PEABODY ENERGY CORP
Form 8-K
February 09, 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): February 8, 2017

PEABODY ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**1-16463**	**13-4004153**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**
701 Market Street, St. Louis, Missouri		**63101-1826**
(Address of Principal Executive Offices)		**(ZIP Code)**

Registrant s telephone number, including area code: (314) 342-3400

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))

Introductory Note

As previously disclosed, on April 13, 2016, Peabody Energy Corporation, a Delaware corporation (the Company), and a majority of the Company s wholly owned domestic subsidiaries, as well as one international subsidiary in Gibraltar (collectively with the Company, the Debtors), filed voluntary petitions under Chapter 11 of Title 11 of the U.S. Code (the Bankruptcy Code) in the United States Bankruptcy Court for the Eastern District of Missouri (the Bankruptcy Court). The Debtors Chapter 11 cases (collectively, the Chapter 11 Cases) are being jointly administered under the caption In re Peabody Energy Corporation, et al., Case No. 16-42529.

Also as previously disclosed, on December 22, 2016, the Debtors filed with the Bankruptcy Court a Joint Plan of Reorganization under Chapter 11 of the Bankruptcy Code and a related Disclosure Statement, and on January 25, 2017, the Debtors filed with the Bankruptcy Court the First Amended Joint Plan of Reorganization and the First Amended Disclosure Statement. On January 27, 2017, the Debtors filed with the Bankruptcy Court the Second Amended Joint Plan of Reorganization (as amended, the Plan) and the Second Amended Disclosure Statement (as amended, the Disclosure Statement) to address certain modifications resulting from a hearing before the Bankruptcy Court on January 26, 2017. Thereafter, on January 27, 2017, the Bankruptcy Court issued an order approving the Disclosure Statement. Also on January 27, 2017, the Bankruptcy Court issued an order approving the exit facility commitment letter, dated as of January 11, 2017, from Goldman Sachs Bank USA, JPMorgan Chase Bank, N.A., Credit Suisse AG, Credit Suisse Securities (USA) LLC, Macquarie Capital Funding LLC and Macquarie Capital (USA) Inc. (the Exit Facility Commitment Letter). The Exit Facility Commitment Letter was filed with the Bankruptcy Court on January 11, 2017 and previously disclosed on the Company s Form 8-K filed with the SEC on January 12, 2017.

This Current Report relates to the financings contemplated by the Exit Financing Commitment Letter and the Plan.

Item 8.01 Other Events

Notes Offering

On February 8, 2017, the Company issued a press release announcing that a special purpose wholly owned subsidiary of the Company priced an offering of $500.0 million aggregate principal amount of 6.000% senior secured notes due 2022 and $500.0 million aggregate principal amount of 6.375% senior secured notes due 2025, each exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act). A copy of the press release, which was issued pursuant to and in accordance with Rule 135c under the Securities Act, is attached hereto as Exhibit 99.1 and incorporated herein by reference.

Neither the press release nor this Current Report on Form 8-K constitutes an offer to sell or the solicitation of an offer to buy the notes. The notes and related guarantees are being offered only to qualified institutional buyers in reliance on the exemption from registration set forth in Rule 144A under the Securities Act, and outside the United States to non-U.S. persons in reliance on the exemption from registration set forth in Regulation S under the Securities Act. The notes and the related guarantees have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction, and may not be offered or sold in the United States without registration or an applicable exemption from the Securities Act and applicable state securities or blue sky laws and foreign securities laws.

Term Loan

On February 8, 2017, the Company issued a press release announcing the pricing of a $950.0 million senior secured term loan. The term loan will mature in 2022 and bear interest at a fluctuating rate of LIBOR plus 4.50% per annum,

with a 1.00% LIBOR floor. The closing of the term loan is expected to occur on April 3, 2017, concurrently with the anticipated effective date of the Plan and subject to confirmation of the Plan and customary closing conditions and final documentation. The proceeds from the term loan will be used to fund a portion of the distributions to creditors provided for under the Plan. A copy of the press release relating to the pricing of the term loan is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Cautionary Note Regarding Forward-Looking Statements

This Current Report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements that relate to the intent, beliefs, plans or expectations of Peabody Energy or its management at the time of this Current Report, as well as any estimates or projections for the outcome of events that have not yet occurred at the time of this Current Report. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements include expressions such as believe anticipate, expect, estimate, intend, may, plan, predict, will and similar t expressions. All forward-looking statements made by Peabody Energy are predictions and not guarantees of future performance and are subject to various risks, uncertainties and factors relating to Peabody Energy s operations and business environment, and the progress of its Chapter 11 Cases, all of which are difficult to predict and many of which are beyond Peabody Energy s control. These risks, uncertainties and factors could cause Peabody Energy s actual results to differ materially from those matters expressed in or implied by these forward-looking statements. Such factors include, but are not limited to: those described under the Risk Factors section and elsewhere in Peabody Energy s most recently filed Annual Report on Form 10-K and subsequent filings with the SEC, including its Quarterly Reports on Form 10-Q for the quarters ended March 31, 2016 and June 30, 2016, which are available on Peabody Energy s website at www.peabodyenergy.com and on the SEC s website at www.sec.gov, such as unfavorable economic, financial and business conditions, as well as risks and uncertainties relating to the Chapter 11 Cases, including, but not limited to:

Peabody Energy s ability to obtain bankruptcy court approval with respect to motions or other requests made to the bankruptcy court in connection with the Chapter 11 Cases, including maintaining strategic control as debtor-in-possession;

Peabody Energy s ability to negotiate, develop, confirm and consummate the Plan;

the effects of the Chapter 11 Cases on Peabody Energy s operations, including customer, supplier, banking, insurance and other relationships and agreements;

bankruptcy court rulings in the Chapter 11 Cases as well as the outcome of all other pending litigation and the outcome of the Chapter 11 Cases in general;

the length of time that Peabody Energy will operate under Chapter 11 protection and the continued availability of operating capital during the pendency of the proceedings;

risks associated with third-party motions in the Chapter 11 Cases, which may interfere with Peabody Energy s ability to confirm and consummate a plan of reorganization and restructuring generally;

increased advisory costs to execute a plan of reorganization;

the impact of the New York Stock Exchange s delisting of Peabody Energy s common stock on the liquidity and market price of Peabody Energy s common stock and on Peabody Energy s ability to access the public capital markets;

the likelihood that Peabody Energy s common stock will be cancelled and extinguished upon confirmation of a proposed plan of reorganization with no payments made to the holders of Peabody Energy s common stock;

the volatility of the trading price of Peabody Energy s common stock and the absence of correlation between any increases in the trading price and Peabody Energy s expectation that the common stock will be cancelled and extinguished upon confirmation of a proposed plan of reorganization with no payments made to the holders of Peabody Energy s common stock;

Peabody Energy s ability to continue as a going concern including its ability to confirm a plan of reorganization that restructures Peabody Energy s debt obligations to address liquidity issues and allows emergence from the Chapter 11 Cases;

the risk that the Plan may not be accepted or confirmed, in which case there can be no assurance that the Chapter 11 Cases will continue rather than be converted to chapter 7 liquidation cases or that any alternative plan of reorganization would be on terms as favorable to holders of claims and interests as the terms of the Plan;

Peabody Energy s ability to use cash collateral;

the effect of the Chapter 11 Cases on Peabody Energy s relationships with third parties, regulatory authorities and employees;

the potential adverse effects of the Chapter 11 Cases on Peabody Energy s liquidity, results of operations, or business prospects;

Peabody Energy s ability to execute its business and restructuring plan;

increased administrative and legal costs related to the Chapter 11 Cases and other litigation and the inherent risks involved in a bankruptcy process;

the cost, availability and access to capital and financial markets, including the ability to secure new financing after emerging from the Chapter 11 Cases;

the risk that the Chapter 11 Cases will disrupt or impede Peabody Energy s international operations, including its business operations in Australia;

and other risks and uncertainties. Forward-looking statements made by Peabody Energy in this Current Report, or elsewhere, speak only as of the date on which the statements were made. New risks and uncertainties arise from time to time, and it is not possible for Peabody Energy to predict all of these events or how they may affect it or its anticipated results. Peabody Energy does not undertake any obligation to publicly update any forward-looking statements except as may be required by law. In light of these risks and uncertainties, readers should keep in mind that the events referenced by any forward-looking statements made in this Current Report may not occur and should not place undue reliance on any forward-looking statements.

The Plan provides that Peabody Energy equity securities will be canceled and extinguished upon confirmation of the Plan by the Bankruptcy Court, and that the holders thereof would not be entitled to receive, and would not receive or retain, any property or interest in property on account of such equity interests. The Plan also sets forth the proposed recoveries for Peabody Energy s other securities. Trading prices for Peabody Energy s equity or other securities may bear little or no relationship during the pendency of the Chapter 11 Cases to the actual recovery, if any, by the holders thereof at the conclusion of the Chapter 11 Cases. In the event of cancellation of Peabody Energy equity securities, as contemplated by the Plan, amounts invested by the holders of such securities would not be recoverable and such

securities would have no value. Accordingly, Peabody Energy urges caution with respect to existing and future investments in its equity or other securities.

Item 9.01 Financial Statements and Exhibits
(d) Exhibits.

Exhibit Number	Description
99.1	Notes Press Release
99.2	Term Loan Press Release

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.

PEABODY ENERGY CORPORATION

February 8, 2017

By: /s/ A. Verona Dorch
Name: A. Verona Dorch

Title: Chief Legal Officer

EXHIBIT INDEX

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99.1	Notes Press Release
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