COCA COLA BOTTLING CO CONSOLIDATED /DE/
Form 8-K
January 20, 2017

**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): January 13, 2017**

**COCA-COLA BOTTLING CO. CONSOLIDATED**

**(Exact name of registrant as specified in its charter)**

| | | |
|---|---|---|
| **Delaware** | **0-9286** | **56-0950585** |
| **(State or other jurisdiction of incorporation)** | **(Commission File Number)** | **(IRS Employer Identification No.)** |

| | |
|---|---|
| **4100 Coca-Cola Plaza, Charlotte, North Carolina** | **28211** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**(704) 557-4400**

**(Registrant s telephone number, including area code)**

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

On January 13, 2017, Coca-Cola Bottling Co. Consolidated (the Company ) entered into a confirmation of acceptance (the Confirmation of Acceptance ) to sell $125 million aggregate principal amount of senior unsecured notes due 2023 (the 2023 Notes ) to PGIM, Inc. ( Prudential ) and certain of its affiliates (the Prudential Affiliates ) pursuant to a Note Purchase and Private Shelf Agreement (the Agreement ) dated June 10, 2016 between the Company, Prudential and each Prudential Affiliate that becomes party thereto.

Pursuant to the Confirmation of Acceptance, the Company has agreed to sell $125 million aggregate principal amount of the 2023 Notes on or before February 27, 2017 (the date on which such sale occurs, the Closing Date ). The 2023 Notes will bear interest at 3.28% and will mature on the sixth anniversary of the Closing Date, unless earlier redeemed by the Company. Interest on the 2023 Notes will be payable semi-annually in arrears on each annual and semi-annual anniversary of the Closing Date. Interest will be computed on the basis of a 360-day year composed of twelve 30-day months. The Company expects to use the proceeds for general corporate purposes. If the Company cancels the closing of the purchase and sale of the 2023 Notes or if such closing is not consummated on or prior to February 27, 2017, the Company is obligated to pay Prudential a cancellation fee, calculated to take into account any changes in interest rates between the Confirmation of Acceptance date and the date of cancellation, or a delayed delivery fee, calculated to take into account any loss in yield during the period from the anticipated closing date through the rescheduled closing date, as applicable. Closing of the purchase and sale of the 2023 Notes is subject to a number of customary conditions precedent and future events occurring, as set forth in the Agreement, and there can be no assurances that these future events will occur or that these conditions will be satisfied, or if not satisfied, waived at such closing.

Pursuant to the Agreement, the Company may from time to time issue and sell, and Prudential may consider in its sole discretion the purchase of, in one or a series of transactions, additional senior unsecured notes of the Company by the Prudential Affiliates (the Shelf Notes and, together with the 2023 Notes, the Notes ), in an aggregate principal amount of up to $300 million, including the 2023 Notes. Upon the issuance and sale of the 2023 Notes, the Company may request that Prudential consider the purchase of additional Shelf Notes in an aggregate principal amount of up to $175 million. The Shelf Notes will have a maturity date of no more than 12 years after the date of original issuance and may be issued through June 10, 2019, unless either party terminates such issuance right. The Shelf Notes will bear interest at a rate per annum, and will have such other particular terms, as shall be set forth in a confirmation of acceptance executed by the parties prior to the closing of each purchase and sale transaction. Pursuant to the Agreement, the Notes are redeemable by the Company, in whole at any time or in part from time to time, at 100% of the principal amount of the Notes being redeemed, together with accrued and unpaid interest thereon and any Yield-Maintenance Amount (as defined in the Agreement) with respect to such Notes.

The Agreement contains customary representations and warranties and customary affirmative, negative and financial covenants. These covenants include, among other things, certain limitations on the ability of the Company and its subsidiaries to incur indebtedness, dispose of assets outside of the ordinary course of business and enter into certain merger or consolidation transactions, and a requirement that the Company and its subsidiaries use commercially reasonable efforts to maintain all material agreements necessary for the conduct of their business. The Agreement also contains two financial covenants: a consolidated cash flow/fixed charges ratio and a consolidated funded indebtedness/cash flow ratio (each as defined in the Agreement). The consolidated cash flow/fixed charges ratio requires the Company to maintain a consolidated cash flow to consolidated fixed charges ratio of 1.50 to 1.00 or higher. The consolidated funded indebtedness/cash flow ratio requires the Company to maintain a consolidated funded indebtedness to consolidated cash flow ratio of 6.00 to 1.00 or lower. The Agreement also requires that, in the event the Company amends its Amended and Restated Credit Agreement dated as of October 16, 2014 among the Company, JP Morgan Chase Bank, N.A. and the other parties thereto (as filed with the Company s Current Report on Form 8-K filed with the Securities and Exchange Commission on October 22, 2014) such that it contains covenant or default provisions that are similar to those contained in the Agreement but which contain percentages, amounts, formulas or grace periods that are more restrictive than those set forth in the Agreement or are otherwise more beneficial to the lenders thereunder, the Agreement shall be automatically amended to include such additional or amended covenants and/or default provisions.

The Agreement includes customary events of default, including, among others: (i) non-payment of amounts due thereunder, (ii) the material inaccuracy of representations or warranties made thereunder, (iii) non-compliance with covenants thereunder, (iv) non-payment of amounts due under, or the acceleration of, other material indebtedness of the Company or its subsidiaries, (v) bankruptcy or insolvency events, (vi) unsatisfied judgments in excess of $50 million, individually or in the aggregate, outstanding for 30 days or more which are not being appealed or contested in good faith and (vii) a change of control of the Company (which includes The Coca-Cola Company and its subsidiaries ceasing to own at least ten percent of the outstanding capital stock of the Company). Upon the occurrence of an event of default under the Agreement, the lenders may accelerate the maturity of the Company s outstanding obligations thereunder.

The foregoing description of the Agreement is qualified in its entirety by reference to the full text of such agreement and all exhibits thereto, which are filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated herein by reference.

**Forward-Looking Statements.** This Current Report on Form 8-K contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically are identified by use of terms such as may, project, should, plan, expect, anticipate, bel estimate and similar words. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The Company s actual results could differ materially from those contained in forward-looking statements due to a number of factors, including the statements under Risk Factors found in the Company s Annual Reports on Form 10-K s and its Quarterly Reports on Form 10-Q s on file with the SEC.

**Item 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

| **Exhibit No.** | **Description** | **Incorporated By Reference To** |
|---|---|---|
| 10.1 | Note Purchase and Private Shelf Agreement, dated June 10, 2016, by and among the Company, PGIM, Inc. and the other parties thereto. | 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.

**COCA-COLA BOTTLING CO. CONSOLIDATED**

Date: January 20, 2017

By: /s/ Clifford M. Deal, III
Clifford M. Deal, III

Senior Vice President, Chief Financial Officer

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C.**

**EXHIBITS**

**CURRENT REPORT**

**ON**

**FORM 8-K**

| | |
|---|---|
| **Date of Event Reported:** | **Commission File No:** |
| **January 13, 2017** | **0-9286** |

**COCA-COLA BOTTLING CO. CONSOLIDATED**

**EXHIBIT INDEX**

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