HEXCEL CORP /DE/
Form 424B5
February 13, 2017
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration No. 333-199500

The information in this preliminary prospectus supplement and the accompanying prospectus is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, nor are they soliciting offers to buy these securities, in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION

PRELIMINARY PROSPECTUS SUPPLEMENT DATED FEBRUARY 13, 2017

PROSPECTUS SUPPLEMENT

(To Prospectus dated October 21, 2014)

$

Hexcel Corporation

% Senior Notes due 2027

We are issuing $ aggregate principal amount of our % Senior Notes due 2027 in this offering (the notes). The interest rate payable on the notes will be subject to adjustments from time to time if either Moody s or S&P (or a substitute rating agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the notes as described in Description of the Notes Interest Rate Adjustment. Interest on the notes will be payable semiannually in arrears on and of each year, beginning on , 2017. The notes will mature on , 2027 unless redeemed or repurchased prior to such date. We may, at our option, at any time and from time to time, redeem all or any portion of the notes at the cash prices therefor described herein. If a Change of Control Repurchase Event (as defined under Description of the Notes Change of Control Repurchase Event) occurs, unless we have exercised our option to redeem the notes in full, we will be required, subject to certain exceptions described herein, to make an offer to each holder of notes to repurchase all (or, at the election of such holder, any part) of such holder s notes for cash at a price equal to 101% of the principal amount of the notes to be repurchased plus unpaid interest, if any, accrued thereon to, but not including, the repurchase date.

The notes will be our unsecured and unsubordinated indebtedness, will rank equally with each other and with all of our other existing and future unsecured and unsubordinated indebtedness, and will be effectively junior to all of the liabilities and any preferred equity of our subsidiaries, other than any wholly-owned domestic subsidiaries (as defined below) that may guarantee the notes in the future, and to all of our secured indebtedness to the extent of the value of the collateral securing such indebtedness.

Initially, the notes will not be guaranteed by any of our subsidiaries. In the future, however, if any of our wholly-owned domestic subsidiaries guarantee, or otherwise become obligated with respect to, certain of our debt (as described under Description of the Notes Possible Future Guarantees), then such subsidiary will guarantee our obligations under the notes.

Investing in the notes involves significant risks. See Risk Factors beginning on page S-6 of this prospectus supplement, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, before making a decision to invest in the notes.

The notes are a new issue of securities with no established trading market. We do not intend to list the notes on any national securities exchange or to have the notes quoted on any automated dealer quotation system.

	Per Note	Total
Public offering price[(1)]	%	$
Underwriting discount	%	$
Proceeds, before expenses, to us	%	$

(1) Plus accrued interest from February , 2017, if settlement occurs after that date.

Neither the U.S. Securities and Exchange Commission nor any state or other securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes in book-entry only form through the facilities of The Depository Trust Company and its direct and indirect participants, including Euroclear Bank S.A/N.V., as operator of the Euroclear System, and Clearstream Banking, S.A., against payment in New York, New York on or about February , 2017.

Joint-Book Running Managers

BofA Merrill Lynch **Goldman, Sachs & Co.**

The date of this prospectus supplement is February , 2017.

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

Prospectus

You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if applicable, any free writing prospectus we may provide you in connection with this offering. We have not, and the underwriters have not, authorized anyone to provide you with any additional or different information. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. This document may only be used where it is legal to sell these securities. You should assume that the information contained or incorporated by reference in this prospectus supplement, the accompanying prospectus and any free writing prospectus we may provide you in connection with this offering is accurate only as of their respective dates and that any information we have incorporated by reference is accurate only as of the date of the document incorporated by reference. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. This prospectus supplement also adds to, updates and changes information contained in the accompanying prospectus. If the description of this offering varies between this prospectus supplement (including the information incorporated by reference herein) and the accompanying prospectus, you should rely on the information in this prospectus supplement. The accompanying prospectus is part of an automatic shelf registration statement that we filed with the Securities and Exchange Commission (SEC) as a well-known seasoned issuer, as defined in Rule 405 under the Securities Act of 1933, as amended (the Securities Act). Under the shelf registration statement, we may, from time to time, sell an indeterminate amount of any combination of debt securities, common stock or preferred stock in one or more offerings.

It is important that you read and consider all of the information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents to which we have referred you in Incorporation by Reference.

In this prospectus supplement, unless otherwise indicated herein or the context otherwise indicates, the terms Hexcel, we, us, our and the Company refer to Hexcel Corporation, together with its consolidated subsidiaries. Currency amounts in this prospectus supplement are stated in United States, or U.S., dollars.

Table of Contents

FORWARD-LOOKING STATEMENTS

Certain statements contained in this prospectus supplement and the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. These statements also relate to future prospects, developments and business strategies. These forward-looking statements are identified by their use of terms and phrases such as anticipate, believe, could, estimat expect, intend, may, plan, predict, project, should, would, will and similar terms and phrases, includi assumptions. Such statements are based on current expectations, are inherently uncertain, and are subject to changing assumptions.

Such forward-looking statements include, but are not limited to: (a) the estimates and expectations based on aircraft production rates made publicly available by Airbus, Boeing and others; (b) the revenues we may generate from an aircraft model or program; (c) the impact of the possible push-out in deliveries of the Airbus and Boeing backlog and the impact of delays in the startup or ramp-up of new aircraft programs or the final Hexcel composite material content once the design and material selection has been completed; (d) expectations of composite content on new commercial aircraft programs and our share of those requirements; (e) expectations of growth in revenues from space and defense applications, including whether certain programs might be curtailed or discontinued; (f) expectations regarding growth in sales for wind energy, recreation, automotive and other industrial applications; (g) expectations regarding working capital trends and expenditures; (h) expectations as to the level of capital expenditures and when we will complete the construction and qualification of capacity expansions; (i) our ability to maintain and improve margins in light of the ramp-up of capacity and new facilities and the current economic environment; (j) the outcome of legal matters; (k) our projections regarding the realizability of net operating loss and tax credit carryforwards; and (l) the impact of various market risks, including fluctuations in interest rates, currency exchange rates, environmental regulations and tax codes, fluctuations in commodity prices, and fluctuations in the market price of our common stock, the impact of work stoppages or other labor disruptions and the impact of the above factors on our expectations of 2017 financial results and beyond. In addition, actual results may differ materially from the results anticipated in the forward-looking statements due to a variety of factors, including but not limited to changing market conditions, increased competition, product mix, inability to achieve planned manufacturing improvements or to meet customer specifications, cost reductions and capacity additions, and conditions in the financial markets.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different. Such factors include, but are not limited to, the following: changes in general economic and business conditions; changes in current pricing and cost levels; changes in political, social and economic conditions and local regulations; foreign currency fluctuations; changes in aerospace delivery rates; reductions in sales to any significant customers, particularly Airbus, Boeing or Vestas; changes in sales mix; changes in government defense procurement budgets; changes in military aerospace programs technology; industry capacity; competition; disruptions of established supply channels, particularly where raw materials are obtained from a single or limited number of sources and cannot be substituted by unqualified alternatives; manufacturing capacity constraints; uncertainty regarding the likely exit of the U.K. from the European Union; and unforeseen vulnerability of our network and systems to interruptions or failures.

If one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expected, estimated or projected. In addition to other factors that affect our operating results and financial position, neither past financial performance nor our expectations should be considered reliable indicators of future performance. Investors should not use historical trends to anticipate results or trends in future periods. Further, our securities prices are subject to volatility. Any of the factors discussed above could have an adverse impact on the price of our securities, including the notes offered hereby. In addition, failure of sales or income in any quarter to meet the investment community s expectations, as well as broader market trends, can have an adverse impact on the price of our securities, including the notes offered hereby. We do not undertake an obligation to update our forward-looking statements or risk factors to reflect future events or circumstances.

Table of Contents

SUMMARY

The information below is a summary of the more detailed information included elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read carefully the following summary together with the more detailed information contained in this prospectus supplement, the accompanying prospectus, any free writing prospectus we may provide you in connection with this offering, and the information incorporated by reference into those documents, including the risk factors described on page S-6 of this prospectus supplement and on page 2 of the accompanying prospectus and the Risk Factors section in our Annual Report on Form 10-K for the year ended December 31, 2016.

Our Company

Hexcel Corporation, founded in 1946, was incorporated in California in 1948, and reincorporated in Delaware in 1983. Hexcel is a leading advanced composites company. We develop, manufacture, and market lightweight, high-performance structural materials, including carbon fibers, specialty reinforcements, prepregs and other fiber-reinforced matrix materials, honeycomb, adhesives, engineered honeycomb and composite structures, for use in Commercial Aerospace, Space & Defense and Industrial markets. Our products are used in a wide variety of end applications, such as commercial and military aircraft, space launch vehicles and satellites, wind turbine blades, automotive, recreational products and other industrial applications.

We serve international markets through manufacturing facilities, sales offices and representatives located in the Americas, Asia Pacific, Europe, Russia and Africa. We are also a partner in a joint venture in Malaysia, which manufactures composite structures for Commercial Aerospace applications. During 2016, the Company invested a total of $30 million in three new affiliates. The investments are each below a 20% ownership level.

We are a manufacturer of products within a single industry: Advanced Composites. Hexcel has two reportable segments: Composite Materials and Engineered Products. The Composite Materials segment is comprised of our carbon fiber, specialty reinforcements, resins, prepregs and other fiber-reinforced matrix materials, and honeycomb core product lines. The Engineered Products segment is comprised of lightweight high strength composite structures, molded components, engineered core and honeycomb products with added functionality.

Our principal executive offices are located at Two Stamford Plaza, 281 Tresser Boulevard, Stamford, Connecticut 06901-3238, and our telephone number at that location is (203) 969-0666.

Table of Contents

The Offering

The summary below describes some of the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See Description of the Notes for a more detailed description of the terms and conditions of the notes.

Issuer	Hexcel Corporation
Securities Offered	$ aggregate principal amount of % Senior Notes due 2027
Maturity Date	The notes will mature on , 2027, unless redeemed or repurchased prior to such date.
Interest Rate	Subject to Interest Rate Adjustment below, % per year, accruing from February , 2017.
Interest Payment Dates	and of each year, beginning on , 2017.
Interest Rate Adjustment	The interest rate payable on the notes will be subject to adjustments from time to time if either Moody s or S&P (or a substitute rating agency therefor) downgrades (or downgrades and subsequently upgrades) the credit rating assigned to the notes. See Description of the Notes Interest Rate Adjustment.
Optional Redemption	We may, at our option, redeem the notes, in whole at any time or in part from time to time, in each case prior to , (i.e., three months prior to the stated maturity date of the notes) (the Par Call Date), at a cash redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the sum of the present values of the remaining scheduled payments of principal of and interest on the notes to be redeemed that would have been payable in respect of such notes calculated as if the stated maturity date of such notes was the Par Call Date, discounted to the applicable redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus %, or basis points, plus, in each case, unpaid interest, if any, accrued thereon to, but not including, the redemption date.

	In addition, at any time on or after the Par Call Date, we may, at our option, redeem the notes, in whole at any time or in part from time to time, at a cash redemption price equal to 100% of the principal amount of the notes to be redeemed plus unpaid interest, if any, accrued thereon to, but not including, the redemption date. See Description of the Notes Optional Redemption.
Change of Control Repurchase Obligation	If a Change of Control Repurchase Event occurs, unless we have exercised our option to redeem the notes in full, we will be required, subject to certain exceptions, to make an offer to each holder of notes to repurchase all (or, at the election of such holder, any part) of such holder s notes for cash at a repurchase price equal to 101% of the

Table of Contents

	principal amount of the notes to be repurchased plus unpaid interest, if any, accrued thereon to, but not including, the repurchase date. See Description of the Notes Change of Control Repurchase Event.
Possible Future Guarantees	Initially, the notes will not be guaranteed by any of our subsidiaries. In the future, however, if any of our wholly-owned domestic subsidiaries guarantee, or otherwise become obligated with respect to, any Debt (as defined herein), then such subsidiary (a subsidiary guarantor) will guarantee our obligations under the notes on a senior unsecured basis (the subsidiary guarantee). See Description of the Notes Possible Future Guarantees.
Use of Proceeds	The net proceeds from this offering are estimated to be approximately $ million after deducting the underwriting discount and our other estimated offering expenses payable by us. We intend to use the net proceeds from this offering initially to reduce amounts outstanding under our Revolving Credit Facility (as defined herein), but without a reduction in commitment, and thereafter for general corporate purposes, including the repurchase of shares of our outstanding common stock pursuant to our authorized share repurchase program. See Use of Proceeds.
Conflicts of Interest	Certain of the underwriters and affiliates of certain of the underwriters are lenders under our Revolving Credit Facility. Upon our application of the net proceeds from this offering to reduce amounts outstanding under our Revolving Credit Facility, such underwriters or affiliates may individually receive an amount in excess of 5% of the net proceeds from this offering. See Underwriting (Conflicts of Interest) Conflicts of Interest.
Certain Covenants	The indenture governing the notes will contain certain covenants that will, among other things, restrict our ability to: incur certain indebtedness secured by mortgages, pledges and other liens on certain assets; engage in certain sale and leaseback transactions; and consolidate or merge with or into any other entity, or sell, convey, transfer or lease all or substantially all our assets to another entity.

	These covenants are subject to a number of important exceptions and qualifications. For further information, see Description of the Notes Certain Covenants and Description of the Notes Merger, Consolidation and Sale of Assets.
No Limitation on Incurrence of New Debt	Except as described under Description of the Notes Certain Covenants, the indenture will not limit the amount of indebtedness we or our subsidiaries may issue under the indenture or otherwise.

Ranking	The notes will be our unsecured and unsubordinated indebtedness and will rank equally in right of payment with each other and with all of our other existing and future unsecured and unsubordinated indebtedness, and will be effectively junior to all of the liabilities and any preferred equity of our subsidiaries, other than any wholly-owned domestic subsidiaries that may guarantee the notes in the future, and to all of our secured indebtedness to the extent of the value of the collateral securing such indebtedness.
	As of December 31, 2016, we had outstanding $688.7 million of indebtedness, $0.5 million of which was secured and unsubordinated indebtedness, and our subsidiaries had outstanding $231.3 million of total liabilities and no preferred equity held by third parties. As of December 31, 2016, we had outstanding borrowings of $365.0 million and undrawn availability of $332.9 million, in each case, under our Revolving Credit Facility and, on an as adjusted basis, following the completion of this offering and the use of proceeds therefrom, we would have had undrawn availability under our Revolving Credit Facility of $ million.
No Public Market	The notes are a new issue of securities with no established trading market. We do not intend to list the notes on any national securities exchange or to have the notes quoted on any automated dealer quotation system. The underwriters have advised us that they presently intend to make a market in the notes, but they are not obligated to do so and may discontinue any market-making at any time without notice to, or the consent of, holders of the notes. An active trading market for the notes may not develop or continue, which would adversely affect the market price and liquidity for the notes.
Risk Factors	You should read carefully the Risk Factors in this prospectus supplement, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2016, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, before making a decision to invest in the notes.
Trustee and Paying Agent	U.S. Bank National Association
Governing Law	State of New York

Table of Contents

Summary Historical Financial Data

The following table sets forth our historical consolidated financial data. You should read this information together with our consolidated financial statements, including the related notes, included in our Annual Report on Form 10-K for the year ended December 31, 2016, from which certain of such information has been derived, and which is incorporated by reference herein. Our consolidated financial statements for the year ended December 31, 2016 have been audited by Ernst & Young LLP and our consolidated financial statements for the years ended December 31, 2015 and 2014 have been audited by our previous Independent Registered Public Accounting Firm, PricewaterhouseCoopers LLP.

	Year Ended December 31,		
(In millions)	**2016**	**2015**	**2014**
Results of Operations:			
Net sales	$ 2,004.3	$ 1,861.2	$ 1,855.5
Cost of sales	1,439.7	1,328.4	1,346.7
Gross margin	564.6	532.8	508.8
Selling, general and administrative expenses	157.6	156.1	149.1
Research and technology expenses	46.9	44.3	47.9
Other expense, net			6.0
Operating income	360.1	332.4	305.8
Interest expense, net	22.1	14.2	8.0
Non-operating expense, net	0.4		0.5
Income before income taxes and equity in earnings	337.6	318.2	297.3
Provision for income taxes	90.3	83.0	89.3
Income before equity in earnings	247.3	235.2	208.0
Equity in earnings from affiliated companies	2.5	2.0	1.4
Net income	$ 249.8	$ 237.2	$ 209.4
Financial Position:			
Total assets	$ 2,400.6	$ 2,187.4	$ 2,036.4
Working capital	$ 335.1	$ 341.2	$ 371.1
Long-term notes payable and capital lease obligations	$ 684.4	$ 576.5	$ 415.0
Stockholders equity	$ 1,244.9	$ 1,179.6	$ 1,149.9

(In millions)	**As of December 31, 2016**
Consolidated Balance Sheet Data	
Cash and cash equivalents	$ 35.2
Total assets	$ 2,400.6

Total liabilities	$	1,155.7
Total stockholders equity	$	1,244.9

Table of Contents

RISK FACTORS

Before purchasing the notes, you should consider carefully the information under the heading Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, and the following risk factors, each of which could materially adversely affect our business, prospects, results of operations, liquidity and financial condition. You should also carefully consider the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus.

Risks Relating to the Notes

The structural subordination of the notes may limit our ability to meet our debt service obligations under the notes.

The notes will be our unsecured and unsubordinated indebtedness and will rank equally in right of payment with each other and with all of our existing and future unsecured and unsubordinated indebtedness. However, the notes will be effectively subordinated in right of payment to our mortgages and other secured indebtedness (to the extent of the value of the collateral securing the same) and to all liabilities, whether secured or unsecured, and any preferred equity of our subsidiaries, other than any wholly-owned domestic subsidiaries that may guarantee the notes in the future. As of December 31, 2016, our subsidiaries had liabilities of $231.3 million and no preferred equity held by third parties outstanding. In addition, as of December 31, 2016, we had $0.5 million of secured and unsubordinated debt outstanding.

The notes are not secured by any of our assets and secured creditors would have a prior claim on our assets.

The notes are not secured by any of our assets. As of December 31, 2016, we had $0.5 million of secured and unsubordinated debt outstanding. In addition, the terms of the indenture governing the notes permit us to incur additional secured debt, subject to certain limits described under Description of the Notes Certain Covenants Limitations on Liens. If payment of secured debt we incur is accelerated, the lenders under our secured debt agreements will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to agreements governing that debt, and will have a prior claim on our collateralized assets. In that event, because the notes are not secured by any of our assets, it is possible that there will be no assets remaining from which claims of the holders of notes can be satisfied or, if any assets remain, the remaining assets might be insufficient to satisfy those claims in full.

The indenture does not restrict the amount of additional indebtedness that we or our subsidiaries may incur or the amount of preferred equity that our subsidiaries may issue.

As of December 31, 2016, we had outstanding $688.7 million of indebtedness, $365.0 million of which was outstanding under our Revolving Credit Facility, resulting in $332.9 million of undrawn availability under our Revolving Credit Facility. As of December 31, 2016, on an adjusted basis, after giving effect to this offering and the application of the net proceeds from this offering, we would have had outstanding $ million of indebtedness and undrawn availability under our Revolving Credit Facility of $ million. See Use of Proceeds. Except as described under Description of the Notes Certain Covenants Limitations on Liens, the indenture will not limit the amount of indebtedness (including secured indebtedness) that we or our subsidiaries may incur or the amount of preferred equity that our subsidiaries may issue. The incurrence of any such additional indebtedness or the issuance of any such preferred equity may have important consequences for you as a holder of the notes, including making it more difficult for us to satisfy our obligations with respect to the notes or, if a wholly-owned domestic subsidiary becomes obligated to guarantee the notes in the future, for such subsidiary guarantor to satisfy its obligations with respect to its subsidiary guarantee, a decrease in the market price of your notes and a risk that the credit ratings of the notes are lowered, placed on negative outlook or withdrawn.

Table of Contents

If a wholly-owned domestic subsidiary becomes obligated to guarantee the notes in the future, U.S. federal and state fraudulent transfer laws may permit a court to void such subsidiary guarantee and, if that occurs, you may not receive any payments on such subsidiary guarantee.

If a wholly-owned domestic subsidiary becomes obligated to guarantee the notes in the future, the issuance of its subsidiary guarantee may be subject to review under U.S. federal and state fraudulent transfer and conveyance statutes if a bankruptcy, liquidation or reorganization case or a lawsuit, including under circumstances in which bankruptcy is not involved, were commenced at some future date by such subsidiary guarantor or on behalf of the unpaid creditors of such subsidiary guarantor. While the relevant laws may vary from state to state, under such laws a guarantee will generally be a fraudulent conveyance or transfer if (i) the transfer was made with the intent of hindering, delaying or defrauding creditors or (ii) the guarantor received less than reasonably equivalent value or fair consideration in return for issuing such guarantee, and, in the case of (ii) only, one of the following is also true:

- such guarantor was insolvent or rendered insolvent by reason of issuing such guarantee;
- payment of the consideration left such guarantor with an unreasonably small amount of capital to carry on its business; or
- such guarantor intended to, or believed that it would, incur debts beyond its ability to pay as they mature.

If a court were to find that the issuance of a subsidiary guarantee by a subsidiary guarantor was a fraudulent conveyance or transfer, the court could void the payment obligations under such subsidiary guarantee or require the holders of the notes to repay any amounts received with respect to such subsidiary guarantee. In the event of a finding that a fraudulent conveyance or transfer occurred, you may not receive any payment on the notes in respect of such subsidiary guarantee.

The measures of insolvency for purposes of fraudulent conveyance laws vary depending upon the law of the jurisdiction that is being applied. Generally, an entity would be considered insolvent if, at the time it incurred indebtedness:

- the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts and liabilities, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be certain as to the standards a court would use to determine whether reasonably equivalent value or fair consideration was received or whether or not a subsidiary guarantor, if any, was solvent at the relevant time, or, regardless of the standard used, that the issuance of a subsidiary guarantee by it would not be voided to other indebtedness of such subsidiary guarantor.

If we experience a Change of Control Repurchase Event and you fail to exercise your right to require us to repurchase your notes, under certain circumstances we can nevertheless repurchase your notes.

If holders of not less than 90% in aggregate principal amount of the outstanding notes validly tender and do not withdraw such notes in an offer to repurchase the notes upon a Change of Control Repurchase Event and we repurchase or any third party making an offer to repurchase the notes upon a Change of Control Repurchase Event in lieu of us as described under Description of the Notes Change of Control Repurchase Event repurchases, all of the notes validly tendered and not withdrawn by such holders, we or such third party will have the right, upon not less than 30 nor more than 60 days prior written notice, given not more than 30 days

Table of Contents

following such repurchase pursuant to the offer to repurchase the notes upon a Change of Control Repurchase Event described under Description of the Notes Change of Control Repurchase Event, to repurchase all notes that remain outstanding following such repurchase at a price in cash equal to 101% of the principal amount of such notes to be repurchased plus unpaid interest, if any, accrued thereon to, but not including, the repurchase date.

We may not be able to repurchase the notes upon a Change of Control Repurchase Event.

The terms of the notes, as well as the terms of our outstanding 4.700% senior notes due 2025 (the Existing Notes), require us to offer to repurchase such notes when a Change of Control Repurchase Event occurs. If we experience a Change of Control Repurchase Event, there can be no assurance that we would have sufficient financial resources available to satisfy, or that we would not be prohibited under other financing arrangements to satisfy, our obligations to repurchase your notes and our Existing Notes. Our failure to repurchase the notes and/or the Existing Notes in connection with a Change of Control (as defined below) would result in a default under the indenture, which could have material adverse consequences for us and the holders of the notes. Certain events constituting a Change of Control under the notes and/or Existing Notes would also be events of default under our Revolving Credit Facility.

We could enter into various transactions that could increase the amount of our outstanding debt, adversely affect our capital structure or credit ratings or otherwise adversely affect holders of the notes.

The terms of the notes do not prevent us from entering into a variety of acquisition, refinancing, recapitalization or other highly leveraged transactions. As a result, we could enter into a variety of transactions that could increase the total amount of our outstanding indebtedness, adversely affect our capital structure or credit ratings or otherwise have material adverse consequences for us and the holders of the notes.

There is currently no market for the notes. We cannot assure you that an active trading market will develop, continue or be liquid.

The notes are a new issue of securities with no established trading market. We do not intend to list the notes on any national securities exchange or to have the notes quoted on any automated dealer quotation system. The underwriters have advised us that they presently intend to make a market in the notes, but they are not obligated to do so and may discontinue any market-making at any time without notice to, or the consent of, holders of the notes. We cannot assure you that an active market for the notes will develop or, if it develops, will continue or be liquid. If an active trading market for the notes does not develop or continue, the market price and liquidity of the notes will be negatively affected. If the notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Future trading prices of the notes will depend on many factors, including prevailing interest rates, the market for similar securities, general economic conditions and our financial condition, liquidity, results of operations and prospects. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future, which could have an adverse effect on the market price of the notes. See Underwriting.

Adverse actions by the rating agencies would likely adversely affect our cost of financing and the market price of our debt securities.

Rating agencies rate our debt securities, including the notes, on factors that include our business, financial condition, liquidity, results of operations and prospects and their view of the general outlook for the economy generally and our industry specifically. Actions taken by the rating agencies can include maintaining, upgrading, downgrading or withdrawing the current rating of our debt securities or placing us on negative outlook for possible future downgrading. Downgrading or withdrawal of the credit rating of our debt securities or placing us on negative outlook for possible future downgrading would likely increase our cost of financing and have a negative effect on the market price of your notes. No report of any rating agency is being incorporated by reference in this prospectus supplement or the accompanying prospectus.

Table of Contents

RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our ratio of earnings to fixed charges for the five years ended December 31, 2016.

	Year Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Ratio of earnings to fixed charges[(1)]	12.4	17.1	20.9	19.0	14.4

(1) The table sets forth our ratio of earnings to fixed charges for the periods indicated. The ratio of earnings to fixed charges was calculated by dividing earnings by fixed charges. Earnings were calculated by adding pre-tax income from continuing operations before adjustment for income from equity investees and fixed charges, excluding capitalized interest. Fixed charges were calculated by adding interest on all indebtedness, including amortization of debt issuance costs and an interest component representing the estimated portion of rental expense that management believes is attributable to interest.

Table of Contents

USE OF PROCEEDS

The net proceeds from this offering are estimated to be approximately $ million, after deducting the underwriting discount and our other estimated offering expenses payable by us. We intend to use the net proceeds from this offering initially to reduce amounts outstanding under our Revolving Credit Facility, but without a reduction in commitment, and thereafter for general corporate purposes, including the repurchase of shares of our outstanding common stock pursuant to our authorized share repurchase program. As of December 31, 2016, $93 million remained authorized under our share repurchase program. On February 9, 2017, our board of directors authorized the repurchase of an additional $300 million of shares under our share repurchase program.

In June 2016, we amended and extended our $700 million Revolving Credit Facility. The maturity date of the Revolving Credit Facility was extended from September 2019 to June 2021. Borrowings under our Revolving Credit Facility bear interest, at our option, at either (i) a Eurocurrency rate, plus the Applicable Margin (as defined below) (Eurocurrency Rate Loans), or (ii) the greatest of (a) the base rate of Citizens Bank, National Association, (b) the federal funds rate plus 0.50% and (c) the Eurocurrency rate for a one-month interest period plus 1.00%, in each case plus the Applicable Margin (Base Rate Loans). The Applicable Margin fluctuates depending on our consolidated leverage ratio and ranges from 0.875% to 1.875% for Eurocurrency Rate Loans and 0% to 0.875% for Base Rate Loans. As of February 6, 2017, approximately $397.0 million of indebtedness was outstanding under our Revolving Credit Facility. Our Revolving Credit Facility permits us to issue letters of credit up to an aggregate amount of $40 million. Outstanding letters of credit reduce the amount available for borrowings under our Revolving Credit Facility. As of February 6, 2017, we had issued letters of credit under our Revolving Credit Facility totaling $2.1 million, resulting in undrawn availability under our Revolving Credit Facility as of February 6, 2017 of $300.9 million.

Certain of the underwriters and affiliates of certain of the underwriters are lenders under our Revolving Credit Facility. Upon our application of the net proceeds from this offering to reduce amounts outstanding under our Revolving Credit Facility, such underwriters or affiliates may individually receive an amount in excess of 5% of the net proceeds from this offering. See Underwriting (Conflicts of Interest) Conflicts of Interest.

Table of Contents

CAPITALIZATION

The table below sets forth our cash and cash equivalents and capitalization as of December 31, 2016:

- on an actual basis; and
- on an as adjusted basis to give effect to this offering and the application of the net proceeds therefrom to reduce amounts outstanding under our Revolving Credit Facility by approximately $ million.

The table below should be read in conjunction with Summary Summary Historical Financial Data and Use of Proceeds contained elsewhere in this prospectus supplement, and the consolidated annual financial statements and the notes thereto, as well as management s discussion and analysis thereof, included in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

	As of December 31, 2016	
(in millions, except share data)	**Actual (audited)**	**As Adjusted (unaudited)**
Cash and cash equivalents:	$ 35.2	$
Senior debt:		
Revolving Credit Facility[1]	$ 365.0	$
4.700% Senior Notes due 2025	296.8	296.8
Other debt	26.9	26.9
Notes offered hereby		
Total senior debt	$ 688.7	$
Stockholders equity:		
Common stock, $0.01 par value, 200.0 million shares authorized, 106.7 million shares issued and outstanding	$ 1.1	$ 1.1
Additional paid-in capital (net of treasury stock)	163.5	163.5
Retained earnings	1,254.7	1,254.7
Accumulated other comprehensive loss	(174.4)	(174.4)
Total stockholders equity	1,244.9	1,244.9