

Revlon files for Chapter 11 bankruptcy

Ninety-year-old cosmetics maker Revlon has filed for Chapter 11 bankruptcy.



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According to a company statement, the Chapter 11 filing will allow Revlon to strategically reorganise its legacy capital structure and improve its long-term outlook, especially amid liquidity constraints brought on by continued global challenges, including supply chain disruption and rising inflation, as well as obligations to its lenders.

Upon receipt of court approval, the company expects to receive \$575m in debtor-in-possession financing from its existing lender base, which in addition to its existing working capital facility, will provide liquidity to support day-to-day operations.

New York-based Revlon, owned by billionaire Ron Perelman's MacAndrews & Forbes, comprises more than 15 brands, including Elizabeth Arden, Revlon, Almay and Cutex, which it markets in nearly 150 countries.

None of Revlon's international operating subsidiaries are included in the US Chapter 11 proceedings, except Canada and the UK.



For much of its existence, Revlon was the leading cosmetics empire, but the company, which has about \$3.8bn in debt and 5,700 employees, has been struggling for some time.

According to a [Bloomberg report](#), Revlon has struggled to compete with newer brands that advertise heavily on social media. The pandemic provided another blow, and more recently, the company battled to address supply chain problems and inflation that dented margins. Revlon narrowly staved off multiple previous defaults by cutting deals with creditors to rework its obligations out of court.

Challenging capital structure

“Today’s filing will allow Revlon to offer our consumers the iconic products we have delivered for decades, while providing a clearer path for our future growth,” said Debra Perelman, Revlon’s president and chief executive officer.

She continued, “Consumer demand for our products remains strong – people love our brands, and we continue to have a healthy market position. But our challenging capital structure has limited our ability to navigate macro-economic issues in order to meet this demand.

“By addressing these complex legacy debt constraints, we expect to be able to simplify our capital structure and significantly reduce our debt, enabling us to unlock the full potential of our globally recognised brands. We are committed to ensuring the reorganisation is as seamless as possible for our key stakeholders, including our employees, customers and vendors, and we appreciate their support during this process.”



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Revlon’s management team will continue to run the business following the Chapter 11 filing. The company intends to pay vendors and partners under customary terms for goods and services received on or after the filing date and to pay its employees in the usual manner and to continue their primary benefits without disruption.

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