TECHNE CORP /MN/
Form 8-K
August 01, 2014

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): July 28, 2014

TECHNE CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Minnesota	**0-17272**	**41-1427402**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification Number)**

614 McKinley Place NE

Minneapolis, MN 55413

(Address of Principal Executive Offices) (Zip Code)

(612) 379-8854

(Registrant s Telephone Number, Including Area Code)

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.

Entry into Credit Agreement

On July 28, 2014, Techne Corporation (the Company) entered into a Credit Agreement (the Credit Agreement), with the lenders party thereto, BMO Harris Bank N.A., as Administrative Agent (BMO), and the guarantors party thereto.

The Credit Agreement provides for a revolving credit facility of $150 million, which can be increased by an additional $150 million subject to certain conditions. Borrowings under the Credit Agreement may be used for working capital and expenditures of the Company and its subsidiaries, including financing permitted acquisitions.

Borrowings under the Credit Agreement bear interest at a variable rate. For base rate loans, the interest rate is equal to the greatest of (i) BMO s prime commercial rate, (ii) the sum of the rate determined by BMO to be the average of the rates per annum quoted to BMO on such day of calculation by two or more Federal funds brokers selected by BMO plus 0.5%, or (iii) a daily LIBOR rate plus 1.0%, in each case plus a margin ranging from 0.00% to 0.75% based on certain conditions. For Eurodollar rate loans, the interest rate is equal to an adjusted LIBOR rate plus a margin ranging from 1.00% to 1.75% based on certain conditions. The Credit Agreement requires monthly payments with respect to base rate loans and at the end of each interest period with respect to Eurodollar rate loans or if such interest period is longer than three months, on each date occurring every three months after the commencement of such interest period.

The Credit Agreement matures on July 31, 2019. The Credit Agreement contains customary restrictive and financial covenants, including without limitation, (a) covenants requiring the Company to (i) pay certain fees, (ii) maintain, at the end of each fiscal quarter, a maximum leverage ratio of no greater than 4.00 to 1.00 and (iii) maintain, at the end of each fiscal quarter, a maximum total funds debt to EBITDA ratio of no greater than 3.50 to 1.00, and (b) covenants prohibiting the Company from, among other things, (i) creating, incurring or assuming additional indebtedness, (ii) creating certain liens on any of its properties or assets, (iii) selling, leasing or transferring any of its properties or assets, with certain exceptions, including sales of inventory and equipment in the ordinary course of business and (iv) entering into certain merger, consolidation or other reorganization transactions with, or acquiring all or a substantial portion of the assets or equity interests of, any person or entity, subject to certain permitted acquisitions, in each case subject to certain exceptions.

The Credit Agreement also contains customary events of default. If an event of default under the Credit Agreement occurs and is continuing, then the lenders may declare any outstanding obligations under the Credit Agreement immediately due and payable and the lenders will have the right to terminate the Credit Agreement.

Each of the Company s domestic subsidiaries entered into the Credit Agreement as guarantors of the Company s obligations under the Credit Agreement.

The Company did not make any draws on the Credit Agreement at the closing of the Credit Agreement. On July 31, 2014, the Company drew $125,000,000 on the Credit Agreement in relation to the closing of the Merger, which is described in Item 2.01 of this Current Report.

The above summary does not purport to be a complete summary of the Credit Agreement and is qualified in its entirety by reference to the Credit Agreement, a copy of which is filed herewith as Exhibit 10.1 and is incorporated by reference herein.

Letter Agreement related to ProteinSimple Agreement and Plan of Merger

On July 31, 2014, the Company and the other parties to the Merger Agreement entered into a letter agreement (the Letter Agreement) that amended the Agreement and Plan of Merger (the Merger Agreement), dated June 16, 2014, by and among the Company, ProteinSimple, a Delaware corporation (ProteinSimple), McLaren Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of the Company (Merger Sub), and Fortis Advisors LLC, a Delaware limited liability company, solely in its capacity as Securityholders Representative. In the Letter Agreement, the parties to the Merger Agreement make certain additional representations and agreements regarding tax matters related to an internal restructuring that the Company is implementing in relation to ProteinSimple s Canadian subsidiaries.

The Company will file the Letter Agreement as an exhibit to its Quarterly Report on Form 10-Q for the period ended September 30, 2014.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On July 31, 2014, pursuant to the terms and conditions of the Merger Agreement, Merger Sub was merged with and into ProteinSimple, with ProteinSimple continuing as the surviving corporation and a wholly-owned subsidiary of the Company (the Merger). As part of the Merger, each outstanding share of ProteinSimple common stock was converted into the right to receive the consideration provided in the Merger Agreement.

The Company paid an aggregate of approximately $308 million at the closing of the Merger, which amount included the base merger consideration of $300 million plus an adjustment of approximately $8 million for cash held by ProteinSimple. As described above, $125,000,000 of the merger consideration was drawn from the Credit Agreement.

A copy of the press release announcing the completion of the Merger is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information disclosed in Item 1.01 above is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits

(a) Financial statements of a business acquired.

The audited financial statements of ProteinSimple are not provided in this Current Report and will be filed by amendment to this Current Report within 71 calendar days of August 6, 2014.

(b) Pro forma financial information.

Pro forma financial information for Techne, reflecting the acquisition of ProteinSimple, is not provided in this Current Report but will be filed by amendment to this Current Report within 71 calendar days of August 6, 2014.

(c) Exhibits

2.1	Agreement and Plan of Merger by and among Techne Corporation, McLaren Merger Sub, Inc., ProteinSimple and Fortis Advisors LLC, as the Securityholders Representative, dated June 16, 2014 (incorporated by reference to Exhibit 2.1 to the Company s Current Report on Form 8-K filed on June 17, 2014).
10.1	Credit Agreement by and among Techne Corporation, the Guarantors party thereto, the Lenders party thereto, and BMO Harris Bank N.A., as Administrative Agent, dated July 28, 2014.
99.1	Press Release, dated August 1, 2014.

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.

TECHNE CORPORATION

Date: August 1, 2014

By: /s/ Charles R. Kummeth
Charles R. Kummeth
President and Chief Executive Officer

EXHIBIT INDEX

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