

Evolent Health, Inc.  
Form 8-K  
October 23, 2018

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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

October 22, 2018 (October 17, 2018)  
Date of Report (Date of earliest event reported)

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Evolent Health, Inc.  
(Exact name of registrant as specified in its charter)

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Delaware	001-37415	32-0454912
(State or other jurisdiction of incorporation or organization)	Commission File Number:	(IRS Employer Identification No.)

800 N. Glebe Road, Suite 500, Arlington,  
Virginia 22203  
(Address of principal executive offices)(zip code)

(571) 389-6000  
(Registrant's telephone number, including area code)

Not Applicable  
(Former name, former address and former fiscal year, if changed since last report.)

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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:

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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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Item 1.01 Entry into a Material Definitive Agreement.

Purchase Agreement

On October 17, 2018, Evolent Health, Inc. (the “Company” or “we”) and Evolent Health LLC (“Evolent Health”) entered into a purchase agreement (the “Purchase Agreement”) with J.P. Morgan Securities LLC and Goldman Sachs & Co. LLC (collectively, the “Purchasers”), to issue and sell \$150.0 million aggregate principal amount of its 1.50% convertible senior notes due 2025 (the “notes”) in a private placement (the “Private Placement”) to qualified institutional buyers within the meaning of Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”), pursuant to an exemption from the registration requirements of the Securities Act afforded by Section 4(a)(2) of the Securities Act. The Company granted the Purchasers an option to purchase up to an additional \$22.5 million aggregate principal amount of notes (the “Option”). The notes were issued at an issue price of 100.00% of par for net proceeds of approximately \$144.8 million, after deducting fees and estimated expenses. The closing of the Private Placement of the notes occurred on October 22, 2018. Upon receipt thereof, the Company loaned the net proceeds from the Private Placement to Evolent Health LLC. Evolent Health LLC intends to use such net proceeds for working capital and other general corporate purposes.

The Purchase Agreement contains customary representations, warranties and agreements of the Company and Evolent Health and customary indemnification rights.

The foregoing description of the Purchase Agreement is qualified in its entirety by reference to the full text of the Purchase Agreement, a copy of which is filed as Exhibit 10.1 hereto and is incorporated herein by reference.

Indenture

The notes were issued under an Indenture (the “Indenture”) dated as of October 22, 2018 between the Company and U.S. Bank National Association, as trustee (the “Trustee”).

Pursuant to the terms of the Indenture, interest on the notes is payable semiannually in arrears on April 15 and October 15 of each year, beginning on April 15, 2019, at a rate equal to 1.50% per annum. The notes will mature on October 15, 2025, unless earlier repurchased, redeemed or converted in accordance with their terms prior to such date.

The notes will be convertible, upon satisfaction of certain conditions, at an initial conversion rate of 29.9135 shares of Class A common stock per \$1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately \$33.43 per share of the Company’s Class A common stock. The initial conversion price represents a premium of approximately 32.50% over the closing price of the Company’s Class A common stock on the New York Stock Exchange on October 17, 2018. In the aggregate, the notes (excluding any notes that may be issuable under the Option) are initially convertible into 4,487,025 shares of the Company’s Class A common stock (excluding any shares issuable by the Company upon a conversion in connection with a make-whole fundamental change or a notice of redemption as described in the Indenture). The conversion rate may be adjusted under certain circumstances. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of the Company’s Class A common stock or a combination of cash and shares of the Company’s Class A common stock, at the Company’s election.

Holders of the notes may require the Company to repurchase all or part of their notes upon the occurrence of a fundamental change at a price equal to 100.00% of the principal amount of the notes being repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. The Company may not redeem the notes prior to October 20, 2022. The Company may redeem for cash all or any portion of the notes, at its option, on or after October 20, 2022, if the last reported sale price of the Company’s Class A common stock has been at least 130.00% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30

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consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption, at a redemption price equal to 100.00% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. No “sinking fund” is provided for the notes.

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The foregoing description of the Indenture and the notes does not purport to be complete and is qualified in its entirety by reference to the full text of the Indenture and the form of note, copies of which are filed as Exhibit 4.1 and Exhibit 4.2 hereto, respectively.

Item 2.03 Creation of a Direct Financial Obligation.

The information set forth in Item 1.01 of this report is incorporated by reference into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The information set forth under Item 1.01 of this report is incorporated by reference into this Item 3.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following documents are filed as exhibits to this report:

Exhibit Number	Description
<u>4.1</u>	<u>Indenture dated as of October 22, 2018, between Evolent Health, Inc. and U.S. Bank National Association, as trustee.</u>
<u>4.2</u>	<u>Form of 1.50% Convertible Senior Notes due 2025 (included as Exhibit A to Exhibit 4.1).</u>
<u>10.1</u>	<u>Purchase Agreement, dated October 17, 2018, by and among Evolent Health, Inc., Evolent Health LLC and J.P. Morgan Securities LLC and Goldman Sachs &amp; Co. LLC</u>

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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.

EVOLENT HEALTH, INC.

By: /s/ Jonathan Weinberg

Name: Jonathan Weinberg

Title: General Counsel and Secretary  
(Duly Authorized Officer)

Date: October 22, 2018