

APOGEE ENTERPRISES, INC.
Form 8-K
October 25, 2012

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: October 19, 2012

(Date of earliest event reported)

APOGEE ENTERPRISES, INC.

(Exact name of registrant as specified in its charter)

Commission File Number: 0-6365

Minnesota
(State or other jurisdiction

of incorporation)

41-0919654
(IRS Employer

Identification No.)

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4400 West 78th Street Suite 520

Minneapolis, Minnesota 55435

(Address of principal executive offices, including zip code)

(952) 835-1874

(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.

As previously disclosed, in January 2011, Apogee Enterprises, Inc. (the "Company") entered into a Credit Agreement (the "Original Agreement"), dated as of January 27, 2011, among the Company, each of the lenders from time to time parties to the Original Agreement (the "Lenders"), and Wells Fargo Bank, N.A., as administrative agent for the Lenders, swingline lender and issuer of letters of credit. The Original Agreement created a three-year, committed, secured, revolving credit facility in the amount of \$80 million (subject to increase under the Original Agreement to an amount not exceeding \$120 million). The credit facility included a letter of credit facility in the amount of up to \$50 million, the outstanding amounts of which decrease the available commitment.

On October 19, 2012, the Company amended and restated the Original Agreement by entering into an Amended and Restated Credit Agreement (the "Amended Agreement"), dated as of October 19, 2012, among the Company, the Lenders from time to time parties to the Amended Agreement, and Wells Fargo Bank, N.A., as administrative agent for the Lenders, swingline lender and issuer of letters of credit.

Consistent with the Original Agreement, under the Amended Agreement the Company may elect the borrowings to bear interest at one of two rates. First, borrowings under the Amended Agreement may be made at an interest rate per annum equal to the sum of the Applicable Margin (which is calculated based upon the Company's debt-to-EBITDA ratio) and the LIBOR Rate (as defined in the Original Agreement). Second, borrowings under the Amended Agreement may be made at an interest rate per annum equal to the sum of the Base Rate (which is a rate per annum equal to the greatest of (i) the interest rate announced by the administrative agent as its prime rate, (ii) the sum of 0.50% per annum and the federal funds rate in effect on such day, and (iii) LIBOR (as defined in the Original Agreement) plus 1.00%) in effect from time to time, and the Applicable Margin. Pursuant to the Amended Agreement, the Applicable Margin for both LIBOR Rate loans and Base Rate loans, and the rate of commitment fees, were decreased.

The Amended Agreement also amended the terms of the Original Agreement in the following respects:

The amount of the revolving credit facility was increased to \$100 million (subject to increase under the Amended Agreement to an amount not to exceed \$125 million).

The amount of the letter of credit facility was increased to \$60 million.

The maturity of the credit facility was extended to October 19, 2017, five years from the date of the Amended Agreement. The Original Agreement would have expired on January 27, 2014.

The credit facility was amended to provide for a release of all collateral under certain circumstances, at the option of the Company.

The Company's minimum net worth requirement was adjusted to reflect the Company's current net worth, and the minimum required adjusted debt-to-EBITDA was raised from 2.75 to 3.00. Following a collateral release, the minimum adjusted debt-to-EBITDA requirement would be replaced by a debt-to-EBITDA (without certain adjustments) requirement of 2.75.

The dollar limitation on the payment of dividends was deleted.

Several other covenants were amended to be less restrictive, including an increase in the amount of permitted subsidiary debt, an increase in the scope of permitted foreign investment, and an increase in the amount of permitted joint venture investments. No other provisions of the Original Agreement were materially amended by the Amended Agreement.

Consistent with the Original Agreement, the Amended Agreement provides that the Company may not be a party to any merger, consolidation or share exchange, or sell, transfer, lease or otherwise dispose of all or any substantial part of its assets or property, or in any event sell or discount any of its notes or accounts receivable, or permit any subsidiary to do so; provided, however, that the foregoing restriction does not apply to or operate to prevent (i) the Company being a party to any merger where the Company is the surviving person if, after giving effect to such merger,

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no Default or Event of Default (both as defined in the Amended Agreement) would then exist, (ii) any

subsidiary merging into the Company, being a party to any merger that does not involve the Company where such subsidiary is the surviving person, or being party to an otherwise permitted merger if, after giving effect to such merger, no Default or Event of Default would then exist, (iii) the Company or any subsidiary selling its inventory in the ordinary course of its business, (iv) any dissolution of an inactive subsidiary that would not have a Material Adverse Effect (as defined in the Amended Agreement), if, after giving effect to such dissolution, no Default or Event of Default would then exist, and (v) any Like-Kind Exchange (as defined in the Amended Agreement).

Similar to the Original Agreement, the Amended Agreement places certain limitations on the payment of cash dividends. It provides that the Company may not declare any dividends (other than dividends payable in capital stock of the Company) on any shares of any class of its capital stock, or set apart any sum for the payment of any dividends on, or make any other distribution by reduction of capital or otherwise in respect of, any shares of any class of capital stock of the Company, unless, immediately after giving effect to such action, there shall not have occurred any Default or Event of Default that is continuing. As noted above, the dollar limitation on the payment of dividends included in the Original Agreement was deleted in the Amended Agreement.

Amounts due under the Amended Agreement may be accelerated upon an Event of Default, such as a breach of a representation or covenant or the occurrence of bankruptcy, if not otherwise waived or cured.

Wells Fargo Bank, N.A. and certain lenders that are parties to the Agreement have provided, from time to time, and may continue to provide, commercial banking, transfer agent, financial and other services to the Company, including letters of credit, depository and account processing services, for which the Company has paid and intends to pay customary fees.

The foregoing description of the Amended Agreement is not complete and is qualified in its entirety by reference to the Amended Agreement, a copy of which is filed as Exhibit 10.1 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.

As described under Item 1.01 of this Current Report on Form 8-K, on October 19, 2012, the Company entered into a five-year, committed, secured, revolving credit facility in the amount of \$100 million (subject to increase under the Amended Agreement to an amount not exceeding \$125 million). No amounts have been borrowed under this facility. Schedule 3.1 to the attached Amended Agreement provides information regarding existing letters of credit under the facility. The information provided in Item 1.01 of this Current Report on Form 8-K is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

- 10.1 Amended and Restated Credit Agreement, dated as of October 19, 2012, by and among Apogee Enterprises, Inc., as the Borrower, the Lenders referred to herein, Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuing Lender, and Comerica Bank, as Documentation Agent and Issuing Lender.*

* Filed herewith.

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.

APOGEE ENTERPRISES, INC.

By: /s/ James S. Porter
James S. Porter

Chief Financial Officer

Date: October 25, 2012

EXHIBIT INDEX

Exhibit

Number	Description
10.1	Amended and Restated Credit Agreement, dated as of October 19, 2012, by and among Apogee Enterprises, Inc., as the Borrower, the Lenders referred to herein, Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuing Lender, and Comerica Bank, as Documentation Agent and Issuing Lender.*

* Filed herewith.