
**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): March 22, 2018

U.S. Silica Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-35416

(Commission File Number)

26-3718801

(IRS Employer Identification No.)

8490 Progress Drive, Suite 300, Frederick, MD

(Address of principal executive offices)

21701

(Zip Code)

Registrant's telephone number, including area code: (301) 682-0600

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.

On March 22, 2018, U.S. Silica Company, a Delaware corporation (“Buyer”) and a wholly-owned subsidiary of U.S. Silica Holdings, Inc. (the “Company”), entered into an Agreement and Plan of Merger, by and among Buyer, EP Acquisition Parent, Inc., a Delaware corporation (“EPAP”), Tranquility Acquisition Corp. (“Merger Sub”), a Delaware corporation and a wholly-owned subsidiary of Buyer, EPMC Parent LLC, a Delaware limited liability company, solely in its capacity as representative of the stockholders of EPAP, and solely for the purposes of Section 11.17 therein, Golden Gate Private Equity, Inc., a Delaware corporation (the “Merger Agreement”), pursuant to which Buyer will acquire all of the outstanding capital stock of EPAP through the merger of Merger Sub with and into EPAP (the “Merger”).

The consideration payable by Buyer in connection with the Merger consists of \$750,000,000 of cash, subject to customary adjustments for net working capital, indebtedness, cash and transaction expenses as of the closing. The consideration, less the amount of cash that will be deposited into escrow to support the post-closing purchase price adjustment, will be payable to the stockholders of EPAP at the closing of the Merger.

The consummation of the Merger is subject to the satisfaction or waiver of closing conditions applicable to both Buyer and EPAP, including, among others, the expiration or termination of the applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. The Merger Agreement also contains customary representations, warranties and covenants of Buyer and EPAP. The covenants include, among others, an obligation on behalf of EPAP to operate its business in the ordinary course until the Merger is consummated. The Merger Agreement also provides for limited termination rights on behalf of the parties. The Merger is expected to close in the second quarter of 2018.

Buyer expects to fund the consideration with cash on hand and additional borrowings pursuant to a contemplated amendment to its existing credit facilities. Buyer has secured a debt financing commitment from BNP Paribas, BNP Paribas Securities Corp. and Barclays Bank Plc.

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement. A copy of the Merger Agreement will be filed as an exhibit to the Company’s Quarterly Report on Form 10-Q for the quarter ending March 31, 2018.

Item 8.01 Other Events.

On March 23, 2018, the Company issued a press release announcing the entry into the Merger Agreement. A copy of the press release is attached hereto as Exhibit 99.1.

Cautionary Language Regarding Forward-Looking Statements

Except for the historical information contained herein, certain of the matters discussed in this communication constitute “forward-looking statements” within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended by the Private Securities Litigation Reform Act of 1995. Words such as “may,” “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “forecast,” and words and terms of similar substance used in connection with any discussion of future plans, actions, or events identify forward-looking statements. These forward-looking statements include, but are not limited to, statements regarding benefits of the proposed Merger, the expected timing of completion of the transaction, anticipated future financial and operating performance and results, including estimates for growth. These statements are based on the current expectations of management of the Company and EPAP, as applicable. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements included in this communication. For example, (1) conditions to the closing of the Merger may not be satisfied; (2) problems may arise in successfully integrating the businesses of the companies, which may result in the combined company not operating as effectively and efficiently as expected; (3) the Merger may involve unexpected costs, unexpected liabilities or unexpected delays; (4) the industry may be subject to future regulatory or legislative actions that could adversely affect the companies; (5) the companies may be adversely affected by other economic, business, and/or competitive factors; and (6) Buyer may not be able to complete the contemplated debt financing expected to fund a portion of the consideration. Other unknown or unpredictable factors could also have material adverse effects on future results, performance or achievements of the combined company. Discussions of some of these other important factors and assumptions are contained in the Company’s filings with the Securities and Exchange Commission (“SEC”), and available at the SEC’s website at www.sec.gov, including the Company’s 2017 Annual Report on Form 10-K in (a) Item 1A. Risk Factors, (b) Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations and (c) Item 8. Financial Statements and Supplementary Data. In light of these risks, uncertainties, assumptions and factors, the forward-looking events discussed in this communication may not occur. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this communication. The Company does not undertake any obligation to publicly release any revision to its forward-looking statements to reflect events or circumstances after the date of this communication.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

**Exhibit
Number**

Description

99.1 [U.S. Silica Holdings, Inc. press release dated March 22, 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.

Date: March 23, 2018

U.S. SILICA HOLDINGS, INC.

/s/ Donald A. Merrill

Donald A. Merrill
Executive Vice President, Chief Financial Officer and
Corporate Secretary



News Release

U.S. Silica Acquires Performance Materials Leader EP Minerals for \$750 Million

- **Rare find with attractive market structure**
- **Provides strong margins with meaningful growth opportunities**
- **Reliable cash flows complement Oil & Gas segment in the U.S. Silica portfolio**

Frederick, Md., March 23, 2018 – U.S. Silica Holdings, Inc. (NYSE: SLCA) today announced a definitive agreement to acquire EP Minerals for \$750 million in cash.

EP Minerals – with sales of over \$200 million – is a global producer of engineered materials derived from industrial minerals including diatomaceous earth (DE), clay (calcium bentonite) and perlite. The company is the number one or number two player in each of its global markets. Similar to U.S. Silica’s Industrial and Specialty Products (ISP) segment, it has transformed from a commodity-based business by adding new, value-added, higher-margin products to its mix, developing over 50 innovative new products in the last three years with 40 plus products in its new development pipeline today.

“EP Minerals checks all of the boxes in terms of what we’ve been looking for in an attractive, adjacent business to our ISP segment,” said Bryan Shinn, president and chief executive officer. “It is a rare find with an attractive market structure and has industry-leading margins with exciting opportunities to grow sales. It has strong IP protection and leverages our core competencies as a premier surface mining and logistics company. EP Minerals’ reliable cash flow also complements our Oil & Gas segment while providing a robust platform for expansion and growth through organic opportunities and strategic bolt-on acquisitions.”

EP Minerals’ unique industrial minerals are used as filter aids, absorbents and functional additives for a variety of industries including food and beverage, biofuels, recreational water, oil and gas, farm and home, landscape, sports turf, paint, plastics, and insecticides. The company’s facilities are located in Nevada, Oregon, Nebraska, Tennessee, Alabama and Mississippi.

“We look forward to joining forces with U.S. Silica and benefiting from the strength of the company’s mining expertise, differentiated logistics capabilities and ability to capture value throughout the supply chain,” said Gregg Jones, president and chief executive officer of EP Minerals. “I also believe that there will be opportunities for our two companies to collaborate on research and development efforts with our full R&D team helping to bring new products for both companies to market faster.”

U.S. Silica’s ISP business remains on track for substantial growth through expansion of base business pricing and volume, acquiring bolt-ons in attractive, adjacent markets, and by developing and marketing new, value-added, higher margin products. U.S. Silica will finance the transaction and refinance its current debt through a new seven year, \$1.280 billion committed Term Loan B credit facility and an expanded \$100 million revolving credit facility.

The transaction is expected to be accretive in the fourth quarter of 2018 and is expected to close in the second quarter of 2018.

U.S. Silica will host a conference call today at 7:30 a.m. Central Time to discuss the acquisition. A live webcast of the conference call will be available in the “Investor Resources” section of the Company’s website at www.ussilica.com. A presentation on the acquisition will be available tomorrow morning on the company’s website as well. The webcast will be archived for one year. The call can also be accessed live over the telephone by dialing (877) 869-3847 or for international callers, (201) 689-8261. To access the slides, please click on the following link: https://event.webcasts.com/starthere.jsp?ei=1187106&tp_key=eb2c13a4e9. A replay will be available shortly after the call and can be accessed by dialing (877) 660-6853 or for international callers, (201) 612-7415. The conference ID for the replay is 13678016. The replay will be available through April 22, 2018.

Centerview Partners LLC served as investment banking advisor and Baker Botts L.L.P. served as legal advisor to U.S. Silica. The Valence Group provided a fairness opinion to U.S. Silica’s board of directors.

Forward-looking Statements

Certain statements in this press release are “forward-looking statements” made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and speak only as of this date. Forward-looking statements made include any statement that does not directly relate to any historical or current fact and may include, but are not limited to, statements regarding U.S. Silica’s growth opportunities, strategy, future financial results, forecasts, projections, plans and capital expenditures, and the commercial silica industry. Forward-looking statements are based on our current expectations and assumptions, which may not prove to be accurate. These statements are not guarantees and are subject to risks, uncertainties and changes in circumstances that are difficult to predict. Many factors could cause actual results to differ materially and adversely from these forward-looking statements. Among these factors are: (1) fluctuations in demand for commercial silica; (2) the cyclical nature of our customers’ businesses; (3) operating risks that are beyond our control; (4) federal, state and local legislative and regulatory initiatives relating to hydraulic fracturing; (5) our ability to implement our capacity expansion plans within our current timetable and budget; (6) loss of, or reduction in, business from our largest customers or failure of our customers to pay amounts due to us; (7) increasing costs or a lack of dependability or availability of transportation services or infrastructure; (8) our substantial indebtedness and pension obligations; (9) our ability to attract and retain key personnel and truckload drivers; (10) silica-related health issues and corresponding litigation; (11) seasonal and severe weather conditions; and (12) extensive and evolving environmental, mining, health and safety, licensing, reclamation, trucking and other regulation (and changes in their enforcement or interpretation). Additional information concerning these and other factors can be found in U.S. Silica’s filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

About U.S. Silica

U.S. Silica Holdings, Inc., a member of the Russell 2000, is a leading producer of commercial silica used in the oil and gas industry, and in a wide range of industrial applications. Over its 118-year history, U.S. Silica has developed core competencies in mining, processing, logistics and materials science that enable it to produce and cost-effectively deliver over 200 products to customers across our end markets. The Company currently operates nine industrial sand production plants and eight oil and gas sand production plants. The Company is headquartered in Frederick, Maryland and also has offices located in Chicago, Illinois and Houston, Texas.

Contacts

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