

QUIDEL CORP /DE/
Form 8-K
September 04, 2018

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): August 31, 2018

QUIDEL CORPORATION
(Exact name of Registrant as specified in its Charter)

Delaware 0-10961 94-2573850
(State or other jurisdiction of incorporation) (Commission File Number) (IRS Employer Identification No.)

12544 High Bluff Drive, Suite 200
San Diego, California 92130
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (858) 552-1100

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 (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))

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
o

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. o

ITEM 1.01 Entry into a Material Definitive Agreement

On August 31, 2018 Quidel Corporation (the “Company”) entered into an Amended and Restated Credit Agreement (the “Credit Agreement”) by and among the Company, as borrower, Bank of America, N.A., as administrative agent, swing line lender and L/C issuer (“Bank of America”), JPMorgan Chase Bank, N.A., as syndication agent (“JPMorgan”), and the other lenders party thereto, which replaces the previous agreement dated October 6, 2017. The Credit Agreement provides the Company with a \$175.0 million revolving credit facility. In connection with the closing of the Credit Agreement, the Company borrowed \$83.2 million under the Credit Agreement to repay in full the outstanding term loan balance under the previous facility. The Credit Agreement, as amended and restated, (i) does not include any term loan component and (ii) includes a \$10.0 million sublimit for letters of credit and a \$5.0 million sublimit for swing line loans. The Credit Agreement will mature on August 31, 2023.

The Credit Agreement is guaranteed by certain material domestic subsidiaries of the Company (the “Guarantors”) and is secured by liens on substantially all of the assets of the Company and the Guarantors, excluding real property and certain other types of excluded assets.

Loans under the Credit Agreement will bear interest at a rate equal to (i) the London Interbank Offered Rate (“LIBOR”) plus the “applicable rate” or (ii) the “base rate” (defined as the highest of (a) the Bank of America prime rate, (b) the Federal Funds rate plus one-half of one percent and (c) LIBOR plus one percent) plus the “applicable rate.” The initial applicable rate will be 1.00% per annum for base rate loans and 2.00% per annum for LIBOR rate loans, and thereafter will be determined in accordance with a pricing grid based on the Company’s Consolidated Leverage Ratio (as defined in the Credit Agreement) ranging from 1.75% to 2.50% per annum for LIBOR rate loans and from 0.75% to 1.50% per annum for base rate loans. In addition, the Company will pay a commitment fee on the unused portion of the Credit Agreement based on the Company’s Consolidated Leverage Ratio ranging from 0.15% to 0.30% per annum. The Company must prepay loans outstanding under the Credit Agreement in an amount equal to 100% of the Net Cash Proceeds (as defined in the Credit Agreement) from (i) certain property dispositions and (ii) the receipt of certain other amounts not in the ordinary course of business, such as certain insurance proceeds and condemnation awards, in each case, if not reinvested within a specified time period as contemplated in the Credit Agreement.

The Credit Agreement contains affirmative and negative covenants that are customary for credit agreements of this nature. The negative covenants include, among other things, limitations on asset sales, mergers, indebtedness, liens, investments and transactions with affiliates. The Credit Agreement contains two financial covenants: (i) a maximum Consolidated Leverage Ratio (as defined in the Credit Agreement) as of the last day of each fiscal quarter for the most recently completed four fiscal quarters of 3.50 to 1.00, which ratio may be increased to 4.50 to 1.00 in the case of certain qualifying acquisitions; and (ii) a minimum Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Agreement) of 1.25 to 1.00 as of the end of any fiscal quarter for the most recently completed four fiscal quarters.

The Credit Agreement also includes customary events of default that include, among other things, non-payment defaults, inaccuracy of representations and warranties, covenant defaults, cross default to material indebtedness, bankruptcy and insolvency defaults, material judgment defaults, ERISA defaults and a change of control default. The occurrence of an event of default could result in the acceleration of the obligations under the Credit Agreement and cross-default other indebtedness of the Company.

ITEM 1.02 Termination of a Material Definitive Agreement

The discussion in Item 1.01 above is incorporated herein by reference.

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

The discussion in Item 1.01 above is incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: September 4, 2018

QUIDEL CORPORATION

/s/ /s/ Randall J. Steward

By: Randall J. Steward
Chief Financial Officer