
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, DC 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

October 23, 2018

Date of report (date of earliest event reported)

Surgery Partners, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdictions of
incorporation or organization)

001-37576

(Commission
File Number)

47-3620923

(I.R.S. Employer
Identification Nos.)

**310 Seven Springs Way, Suite 500
Brentwood, Tennessee 37027**

(Address of principal executive offices) (Zip Code)

(615) 234-5900

(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))

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 October 23, 2018, Surgery Partners, Inc. (the “Company”) announced that SP Holdco I, Inc., a Delaware corporation (“Holdings”), and Surgery Center Holdings, Inc., a Delaware corporation (the “Borrower”), each a wholly-owned subsidiary of the Company, together with certain wholly-owned subsidiaries of the Borrower, entered into an incremental term loan amendment, dated as of October 23, 2018 (“the Amendment”), with Jefferies Finance LLC, as administrative agent and collateral agent, and the other financial institutions party thereto from time to time, which amended and supplemented the credit agreement, dated as of August 31, 2017, by and among the Borrower, Holdings, certain wholly-owned subsidiaries of the Borrower party thereto from time to time, Jefferies Finance LLC, as administrative agent and collateral agent, and the other financial institutions party thereto from time to time (the “Credit Agreement”) to provide for a \$180.0 million senior secured incremental term loan (the “Incremental Term Loan”). The Incremental Term Loan was fully drawn on October 23, 2018 and bears interest at a rate per annum equal to (x) LIBOR plus a margin of 3.25% per annum or (y) an alternate base rate (which will be the highest of (i) the prime rate, (ii) 0.5% per annum above the federal funds effective rate, (iii) one-month LIBOR plus 1.00% per annum and (iv) 2.00% per annum) plus a margin of 2.25% per annum. The Incremental Term Loan is subject to maturity, amortization and other terms consistent with the existing term loans outstanding under the Credit Agreement on the date of the Amendment.

The foregoing description of the Amendment is qualified in its entirety by the text of the Amendment, which is expected to be filed as an exhibit to the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Item 7.01 Regulation FD Disclosure

On October, 24, 2018, the Company put out a press release relating to the entry into the agreement governing the Incremental Term Loan. The Company is furnishing this press release as Exhibit 99.1. The information in this Current Report and the exhibit hereto are being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the Exchange Act) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of the Registrant under the Securities Act of 1933 or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press release dated October 24, 2018

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.

Surgery Partners, Inc.

By: /s/ Jennifer Baldock
Jennifer Baldock
Senior Vice President, General Counsel

Date: October 24, 2018

Surgery Partners, Inc. Announces Closing of New \$180 Million Incremental Term Loan

NASHVILLE, Tenn., October 24, 2018 — Surgery Partners, Inc. (NASDAQ: SGRY) (“Surgery Partners”), a leading healthcare services company, today announced that Surgery Center Holdings, Inc., our wholly owned subsidiary, (the “Borrower”) closed an incremental term loan amendment, dated as of October 23, 2018 (“the Amendment”), which provided for the issuance of a \$180.0 million senior secured incremental term loan (the “Incremental Term Loan”) under the Borrower’s credit agreement, dated as of August 31, 2017 (the “Credit Agreement”). The proceeds of the Incremental Term Loan are expected to be used to fund an existing pipeline of transactions consistent with the existing M&A strategy around high growth specialties, to replenish proceeds spent on M&A in the first half of 2018 and/or for other general corporate purposes.

The Incremental Term Loan bears interest at a rate per annum equal to (x) LIBOR plus a margin of 3.25% per annum or (y) an alternate base rate (which will be the highest of (i) the prime rate, (ii) 0.5% per annum above the federal funds effective rate, (iii) one-month LIBOR plus 1.00% per annum and (iv) 2.00% per annum) plus a margin of 2.25% per annum. The Incremental Term Loan is subject to maturity, amortization and other terms consistent with the existing term loans outstanding under the Credit Agreement on the date of the Amendment.

“We are pleased to see strong investor demand for our new incremental term loan facility, which underscores the confidence in our strategy as we reposition our portfolio for growth through additional strategic investments,” stated Tom Cowhey, Chief Financial Officer of Surgery Partners. “The offering was significantly oversubscribed, which enabled us to increase the size of the incremental term loan facility to \$180.0 million. These incremental proceeds will better position us to capitalize on an attractive M&A pipeline and to de-lever our balance sheet by driving Adjusted EBITDA growth in fiscal 2019 and beyond.”

About Surgery Partners, Inc.

Headquartered in Brentwood, Tennessee, Surgery Partners is a leading healthcare services company with a differentiated outpatient delivery model focused on providing high quality, cost effective solutions for surgical and related ancillary care in support of both patients and physicians. Founded in 2004, Surgery Partners is one of the largest and fastest growing surgical services businesses in the country, with more than 180 locations in 32 states, including ambulatory surgery centers, surgical hospitals, a diagnostic laboratory, multi-specialty physician practices and urgent care facilities.

Forward-Looking Statements

This press release contains forward-looking statements, including those regarding our M&A strategy and pipeline. These statements can be identified by the use of words such as “believes,” “anticipates,” “expects,” “intends,” “plans,” “continues,” “estimates,” “predicts,” “projects,” “forecasts,” and similar expressions. All forward looking statements are based on current expectations and beliefs as of the date of this release and are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those discussed in, or implied by, the forward-looking statements, including but not limited to, the risks identified and discussed from time to time in the Company’s reports filed with the SEC, including the Company’s Quarterly Reports on Form 10-Q for the quarterly periods ended September 30, 2017 and June 30, 2017, filed on November 9, 2017 and August 9, 2017, respectively. Except as required by law, the Company undertakes no obligation to revise or update publicly any forward-looking statements to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events or circumstances. In addition, the financial information for the fiscal year ended December 31, 2017 is unaudited and subject to quarter-end and year-end adjustments in connection with the completion of our customary financial closing procedures. Such changes could be material.

Investors:

Thomas F. Cowhey, Chief Financial Officer

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