

BIO-RAD LABORATORIES, INC.

Form 8-K

April 16, 2019

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934

Date of Report: April 15, 2019

(Date of earliest event reported)

BIO-RAD LABORATORIES, INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 1-7928

Delaware
(State or other jurisdiction)

94-1381833
(I.R.S. Employer)

of incorporation or organization)

Identification No.)

1000 Alfred Nobel Dr.

Hercules, California 94547

(Address of principal executive offices, including zip code)

(510) 724-7000

(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 or Rule 12b-2 of the Securities Exchange Act of 1934.

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.

ITEM 1.01 Entry into a Material Definitive Agreement.

Bio-Rad Laboratories, Inc. (the Company) entered into a Credit Agreement dated as of April 15, 2019 (the Revolving Credit Agreement), by and among the Company, the lenders referred to therein, JPMorgan Chase Bank, N.A. as administrative agent, Bank of America, N.A., HSBC Bank USA, National Association, and MUFG Bank, Ltd. as co-syndication agents, and Citibank, N.A. and Wells Fargo Bank, National Association as co-documentation agents. The Revolving Credit Agreement replaced the Company's previous Credit Agreement dated as of June 20, 2014 (Previous Revolving Credit Agreement) by and among the Company, the lenders referred to therein, JPMorgan Chase Bank, N.A. as administrative agent, Union Bank, N.A. and Wells Fargo Bank, National Association as co-syndication agents and Bank of America, N.A. and HSBC Bank USA, National Association as co-documentation agents. The Company repaid in full all outstanding obligations under the Previous Revolving Credit Agreement on April 15, 2019 and terminated all commitments thereunder. No penalties were due in connection with such repayments.

Borrowings under the Revolving Credit Agreement are permitted up to a maximum amount of \$200,000,000 on a revolving basis, including up to \$25,000,000 of letters of credit. Borrowings under the Revolving Credit Agreement may be increased by the Company up to an additional \$400,000,000 with the consent of lenders committing to provide the additional commitments and subject to certain conditions. Borrowings under the Revolving Credit Agreement will be used to make permitted acquisitions, for working capital and for other general corporate purposes. The Revolving Credit Agreement matures on April 15, 2024, which date may be extended up to three times upon the mutual agreement of the Company and the relevant lenders, pursuant to procedures set forth in the Revolving Credit Agreement. The Company must repay in full all outstanding obligations under the Revolving Credit Agreement on the maturity date of such agreement.

The Revolving Credit Agreement contains covenants and provisions that constrain certain actions of the Company, including, among others, the following customary covenants and provisions:

limiting the Company's ability to incur debt (subject to customary exceptions);

limiting the Company's ability to make investments (subject to customary exceptions);

limiting the Company's ability to sell assets (subject to customary exceptions);

limiting the Company's ability to create or incur specified liens on its property (subject to customary exceptions); and

prohibiting consolidations, mergers and asset transfers by the Company (subject to customary exceptions).

Under the Revolving Credit Agreement, the Company is also subject to certain financial covenants that are tested on a quarterly basis. The Company must maintain a leverage ratio not greater than 3.50 to 1.00 for each fiscal quarter ending on or after December 31, 2018. Furthermore, the Company may not permit the ratio of its consolidated EBITDA to its consolidated interest expense to be less than 4.00 to 1.00 for each fiscal quarter ending on or after December 31, 2018.

Outstanding principal amounts under the Revolving Credit Agreement bear interest at the Company's option at either LIBOR (multiplied by the applicable statutory reserve rate) plus a margin of up to 1.750%, depending on the Company's leverage ratio, or a base rate plus a margin of up to 0.750%, depending on the Company's leverage ratio.

The Company must also pay a commitment fee of up to 0.250% on the unused portion of the Revolving Credit Agreement and a Letter of Credit Fee of up to 1.750% on the average daily outstanding dollar amount available for drawing; in each case, the amount of the margin depends on the Company's leverage ratio.

The Revolving Credit Agreement contains events of default customary for credit facilities of this nature, including, but not limited to, the failure to pay any principal, interest or fees when due, failure to satisfy any covenant, untrue representations or warranties, events of default under any other material debt agreements, insolvency, certain bankruptcy proceedings, change of control and failure to pay or discharge material monetary judgments (unless covered by insurance) or non-monetary judgments which could reasonably be expected to have a material adverse effect against the borrower or any subsidiary guarantor. Upon the occurrence and during the continuation of an event of default under the Revolving Credit Agreement, the lenders may, among other things, accelerate and declare the outstanding loans to be immediately due and payable and exercise remedies against the Company and any subsidiary guarantors as may be available to the lenders under the Revolving Credit Agreement and other loan documents.

A copy of the Credit Agreement is attached hereto as Exhibit 10.1 and is incorporated by reference herein.

ITEM 1.02 Termination of a Material Definitive Agreement.

The information set forth above under Item 1.01 with respect to the Previous Revolving Credit Agreement is hereby incorporated by reference into this Item 1.02.

ITEM 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth above under Item 1.01 is hereby incorporated by reference into this Item 2.03.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

| Exhibit No. | Description |
|-------------|--|
| 10.1 | <u>Credit Agreement, dated as of April 15, 2019, by and among Bio-Rad Laboratories, Inc., the lenders referred to therein, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A., HSBC Bank USA, National Association, and MUFG Bank, Ltd. as co-syndication agents, and Citibank, N.A. and Wells Fargo Bank, National Association as co-documentation agents.</u> |

SIGNATURES

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.

BIO-RAD LABORATORIES, INC.

Date: April 16, 2019

By: /s/ Timothy S. Ernst
Timothy S. Ernst
Executive Vice President, General Counsel and
Secretary