
Hologic Enters into Five-Year Secured Credit Agreement



Initial Proceeds from New \$1.5 Billion Term Loan and \$1 Billion Revolving Credit Line Used to Refinance Senior Secured Debt

[PRNewswire/](#) -- Hologic, Inc. (NASDAQ: HOLX) announced that the Company has entered into a new, five-year secured credit agreement consisting of a \$1.5 billion senior Term Loan and a \$1 billion revolving credit facility.

Hologic has borrowed \$0.175 billion against the new revolver initially, and used these proceeds and the Term Loan to pay off the Company's previous senior secured term loans, which had an aggregate principal amount outstanding of \$1.69 billion as of March 28, 2015. As a result, the Company's total indebtedness remains substantially unchanged.

"This new credit agreement contributes to the continued transformation of Hologic's balance sheet," said Bob McMahon, the Company's Chief Financial Officer. "By refinancing the term loans, we reduce our interest expense and increase our financial flexibility, while extending our debt maturities. At the same time, upsizing our revolver provides us additional flexibility to retire our convertible notes when they become callable."

The new loan facilities mature on May 29, 2020. Current borrowings bear interest at an annual rate of LIBOR + 1.75% based on Hologic's current leverage ratio. Over the next five years and on a quarterly basis prior to maturity, the Company will be required to make minimum principal payments on the new Term Loan in annualized amounts of \$75 million, \$75 million, \$112.5 million, \$150 million and \$150 million, respectively.

The new revolving credit facility carries an initial unused fee of 0.35% annually based on Hologic's current leverage ratio. In connection with the refinancing, Hologic eliminated its previous \$300 million revolving credit facility.

Multiple bank lenders participated in the financing, which was led by Bank of America Merrill Lynch.

Source credit: [Hologic, Inc.](#)

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