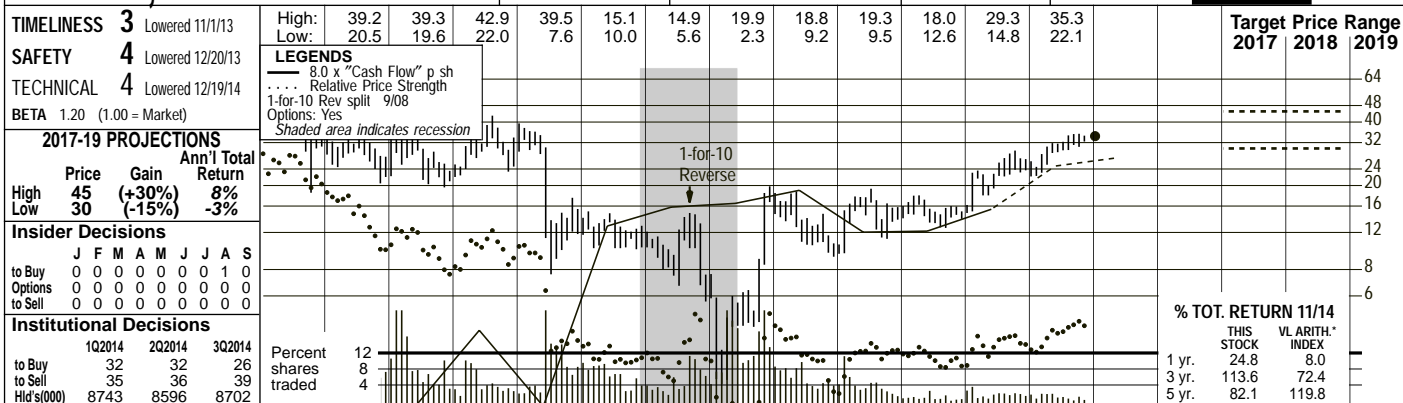


# REVLON, INC. 'A' NYSE-REV

RECENT PRICE **34.29** P/E RATIO **21.0** (Trailing: 63.5 Median: NMF) RELATIVE P/E RATIO **1.14** DIV'D YLD **Nil** VALUE LINE



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	© VALUE LINE PUB. LLC	17-19
Price	35.05	35.85	31.64	26.78	25.40	24.56	25.46	26.47	27.24	28.55	37.15	37.05	Sales per sh	42.85
EPS	d.98	.52	d4.73	1.61	1.98	2.06	2.38	1.50	1.52	1.93	2.75	3.40	"Cash Flow" per sh	4.10
Div	d4.70	d2.30	d5.82	d3.0	.26	.94	1.27	1.01	.97	.47	1.25	1.85	Earnings per sh A	2.50
Options	-.51	.69	.53	.38	.39	.29	.29	.27	.40	.55	.55	.55	Div'ds Decl'd per sh	Nil
Cap'l Spend	d27.56	d29.49	d29.22	d20.69	d20.99	d19.59	d13.42	d13.28	d12.40	d11.39	d10.50	d10.00	Cap'l Spending per sh	.60
Book Value	37.01	37.17	42.08	52.29	53.02	52.76	51.90	52.18	52.36	52.36	52.50	52.50	Book Value per sh B	d6.65
Common Shs	--	--	--	--	38.8	7.2	10.5	14.3	15.5	48.1	<b>Bold figures are Value Line estimates</b>	--	Common Shs Outst'g C	52.50
P/E Ratio	--	--	--	--	2.34	.48	.67	.90	.99	2.71	--	--	Avg Ann'l P/E Ratio	15.0
Relative P/E	--	--	--	--	--	--	--	--	--	--	--	--	Relative P/E Ratio	.95
Yield	--	--	--	--	--	--	--	--	--	--	--	--	Avg Ann'l Div'd Yield	Nil

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	1950	1945	
Total Debt	1297.2	1332.3	1331.4	1400.1	1346.8	1295.9	1321.4	1381.4	1426.1	1494.7	1950	1945	Sales (\$mill)	2250	
LT Debt	15.0%	12.6%	1.1%	16.1%	17.7%	19.0%	19.4%	16.6%	16.7%	19.6%	17.5%	18.0%	Operating Margin	87.5%	
LT Interest	106.1	102.9	37.0	100.1	91.9	60.1	57.0	25.6	29.0	76.7	79.0	81.0	Depreciation (\$mill)	86.0	
Leases	d142.5	d83.7	d236.0	d16.1	13.1	48.5	66.4	52.8	50.7	24.6	65.0	97.0	Net Profit (\$mill)	130	
Uncapitalized	--	--	--	--	55.1%	14.6%	16.8%	41.1%	46.3%	65.2%	41.0%	41.0%	Income Tax Rate	41.0%	
Pension Assets	NMF	NMF	NMF	NMF	1.0%	3.7%	5.0%	3.8%	3.6%	1.6%	3.3%	5.0%	Net Profit Margin	5.8%	
Oblig.	120.3	121.5	110.8	122.5	105.1	94.3	157.6	183.3	88.1	246.4	250	265	Working Cap'l (\$mill)	310	
Pfd Stock	1594.9	1669.1	1501.8	1432.4	1310.2	1186.2	1207.4	1213.8	1145.8	1862.3	1750	1350	Long-Term Debt (\$mill)	1050	
Common Stock	d1020	d1096	d1230	d1082	d1113	d1034	d696.4	d692.9	d649.3	d596.5	d550	d525	Shr. Equity (\$mill)	d350	
Market Cap	NMF	NMF	NMF	14.9%	37.0%	62.3%	22.4%	18.9%	18.8%	4.9%	7.0%	12.0%	Return on Total Cap'l	18.5%	
Current Position	--	--	--	--	--	--	--	--	--	--	NMF	NMF	Return on Shr. Equity	NMF	
Cash Assets	116.3	244.4	178.4	--	--	--	--	--	--	--	NMF	NMF	Retained to Com Eq	NMF	
Receivables	216.0	253.5	256.0	--	--	--	--	--	--	--	NMF	NMF	All Div'ds to Net Prof	NMF	
Inventory	114.7	175.0	187.2	--	--	--	--	--	--	--	--	--			
Other	94.2	126.2	123.3	--	--	--	--	--	--	--	--	--			
Current Assets	541.2	799.1	744.9	--	--	--	--	--	--	--	--	--			
Accts Payable	101.9	165.7	167.7	--	--	--	--	--	--	--	--	--			
Debt Due	74.9	73.3	14.9	--	--	--	--	--	--	--	--	--			
Other	276.3	313.7	261.4	--	--	--	--	--	--	--	--	--			
Current Liab.	453.1	552.7	444.0	--	--	--	--	--	--	--	--	--			

**BUSINESS:** Revlon, Inc. manufactures a variety of beauty products, including brands such as *Revlon*, *Almay*, *SinfulColors*, *Pure Ice*, *Mitchum*, *Charlie* and *Jean Nate*. The company also markets products under regional brands overseas. Revlon's products, which are sold in about 175 different countries and territories, include cosmetics, fragrances, and skin-care and personal-care products. Foreign operations accounted for 44% of '13 sales. Has about 6,900 employees. MacAndrews & Forbes Holdings controls approximately 77.7% of the voting stock (4/14 Proxy). Chairman: Ronald O. Perelman. President and CEO: Lorenzo Delpani. Incorporated: Delaware. Address: 625 Madison Avenue, New York, NY 10022. Telephone: 212-527-4000. Internet: www.revlon.com.

**We have pared our 2014 share-net estimate for Revlon, but prospects for the coming year are brighter.** To wit, the company posted third-quarter earnings of \$0.27 a share, a 29% year-over-year improvement, yet well below our estimate and the Wall Street consensus. Truth be told, the top line was up about 42%, relative to the year-ago figure, thanks to the October, 2013 acquisition of The Colomer Group, a beauty care company that markets and sells nail and hair care products primarily in salons and other professional channels. We expect that the transaction will boost Revlon's sales by roughly \$500 million on an annualized basis. However, during the most recent interim, the company's bottom line was tempered by higher advertising expense to support its Consumer brands, as well as higher incentive compensation expenses, due to a lower accrual in the third quarter of 2013 based on the company's anticipated achievement for full-year 2013 at that time. As a result, we now look for Revlon to post 2014 earnings of \$1.25 a share, down \$0.20 from our earlier call. However, 2015 share net ought to come in around \$1.85, as Colomer has now been in the fold for a full year, and margin pressure should begin to ease.

**Revlon is in decent financial shape.** The company finished the September interim with \$178.4 million in cash, up \$39.1 million since this time last year. Going forward, we would not be surprised to see REV use an expected uptick in cash flow to pay down its debt position, which would certainly help boost the bottom line. Indeed, Revlon used the proceeds from a \$700 million increase in its bank term loan facility in order to finance the Colomer acquisition, which has lifted long-term debt to levels not seen since 2003.

**Investors would do well to wait on the sidelines for the time being.** This stock is pegged to mirror the year-ahead market. What's more, the issue is currently trading within our 3- to 5-year Target Price Range, thereby discounting much of the good news we envision over that period. Note that this equity is best suited for risk-tolerant accounts, given its Below-Average Safety rank, and uninspiring marks for Price Stability, Price Growth Persistence, and Earnings Predictability.

*Kenneth A. Nugent* December 19, 2014

(A) Diluted earnings. Excludes discontinued operations: '08, \$0.87. Excludes nonrecurring loss: '10, \$5.03. Next earnings report due late Jan.	(B) Includes intangibles. In '13: \$829.4 mill., \$15.84/share. (C) In millions, adjusted for split.	Company's Financial Strength B Stock's Price Stability 20 Price Growth Persistence 45 Earnings Predictability 30
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