

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
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): January 24, 2020

TEMPUR SEALY INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

001-31922
(Commission File Number)

33-1022198
(I.R.S. Employer Identification No.)

1000 Tempur Way
Lexington, Kentucky 40511
(Address of principal executive offices) (Zip Code)

(800) 878-8889
(Registrant's telephone number, including area code)

N/A
(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:

- 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(s)	Name of exchange on which registered
Common Stock, \$0.01 par value	TPX	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 7.01. Regulation FD Disclosure.

On January 24, 2020, Tempur Sealy International, Inc. (the "Company") issued a press release (the "Press Release") announcing its entry into a definitive agreement to acquire a majority ownership interest in a newly formed limited liability company which will contain at closing substantially all of the assets of Sherwood Acquisition Holdings, LLC. A copy of the Press Release is furnished herewith as Exhibit 99.1 and is incorporated into this Item 7.01 by reference.

The information disclosed pursuant to this Item 7.01 (including Exhibit 99.1) 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 registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Tempur Sealy International, Inc. Press Release dated January 24, 2020.
104.1	Cover page interactive data file (embedded within the Inline XBRL document).

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: January 24, 2020

Tempur Sealy International, Inc.

By: /s/ Bhaskar Rao

Name: Bhaskar Rao

Title: Executive Vice President & Chief Financial Officer

TEMPUR+SEALY

TEMPUR SEALY TO ACQUIRE MAJORITY STAKE IN SHERWOOD BEDDING

Tempur Sealy to Enter Private Label Bedding

LEXINGTON, KY, January 24, 2020 – Tempur Sealy International, Inc. (NYSE: TPX, “Company” or “Tempur Sealy”) today announced that it has signed a definitive agreement to acquire a majority ownership interest in a newly formed limited liability company which will contain at closing substantially all of the assets of Sherwood Acquisition Holdings, LLC (“Sherwood Bedding”), a leading manufacturer in the U.S. private label/original equipment manufacturer (“OEM”) bedding market. Sherwood Bedding operates four manufacturing facilities and is a top 10 U.S. bedding producer. Tempur Sealy’s expected stake in Sherwood Bedding will mark the Company’s entrance into the private label category, creating a complete suite of product offerings ranging from Sherwood Bedding’s non-branded private label products to the Company’s well-known branded products, including Tempur-Pedic®, Sealy®, and Stearns & Foster®.

The Company expects to purchase an 80% stake in Sherwood Bedding for approximately \$40 million. The transaction will be financed through a combination of cash on hand and a borrowing under its existing credit facilities. The Ellman Family, a third-generation bedding manufacturer, will maintain a 20% ownership interest in Sherwood Bedding. Sherwood Bedding will be operated as a standalone, independent business unit within the Company and will continue to be led by its current management team. The transaction is expected to close within the first quarter of 2020.

Sherwood Bedding is a low-cost, high-value producer of private label and OEM products for third-party retailers and in the contract bedding market. Sherwood Bedding has estimated annual wholesale revenues of over \$150 million and expects to fund its own future growth and be accretive to the Company’s earnings in 2020. The Company believes that over time cost synergies can be realized to benefit all brands and customers. No personnel reductions are expected.

Tempur Sealy International, Inc. Chairman and CEO Scott Thompson commented, “Over the past nine years Sherwood Bedding has grown to become one of the most respected bedding producers in the industry. Sherwood Bedding’s flexible and efficient operating model, focused primarily on value and high velocity price points, complements Tempur Sealy’s iconic brands, powerful distribution model, and supply chain. Together, we believe that we can build upon existing relationships to deliver more compelling products, branded and non-branded, than either business could on its own.”

Sherwood Bedding Co-President Neil Ellman commented, “With Tempur Sealy being the dominant player in the U.S. bedding industry, we believe we have the perfect partner to acquire market share in the private label sector. The complementary knowledge and market-fit of the companies as well as the ability to improve upon our low-cost structure delivers a unique opportunity and provides us with a sustainable competitive advantage.”

Forward-Looking Statements

This press release contains statements that may be characterized as "forward-looking" within the meaning of the federal securities laws, which includes information concerning one or more of the Company's plans, objectives, goals, strategies, and other information that is not historical information. When used in this release, the words "believes," "expects," "will," and variations of such words or similar expressions are intended to identify such statements. These forward-looking statements include, without limitation, statements relating to the Company's expectations regarding Sherwood Bedding's on-going operations and future growth, cost synergies, personnel and the impact of the anticipated acquisition on the Company's brands, products, customer base, results of operations or financial position. Any forward-looking statements contained herein are based upon current expectations and beliefs and various assumptions. There can be no assurance that the Company will realize these expectations or that these beliefs will prove correct.

Numerous factors, many of which are beyond the Company's control, could cause actual results to differ materially from any that may be expressed as forward-looking statements. These risk factors include risks associated with Sherwood Bedding's ongoing operations; the possibility that the acquisition will not occur; the possibility that the expected benefits of the acquisition are not realized when expected or at all; general economic, financial and industry conditions, particularly conditions relating to the financial performance and related credit issues present in the retail sector, as well as consumer confidence and the availability of consumer financing; the impact of the macroeconomic environment in both the U.S. and internationally on Sherwood Bedding and the Company; uncertainties arising from national and global events; industry competition; the effects of consolidation of retailers on revenues and costs; and consumer acceptance and changes in demand for Sherwood Bedding's and the Company's products.

Other potential risk factors include the risk factors discussed under the heading "Risk Factors" under ITEM 1A of Part 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 2018. There may be other factors that may cause actual results to differ materially from the forward-looking statements contained herein. The Company undertakes no obligation to update any forward-looking statement contained herein to reflect events or circumstances after the date on which such statement is made.

About Tempur Sealy International, Inc.

Tempur Sealy International, Inc. (NYSE: TPX) develops, manufactures, and markets mattresses, foundations, pillows and other products. The Company's products are sold worldwide through third-party retailers, its own stores, and online. The Company's brand portfolio includes many highly recognized brands in the industry, including Tempur®, Tempur-Pedic®, Sealy® featuring Posturepedic® Technology, and Stearns & Foster®. World headquarters for Tempur Sealy International is in Lexington, KY. For more information, visit <http://www.tempursealy.com> or call 800-805-3635.

About Sherwood Acquisition Holdings, LLC

Sherwood Bedding, an independently owned bedding manufacturer, operates four manufacturing facilities across the U.S. and serves as a manufacturing partner for several retailers and the hospitality trade. With its world-class manufacturing facilities, Sherwood Bedding has implemented various manufacturing and operating initiatives to create efficiencies and enhance the value proposition offered to the retailer as well as the end consumer without sacrificing quality and service levels. For more information, visit <http://sherwoodbedding.com>.

Investor Relations Contact

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