exemption from registration contained in the Securities Act, based in part upon such Consenting Lender's representations contained in this Agreement and cannot be sold unless subsequently registered under the Securities Act or an exemption from registration is available, and (d) has such knowledge and experience in financial and business matters that such Consenting Lender is capable of evaluating the merits and risks of the securities to be acquired by it pursuant to the Transactions and understands and is able to bear any economic risks with such investment.

23. **Fees and Expenses; Indemnification**.

Except as set forth in the proviso to this sentence, each Party is responsible for its own fees and expenses (including the fees and expenses of counsel, financial consultants, investment bankers and accountants) in connection with the entry into this Agreement and the transactions contemplated hereby; <u>provided</u> that the Company shall pay or cause to be paid the reasonable and documented fees and expenses of DPW, in its capacity as counsel to the Ad Hoc Group, and in all respects comply with its obligations under the BrandCo Credit Agreement in respect of the payment of fees and expenses of BrandCo Lenders. Furthermore, the indemnification rights maintained by the BrandCo Lenders under Section 10.5 of the BrandCo Credit Agreement shall, subject to the limitations set forth in the BrandCo Credit Agreement, be applicable with respect to the actions taken by the Consenting Lenders in connection with the execution of this Agreement and the fulfillment of their obligations hereunder.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

REVLON CONSUMER PRODUCTS CORPORATION

By: /s/ Victoria Dolan
Name: Victoria Dolan
Title: Chief Financial Officer

REVLON, Inc.

By: /s/ Victoria Dolan
Name: Victoria Dolan
Title: Chief Financial Officer

[Signature Page to Transaction Support Agreement]

Exhibit A

Term Sheet

<u>Exhibit B</u>

Joinder

FORM OF JOINDER AGREEMENT FOR CONSENTING LENDERS

This Joinder Agreement to the Transaction Support Agreement, dated as of September 27, 2020 (as amended, supplemented or otherwise modified from time to time, the "**Agreement**"), by and among the Company and the Consenting Lenders, each as defined in the Agreement, is executed and delivered by ____________________ ______________ (the "**Joining Party**") as of _______________, 2020. Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the Agreement.

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder Agreement as **Annex I** (as the same has been or may be hereafter amended, restated or otherwise modified from time to time in accordance with the provisions hereof). The Joining Party shall hereafter be deemed to be a "Consenting Lender" and a "Party" for all purposes under the Agreement and with respect to any and all Claims held by such Joining Party.

2. Representations and Warranties. With respect to the aggregate principal amount of Claims and Interests set forth below its name on the signature page hereto, the Joining Party hereby makes the representations and warranties of the Consenting Lender, including, without limitation, as set forth in Section 7 of the Agreement to each other Party to the Agreement.

3. Governing Law. This Joinder Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflict of laws provisions which would require the application of the law of any other jurisdiction.

[Signature Page Follows]

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[JOINING PARTY]

By:_________
Name:
Title:
Principal Amount of the BrandCo Loans: $______________Principal Amount of the 5.75% Senior Notes: $______________

Notice Address:

____
____
____
Fax: __
Attention: ______________________________
Email: ______________________________

Acknowledged:

REVLON CONSUMER PRODUCTS CORPORATION
(on behalf of the Company)

By:___________
Name:
Title:

[Signature Page to Joinder Agreement]

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 13, 2020

/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 13, 2020

/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, 2020 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 13, 2020

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, 2020 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 13, 2020