

MASIMO CORP
Form 8-K
January 12, 2016

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 (Date of earliest event reported): January 8, 2016

MASIMO CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33642
(Commission
File Number)

33-0368882
(IRS Employer
Identification No.)

52 Discovery
Irvine, California

92618

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (949) 297-7000

Not Applicable

(Former name or former address, if changed since last report)

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))
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Item 1.01.....Entry into a Material Definitive Agreement.

On January 8, 2016, Masimo Corporation (the “Company”), entered into an Amended and Restated Credit Agreement (“Restated Credit Facility”) with JPMorgan Chase Bank, N.A., as Administrative Agent and a Lender, Bank of America, N.A., as Syndication Agent and a Lender Citibank, N.A., as Documentation Agent and a Lender, and various other Lenders (collectively, the “Lenders”). The Restated Credit Facility amends and restates the Company’s prior Credit Agreement dated as of April 23, 2014 (as amended) and provides for up to \$450.0 million in borrowings in multiple currencies, with an option, subject to certain conditions, for the Company to increase the aggregate borrowing capacity to up to \$550.0 million in the future. The Restated Credit Facility also provides for a sublimit of up to \$50.0 million for the issuance of letters of credit and a sublimit of \$125.0 million in specified foreign currencies. All unpaid principal under the Restated Credit Facility will become due and payable on January 8, 2021. Proceeds from the Restated Credit Facility are expected to be used for general corporate, capital investment and working capital needs. Borrowings under the Restated Credit Facility will be deemed, at the Company’s election, either: (a) an ABR Loan, which bears interest at the Alternate Base Rate (as defined below), plus a spread of 0.125% to 1.000% based upon a Company leverage ratio, or (b) a Eurodollar Loan, which bears interest at the Adjusted LIBO Rate (as defined below), plus a spread of 1.125% to 2.000% based upon a Company leverage ratio. Subject to certain conditions, the Company may also request swingline loans from time to time that bear interest similar to an ABR Loan. Pursuant to the terms of the Restated Credit Facility, the Alternate Base Rate is equal to the greatest of (i) the prime rate, (ii) the Federal Reserve Bank of New York effective rate plus 0.50%, and (iii) the one-month Adjusted LIBO Rate plus 1.0%. The Adjusted LIBO Rate is equal to LIBOR for the applicable interest period multiplied by the statutory reserve rate for such period, rounded upward, if necessary, to the next 1/16 of 1%. The Company is also obligated under the Restated Credit Facility to pay an unused fee ranging from 0.175% to 0.300% per annum, based upon a Company leverage ratio, with respect to any unutilized portion of the Restated Credit Facility.

Pursuant to the terms of the Restated Credit Facility, the Company is subject to certain covenants, including financial covenants related to a leverage ratio and an interest charge coverage ratio, and other customary negative covenants. The Company’s obligations under the Restated Credit Facility are secured by substantially all of the Company’s personal property, including all equity interests in domestic subsidiaries and first-tier foreign subsidiaries. The Restated Credit Facility also includes customary events of default which, upon the occurrence of any such event of default, provide the Lenders with the right to take either or both of the following actions: (a) immediately terminate the commitments, and (b) declare the loans then outstanding immediately due and payable in full.

The foregoing description of the Restated Credit Facility is a summary of certain terms of the Restated Credit Facility, does not purport to be complete, and is qualified in its entirety by reference to the Restated Credit Facility which will be filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ended January 2, 2016.

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 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 2.03.

SIGNATURES

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

MASIMO CORPORATION

Date: January 11, 2016

By: /s/ MARK P. DE RAAD
Mark P. de Raad
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)