

MERCER INTERNATIONAL INC.
Form 8-K
December 19, 2018

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): December 19, 2018

MERCER INTERNATIONAL INC.

(Exact name of Registrant as specified in its charter)

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|---|---|--|
| Washington (State or other jurisdiction of | 000-51826 (Commission File Number) | 47-0956945 (I.R.S. Employer |
| incorporation or organization) Suite 1120, 700 West Pender Street, Vancouver, British Columbia, Canada V6C 1G8 | | Identification No.) |
| (Address of principal executive office) | | |

(604) 684-1099

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former 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))

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

On December 19, 2018, various German subsidiaries (the **Loan Parties**) of Mercer International Inc. (the **Company**) entered into a new 200 million joint revolving credit facility (the **New Facility**) with a group of bank lenders. The New Facility, which will be used for general corporate purposes, replaces three existing revolving credit facilities of certain of the Loan Parties aggregating 170 million.

The terms of the New Facility include among others:

A term of five years.

The facility is unsecured and is jointly and severally guaranteed by each of the Loan Parties.

The interest payable on loans under the facility will be Euribor plus 1.05% 2.00% depending on the leverage ratio as defined in the New Facility.

A commitment fee equal to 35% of the applicable margin on the unused and uncanceled amount of the facility is payable quarterly in arrears.

The facility contains customary restrictive covenants, which, among other things, govern the ability of the Loan Parties thereunder to incur liens, sell assets, incur indebtedness, make investments, enter into joint ventures, make distributions, change their respective businesses and alter their share capital. The facility also contains customary representations, warranties, information undertakings and events of default.

The New Facility is available to all of the borrowers, subject to maximum borrowing sub-limits for certain of the borrowers.

The description of the New Facility contained herein does not purport to be complete and is qualified in its entirety by reference to the New Facility that will be filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

ITEM 1.02. TERMINATION OF A MATERIAL DEFINITIVE AGREEMENT

The information set forth in Item 1.01 above is incorporated by reference into this Item 1.02.

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 above is incorporated by reference into this Item 2.03.

ITEM 7.01. REGULATION FD DISCLOSURE

The information set forth in Item 1.01 above is incorporated by reference into this Item 7.01.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS

None.

SIGNATURES

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.

MERCER INTERNATIONAL INC.

/s/ David K. Ure

David K. Ure

Chief Financial Officer

Date: December 19, 2018