

Spectrum Brands Holdings, Inc.
Form 8-K
September 20, 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): September 20, 2016

SPECTRUM BRANDS HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-34757	27-2166630
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

SB/RH HOLDINGS, LLC
(Exact name of registrant as specified in its charter)

Delaware	333-192634-03	27-2812840
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

3001 Deming Way
Middleton, Wisconsin 53562
(Address of principal executive offices)
(608) 275-3340
(Registrant's telephone number, including area code)
N/A
(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 (see General Instruction A.2. below):

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))

Item 1.01 Entry into a Material Definitive Agreement.

Euro Bond Offering

On September 20, 2016, Spectrum Brands, Inc. (the “Company”), a wholly owned subsidiary of SB/RH Holdings, LLC (“SB/RH Holdings”) which is a wholly owned subsidiary of Spectrum Brands Holdings, Inc. (“SBH” and, together with its consolidated subsidiaries, “Spectrum Brands,” “we,” “us” or “our”) completed its offering (the “Offering”) of an aggregate principal amount of €425 million of its 4.000% Senior Notes due 2026 (the “4.000% Notes”) and entered into the indenture governing the 4.000% Notes (the “2026 Indenture”), among the Company, the guarantors named therein and US Bank National Association, as trustee.

The Notes offered in the Offering will not be registered under the Securities Act of 1933, as amended, and may not and will not be offered or sold in the United States absent such registration or an exemption from the registration requirements of such Act. This report shall not constitute an offer to sell or a solicitation of an offer to buy any security and shall not constitute an offer, solicitation or sale of any securities in any jurisdiction where such an offering or sale would be unlawful.

Certain terms and conditions of the Notes are as follows:

Maturity. The Notes mature on October 1, 2026.

Interest. The Notes accrue interest at a rate of 4.000% per year. Interest on the Notes is paid semi-annually on each April 1 and October 1, commencing on April 1, 2017.

Issue Price. The issue price of the Notes is 100.000% of par.

Ranking. The Notes and the guarantees are senior unsecured obligations of the Company and the guarantors and rank equally in right of payment with all of the Company’s and the guarantors’ existing and future senior indebtedness and rank senior in right of payment to all of the Company’s and the guarantors’ future indebtedness that expressly provides for its subordination to the Notes and the guarantees. However, the Notes are effectively subordinated to any of the Company’s secured indebtedness, including all indebtedness under the Company’s secured credit facilities, to the extent of the value of the assets securing such indebtedness. In addition, the Notes are structurally subordinated to all indebtedness and other liabilities of the Company’s subsidiaries that do not guarantee the Notes.

Guarantees. The Notes are unconditionally, jointly and severally guaranteed, on a senior unsecured basis, by SB/RH Holdings, the Company’s direct parent, and all of the Company’s domestic subsidiaries that guarantee indebtedness under the Company’s credit facilities (including the Company’s secured credit facilities) or any of the Company’s existing notes.

Optional Redemption. On or after October 1, 2021, the Company may redeem some or all of the Notes at certain fixed redemption prices expressed as percentages of the principal amount, plus accrued and unpaid interest. In addition, prior to October 1, 2021, the Company may redeem the Notes at a redemption price equal to 100% of the principal amount plus a “make-whole” premium. Before October 1, 2019, the Company may redeem up to 35% of the Notes, including additional notes, with an amount of cash equal to the net proceeds of equity offerings at a price equal to 104.000% of the principal amount plus accrued and unpaid interest, provided that at least 65% of the aggregate principal amount of the Notes remains outstanding after the redemption.

Redemption of Notes for Tax Reasons. The Company may redeem the Notes in whole, but not in part, upon the occurrence of specified tax events.

Change of Control. If a change of control occurs, each holder of Notes may require the Company to repurchase all or a portion of its Notes for cash at a price equal to 101% of the aggregate principal amount of such Notes, plus any accrued and unpaid interest to the date of repurchase.

Certain Covenants. The 2026 Indenture governing the Notes contains covenants limiting, among other things, the ability of the Company and its direct and indirect restricted subsidiaries to incur additional indebtedness; create liens; engage in sale-leaseback transactions; pay dividends or make distributions in respect of capital stock; purchase or redeem capital stock; make investments or certain other restricted payments; sell assets; issue or sell stock of restricted subsidiaries; enter into transactions with affiliates; or effect a consolidation or merger. These covenants are subject to a number of important exceptions and qualifications.

Events of Default. The 2026 Indenture contains customary events of default which could, subject to certain conditions, cause the Notes to become immediately due and payable, including, but not limited to, the failure to make premium or interest payments; failure by the Company to accept and pay for Notes tendered when and as required by the change of control and asset sale provisions of the 2026 Indenture; failure to comply with the merger covenant in the 2026 Indenture; failure to comply with certain agreements in the 2026 Indenture following notice by the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding; a default under any mortgage, indenture or instrument caused by a failure to pay any indebtedness at final maturity after the expiration of any applicable grace period or that results in the acceleration of any indebtedness prior to its express maturity, if the amount of such indebtedness aggregates \$75 million or more; failure to pay final judgments entered by a court or courts of competent jurisdiction aggregating \$75 million or more (excluding amounts covered by insurance), which judgments are not paid, discharged or stayed, for a period of 60 days; and certain events of bankruptcy or insolvency.

Currency of Payment. All payments of principal of, and premium, if any, and interest on, the Notes, including any payments made upon any redemption of the Notes, will be made in euro. If the euro is unavailable to the Company due to the imposition of exchange controls or other circumstances beyond the Company's control or if the euro is no longer being used by the member states of the European Monetary Union that have adopted the euro as their currency or for the settlement of transactions by public institutions of or within the international banking community, then all payments in respect of the Notes will be made in U.S. dollars until the euro is again available to the Company or so used. The amount payable on any date in euro will be converted into U.S. dollars, based on customary banking practices.

Additional Amounts. The Company has agreed to pay additional amounts to certain holders of the Notes from time to time in the event certain withholding taxes are imposed on payments in respect of the Notes. Its obligations to pay additional amounts are subject to certain exceptions and limitations.

This summary does not purport to be complete and is qualified in its entirety by reference to the form of the Notes and the 2026 Indenture, which are filed as Exhibit 4.1 hereto and are incorporated herein by reference. Interested parties should read these documents in their entirety.

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

The information contained in Item 1.01 above is hereby incorporated by reference into this Item 2.03.

Item 8.01 Other Events.

On September 20, 2016, SBH issued a press release announcing that the Company completed its previously announced cash tender offer (the "Tender Offer") to purchase any and all of its 6.375% Senior Notes due 2020 (the "2020 Notes"). As of the expiration time, the Company had received tenders for \$390,320,000 aggregate principal amount of the 2020 Notes, all of which were accepted by the Company

for purchase. In addition, pursuant to the indenture governing the 2020 Notes, dated as of November 16, 2012 (the “2020 Indenture”), by and between the Company, as successor to Spectrum Brands Escrow Corp., and U.S. Bank, National Association, as trustee. (the “2020 Notes Trustee”), the Company instructed the 2020 Notes Trustee to redeem any and all of the outstanding 2020 Notes issued, after giving effect to the Tender Offer, at a redemption price of 100.00%, plus the Applicable Premium (as defined in the 2020 Indenture) and accrued and unpaid interest thereon, on October 20, 2016 (the “Redemption”). The Company used a portion of the net proceeds from the Offering, together with amounts available under its revolving credit facility, to fund the Tender Offer. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Forward-Looking Statements

Certain matters discussed in this Current Report on Form 8-K and other oral and written statements by representatives of the Company regarding matters such as the Company’s expectations regarding the terms of the Notes, the Tender Offer and the achievement of the expected benefits of any such transactions, expected sales, adjusted EBITDA, debt reduction and leverage, and other measures of financial performance, may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are identified by words such as “future,” “anticipate,” “intend,” “plan,” “estimate,” “believe,” “expect,” “project,” “forecast,” “could,” “would,” “should,” “will,” and other expressions of future intent or the negative of such terms. These statements are subject to a number of risks and uncertainties that could cause results to differ materially from those anticipated as of the date of this release. Actual results may differ materially as a result of (1) Spectrum Brands’ ability to manage and otherwise comply with its covenants with respect to its significant outstanding indebtedness, (2) our ability to finance, complete, integrate, and to realize synergies from acquisitions, (3) risks related to changes and developments in external competitive market factors, such as introduction of new product features or technological developments, development of new competitors or competitive brands or competitive promotional activity or spending, (4) changes in consumer demand for the various types of products Spectrum Brands offers, (5) unfavorable developments in the global capital markets, (6) the impact of overall economic conditions on consumer spending, (7) fluctuations in commodities prices, the costs or availability of raw materials or terms and conditions available from suppliers, (8) changes in the general economic conditions in countries and regions where Spectrum Brands does business, such as stock market prices, interest rates, currency exchange rates, inflation and consumer spending, (9) Spectrum Brands’ ability to successfully implement manufacturing, distribution and other cost efficiencies and to continue to benefit from its cost-cutting initiatives, (10) Spectrum Brands’ ability to identify, develop and retain key employees, (11) unfavorable weather conditions and various other risks and uncertainties, including those discussed herein and those set forth in the securities filings of each of Spectrum Brands Holdings, Inc. and SB/RH Holdings, Inc., including each of their most recently filed Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q.

Spectrum Brands also cautions the reader that its estimates of trends, market share, retail consumption of its products and reasons for changes in such consumption are based solely on limited data available to Spectrum Brands and management’s reasonable assumptions about market conditions, and consequently may be inaccurate, or may not reflect significant segments of the retail market. Spectrum Brands also cautions the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this release. Spectrum Brands undertakes no duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this report or to reflect actual outcomes.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are being filed with this Current Report on Form 8-K.

Exhibit No. Description

4.1 Indenture governing the Notes, dated as of September 20, 2016, among Spectrum Brands, Inc., the guarantors party thereto and US Bank National Association, as trustee.

99.1

Press Release dated September 20, 2016 related to the Tender Offer.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned, thereunto duly authorized.

SPECTRUM BRANDS HOLDINGS, INC.

By: /s/ Nathan E. Fagre
Name: Nathan E. Fagre
Title: Senior Vice President, Secretary and General Counsel

SB/RH HOLDINGS, LLC

By: /s/ Nathan E. Fagre
Name: Nathan E. Fagre
Title: Senior Vice President, Secretary and General Counsel
Dated: September 20, 2016
