
**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): **April 1, 2019**

THE TORO COMPANY

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

1-8649
(Commission File Number)

41-0580470
(IRS Employer Identification No.)

8111 Lyndale Avenue South
Bloomington, Minnesota
(Address of Principal Executive Offices)

55420
(Zip Code)

(952) 888-8801
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 Instructions 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.

Section 2— Financial Information

Item 2.01 Completion of Acquisition or Disposition of Assets.

On April 1, 2019, The Toro Company, a Delaware corporation (“Toro”), completed its previously announced acquisition (the “Acquisition”) of The Charles Machine Works, Inc., an Oklahoma corporation (“CMW”). CMW is a privately held company with a portfolio of products primarily used for underground construction purposes.

Pursuant to the terms of the Agreement and Plan of Merger (the “Merger Agreement”), dated as of February 14, 2019, among Toro, Helix Company, Inc., an Oklahoma corporation and wholly-owned subsidiary of Toro (“Merger Sub”), CMW, and Agent 186 LLC, an Oklahoma limited liability company, solely in its capacity as a Shareholders’ Agent thereunder, Merger Sub merged with and into CMW, with CMW continuing as the surviving entity and a wholly-owned subsidiary of Toro (the “Merger”). Toro is paying the purchase price of \$700 million (subject to certain working capital, net debt, and other adjustments) using a combination of proceeds from the Term Loan Credit Agreement (as defined below) and Revolving Credit Agreement (as defined below).

The Merger Agreement, a copy of which is filed as Exhibit 2.1 to the Current Report on Form 8-K that was filed by Toro with the Securities and Exchange Commission (the “SEC”) on February 15, 2019, and is incorporated herein by reference, and the foregoing description of the Merger Agreement are intended to provide information regarding the terms of the Merger Agreement and are not intended to modify or supplement any factual disclosures about Toro in its reports filed with the SEC. In particular, the Merger Agreement and related description are not intended to be, and should not be relied upon as, disclosures regarding any facts and circumstances relating to Toro or CMW. The representations and warranties have been negotiated with the principal purpose of not establishing matters of fact, but rather for purposes of allocating risk between each party. As is customary, the assertions embodied in the representations and warranties are qualified by schedules and other disclosures made by each party. The representations and warranties also may be subject to a contractual standard of materiality different from those generally applicable under the securities laws. Shareholders of Toro are not third-party beneficiaries under the Merger Agreement and should not rely on the representations, warranties, and covenants, or any descriptions thereof, as characterizations of the actual state of facts or condition of Toro or CMW.

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

As previously reported, on March 19, 2019, Toro entered into a term loan credit agreement (the “Term Loan Credit Agreement”) with certain lenders, Bank of America, N.A., as administrative agent, and JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as syndication agents. The Term Loan Credit Agreement provides for an aggregate credit commitment of up to \$500 million to Toro, consisting of a three-year unsecured term loan credit facility up to an aggregate principal amount of \$200 million and a five-year unsecured term loan credit facility up to an aggregate principal amount of \$300 million. On April 1, 2019, Toro borrowed the full \$500 million of available borrowings under the Term Loan Credit Agreement in order to fund a portion of the purchase price for the Acquisition. In addition, on April 1, 2019, Toro borrowed \$200 million of available borrowings under its revolving credit agreement (the “Revolving Credit Agreement”) dated as of June 19, 2018, with certain lenders, Bank of America, N.A., as administrative agent, swingline lender and letter of credit issuer, and Wells Fargo Bank, National Association, as syndication agent, in order to fund a portion of the purchase price for the Acquisition.

A description of the Term Loan Credit Agreement is set forth in Item 1.01 of Toro’s Current Report on Form 8-K filed on March 20, 2019, which description is incorporated herein by reference. The Term Loan Credit Agreement was filed as Exhibit 10.1 to such 8-K and is incorporated herein by reference. A description of the Revolving Credit Agreement is set forth in Item 1.01 of Toro’s Current Report on Form 8-K filed on June 19, 2018, which description is incorporated herein by reference. The Revolving Credit Agreement was filed as Exhibit 10.1 to such 8-K and is incorporated herein by reference.

Section 7—Regulation FD

Item 7.01 Regulation FD Disclosure.

On April 1, 2019, Toro announced the completion of the Acquisition described in Item 2.01 above. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information contained in this Item 7.01 and Exhibit 99.1 to this Current Report on Form 8-K shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any filings made by Toro under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Section 9—Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits.

(a) *Financial Statements of Businesses Acquired*

Toro intends to file the historical financial statements required by this Item 9.01(a) as an amendment to this Current Report on Form 8-K within 71 calendar days after the date upon which this Current Report on Form 8-K must be filed.

(b) *Pro Forma Financial Information*

Toro intends to file the pro forma financial information required by this Item 9.01(b) as an amendment to this Current Report on Form 8-K within 71 calendar days after the date upon which this Current Report on Form 8-K must be filed.

(d) *Exhibits*

<u>Exhibit No.</u>	<u>Description</u>
2.1	<u>Agreement and Plan of Merger dated as of February 14, 2019 among The Toro Company, Helix Company, Inc., The Charles Machine Works, Inc. and Agent 186 LLC, as Shareholders’ Agent (incorporated by reference to Exhibit 2.1 of Toro’s Current Report on Form 8-K as filed with the SEC on February 15, 2019).</u>
10.1	<u>Term Loan Credit Agreement dated as of March 19, 2019, by and among The Toro Company, as Borrower, the lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, and JPMorgan Chase Bank, N.A. and Wells Fargo Bank, National Association, as Syndication Agents (incorporated by reference to Exhibit 10.1 of Toro’s Current Report on Form 8-K as filed with the SEC on March 20, 2019).</u>
10.2	<u>Credit Agreement dated as of June 19, 2018 among The Toro Company, Toro Luxembourg S. a. r. l. and certain subsidiaries, as Borrowers, the lenders from time to time party thereto, Bank of America, N.A., as Administrative Agent, Swingline Lender and Letter of Credit Issuer, and Wells Fargo Bank, National Association, as Syndication Agent (incorporated by reference to Exhibit 10.1 of Toro’s Current Report on Form 8-K as filed with the SEC on June 19, 2018).</u>
99.1	<u>Press Release dated April 1, 2019 issued by The Toro Company (furnished herewith).</u>

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 thereunto duly authorized.

THE TORO COMPANY
(Registrant)

Date: April 1, 2019

By: /s/ Timothy P. Dordell
Timothy P. Dordell
Vice President, Secretary and General Counsel

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For Immediate Release

The Toro Company Completes Acquisition of Charles Machine Works

Parent Company of Market-Leading Ditch Witch

BLOOMINGTON, Minn. (April 1, 2019) – The Toro Company (NYSE: TTC) today announced that it has successfully completed its acquisition of privately held The Charles Machine Works, Inc., an Oklahoma corporation and the parent company of Ditch Witch and other leading brands in the underground construction market.

Known as “The Underground Authority,” Charles Machine Works designs, manufactures and sells a range of products to cover the full life-cycle of underground pipe and cable, including horizontal directional drills, walk and ride trenchers, utility loaders, vacuum excavators, asset locators, pipe rehabilitation solutions and after-market tools. The acquisition brings together Toro’s portfolio of leading brands with Charles Machine Works’ deep understanding of the structures and systems that move resources across the globe, and the most important needs of underground construction professionals.

“We’re excited to welcome the men and women of Charles Machine Works to our team,” said Richard M. Olson, Toro’s chairman and chief executive officer. “As an organization, our strategic priorities of profitable growth, operational excellence and empowering people are well aligned. We are confident that together, we will further strengthen our portfolio of market-leading brands, with a focus on our customers, a commitment to innovation and leveraging our best-in-class channel networks. I am very optimistic about the momentum our combined strengths, talents and resources will generate in the future, as we continue our focus on long-term value creation for all of our stakeholders.”

The purchase price was approximately \$700 million, which was financed with new debt and borrowing under Toro’s existing credit facility. The transaction, originally announced February 15, 2019, is immediately accretive to EPS, excluding purchase accounting adjustments and transaction-related expenses. As previously communicated, the company expects to realize synergies of about \$30 million over a three-year period following the close. In addition, there are also revenue synergies and working capital improvements anticipated over time.

The company expects to provide updated full-year guidance when it reports its fiscal 2019 second quarter results.

About The Toro Company

The Toro Company (NYSE: TTC) is a leading worldwide provider of innovative solutions for the outdoor environment including turf maintenance, snow and ice management, landscape, rental and specialty construction equipment, and irrigation and outdoor lighting solutions. With sales of \$2.6 billion in fiscal 2018, Toro's global presence extends to more than 125 countries. Through constant innovation and caring relationships built on trust and integrity, Toro and its family of brands have built a legacy of excellence by helping customers care for golf courses, sports fields, public green spaces, commercial and residential properties and agricultural operations. For more information, visit www.thetorocompany.com.

About Charles Machine Works

Charles Machine Works is The Underground Authority—a family of companies delivering the most advanced equipment and solutions for underground construction and service in the world today. Its family includes Ditch Witch®, Subsite® Electronics, DW/TXS®, HammerHead®, Radius® HDD, American Augers®, Trencor® and MTI® Equipment. Together, the Charles Machine Works family of companies offers the most complete line of solutions for the full life-cycle of underground pipe and cable. For more information, visit <https://charlesmachine.works/>.

Forward-Looking Statements

This news release contains not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and that are subject to the safe harbor created by those sections. Statements that are not historical are forward-looking and reflect expectations and assumptions. Forward-looking statements are based on Toro's current expectations of future events, and often can be identified in this release and elsewhere by using words such as "expect," "strive," "looking ahead," "outlook," "guidance," "forecast," "goal," "optimistic," "anticipate," "continue," "plan," "estimate," "project," "believe," "should," "could," "will," "would," "possible," "may," "likely," "intend," "can," "seek," "potential," "pro forma," or the negative thereof and similar expressions or future dates. Some of the forward-looking statements in this release about Toro's acquisition of Charles Machine Works include Toro's expected earnings contribution from the acquisition and expected value to be achieved through synergies and working capital improvements. Forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected or implied. The following are some of the factors known to Toro that could cause Toro's actual results to differ materially from what Toro has anticipated in its forward-looking statements: the failure by Toro to achieve the net sales, earnings and any cost or revenue synergies and any working capital improvements expected from the acquisition or delays in the realization thereof; delays and challenges in integrating the businesses; business disruption as a result of the completion of the acquisition; loss of key personnel; unanticipated liabilities or exposures for which Toro has not been indemnified or may not recover; infringement of intellectual property rights of others associated with the rights acquired in the acquisition; and general adverse business, economic or competitive conditions. For more information regarding these and other uncertainties and factors that could cause Toro's actual results to differ materially from what it has anticipated in its forward-looking statements or otherwise could materially adversely affect its business, financial condition or operating results, see Toro's most recently filed Annual Report on Form 10-K, Part I, Item 1A, "Risk Factors" and Quarterly Report on Form 10-Q, Part II, Item 1A, "Risk Factors." All forward-looking statements included in this release are expressly qualified in their entirety by the foregoing cautionary statements. Toro cautions readers not to place undue reliance on any forward-looking statement which speaks only as of the date made and to recognize that forward-looking statements are predictions of future results, which may not occur as anticipated. Actual results could differ materially from those anticipated in the forward-looking statements and from historical results, due to the risks and uncertainties described above, the risks described in Toro's most recent Annual Report on Form 10-K, Part I, Item 1A, "Risk Factors" and Quarterly Report on Form 10-Q, Part II, Item 1A, "Risk Factors," as well as others that Toro may consider immaterial or does not anticipate at this time. The foregoing risks and uncertainties are not exclusive and further information concerning Toro and its businesses, including factors that potentially could materially affect Toro's financial results or condition, may emerge from time to time. Toro undertakes no obligation to update forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements. Toro advises you, however, to consult any further disclosures it makes on related subjects in its future Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K that Toro may file with or furnish to the SEC.

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