Revlon to Buy Hair Dye Maker Colomer for $660M

NEW YORK (AP) — Revlon is buying Colomer Group, which sells hair dye and other products to beauty salons, for about $660 million, saying the deal will help it reach new salon customers and could cut costs.

The transaction reunites Revlon with its former professional products division, which the beauty products company sold to CVC Capital Partners in 2000. The private equity firm is still Colomer's owner and is selling it to Revlon.

Revlon's stock jumped 5 percent in Monday morning trading, hitting a 7-year high.

Spain's Colomer markets products under brands such as Revlon Professional hair care, which it currently licenses from Revlon Inc. It also runs a hair care business under the Creme of Nature brand and sells nail polish and body lotions. About half its sales are in Europe, the Middle East and Africa, while 40 percent come from the U.S.

Revlon, based in New York, sells Revlon and Almay makeup, Revlon ColorSilk hair dye and other beauty products.

Colomer's "presence in the professional salon channel, which Revlon currently does not serve, will expand our product offering and enable us to reach new consumers," said Revlon CEO Alan Ennis in a statement.

The deal is expected to close in the last three months of 2013 and add to Revlon's earnings in the first year after it's complete.

Last week Revlon reported that its second-quarter net income more than doubled, bolstered by a large insurance gain related to a fire that destroyed a Venezuelan plant.

The company's shares added $1.22 to $25.72 Monday, peaking at a 7-year high of $25.97 shortly after the market open. The stock has gained 77 percent this year.

Source URL (retrieved on *08/31/2014 - 5:11am*):
http://www.chem.info/news/2013/08/revlon-buy-hair-dye-maker-colomer-660m