

GLOBAL POWER EQUIPMENT GROUP INC.

FORM 8-K (Current report filing)

Filed 08/23/17 for the Period Ending 08/17/17

Address	400 E. LAS COLINAS BLVD. SUITE 400 IRVING, TX 75039
Telephone	214-574-2700
CIK	0001136294
Symbol	GLPW
SIC Code	3443 - Fabricated Plate Work (Boiler Shops)
Industry	Heavy Electrical Equipment
Sector	Industrials
Fiscal Year	12/31

**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): **August 17, 2017**

Global Power Equipment Group Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-16501
(Commission
File Number)

73-1541378
(IRS Employer
Identification Number)

400 E. Las Colinas Boulevard, Suite 400
Irving, Texas 75039
(Address of Principal Executive Offices, Zip Code)

Registrant's telephone number, including area code: **214-574-2700**

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.

Item 1.01 Entry into a Material Definitive Agreement.

Global Power Equipment Group Inc. (the “*Company*”) previously disclosed that it entered into a \$45 million senior secured credit agreement, dated June 16, 2017, with an affiliate of Centre Lane Partners, LLC (“*Centre Lane*”), as Administrative Agent and Collateral Agent, and the other lenders (collectively, the “*Lenders*”) from time to time party thereto (the “*Senior Secured Credit Agreement*”).

On August 17, 2017, the Company entered into a First Amendment to Senior Secured Credit Agreement (the “*First Amendment*”). Under the First Amendment, each of the Lenders has, among other things, agreed to provide the Company with a first-out term loan of up to an aggregate principal amount of \$10 million (collectively, the “*First-Out Loan*”), which will mature on September 30, 2018 (the “*First-Out Maturity*”). In addition to the fees provided in the original Senior Secured Credit Agreement, the First Amendment also requires the Company to pay an upfront fee equal to 7% of the First-Out Loan commitments, which bears interest at a rate of London Interbank Offered Rate plus 19% annual payable in-kind interest, and an exit fee equal to 7% of the aggregate outstanding principal amount of the First-Out Loan commitments, each of which is payable upon the First-Out Maturity. The First Amendment also changes the date by which the Company is required to give the Lenders its final audited consolidated balance sheet and related statements of income, shareholders’ equity, and cash flows for the year ended December 31, 2016 from August 31, 2017 to September 15, 2017. Except as set forth above, the First Amendment does not materially alter the other terms of the Senior Secured Credit Agreement, including the interest rate, covenants, and conditions set forth therein.

While the First Amendment has provided the Company with a certain amount of incremental borrowing capacity, the Company’s overall liquidity remains constrained. The First Amendment is not anticipated to materially relieve the liquidity concerns identified in the Company’s Form 10-K for the fiscal year ended December 31, 2015 (the “*2015 Form 10-K*”) and related earnings release. Investors should read the sections titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” set forth in the 2015 Form 10-K and any subsequent filings made by the Company with the U.S. Securities and Exchange Commission (the “*SEC*”).

While not a party to the First Amendment, entities associated with Wynnefield Capital, Inc. (the “*Wynnefield Funds*”), the Company’s largest stockholder, participated in the funding of the First-Out Loan, the terms of which are disclosed in the Wynnefield Funds’ Form 13D/A filed with the U.S. Securities and Exchange Commission on or about the date of this filing.

On August 23, 2017, the Company issued a press release announcing the matters set forth above. A copy of the press release is attached to this Current Report on Form 8-K as Exhibit 99.1.

The Company will include the First Amendment as an exhibit to its 2016 Annual Report on Form 10-K, to be filed with the SEC. The foregoing description does not constitute a complete summary of the terms of the First Amendment and is qualified in its entirety by reference to the full text of the First Amendment.

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 in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release, dated August 23, 2017.

SIGNATURE

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

Dated: August 23, 2017

Global Power Equipment Group Inc.

By: /s/ Charles E. Wheelock

Charles E. Wheelock

Vice President, Administration, General Counsel & Secretary

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press release, dated August 23, 2017.



Global Power ♦ 400 E Las Colinas Blvd., Suite 400 ♦ Irving, TX 75039

FOR IMMEDIATE RELEASE

Global Power Announces \$10 Million Expansion of Term Loan and 2016 Financial Results Conference Call and Webcast

IRVING, Texas, August 23, 2017 — Global Power Equipment Group Inc. (OTC: GLPW) (“Global Power” or the “Company”) today announced that on August 17, 2017, it entered into an agreement with its lenders to amend its June 16, 2017 senior secured credit agreement to provide the Company with a first-out term loan of up to \$10 million. The agreement also changed the date that the Company is required to provide to the lenders its audited financial statements for the year ended December 31, 2016 from August 31, 2017 to September 15, 2017.

Webcast and Teleconference

The Company plans on discussing its financing, the financial results of 2016 and provide an update on its operations, strategy and outlook on a webcast and conference call on Wednesday, September 13, 2017. It will release its 2016 financial results and file its 2016 Annual Report on Form 10-K after market on Tuesday, September 12, 2017.

Teleconference and Webcast:

DATE: Wednesday, September 13, 2017
 TIME: 9:00 am Central Time / 10:00 am Eastern Time
 PHONE: 201-493-6780
 Webcast and accompanying slide presentation: www.globalpower.com

An audio replay of the call will be available from 1:00 pm CT (2:00 pm ET) on the day of the teleconference until the end of day on September 20, 2017. To listen to the audio replay, call 412-317-6671 and enter conference ID number 13669379. Alternatively, you may access the webcast replay at <http://ir.globalpower.com/>, where a transcript will be posted once available.

About Global Power

Global Power Equipment Group Inc. is a design, engineering and manufacturing firm providing a broad array of equipment and services to the global power infrastructure, energy and process industries. The Company reports in three operating segments: The Mechanical Solutions segment (formerly Auxiliary Products) designs, engineers and manufactures a comprehensive portfolio of equipment for utility-scale natural gas turbines. The Electrical Solutions segment provides custom-configured electrical houses and generator enclosures for a variety of industries. The Services segment provides lifecycle maintenance, repair, on-site specialty support, outage management, construction and fabrication services for the power generation, industrial, chemical/petrochemical processing, and oil and gas industries.

The Company provides information at its website: www.globalpower.com.

Forward-looking Statement Disclaimer

This press release contains “forward-looking statements” within the meaning of the term set forth in the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements or expectations regarding the Company’s ability to comply with the terms of its debt instruments, the timing and the Company’s

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ability to file its 2016 and 2017 financial results and the Company's ability to regain SEC reporting compliance, and other related matters. These statements reflect our current views of future events and financial performance and are subject to a number of risks and uncertainties, including our ability to comply with the terms of our credit facility. Our actual results, performance or achievements may differ materially from those expressed or implied in the forward-looking statements. Additional risks and uncertainties that could cause or contribute to such material differences include, but are not limited to, decreased demand for new gas turbine power plants, reduced demand for, or increased regulation of, nuclear power, loss of any of our major customers, whether pursuant to the loss of pending or future bids for either new business or an extension of existing business, termination of customer or vendor relationships, cost increases and project cost overruns, unforeseen schedule delays, poor performance by our subcontractors, cancellation of projects, competition for the sale of our products and services, including competitors being awarded business by our customers that had previously been provided by Global Power, shortages in, or increases in prices for, energy and materials such as steel that we use to manufacture our products, damage to our reputation, warranty or product liability claims, increased exposure to environmental or other liabilities, failure to comply with various laws and regulations, failure to attract and retain highly-qualified personnel, loss of customer relationships with critical personnel, effective integration of acquisitions, volatility of our stock price, deterioration or uncertainty of credit markets, changes in the economic, social and political conditions in the United States and other countries in which we operate, including fluctuations in foreign currency exchange rates, the banking environment or monetary policy, and the factors set forth above under the caption "Cautionary Note Regarding Preliminary Estimates."

Other important factors that may cause actual results to differ materially from those expressed in the forward-looking statements are discussed in our filings with the SEC, including the section of the 2015 10-K titled "Risk Factors." Any forward-looking statement speaks only as of the date of this press release. Except as may be required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, and we caution you not to rely upon them unduly.

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