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**Section 1: 8-K (8-K)**

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

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 30, 2019

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**Avon Products, Inc.**

(Exact name of registrant as specified in charter)

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New York  
(State or other jurisdiction  
of incorporation)

1-4881  
(Commission  
File Number)

13-0544597  
(IRS Employer  
Identification No.)

Building 6, Chiswick Park  
London W4 5HR  
United Kingdom

(Address of principal executive offices) (Zip Code)

+44-1604-232425

**(Registrant's telephone number, including area code)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has 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.

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## INFORMATION TO BE INCLUDED IN THE REPORT

### **Item 2.05 Costs Associated with Exit or Disposal Activities.**

On January 30, 2019 the Board of Directors (the “Board”) of Avon Products, Inc. (the “Company”) approved actions relating to its previously announced strategic plan to “Open Up Avon.” These actions consist of global headcount reductions relating to operating model changes. These actions are expected to be substantially completed by December 2019.

The Company expects to record total charges related to these actions, and previously approved actions associated with “Open Up Avon” of approximately \$ 151 million before taxes. These charges are expected to be comprised primarily of employee-related costs and consulting fees. Substantially all of the charges will result in future cash expenditures. In connection with these actions, the Company expects to realize annualized pre-tax savings of approximately \$130 million.

The Board further approved initiatives to simplify the Company’s operations and to reduce inventory. The reset will result in an incremental one-time inventory obsolescence expense of approximately \$88 million.

### **Item 8.01 Other Events.**

On January 30, 2019, the Company issued a press release relating to the announcement described in Item 2.05. The release is filed as Exhibit 99.1 to this Current Report on Form 8-K.

### **Item 9.01 Financial Statements and Exhibits.**

99.1 [Press Release, dated January 30, 2019.](#)

#### Forward-Looking Statements

Certain statements made in this current report, including expected savings from our restructuring actions, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Risks, uncertainties and other factors exist that may cause results to differ materially from those set forth in these forward-looking statements. These risks and uncertainties include, but are not limited to, the possibility of business disruption, competitive uncertainties, and general economic and business conditions in Avon's markets as well as the other risks detailed in Avon's filings with the Securities and Exchange Commission. Avon undertakes no obligation to update any such forward-looking statements.

## SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AVON PRODUCTS, INC.  
(Registrant)

By /s/ Ginny Edwards

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Name: Ginny Edwards

Title: Vice President and Corporate Secretary

Date: January 30, 2019

[\(Back To Top\)](#)

## Section 2: EX-99.1 (EXHIBIT 99.1)

**Exhibit 99.1**

### **Avon Products, Inc. Announces Steps to Improve Operational Efficiency and Reduce Portfolio Complexity**

**LONDON, U.K., January 30, 2019** -- Avon Products, Inc. (NYSE: AVP) ("the Company"), a globally recognised leader in direct selling of beauty products, today announced significant steps in the strategy to 'Open Up' Avon, particularly its efforts to simplify its operating structure, reduce product line complexity and reduce inventory holding levels.

Over the past several months, Avon has taken decisive action to identify and capture cost savings within the Company's existing commercial practices, supply chain operations and global infrastructure footprint. In keeping with a focus on ensuring Avon's operations and infrastructure are fit-for-purpose, the Company is pursuing a structural reset of its inventory processes, including a 15% reduction in inventory levels and 25% reduction in Stock Keeping Units (SKUs) and a 10% reduction in its global headcount.

#### **15% Inventory Reduction & Write-Off**

Avon is taking a one-time inventory obsolescence expense of approximately \$88 million, as a result of its SKU reduction efforts, which will advance the simplification of Avon's operations, drive cost savings through lower raw material and procurement cost.

This reset will result in lower operational and ongoing obsolescence costs. Over the longer term, it will result in a more concentrated focus on high-turn, higher margin products, driving greater earnings for Representatives due to lessened discount pressure and enhanced service levels.

"Core to our 'Open Up' Avon strategy is to have simpler, leaner operations, and for our infrastructure and mindset to reflect Avon's reality. The initiatives announced today all advance these objectives," said Jan Zijderfeld, CEO of Avon. "This reset is an opportunity for us to

sharpen our portfolio and concentrate on products that are important and relevant to our customer. This represents an opportunity not just for Avon, but for Her to accelerate her earnings through a more focused portfolio, experience better service, and deliver high quality, modern products she can be proud of.”

### **10% Reduction in Global Workforce**

The Company today also announced plans to reduce its global workforce by approximately 10% to align with ongoing operating model changes and to create a leaner organization that is better aligned with Avon’s current and future business focus. These actions are expected to be substantially completed by the end of 2019. This announcement is on top of an 8% reduction of the global workforce completed in 2018.

Jan continued, “Decisions like these are always difficult, however, we must take the actions necessary to improve our operations and strengthen our ability to continue investing in our transformation initiatives and fuel our future growth. I would like to express my sincere gratitude to the talented employees affected by this restructuring, and we will do our utmost to ensure everyone is treated with fairness and respect.”

In connection with the reduction in force announced today, the Company expects to achieve annualized pre-tax savings of approximately \$97 million by the end of 2019. The Company expects to record total charges related to these actions of approximately \$100 million before taxes incremental to the approximately \$51 million in charges associated with Open Up Avon that had been approved to date.

### **About Avon Products, Inc.**

For 130 years Avon has stood for women: providing innovative, quality beauty products which are primarily sold *to* women, *through* women. Millions of independent Representatives across the world sell iconic Avon brands such as Avon Color and ANEW through their social networks, building their own beauty businesses on a full- or part-time basis. Avon supports women's empowerment, entrepreneurship and well-being and has donated over \$1billion to women's causes through Avon and the Avon Foundation. Learn more about Avon and its products at [www.worldwide.com](http://www.worldwide.com).

### **Forward-Looking Statements**

This press release contains "forward-looking statements" that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements relating to cost savings. Because forward-looking statements inherently involve risks and uncertainties, actual future results may differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the possibility of business disruption, competitive uncertainties, and general economic and business conditions in Avon's markets as well as the other risks detailed in Avon's filings with the Securities and Exchange Commission. Avon undertakes no obligation to update any statements in this press release for changes that happen after the date of this release.

### **Contacts**

#### **Avon Products Inc.**

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[\(Back To Top\)](#)