

XPO Logistics, Inc.
Form 8-K
December 31, 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): December 31, 2018 (December 24, 2018)

XPO LOGISTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-32172
(Commission

File Number)

Five American Lane, Greenwich, Connecticut 06831

03-0450326
(I.R.S. Employer

Identification No.)

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(Address of principal executive offices)

(855) 976-6951

(Registrant's telephone number, including area code)

N/A

(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 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 December 24, 2018, XPO Logistics, Inc. (the Company) entered into an unsecured \$500,000,000 Credit Agreement (the Unsecured Credit Agreement), by and among the Company, 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 Administrative Agent).

The Company expects to use the proceeds of loans borrowed under the Unsecured Credit Agreement for general corporate purposes and to fund purchases of the Company's common stock as part of the Company's previously-announced share repurchase plan.

The Unsecured Credit Agreement is guaranteed on an unsecured basis by the same subsidiaries of the Company that guarantee the Company's existing term loan credit agreement and senior notes. The Unsecured Credit Agreement contains representations and warranties, affirmative and negative covenants and events of default customary for agreements of this nature.

The Company has borrowed \$250,000,000 of loans under the Unsecured Credit Agreement. If the Company elects to make a second borrowing, such borrowing must be made on or prior to January 22, 2019. The Company may prepay borrowings under the Unsecured Credit Agreement at any time without premium or penalty, other than customary LIBOR breakage costs.

The Unsecured Credit Agreement matures on December 23, 2019. Borrowings under the Unsecured Credit Agreement initially bear 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 is subject to two increases, of 50 basis points each, if any amounts remain outstanding under the Unsecured Credit Agreement on certain dates.

In connection with its entry into the Unsecured Credit Agreement, the Company has engaged Citigroup Global Markets Inc. as sole bookrunner and Morgan Stanley & Co. LLC and JP Morgan Securities LLC as co-managers to arrange for a possible issuance of senior notes or borrowing of syndicated term loans by the Company to be used by the Company to refinance the loans under the Unsecured Credit Agreement.

The foregoing description of the Unsecured Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the Unsecured Credit Agreement, a copy of which is filed as Exhibit 10.1 hereto and is incorporated into this Item 1.01 by reference.

Some or all of the lenders under the Unsecured Credit Agreement and/or their affiliates have in the past performed, and may in the future from time to time perform, investment banking, financial advisory, lending and/or commercial banking services, or other services for the Company and its subsidiaries, for which they have received, and may in the future receive, customary compensation and expense reimbursement.

As of December 31, 2018, the Company had no outstanding borrowings under its ABL credit agreement.

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 of this Current Report on Form 8-K is incorporated into this Item 2.03 by reference.

Item 9.01. Financial Statements and Exhibits.*(d) Exhibits*

Exhibit No.	Exhibit Description
10.1	<u>Credit Agreement, dated as of December 24, 2018, by and among XPO Logistics, Inc., the subsidiaries signatory thereto, as guarantors, the lenders party thereto and Citibank, N.A., as administrative agent</u>

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933, as amended.

Forward-looking Statements

This Current Report on Form 8-K includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, 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, forecast, goal, guidance, outlook, effort, target, trajectory or the negative of these terms or other comparables. 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 us in light of our experience and our perception of historical trends, current conditions and expected future developments, as well as other factors we believe 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 our filings with the U.S. Securities and Exchange Commission and the following: economic conditions generally; competition and pricing pressures; our ability to align our investments in capital assets, including equipment, service centers and warehouses, to our customers' demands; our ability to successfully integrate and realize anticipated synergies, cost savings and profit improvement opportunities with respect to acquired companies; our ability to develop and implement suitable information technology systems and prevent failures in or breaches of such systems; our substantial indebtedness; our ability to raise debt and equity capital; our ability to maintain positive relationships with our network of third-party transportation providers; our ability to attract and retain qualified drivers; litigation, including litigation related to alleged misclassification of independent contractors; labor matters, including our ability to manage our subcontractors, and risks associated with labor disputes at our customers and efforts by labor organizations to organize our employees; risks associated with our self-insured claims; risks associated with defined benefit plans for our current and former employees; fluctuations in currency exchange rates; fluctuations in fixed and floating interest rates; our ability to execute our growth strategy through acquisitions; fuel price and fuel surcharge changes; issues related to our 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 document are qualified by these cautionary statements and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to or effects on us or our business or operations. Forward-looking statements set forth in this document speak only as of the date hereof, and we do 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: December 31, 2018

XPO LOGISTICS, INC.

By: /s/ Karlis P. Kirsis

Karl P. Kirsis
Senior Vice President, Corporate Counsel