

Lantheus Holdings, Inc.
Form 8-K
March 30, 2017

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): March 30, 2017

LANTHEUS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-36569
(Commission

File Number)
331 Treble Cove Road

35-2318913
(IRS Employer

Identification No.)

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North Billerica, Massachusetts 01862

(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (978) 671-8001

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))

Item 1.01 Entry into a Material Definitive Agreement

On March 30, 2017, our wholly-owned subsidiary Lantheus Medical Imaging, Inc. (LMI) refinanced its existing indebtedness with a new term loan facility and a new revolving credit facility (collectively, these transactions are referred to as the Refinancing).

In order to consummate the Refinancing, LMI entered into an Amended and Restated Credit Agreement (the Credit Agreement) by and among JPMorgan Chase Bank, N.A., as administrative agent (in that capacity, the Administrative Agent) and collateral agent, each of the lenders from time to time party thereto (the Lenders) and Lantheus Holdings, Inc. (the Company). The Credit Agreement (i) amends and restates LMI's existing \$365.0 million seven-year term loan agreement (the facility thereunder, the Old Term Facility) and replaces it with a new five-year \$275.0 million term loan facility (the New Term Facility and, the loans thereunder, the Term Loans), and replaces Credit Suisse AG, Cayman Islands Branch, as administrative agent, with the Administrative Agent and (ii) replaces the previous \$50.0 million five-year asset based loan facility (the Old ABL Facility) with a new \$75.0 million five-year revolving credit facility (the New Revolving Facility and, together with the New Term Facility, the New Facility).

The net proceeds of the New Term Facility, together with approximately \$15.3 million of cash on hand, were used to refinance in full the aggregate remaining principal amount of the loans outstanding under the Old Term Facility and pay related interest, transaction fees and expenses. No amounts were outstanding under the Old ABL Facility.

New Term Facility

The Term Loans under the New Term Facility bear interest, with pricing based from time to time at LMI's election at (i) LIBOR plus a spread of 4.50% or (ii) the Base Rate (as defined in the Credit Agreement) plus a spread of 3.50%. The Term Loans were issued at an original issue discount of 99.75%. The New Term Facility amortizes at 1% per year until its June 30, 2022 maturity date.

LMI is permitted to voluntarily prepay the Term Loans, in whole or in part, subject to a 1.00% prepayment premium applicable if, during the first 6 months of the New Term Facility, LMI makes any prepayment of the Term Loans in connection with a repricing transaction (as defined in the Credit Agreement). The New Term Facility requires LMI to make mandatory prepayments of the outstanding Term Loans in certain circumstances.

LMI has the right to request an increase to the New Term Facility or request the establishment of one or more new incremental term loan facilities, in an aggregate principal amount of up to \$75.0 million, *plus* additional amounts in certain circumstances (collectively, the Incremental Cap).

New Revolving Facility

Under the terms of the New Revolving Facility, the Lenders thereunder may extend credit to LMI from time to time until March 30, 2022 (the Revolving Termination Date) consisting of revolving loans (the Revolving Loans and, together with the Term Loans, the Loans) in an aggregate principal amount not to exceed \$75.0 million (the Revolving Commitment) at any time outstanding. The New Revolving Facility includes a \$20.0 million sub-facility for the issuance of letters of credit (the Letters of Credit). The Letters of Credit and the borrowings under the New Revolving Facility are expected to be used for working capital and other general corporate purposes. The New Revolving Facility terminates on the Revolving Termination Date.

The Revolving Loans under the New Revolving Facility bear interest, with pricing based from time to time at LMI's election at (i) LIBOR plus a spread of 3.50% or (ii) the Base Rate (as defined in the Credit Agreement) plus a spread of 2.50%. The New Revolving Facility also includes an unused line fee, which is set at 0.375% while LMI's secured leverage ratio (as defined in the Credit Agreement) is greater than 3.00 to 1.00 and 0.25% when LMI's secured leverage ratio is less than or equal to 3.00 to 1.00.

LMI is permitted to voluntarily prepay the Revolving Loans, in whole or in part, or reduce or terminate the Revolving Commitment, in each case, without premium or penalty. On any business day on which the total amount of outstanding Revolving Loans and Letters of Credit exceeds the total Revolving Commitment, LMI must prepay the Revolving Loans in an amount equal to such excess.

LMI has the right to request an increase to the Revolving Commitment in an aggregate principal amount of up to the Incremental Cap.

Other Terms

The New Facility contains a number of affirmative, negative and reporting covenants, as well as a financial maintenance covenant pursuant to which LMI is required to, among other things, be in quarterly compliance, measured on a trailing four quarter basis, with a consolidated leverage ratio (as defined in the Credit Agreement) of 5.00 to 1.00 through the quarter ending March 31, 2018, 4.75 to 1.00 through the quarter ending March 31, 2019 and 4.50 to 1.00 thereafter. Upon an event of default, the Administrative Agent will have the right to declare the Loans and other obligations outstanding immediately due and payable and all commitments immediately terminated or reduced.

The New Facility is guaranteed by the Company and Lantheus MI Real Estate, LLC (LMI-RE), and obligations under the New Facility are generally secured by first priorities liens over substantially all of the assets of each of the LMI, the Company and LMI-RE owned as of March 30, 2017 or thereafter acquired.

Certain of the Lenders and certain of their affiliates have performed investment banking, commercial lending and underwriting services for the Company, LMI, their subsidiaries and their respective affiliates, from time to time, for which they have received customary fees and expenses. These parties may, from time to time, engage in transactions with, and perform services for the Company, LMI, their subsidiaries or their respective affiliates in the ordinary course of their business.

Item 1.02 Termination of a Material Definitive Agreement.

In connection with the Refinancing, effective as of March 30, 2017, LMI has satisfied and discharged all obligations, under, and terminated, the Old ABL Facility, except for obligations that pursuant to the express terms of the Old ABL Facility survive payment of the obligations.

The Old ABL Facility consisted of a \$50.0 million five-year asset based loan facility that was scheduled to mature on June 30, 2020. As of March 30, 2017, there were no amounts outstanding under the Old ABL Facility, and LMI incurred no termination penalties in connection with the early termination of the Old ABL Facility.

Certain of the lenders under the Old ABL Facility and certain of their affiliates have performed investment banking, commercial lending and underwriting services for the Company, LMI, their subsidiaries and their respective affiliates, from time to time, for which they have received customary fees and expenses. These parties may, from time to time, engage in transactions with, and perform services for the Company, LMI, their subsidiaries or their respective affiliates in the ordinary course of their business.

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 in Item 1.01 is incorporated by reference into this Item 2.03.

Item 8.01 Other Events

A copy of the Company's press release, dated March 30, 2017, announcing the closing of the Refinancing is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits
(d) Exhibits

Exhibit

| No. | Description |
|------|---|
| 99.1 | Press release of Lantheus Holdings, Inc., dated March 30, 2017. |

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.

LANTHEUS MEDICAL IMAGING, INC.

By: /s/ Michael P. Duffy
Name: Michael P. Duffy
Title: Senior Vice President, General Counsel
and Secretary

Date: March 30, 2017

EXHIBIT INDEX

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