

XPO Logistics, Inc.
Form 8-K
February 22, 2019

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):

February 22, 2019

XPO LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32172
(Commission File Number)

03-0450326
(IRS Employer
Identification No.)

**Five American Lane,
Greenwich, CT**
(Address of principal
executive offices)

06831
(Zip Code)

Registrant's telephone number, including area code: **(855) 976-6951**

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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 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.

Item 1.01. Entry into a Material Definitive Agreement.

On February 22, 2019, XPO Logistics, Inc. (XPO or the Company) completed its previously announced private placement of \$1.0 billion aggregate principal amount of 6.750% senior notes due 2024 (the Notes). The Notes were issued pursuant to an indenture dated as of February 22, 2019 (the Indenture) among XPO, the guarantors party thereto and Wells Fargo Bank, National Association, as trustee.

The Notes were offered in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act of 1933, as amended (the Securities Act), and, outside the United States, only to non-U.S. investors pursuant to Regulation S under the Securities Act. The offering of the Notes has not been registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent an effective registration statement or an applicable exemption from registration requirements or a transaction not subject to the registration requirements of the Securities Act or any state securities laws.

The Notes will bear interest at a rate of 6.750% per annum, payable semiannually in cash in arrears on February 15 and August 15 of each year, commencing August 15, 2019. The Notes will mature on August 15, 2024.

The Notes will be guaranteed by each of XPO's direct and indirect wholly owned restricted subsidiaries (other than certain excluded subsidiaries) that guarantees or is or becomes a borrower under XPO's existing secured revolving credit facility or existing secured term loan facility (or certain replacements thereof) or that guarantees certain capital markets indebtedness of XPO or any guarantor of the Notes. The Notes and the guarantees thereof will be unsecured, unsubordinated indebtedness of XPO and the guarantors.

The Indenture contains certain customary covenants and events of default (subject in certain cases to customary grace and cure periods).

The foregoing description of the Indenture does not purport to be complete and is qualified in its entirety by reference to the Indenture, a copy of which is filed as Exhibit 4.1 hereto and is incorporated into this Item 1.01 by reference.

Item 1.02. Termination of a Material Definitive Agreement.

In connection with its consummation of the Notes offering, on February 22, 2019 the Company repaid all of its outstanding obligations under, and terminated, the unsecured \$500,000,000 Credit Agreement (the Unsecured Credit Agreement), by and among XPO, as borrower, its subsidiaries signatory thereto, as guarantors, the lenders from time to time party thereto and Citibank, N.A., in its capacity as administrative agent.

The Unsecured Credit Agreement provided for a \$500 million unsecured term loan credit facility. Absent termination, it would have matured on December 23, 2019. Borrowings under the Unsecured Credit Agreement bore interest at a rate equal to LIBOR or ABR plus an applicable margin of 3.50%, in the case of LIBOR loans, and 2.50%, in the case of ABR loans. The margin would have been subject to two increases, of 50 basis points each, if any amounts remained outstanding under the Unsecured Credit Agreement on certain dates.

Item 2.03. Creation of a Direct Financial Obligation.

The information set forth in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

| Exhibit No. | Exhibit Description |
|--------------------|---|
| 4.1 | <u>Indenture, dated as of February 22, 2019, among XPO Logistics, Inc., the guarantors party thereto and Wells Fargo Bank, National Association, as Trustee</u> |

Forward-looking Statements

This Current Report on Form 8-K includes forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as anticipate, estimate, believe, continue, could, intend, may, plan, potential, predict, should, will, expect, objective, projection, outlook, effort, target, trajectory or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors the Company believes are appropriate in the circumstances.

These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include the risks discussed in the Company's filings with the SEC and the following: economic conditions generally; competition and pricing pressures; the Company's ability to align its investments in capital assets, including equipment, service centers and warehouses, to its customers' demands; the Company's ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; the Company's ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; the Company's substantial indebtedness; the Company's ability to raise debt and equity capital; the Company's ability to maintain positive relationships with its network of third-party transportation providers; the Company's ability to attract and retain qualified drivers; litigation, including litigation related to alleged misclassification of independent contractors and securities class actions; labor matters, including the Company's ability to manage its subcontractors, and risks associated with labor disputes at its customers and efforts by labor organizations to organize its employees; risks associated with the Company's self-insured claims; risks associated with defined benefit plans for the Company's current and former employees; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; fuel price and fuel surcharge changes; issues related to the Company's intellectual property rights; governmental regulation, including trade compliance laws; and governmental or political actions, including the United Kingdom's likely exit from the European Union. All forward-looking statements set forth in this Current Report on Form 8-K are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequences to or effects on the Company or its business or operations. Forward-looking statements set forth in this Current Report on Form 8-K speak only as of the date hereof, and the Company does not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.

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.

Date: February 22, 2019

XPO LOGISTICS, INC.

By:

/s/ Karlis P. Kirsis
Karlis P. Kirsis
Senior Vice President, Corporate Counsel and
Secretary