

MASIMO CORP  
Form 8-K  
December 21, 2018

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 8-K

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CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934  
Date of Report (Date of earliest event reported): December 17, 2018

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MASIMO CORPORATION  
(Exact name of registrant as specified in its charter)

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Delaware	001-33642	33-0368882
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
52 Discovery Irvine, California	92618	
(Address of principal executive offices)	(Zip Code)	
Registrant's telephone number, including area code: (949) 297-7000		
Not Applicable		
(Former name or former address, if changed since last report)		

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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))

Indicate by check mark  
whether the registrant is an  
emerging growth company as  
defined in Rule 405 of the  
Securities Act of  
1933 (§230.405 of this chapter)  
or Rule 12b-2 of the Securities  
Exchange Act of 1934  
(§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth  
company, indicate by check  
mark if the registrant has  
elected not to use the  
extended transition period  
for complying with any new   
or revised financial  
accounting standards  
provided pursuant to Section  
13(a) of the Exchange Act.

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Item 1.01. Entry into a Material Definitive Agreement.

On December 17, 2018, Masimo Corporation (the “Company”), entered into a Credit Agreement (the “Credit Facility”) with JPMorgan Chase Bank, N.A., as Administrative Agent and a Lender, and Bank of the West, as a Lender (collectively, the “Initial Lenders”). The Credit Facility provides for up to \$150.0 million of unsecured borrowings, with an option, subject to certain conditions, for the Company to increase the aggregate borrowing capacity to up to \$550.0 million in the future with the Initial Lenders and additional Lenders, as required. The Credit Facility also provides for a sublimit of up to \$25.0 million for the issuance of letters of credit and a sublimit of \$75.0 million for borrowings in specified foreign currencies. All unpaid principal under the Credit Facility will become due and payable on December 17, 2023. Proceeds from the Credit Facility are expected to be used for general corporate, capital investment and working capital needs.

Borrowings under the Credit Facility will be deemed, at the Company’s election, either: (a) an Alternate Base Rate (“ABR”) Loan, which bears interest at the ABR, plus a spread of 0.125% to 1.000% based upon a Company leverage ratio, or (b) a Eurocurrency Loan, which bears interest at the Adjusted LIBO Rate (as defined below), plus a spread of 1.125% to 2.000% based upon a Company net leverage ratio. Subject to certain conditions, the Company may also request swingline loans from time to time that bear interest similar to an ABR Loan. Pursuant to the terms of the Credit Facility, the ABR is equal to the greatest of (i) the prime rate, (ii) the Federal Reserve Bank of New York effective rate plus 0.50%, and (iii) the one-month Adjusted LIBO Rate plus 1.0%. The Adjusted LIBO Rate is equal to the Eurocurrency Rate (as defined within the Credit Facility) for the applicable interest period multiplied by the statutory reserve rate for such period, rounded upward, if necessary, to the next 1/16 of 1%. The Company is also obligated under the Credit Facility to pay an unused fee ranging from 0.150% to 0.275% per annum, based upon a Company leverage ratio, with respect to any unutilized portion of the Credit Facility.

Pursuant to the terms of the Credit Facility, the Company is subject to certain covenants, including financial covenants related to a net leverage ratio and an interest charge coverage ratio, and other customary negative covenants. The Credit Facility also includes customary events of default which, upon the occurrence of any such event of default, provide the Lenders with the right to take either or both of the following actions: (a) immediately terminate the commitments, and (b) declare the loans then outstanding immediately due and payable in full.

The foregoing description of the Credit Facility is a summary of certain terms of the Credit Facility, does not purport to be complete, and is qualified in its entirety by reference to the Credit Facility which will be filed as an exhibit to the Company’s Annual Report on Form 10-K for the year ending December 29, 2018.

Item

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

The information set forth above under Item 1.01 of this Current Report on Form 8-K is hereby incorporated by reference into this Item 2.03.



SIGNATURES

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

MASIMO  
CORPORATION

Date: December 21, 2018    By:    /s/  
MICAH  
YOUNG

Micah  
Young  
Executive  
Vice  
President  
& Chief  
Financial  
Officer  
(Principal  
Financial  
Officer)