

Revlon Announces Amendment and Extension of Exchange Offer and Concurrent Consent Solicitation

Oct 23, 2020

NEW YORK--(BUSINESS WIRE)-- Revlon, Inc. (NYSE: REV) announced today the amendment and extension by Revlon Consumer Products Corporation, its direct wholly-owned operating subsidiary (the "**Company**"), of its exchange offer (the "**Exchange Offer**") to exchange any and all of the outstanding \$342,785,000 aggregate principal amount of its 5.75% Senior Notes due 2021 (the "**Notes**"), as described in the amended and restated Offering Memorandum and Consent Solicitation Statement (the "**Offering Memorandum**"), dated October 23, 2020. Concurrently with the Exchange Offer, the Company is soliciting consents (the "**Consent Solicitation**") to eliminate substantially all of the restrictive covenants and certain events of default provisions from the Indenture governing the Notes (the "**Indenture**").

For each \$1,000 principal amount of Notes validly tendered, holders will receive either, at their option, (i) \$275 in cash (plus a \$50 early tender/consent fee payable if such Notes are tendered at or before 11:59 p.m. New York City time on November 5, 2020 (the "**Early Tender Deadline**")), for an aggregate of \$325 in cash ("**Cash Consideration**"), or (ii) a combination of (1) \$200 in cash (plus a \$50 early tender/consent fee payable if such Notes are tendered at or before the Early Tender Deadline), for an aggregate of \$250 in cash, plus, (2) (A) the Per \$1,000 Pro Rata Share (as defined below) of \$50,000,000 aggregate principal amount of new ABL FILO Term Loans (as defined below) and (B) the Per \$1,000 Pro Rata Share (as defined below) of \$75,000,000 aggregate principal amount of the New BrandCo Second-Lien Term Loans (as defined below) (the "**Mixed Consideration**"), 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 2016 U.S. ABL Facility (as defined below) and related security documents and intercreditor agreements or the 2020 BrandCo Term Loan Facility (as defined below) 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 Notes tendered for Mixed Consideration by all Eligible Holders and accepted for payment by the Company.

Each Holder tendering Notes in the Exchange Offer must elect either Cash Consideration or, if they qualify as an Eligible Holder, Mixed Consideration at the time of such tender. As of 5:00 p.m., New York City time, on October 22, 2020, approximately \$46,626,000 aggregate principal amount of the Notes (or approximately 13.6% of the aggregate outstanding principal amount of the Notes) had been validly tendered into the Exchange Offer and not withdrawn. Holders who previously tendered in the Exchange Offer do not need to tender again.

After the completion of the Exchange Offer and before November 17, 2020, if the Company enters into any agreement with a party (other than a natural person) (each, a "**Subsequent Agreement Party**") that provides for consideration per \$1,000 of Notes in excess of the sum of (x) the Mixed Consideration per \$1,000 of Notes and (y) the Early Tender/Consent Fee (as defined in the Offering Memorandum) per \$1,000 paid in the Exchange Offer, the Company will use its reasonable best efforts to cause each Eligible Holder (as defined in the Offering Memorandum) that tendered Notes that were accepted for payment in the Exchange Offer for Mixed Consideration (each, a "**Mixed Consideration Tendering Holder**") to receive additional consideration in respect of each \$1,000 of Notes such Mixed Consideration Tendering Holder tendered that (in the good faith determination of the Company) makes the aggregate consideration paid per \$1,000 of such Notes to such Mixed Consideration Tendering Holders substantially equivalent to the consideration paid per \$1,000 of Notes to the Subsequent Agreement Party. For the avoidance of doubt, the foregoing shall not apply to any retirement or other repayment of the Notes in accordance with the terms of the Indenture.

Note holders who tender their Notes after the Early Tender Deadline will not be eligible to receive the \$50 early tender/consent fee.

Any Eligible Holder that elects to receive Mixed Consideration will be required to become a lender under the 2016 U.S. ABL Facility and the 2020 BrandCo Term Loan Facility. Therefore, Eligible Holders electing to receive Mixed Consideration will be required to complete the Joinder Agreements, the Administrative Questionnaires, the Appropriate IRS Forms and other requirements of the agents under the 2016 U.S. ABL Facility and the 2020 BrandCo Term Loan Facility (including "know your customer" and other similar documentation) in order to become lenders thereunder (the "**New Lender Requirements**"). Such documents must be completed even by tendering Eligible Holders that are beneficial owners of Notes that are registered in the name of a nominee. The Company reserves the right, in its sole and absolute discretion, to reject an Eligible Holder's tender of Notes made as described above to the extent the New Lender Requirements are not completed promptly by the Eligible Holder. Failure to complete the New Lender Requirements could result in a substantial delay in receiving the ABL FILO Term Loans and the New BrandCo Second-Lien Term Loans (collectively, the "**New Loans**").

An Eligible Holder electing Mixed Consideration through the ATOP system of the Depository Trust Company ("**DTC**") by the Early Tender Deadline will be deemed by the Company to have timely tendered its Notes prior to the Early Tender Deadline if it completes the New Lender Requirements, other than tendering its Notes through DTC's ATOP system, after the Early Tender Deadline as promptly as practicable to permit prompt settlement of the Exchange Offer.

In addition, the Company reserves the right, in its sole and absolute discretion, to accept for payment and settle the Exchange Offer and the Consent Solicitation with respect to an Eligible Holder's Notes that are tendered into the Exchange Offer, prior to such Eligible Holder's completion of the New Lender Requirements (any such Notes, the "**Delayed Lender Requirements Notes**"). The 2016 U.S. ABL Facility and the 2020 BrandCo Term Loan Agreement provide that the Company and the relevant guarantors are obligated to incur the New Loans in respect of such Delayed Lender Requirements Notes and to make such New Loans available to the relevant Eligible Holder (or its designees, to the extent such designees complete the New Lender Requirements), and the relevant Eligible Holder (or such designees) will, beginning on such date of settlement, have the right to receive such New Loans upon completion of the New Lender Requirements.

ANY DELAYED LENDER REQUIREMENTS EXISTING NOTES WILL BE PRESENTED TO THE TRUSTEE FOR CANCELLATION AT OR AFTER THE DATE OF SETTLEMENT.

The Exchange Offer will expire at 11:59 p.m. on November 10, 2020 (the "**Expiration Time**"), subject to earlier termination, withdrawal or extension by the Company at its discretion.

The ABL FILO Term Loans will be "Tranche B" term loans, ranking junior in right of payment to the "Tranche A" revolving loans, under the Asset-Based Revolving Credit Agreement, dated as of September 7, 2016 (as amended and restated on October 23, 2020 and thereafter amended from time to time), by and among the Company, Revlon, Inc., certain local borrowing subsidiaries from time to time party thereto, certain lenders and issuing lenders party thereto and Citibank, N.A., as administrative agent, collateral agent, issuing lender and swingline lender (such agreement, the "**2016 U.S. ABL Facility**" and such Tranche B term loans, the "**ABL FILO Term Loans**").

The New BrandCo Second Lien Term Loans will be "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, dated as of May 7, 2020 (as thereafter amended from time to time), among the Company, Revlon, Inc., the lenders from time to time party thereto and Jefferies Finance LLC, as administrative agent and as collateral agent (such agreement, the "**2020 BrandCo Term Loan Facility**" and such Term B-2 Loans, the "**New BrandCo Second-Lien Term Loans**").

The Company expects to settle the Exchange Offer shortly after the Expiration Time (if the conditions to the Exchange Offer and Consent Solicitation are fulfilled at that time). Accrued and unpaid interest on the Notes will be paid to, but not including, the settlement date (or the early settlement date, if applicable) of the Exchange Offer.

In conjunction with the Exchange Offer, the Company is soliciting consents (the "**Consent Solicitation**") to effectuate proposed amendments, which will eliminate substantially all of the restrictive covenants and certain events of default provisions from the Indenture. Holders who tender their Notes in the Exchange Offer must also, and will be deemed to, deliver their consents with respect to such Notes pursuant to the Consent Solicitation.

As amended, the Exchange Offer and Consent Solicitation is no longer subject to the condition precedent that a minimum of 95% of all aggregate principal amount of Notes outstanding be tendered in the Exchange Offer. The Exchange Offer and Consent Solicitation is now subject to a new condition precedent that the Company's As-Adjusted Liquidity (as defined below) is not less than \$175,000,000 plus the aggregate principal amount of Notes (together with accrued and unpaid interest thereon) outstanding after completion of the Exchange Offer and Consent Solicitation. All other conditions precedent remain unchanged, as more fully set forth in the Amended and Restated Offering Memorandum.

The Company's "**As-Adjusted Liquidity**" is defined as (1) unrestricted cash (including cash generated from operations) after completion of the Exchange Offer and Consent Solicitation, plus (2) "Excess Availability" under the 2016 U.S. ABL Facility after completion of the Exchange Offer and Consent Solicitation, less (3) accrued and unpaid transaction-related professional fees.

In order to effectuate the Exchange Offer, on September 27, 2020, the Company entered into a Transaction Support Agreement (the "**Transaction Support Agreement**") with the Applicable Required Lenders (as defined in the 2020 BrandCo Term Loan Facility) whereby such lenders agreed, subject to the terms thereof, to support the implementation of the Exchange Offer described in the Offering Memorandum, and to modify or amend the 2020 BrandCo Term Loan Facility as may be necessary or appropriate.

The Company has retained Jefferies LLC to act as the dealer manager (the "**Dealer Manager**") for the Exchange Offer. Global Bondholder Services Corporation is acting as the Information Agent and Exchange Agent for the Exchange Offer. D.F. King, Inc. is acting as the Outreach Agent. Questions regarding the Exchange Offer should be directed to Jefferies LLC, 520 Madison Avenue, New York, New York 10022, Attn: Alvin Ng, ang2@jefferies.com, or (212) 336-6677 or D.F. King at Toll free: (866) 796-7179 or Toll: (212) 269-5550. Requests for documentation should be directed to Global Bondholder Services Corporation at (212) 430-3774 (for banks and brokers) or (866) 470-3900 (for all others).

This announcement is for informational purposes only and is not a solicitation of an offer to purchase the Notes. The Exchange Offer is

being made solely pursuant to the amended and restated Offering Memorandum, which replaces the original offering memorandum in connection with the Exchange Offer. The Exchange Offer is not being made to holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the securities, blue sky or other laws of such jurisdiction. In any jurisdiction in which the securities laws or blue sky laws require the Exchange Offer to be made by a licensed broker or dealer, the Exchange Offer will be deemed to be made on behalf of the Company by the Dealer Manager, or one or more registered brokers or dealers that are licensed under the laws of such jurisdiction.

None of the Company or its affiliates, the Dealer Manager, the Information Agent, the Exchange Agent, the Outreach Agent or the trustee with respect to the Notes is making any recommendation as to whether holders should tender any Notes in response to the Exchange Offer, and neither the Company nor any such other person has authorized any person to make any such recommendation. Holders must make their own decision as to whether to tender any of their Notes, and, if so, the principal amount of Notes to tender.

About Revlon

Revlon has developed a long-standing reputation as a color authority and beauty trendsetter in the world of color cosmetics and hair care. Since its breakthrough launch of the first opaque nail enamel in 1932, Revlon has provided consumers with high quality product innovation, performance and sophisticated glamour. In 2016, Revlon acquired the iconic Elizabeth Arden company and its portfolio of brands, including its leading designer, heritage and celebrity fragrances. Today, Revlon's diversified portfolio of brands is sold in approximately 150 countries around the world in most retail distribution channels, including prestige, salon, mass, and online. Revlon is among the leading global beauty companies, with some of the world's most iconic and desired brands and product offerings in color cosmetics, skin care, hair color, hair care and fragrances under brands such as Revlon, Revlon Professional, Elizabeth Arden, Almay, Mitchum, CND, American Crew, Creme of Nature, Cutex, Juicy Couture, Elizabeth Taylor, Britney Spears, Curve, John Varvatos, Christina Aguilera and AllSaints.

Forward-Looking Statements

Statements made in this press release, which are not historical facts, are forward-looking and are provided pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements speak only as of the date they are made and the Company undertakes no obligation to publicly update any forward-looking statement, whether to reflect actual results of operations; changes in financial condition; changes in general U.S. or international economic or industry conditions and/or conditions in the Company's reportable segments; changes in estimates, expectations or assumptions; or other circumstances, conditions, developments and/or events arising after the issuance of this press release, except for the Company's ongoing obligations under the U.S. federal securities laws. Forward-looking statements are subject to known and unknown risks and uncertainties and are based on preliminary or potentially inaccurate estimates and assumptions that could cause actual results to differ materially from those expected or implied by the estimated financial information. Such forward-looking statements include, among other things, the Company's ability to consummate the Exchange Offer and Consent Solicitation and the Company's expectations regarding future liquidity, cash flows, mandatory debt payments and other expenditures. Actual results may differ materially from the Company's forward-looking statements for a number of reasons, including as a result of the risks and other items described in Revlon's filings with the SEC, including, without limitation, in Revlon's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and amendments thereto, if any, filed with the SEC during 2019 and 2020 (which may be viewed on the SEC's website at <http://www.sec.gov> or on Revlon, Inc.'s website at <http://www.revloninc.com>). Factors other than those referred to above, such as continuing adverse impacts from the ongoing and prolonged COVID-19 pandemic, could also cause Revlon's results to differ materially from expected results. Additionally, the business and financial materials and any other statement or disclosure on, or made available through, Revlon's website or other websites referenced herein shall not be incorporated by reference into this press release.

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