

TransDigm Group INC
Form 8-K
May 19, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): May 14, 2015

TransDigm Group Incorporated
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction

of incorporation)

001-32833
(Commission

File Number)

41-2101738
(IRS Employer

Identification No.)

1301 East 9th Street, Suite 3000, Cleveland, Ohio

44114

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (216) 706-2960

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:

- .. 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.

Incremental Assumption and Refinancing Facility Agreement

On May 14, 2015, TransDigm Inc. (*TransDigm*), a wholly-owned subsidiary of TransDigm Group Incorporated (*TD Group*), TD Group and certain subsidiaries of TransDigm entered into an Incremental Assumption and Refinancing Facility Agreement (the *Assumption and Refinancing Agreement*) with Credit Suisse AG, as administrative agent and collateral agent (the *Agent*), and the other agents and lenders named therein. Pursuant to the Assumption and Refinancing Agreement, TransDigm, among other things, incurred new tranche E term loans (the *New Tranche E Term Loans*) in an aggregate principal amount equal to \$1,040 million and refinanced the existing tranche B term loans into additional tranche E term loans (the *Refinanced Tranche B Term Loans* and together with the *New Tranche E Term Loans*, the *Tranche E Term Loans*). The *Tranche E Term Loans* were fully drawn on May 14, 2015 and mature on May 14, 2022. The terms and conditions (other than maturity date) that apply to the *Tranche E Term Loans*, including pricing, are substantially the same as the terms and conditions that apply to the tranche B term loans immediately prior to the Assumption and Refinancing Agreement under the Credit Agreement.

The lenders and the agents (and each of their respective subsidiaries or affiliates) under the Incremental Assumption and Refinancing Facility Agreement have in the past provided, and may in the future provide, investment banking, cash management, underwriting, lending, commercial banking, trust, leasing services, foreign exchange and other advisory services to, or engage in transactions with, TransDigm and TD Group and their respective subsidiaries or affiliates. These parties have received, and may in the future receive, customary compensation from TransDigm and TD Group and their respective subsidiaries or affiliates, for such services.

Issuance of Senior Subordinated Notes; Indenture

On May 14, 2015, TransDigm issued \$450 million in aggregate principal amount of 6.500% Senior Subordinated Notes due 2025 (the *Notes*) at an issue price of 100% of the principal amount thereof in a private offering to qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933 (the *Securities Act*) and to persons outside the United States under Regulation S under the Securities Act.

The Notes were issued pursuant to an indenture dated as of May 14, 2015 (the *Indenture*) among TransDigm, as issuer, TD Group and the subsidiaries of TransDigm named therein as guarantors and The Bank of New York Mellon Trust Company, N.A., as trustee.

The Notes bear interest at the rate of 6.500% per annum, which accrues from May 14, 2015 and is payable semiannually in arrears on May 15 and November 15 of each year, commencing on November 15, 2015. The Notes mature on May 15, 2025, unless earlier redeemed or repurchased, and are subject to the terms and conditions set forth in the Indenture.

TransDigm may redeem some or all of the Notes at the redemption prices and on the terms specified in the Indenture. If TD Group or TransDigm experiences specific kinds of changes in control or TD Group or any of its restricted subsidiaries sells certain of its assets, then TransDigm must offer to repurchase the Notes on the terms set forth in the Indenture.

The Notes are subordinated to all of TransDigm's existing and future senior debt, rank equally with all of its existing and future senior subordinated debt and rank senior to all of its future debt that is expressly subordinated to the Notes. The Notes are guaranteed on a senior subordinated unsecured basis by TD Group and its wholly-owned domestic subsidiaries named in the Indentures. The guarantees of the Notes are subordinated to all of the guarantors' existing and future senior debt, rank equally with all of their existing and future senior subordinated debt and rank senior to all of their future debt that is expressly subordinated to the guarantees of the Notes. The Notes are structurally subordinated to all of the liabilities of TransDigm's non-guarantor subsidiaries.

The Indenture contains certain covenants that, among other things, limit TD Group's ability, and the ability of certain of its subsidiaries, to incur additional indebtedness, pay dividends or make distributions or certain other restricted payments, purchase or redeem capital stock, make investments or extend credit, engage in certain transactions with affiliates, engage in sale-leaseback transactions, consummate certain assets sales, effect a consolidation or merger, or sell, transfer, lease or otherwise dispose of all or substantially all assets, or create certain liens and other encumbrances on assets. The Indenture contains events of default customary for agreements of its type (with customary grace periods, as applicable) and provides that, upon the occurrence of an event of default arising from certain events of bankruptcy or insolvency with respect to TD Group or TransDigm, all outstanding Notes will become due and payable immediately without further action or notice. If any other type of event of default occurs and is continuing, then the trustee or the holders of at least 25% in principal amount of the then outstanding Notes of a particular series may declare all Notes of such series, to be due and payable immediately.

Registration Rights Agreement

In connection with the issuance of the Notes, TransDigm, TD Group, TransDigm's subsidiary guarantors party thereto, and Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC as representatives for the initial purchasers listed therein, entered into a registration rights agreement relating to the Notes, dated May 14, 2015 (the "Registration Rights Agreement"). Under the Registration Rights Agreement, TransDigm and the guarantors agreed, for the benefit of the holders of the Notes, that they will file with the Securities and Exchange Commission (the "SEC") within 210 days after the date the Notes were issued, and use their commercially reasonable efforts to cause to become effective within 300 days after the date the Notes were issued, one or more registration statements (collectively, the "exchange offer registration statement") relating to an offer to exchange the Notes for an issue of SEC-registered notes (the "Exchange Notes") with terms identical to the Notes (except that the Exchange Notes will not be subject to restrictions on transfer or to any increase in annual interest rate as described below).

Under certain circumstances, including, if applicable, interpretations of the staff of the SEC, if TransDigm is not permitted to effect the exchange offer, TransDigm and the guarantors will use their reasonable best efforts to cause to become effective one or more shelf registration statements (collectively, the "shelf registration statement") relating to resales of the Notes and to keep such shelf registration statement effective until the second anniversary of the date such shelf registration statement becomes effective, or such shorter period that will terminate when all Notes covered by such shelf registration statement have been sold.

If the exchange offer registration statement is not filed on or prior to the 210th day after May 14th, 2015, the shelf registration statement is not filed within 60 days after the date on which the obligation to file the shelf registration statement arises, the exchange offer registration statement or, if required, the shelf registration statement is not declared effective by the SEC on or prior to the 300th day after May 14, 2015, the exchange offer is not completed within 40 days after the effective date of the exchange offer registration statement (or, if required, the shelf registration statement is not declared effective within 60 days after the filing of the shelf registration statement), or after either the exchange offer registration statement or the shelf registration statement is declared or becomes effective, such registration statement ceases to be effective or usable, TransDigm will pay additional interest at the rate of \$0.05 per week per \$1,000 principal amount of transfer restricted Notes for the first 90-day period immediately following, and increasing by an additional \$0.05 per week per \$1,000 principal amount of transfer restricted Notes for each subsequent 90-day period, up to a maximum additional rate of 1.0% per annum thereafter until the exchange offer is completed, the shelf registration statement is declared effective or the obligation to complete the exchange offer and/or file the shelf registration statement terminates, at which time the interest rates will revert to the applicable original interest rates on the date the Notes were originally issued.

The above summaries of the Indenture and the Registration Rights Agreement are qualified in their entirety by reference to the Indenture and the Registration Rights Agreement relating to the Notes, which are attached hereto as Exhibits 4.1 and 4.4, respectively, and are incorporated herein by reference.

Item 2.03. Creation of a Direct Financial Obligation.

The information set forth in Item 1.01 is incorporated herein by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

| Exhibit | Description |
|----------------|--|
| 4.1 | Indenture, dated as of May 14, 2015, among TransDigm Inc., as issuer, TransDigm Group Incorporated, as a guarantor, the subsidiary guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to TransDigm Inc. s 6.500% Senior Subordinated Notes due 2025. |
| 4.2 | Form of 6.500% Senior Subordinated Notes due 2025 (included in Exhibit 4.1). |
| 4.3 | Form of Notation of Guarantee (included in Exhibit 4.1). |
| 4.4 | Registration Rights Agreement, dated as of May 14, 2015, among TransDigm Inc., as issuer, TransDigm Group Incorporated, as a guarantor, the subsidiary guarantors party thereto and Citigroup Global Markets Inc. and Credit Suisse Securities (USA) LLC as representatives for the initial purchasers listed therein. |
| 10.1 | Incremental Assumption and Refinancing Facility Agreement, dated as of May 14, 2015, among TransDigm Inc., as borrower, TransDigm Group Incorporated, as a guarantor, the subsidiary guarantors party thereto, Credit Suisse AG, as administrative agent and collateral agent, and the other agents and lenders named therein. |

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.

TRANSDIGM GROUP INCORPORATED

By: /s/ Terrance M. Paradie
Name: Terrance M. Paradie
Title: Executive Vice President and Chief

Financial Officer

Dated: May 19, 2015

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