

John Bean Technologies CORP  
Form 8-K  
June 21, 2018

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): June 19, 2018

John Bean Technologies Corporation  
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-34036 (Commission File Number)	91-1650317 (IRS Employer Identification No.)
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70 West Madison Street  
Chicago, Illinois 60602  
(Address of Principal executive offices, including Zip Code)

(312) 861-5900  
(Registrant's telephone number, including area code)

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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.

On June 19, 2018, each of John Bean Technologies Corporation (the “Company”) and John Bean Technologies Europe B.V. (the “Dutch Borrower” and together with the Company, the “Borrowers”) entered into a Credit Agreement (the “Credit Agreement”) with Wells Fargo Bank, National Association, as administrative agent, and the other lenders party thereto. The Credit Agreement provides for a \$1 billion revolving credit facility, which matures on June 19, 2023, with a sublimit of \$400 million on borrowings by the Dutch Borrower. In addition, the Company may cause the commitments to increase (by way of additional revolving loan capacity or term loans) by up to an amount equal to the sum of (i) \$250 million, plus (ii) the amount of additional indebtedness that would not cause the Company’s Secured Net Leverage Ratio (as defined in the Credit Agreement) for the four consecutive fiscal quarters most recently ended, calculated on a pro forma basis after giving effect to the incurrence of such additional indebtedness and any permitted acquisition to be consummated using the proceeds of such additional indebtedness, to exceed 3.50 to 1.00. Any such increase will be subject to the approval of the applicable lenders providing such additional financing. At closing, borrowings under the Credit Agreement were used to repay in full all outstanding indebtedness under the Borrowers’ existing credit agreement. Borrowings under the Credit Agreement may be used for working capital and general corporate purposes, including permitted acquisitions.

The Borrowers’ obligations under the Credit Agreement are guaranteed by six of the Company’s domestic subsidiaries, and the Dutch Borrower’s obligations under the Credit Agreement will be guaranteed by two of the Company’s Dutch subsidiaries (collectively, the “Subsidiary Guarantors”). The Company also guaranteed the obligations of the Dutch Borrower under the Credit Agreement. The Borrowers’ obligations under the Credit Agreement are secured by a first-priority security interest in substantially all of the tangible and intangible personal property of the Borrowers and the domestic Subsidiary Guarantors and a pledge of the capital stock of each existing or subsequently acquired or organized domestic Subsidiary Guarantor. The Dutch Borrower’s obligations under the Credit Agreement will be secured by a pledge of the Dutch Borrower’s equity interests held by the Company, a pledge of the equity interests of the Dutch Borrower’s Dutch subsidiaries and a pledge of any future material foreign subsidiaries held directly by a U.S. entity (in each case, limited to 65% of the voting stock and 100% of the non-voting stock of any such foreign subsidiary).

Revolving loans designated by the Borrowers as “ABR Borrowings” (which must be denominated in U.S. dollars) that are outstanding under the Credit Agreement bear interest at a rate per annum equal to an alternate base rate, which is the greater of Wells Fargo’s Prime Rate, the Federal Funds Rate plus 50 basis points, and LIBOR plus 1%, plus an applicable margin depending on the Company’s Total Net Leverage Ratio (as defined in the Credit Agreement).

Revolving loans designated by the applicable Borrower as “Eurocurrency Borrowings” (which may be denominated in any Agreed Currency (as defined in the Credit Agreement) selected by the applicable Borrower, including U.S. dollars) that are outstanding under the Credit Agreement bear interest at a rate per annum equal to a eurocurrency rate of LIBOR (or other comparable rates for certain currencies) subject to a floor of zero, plus an applicable margin depending on the Company’s Total Net Leverage Ratio. The applicable margin ranges from 0.075% to 1.0% for ABR Borrowings and from 1.075% to 2.0% for Eurocurrency Borrowings. In addition, the Company must pay an annual commitment fee to the lenders of 0.15% to 0.35%, depending on the Company’s Total Net Leverage Ratio.

The Credit Agreement provides that the Company is subject to a maximum Total Net Leverage Ratio of not more than 4.00 to 1.00 and an Interest Coverage Ratio (as defined in the Credit Agreement) of not less than 3.50 to 1.00. The Company has the option to temporarily increase the maximum allowable Total Net Leverage Ratio to 4.50 to 1.00 following the completion of a permitted acquisition, or a series of permitted acquisitions within a 12-month period, having aggregate consideration in excess of \$100 million (the “total net leverage ratio increase option”). If exercised, the total net leverage ratio increase option will remain in effect for four consecutive fiscal quarters (beginning with the quarter in which the permitted acquisition, or the last permitted acquisition in a series of permitted acquisitions for aggregate consideration in excess of \$100 million, is consummated), unless revoked earlier by the Company.

In addition, the Credit Agreement includes customary negative covenants, subject to certain exceptions, restricting or limiting the Company’s and its subsidiaries’ ability to, among other things: (i) make non-ordinary course dispositions of assets; (ii) make certain mergers and acquisitions; (iii) make dividends and stock repurchases and voluntary

prepayments of subordinated debt; (iv) incur indebtedness; (v) make certain loans and investments; (vi) create liens; (vii) transact with affiliates; (viii) enter into sale/leaseback transactions; (ix) enter into swap agreements; (x) enter into agreements restricting subsidiaries' ability to pay dividends or make distributions; and (xi) modify subordinated debt documents.

The Credit Agreement contains customary events of default. If an event of default occurs and is continuing, the Borrowers may be required immediately to repay all amounts outstanding under the Credit Agreement and the commitments from the Lenders may be terminated. Lenders holding more than 50% of the loans and commitments under the Credit Agreement or the administrative agent may elect to accelerate the maturity of the loans and/or terminate the commitments under the Credit Agreement upon the occurrence and during the continuation of an event of default.

The Credit Agreement replaces the Credit Agreement, dated as of February 10, 2015, as amended, by and among the Borrowers, Wells Fargo Bank, National Association, as administrative agent, and the other lenders party thereto, which agreement was terminated in connection with the effectiveness of the Credit Agreement. No early termination fees were incurred by the Company in connection with such termination.

Item 1.02 Termination of a Material Definitive Agreement.

The information set forth under Item 1.01 of this Form 8-K is incorporated into this Item 1.02 by reference.

Item 2.03 Creation of a Direct Financial Obligation of a Registrant.

The information set forth under Item 1.01 of this Form 8-K is incorporated into this Item 2.03 by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No. Description

10.1	<u>Credit Agreement, dated June 19, 2018, by and among John Bean Technologies Corporation, John Bean Technologies Europe B.V., Wells Fargo Bank, National Association, as administrative agent, and the other lenders party thereto.</u>
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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.

John Bean Technologies Corporation

By: /s/ Megan J. Rattigan Date: June 21, 2018  
Name: Megan J. Rattigan  
Title: Vice President and Controller