

Express Scripts Holding Co.
Form 8-K
July 05, 2016

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): July 5, 2016 (June 29, 2016)

EXPRESS SCRIPTS HOLDING COMPANY
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction
of Incorporation or Organization)

001-35490
(Commission
File Number)

45-2884094
(I.R.S. Employer
Identification No.)

One Express Way, St. Louis, MO
(Address of Principal Executive Offices)

63121
(Zip Code)

Registrant's telephone number including area code: 314-996-0900

No change since last report

(Former Name or 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 (see General Instruction A.2. below):

- ☐ 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

(a) Supplemental Indentures

On July 5, 2016, Express Scripts Holding Company (the "Company"), certain subsidiaries of the Company named therein (the "Subsidiary Guarantors") and Wells Fargo Bank, National Association, as trustee (the "Trustee"), entered into an Eighteenth Supplemental Indenture (the "Eighteenth Supplemental Indenture") to the Indenture dated November 21, 2011 (the "Base Indenture"), among the Company, certain subsidiaries of the Company named therein and the Trustee, relating to the Company's 3.000% Senior Notes due 2023 (the "2023 Notes"). \$1,000 million aggregate principal amount of the 2023 Notes were sold in a public offering pursuant to the Company's Registration Statement on Form S-3 (No. 333-196442), as amended (the "Registration Statement"), filed with the Securities and Exchange Commission (the "Commission"). The Eighteenth Supplemental Indenture includes the form of the 2023 Notes. The 2023 Notes will pay interest semiannually on January 15 and July 15, beginning on January 15, 2017 at a rate of 3.000% per annum until July 15, 2023.

On July 5, 2016, the Company, the Subsidiary Guarantors and the Trustee entered into a Nineteenth Supplemental Indenture (the "Nineteenth Supplemental Indenture") to the Base Indenture, relating to the Company's 3.400% Senior Notes due 2027 (the "2027 Notes"). \$1,500 million aggregate principal amount of the 2027 Notes were sold in a public offering pursuant to the Registration Statement. The Nineteenth Supplemental Indenture includes the form of the 2027 Notes. The 2027 Notes will pay interest semiannually on March 1 and September 1, beginning on September 1, 2016 at a rate of 3.400% per annum until March 1, 2027.

On July 5, 2016, the Company, the Subsidiary Guarantors and the Trustee entered into a Twentieth Supplemental Indenture (the "Twentieth Supplemental Indenture") to the Base Indenture, relating to the Company's 4.800% Senior Notes due 2046 (the "2046 Notes" and, together with the 2023 Notes and the 2027 Notes, the "Notes"). \$1,500 million aggregate principal amount of the 2046 Notes were sold in a public offering pursuant to the Registration Statement. The Twentieth Supplemental Indenture includes the form of the 2046 Notes. The 2046 Notes will pay interest semiannually on January 15 and July 15, beginning on January 15, 2017 at a rate of 4.800% per annum until July 15, 2046.

The Company intends to use a portion of the net proceeds from the sale of the Notes to (a) repay approximately \$1,500 million principal amount of its two-year \$2,500 million term loan and (b) fund the purchase price and accrued and unpaid interest for the Company's previously announced tender offer to purchase for cash (i) any and all of the 2.650% Senior Notes due 2017 issued by the Company (the "Any and All Notes") and (ii) up to an aggregate principal amount of the 7.125% senior notes due 2018 issued by Medco Health Solutions, Inc., the 7.250% senior notes due 2019 issued by Express Scripts, Inc. and the 6.125% senior notes due 2041 issued by the Company that will not result in an aggregate amount that all holders of any such series of notes are entitled to receive, excluding accrued and unpaid interest, for their notes of such series that are validly tendered and accepted for purchase in the tender offer exceeding the applicable Aggregate Maximum Tender Amount (defined below), and to fund the redemption price and accrued and unpaid interest for any of the Any and All Notes that remain outstanding after the completion or termination of the tender offer. The Aggregate Maximum Tender Amount for the 7.125% senior notes due 2018 is \$450,000,000. The Aggregate Maximum Tender Amount for the 7.250% senior notes due 2019 is \$187,500,000. The Aggregate Maximum Tender Amount

for the 6.125% senior notes due 2041 is \$262,500,000. The Company intends to use the remaining proceeds for general corporate purposes, which may include the repayment of its other indebtedness, working capital and repurchases of its common stock. Repurchases of the Company's common stock may be made pursuant to open market transactions, block trades, privately negotiated transactions, accelerated share repurchase programs or other means or a combination of the aforementioned.

(b) Underwriting Agreement

On June 29, 2016, the Company and the Subsidiary Guarantors entered into an Underwriting Agreement (the Underwriting Agreement) with Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the several Underwriters listed on Schedule A thereto, relating to the sale by the Company of the Notes.

Some of the underwriters and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Company and its affiliates, for which they have received or will receive compensation. An affiliate of the trustee acted as an underwriter in connection with the issuance of the Notes.

The Underwriting Agreement is filed herewith as Exhibit 1.1, the Eighteenth Supplemental Indenture is filed herewith as Exhibit 4.1, the Nineteenth Supplemental Indenture is filed herewith as Exhibit 4.2 and the Twentieth Supplemental Indenture is filed herewith as Exhibit 4.3. The descriptions of the Underwriting Agreement, the Eighteenth Supplemental Indenture, the Nineteenth Supplemental Indenture and the Twentieth Supplemental Indenture herein are qualified by reference thereto.

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

The information included in Item 1.01(a) above is incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

In reviewing the Underwriting Agreement included as Exhibit 1.1 to this report, please remember it is included to provide you with information regarding its terms and is not intended to provide any other factual disclosure information about the Company or the other parties to the agreement. The Underwriting Agreement contains representations and warranties by each of the parties to the agreement. These representations and warranties have been made solely for the benefit of the other parties to the agreement and:

should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;

may have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;

may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and

were made only as of the date of the agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this report and the Company's other public filings, which are available without charge through the Commission's website at <http://www.sec.gov>.

Exhibit No.	Description
1.1	Underwriting Agreement, dated as of June 29, 2016, among the Company, the Subsidiary Guarantors party thereto and Citigroup Global Markets Inc., Credit Suisse Securities (USA) LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the several underwriters named therein.
4.1	Eighteenth Supplemental Indenture, dated as of July 5, 2016, among the Company, the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee.
4.2	Nineteenth Supplemental Indenture, dated as of July 5, 2016, among the Company, the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee.
4.3	Twentieth Supplemental Indenture, dated as of July 5, 2016, among the Company, the Subsidiary Guarantors party thereto and Wells Fargo Bank, National Association, as Trustee.
5.1	Opinion Letter of Skadden, Arps, Slate, Meagher & Flom LLP regarding the validity of the Notes and Guarantees.
23.1	Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included in Exhibit 5.1).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

EXPRESS SCRIPTS HOLDING COMPANY

Date: July 5, 2016

By: /s/ Martin P. Akins

Name: Martin P. Akins

Title: Senior Vice President, General Counsel
and Secretary

EXHIBIT INDEX

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