

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) – October 15, 2019



WEST PHARMACEUTICAL SERVICES, INC.

(Exact name of registrant as specified in its charter)

<u>Pennsylvania</u> (State or other jurisdiction of incorporation)	<u>1-8036</u> (Commission File Number)	<u>23-1210010</u> (IRS Employer Identification No.)
<u>530 Herman O. West Drive, Exton, PA</u> (Address of principal executive offices)		<u>19341-0645</u> (Zip Code)

Registrant's telephone number, including area code: **610-594-2900**

Not Applicable

(Former name or 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))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading Symbol

Name of each exchange on which registered

Common Stock, par value \$0.25 per share

WST

New York Stock Exchange

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 October 15, 2019, West Pharmaceutical Services, Inc. (the “Company”) and Daikyo Seiko, Ltd. (“Daikyo”) entered into an Amendment Agreement (the “Amendment”), amending certain commercial agreements between them in order to make each party’s rights under such agreements exclusive. The Amendment amends the Amended and Restated Technology Exchange and CrossLicense Agreement and Distributorship Agreements, each dated and effective January 18, 2017, as modified by the Letter Agreement dated and effective July 2, 2018.

Item 7.01 Regulation FD Disclosure.

On October 16, 2019, the Company issued a press release announcing that it has increased its minority equity stake to 49 percent in Daikyo. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information in this Item 7.01 (including Exhibit 99.1) is being furnished pursuant to Item 7.01 and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (“Exchange Act”), or otherwise subject to the liabilities of that section, nor will it be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific referencing in such filing.

Item 9.01 Financial Statements and Exhibits.

(d)	<u>Exhibit No.</u>	<u>Description</u>
	10.1+	Amendment Agreement, dated as of October 15, 2019, between West Pharmaceutical Services, Inc. and Daikyo Seiko, Ltd.
	99.1	West Pharmaceutical Services, Inc. Press Release, dated October 16, 2019.
	104	The cover page from the Company’s Current Report on Form 8-K, dated October 16, 2019, formatted in Inline XBRL.

+ Portions of this exhibit (indicated therein by asterisks) have been omitted for confidential treatment.

SIGNATURE

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.

WEST PHARMACEUTICAL SERVICES, INC.

/s/ Bernard J. Birkett

Bernard J. Birkett

Senior Vice President, Chief Financial Officer and Treasurer

October 16, 2019

EXHIBIT INDEX

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[*****] Text omitted for confidential treatment. The redacted information has been excluded because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

AMENDMENT AGREEMENT

This Amendment Agreement, is made and entered into this 15th day of October 2019 by and between Daikyo Seiko, Ltd., a corporation organized and existing under the laws of Japan, having a place of business at 1305-1 Kurohakama-Cho, Sano-shi, Tochigi 327-0813 Japan (“Daikyo”) and West Pharmaceutical Services, Inc., a corporation organized under the laws of the Commonwealth of Pennsylvania, U.S.A., having a place of business at 530 Herman O. West Drive, Exton, PA 19341 (“West”).

WITNESSETH:

WHEREAS, the parties entered into that certain Amended and Restated Technology Exchange and CrossLicense Agreement (“CrossLicense Agreement”) and that certain Distributorship Agreement (“Distributorship Agreement A”)(of that, West is defined as “Distributor”) and that certain Distributorship Agreement (“Distributorship Agreement B”)(of that, Daikyo is defined as “Distributor”), each dated January 18, 2017, as each was amended by that certain Letter Agreement between the parties dated July 2, 2018 (the “Letter Agreement,” collectively with the CrossLicense Agreement, Distributorship Agreement A and Distributorship Agreement B, the “Agreements”); and

WHEREAS, the parties desire to amend the Agreements to reflect certain changes to the provisions thereof as set forth herein.

NOW THEREFORE, in consideration of the mutual covenants herein set forth, intending to be legally bound, the parties hereto agree as follows:

1. The following subsection (e) is incorporated in Section 3.01 of the CrossLicense Agreement:

“(e) If Daikyo is able to demonstrate a plan for manufacturing Licensed Products and commits to mutually agreed thresholds, West can grant exclusive right and license to use and employ (i) Licensed Patents of West in the manufacture, use and sale of Licensed Products in Japan only, (ii) Know-How of West disclosed to Daikyo under this Agreement solely in the manufacture, use and sale of Licensed Products in Japan only and (iii) Licensed Trademarks of West solely in the sale of Licensed Products in Japan.”

2. Section 3.02 of the CrossLicense Agreement is hereby superseded in its entirety and replaced with the following:

“3.02 West License. Subject to the terms and conditions of this Agreement, Daikyo grants to West, and West accepts:

(a) The exclusive right and license to use and employ Licensed Patents of Daikyo solely in the manufacture, use and sale of Licensed Products in the Territory;

(b) The exclusive right and license to use and employ Know-How of Daikyo disclosed to West under this Agreement solely in the manufacture, use and sale of Daikyo’s Licensed Products in the Territory;

(c) The exclusive right to use and employ Licensed Trademarks of Daikyo solely in the sale of Licensed Products in the Territory; and

(d) The right to sublicense any and all of the rights granted under paragraphs (a), (b), (c) above to any Subsidiary of West but to no other Person.

For the sake of clarity, nothing in this Section 3.02 shall limit the ability of Daikyo, either directly or through one of its controlled affiliated companies, to market or sell its products in Japan. Daikyo agrees that the exclusivity rights granted to West in this Section 3.02 shall be exclusive outside of Japan [*****].”

3. The definition of “Territory” as set forth in Article 1 of the Distributorship Agreement A is hereby superseded in its entirety and replaced with the following:

““Territory” means all countries in the world, exclusive of Japan. The parties acknowledge and agree that Daikyo currently has certain existing distribution arrangements in Korea and Taiwan, and Daikyo agrees that Daikyo will make best efforts to terminate these arrangements no later than December 31, 2020 and, in the event of possible delay, Daikyo will promptly notify West beforehand, after which the exclusivity provisions set forth in Section 2.01(a) hereof shall apply to Korea and Taiwan.”

4. Section 2.01(a) of the Distributorship Agreement A is hereby superseded in its entirety and replaced with the following:

“(a) Daikyo appoints Distributor as its exclusive distributor for the Products within the Territory, and Distributor accepts such appointment. Daikyo agrees that the exclusivity rights granted to Distributor in this Section 2.01 shall be exclusive outside of Japan [*****].”

5. Section 4.03 of the Distributorship Agreement A is hereby superseded in its entirety and replaced with the following:

“4.03 Direct Sales. Daikyo reserves the right to market, distribute and sell Products directly to customers only in Japan. [*****]”

6. The following sentence is incorporated in as the last sentence of Section 2.01(a) of the Distributorship Agreement B:

“If Distributor can demonstrate a plan for distributing the Products in Japan, West will appoint Distributor as its exclusive distributor for the Products in Japan; however, that such appointment needs to be conditioned on: (i) mutually agreed thresholds for sales by Distributor of Products in Japan (to be agreed in the future), and (ii) West can continue with its present distributors until such time as Distributor indicates it has the marketing channel ability for those Products.”

7. Except as modified by this Amendment Agreement, the terms of the Agreements shall remain in full force and effect, and capitalized terms not defined in this Amendment Agreement shall have the meanings set forth in the respective Agreements.

[*****] Text omitted for confidential treatment. The redacted information has been excluded because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

IN WITNESS WHEREOF, the parties have caused this Amendment Agreement to be duly executed as of the day and year first written above.

DAIKYO SEIKO, LTD.

By: /s/ Nobuo Sudo _____
Nobuo Sudo
President

WEST PHARMACEUTICAL SERVICES, INC.

By: /s/ Eric M. Green _____
Eric M. Green
President and Chief Executive Officer

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**West Increases Equity Stake in Daikyo Seiko, Ltd. - Extending the Companies'
Longstanding Partnership in Injectable Drug Delivery**

Exton, PA - October 16, 2019 - [West Pharmaceutical Services, Inc.](#) (NYSE: WST), a global leader in innovative solutions for injectable drug administration and delivery, today announced that it has increased its minority equity stake to 49 percent in Daikyo Seiko, Ltd., a company that West has partnered with for more than 40 years to develop and manufacture high-quality components and solutions for the primary containment and delivery of injectable medicines.

West and Daikyo have long-standing agreements which include a distribution agreement, by which West distributes and markets Daikyo products throughout the world, on an exclusive basis, as well as a technology exchange and cross license agreement, which grants each party certain exclusive intellectual property rights for the manufacture of products covered by the relationship. Additionally, Daikyo has distribution rights of West products within Japan. This transaction is not expected to have a material impact to West's 2019 financial outlook.

“West and Daikyo have formed an exceptional, long-term partnership to supply critically important components for the containment and delivery of injectable medicines,” said Eric M. Green, President and Chief Executive Officer, West. “At West, we value and admire the innovative products that Daikyo offers—they are an ideal complement to West's portfolio of products and services. We look forward to our continued partnership and collaboration as we continue to work together to offer our customers the next generation of integrated packaging and delivery innovations.”

“Daikyo specializes in improving product quality to the highest level possible—always seeking to develop innovative components and solutions that can lead us to absolute quality,” said Morihiro Sudo, President, Daikyo Seiko, Ltd. “We are proud to work with West, a company that shares this commitment, and look forward to our continued collaboration to deliver even more products to the market in the future.”

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the federal securities laws which are based on current expectations, forecasts and assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “should,” “could,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases, which are predictions of or indicate

future events or trends and which do not relate solely to historical matters. Examples of these forward-looking statements include (but are not limited to) statements with respect to future collaborations and products. While forward-looking statements reflect West's good faith beliefs, assumptions and expectations, they are not guarantees of future performance. Furthermore, except as required by law, West disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions, new information or other changes. Known material risks, uncertainties and other factors that can affect future results are discussed or incorporated by reference in periodic reports under the Securities Exchange Act of 1934, as amended, filed by West from time to time with the Securities and Exchange Commission.

About West

West Pharmaceutical Services, Inc. is a leading manufacturer of packaging components and delivery systems for injectable drugs and healthcare products. Working by the side of its customers from concept to patient, West creates products that promote the efficiency, reliability and safety of the world's pharmaceutical drug supply. West is headquartered in Exton, Pennsylvania, and supports its customers from locations in North and South America, Europe, Asia and Australia. West's 2018 net sales of \$1.7 billion reflect the daily use of approximately 112 million of its components and devices, which are designed to improve the delivery of healthcare to patients around the world. For more information, visit www.westpharma.com.

About Daikyo

Daikyo Seiko, Ltd. is a leading manufacturer of high-quality injectable packaging components that include: Daikyo Flurotec[®] film laminated elastomeric closures, Crystal Zenith[®] cyclic olefin polymer containment and delivery systems, PLASCAP[®] seals, and various medical device components. Targeting a "zero defect" quality, Daikyo products are manufactured in clean rooms and released under 100 percent vision inspection. Daikyo offers components as sterile and ready to sterilize, and also offers customization. Headquartered in Sano, Tochigi Prefecture, Japan- Daikyo works closely with pharmaceutical customers to innovate and continuously improve manufacturing processes.

Trademarks and registered trademarks are the property of West Pharmaceutical Services, Inc. in the United States and other jurisdictions, unless noted otherwise. Daikyo[®] and the products mentioned in the "About Daikyo" section above are registered trademarks of Daikyo Seiko, Ltd., and are used with permission.