

**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**

**May 10, 2021  
Date of Report (Date of earliest event reported)**

**ON Semiconductor Corporation**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-39317**  
(Commission  
File Number)

**36-3840979**  
(IRS Employer  
Identification No.)

**ON Semiconductor Corporation**  
**5005 E. McDowell Road**  
**Phoenix, Arizona**  
(Address of principal executive offices)

**85008**  
(Zip Code)

**(602) 244-6600**  
(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:

- 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 each exchange on which registered
<b>Common Stock, par value \$0.01 per share</b>	<b>ON</b>	<b>The Nasdaq Stock Market LLC</b>
<b>Preferred Stock, Series B Junior Participating, Purchase Rights</b>	<b>N/A</b>	<b>The Nasdaq Stock Market LLC</b>

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 May 10, 2021, ON Semiconductor Corporation (the “**Company**”) entered into the Ninth Amendment (the “**Ninth Amendment**”) to the Credit Agreement, dated as of April 15, 2016, as amended by the First Amendment, dated as of September 30, 2016, the Second Amendment, dated as of March 31, 2017, the Third Amendment, dated as of November 30, 2017, the Fourth Amendment, dated as of May 31, 2018, the Fifth Amendment, dated as of June 12, 2019, the Sixth Amendment, dated as of August 15, 2019, the Seventh Amendment, dated as of September 19, 2019, and the Eighth Amendment, dated as of June 23, 2020 (as amended, the “**Credit Agreement**”), with Deutsche Bank AG New York Branch, as administrative agent and collateral agent, the subsidiary guarantors party thereto and certain Lenders (as defined in the Credit Agreement) party thereto constituting the Required Lenders (as defined in the Credit Agreement).

In connection with the Offering (as defined below in Item 8.01) the Ninth Amendment provides for modifications to the Credit Agreement to permit the Offering and each of the transactions and proposed use of proceeds contemplated thereby.

Additionally, the Ninth Amendment provides for, among other things, modifications to the Credit Agreement to: (i) amend the availability of borrowings in currencies other than U.S. dollars in light of the unavailability of LIBOR for such other currencies beginning December 31, 2021; (ii) provide for increased capacity to dispose of certain assets, including the abandonment and disposition of non-core intellectual property and non-core acquired assets, in addition to other dispositions of non-intellectual property assets if the Company is in compliance on a pro forma basis with its consolidated total net leverage ratio (calculated in accordance with the Amended Credit Agreement); (iii) provide for increased capacity to make investments, including permitted acquisitions if the Company is in compliance on a pro forma basis with its consolidated total net leverage ratio (calculated in accordance with the Amended Credit Agreement), in addition to an increase in the general basket and the ability to make unlimited investments if the Company’s consolidated total net leverage ratio (calculated in accordance with the Amended Credit Agreement) does not exceed 3.00 to 1.00; (iv) provide for increased capacity to incur certain types of indebtedness and liens; (v) increase the dollar value threshold for real estate properties required to be mortgaged to secure the Credit Agreement to \$50,000,000; (vi) increase the ability to incur incremental debt facilities to an amount that would not cause the net secured leverage ratio to exceed 2.25 to 1.00 *plus* an amount up to the greater of \$1,150,000,000 and 100% of last twelve months EBITDA; and (vii) remove certain conditions applicable to the incurrence of incremental facilities such as “most favored nation” requirements and limiting the applicability of any “inside maturity” restrictions.

The Credit Agreement contains events of default, including, but not limited to, a change of control and breaches of financial and other covenants. If an event of default occurs and continues without a waiver, the lenders under the Credit Agreement may take various actions, including the acceleration of all amounts due under the Credit Agreement, subject to certain exceptions.

Certain of the lenders under the Credit Agreement and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking, commercial banking and other services for the Company and its affiliates, for which they received or will receive customary fees and expenses.

The foregoing description of the Ninth Amendment is not complete and is qualified in its entirety by reference to the full text of the Ninth Amendment.

### Item 8.01. Other Events.

On May 10, 2021, the Company issued a press release announcing the commencement of an offering of \$700 million aggregate principal amount of its 0% Convertible Senior Notes due 2027 in a private transaction that is exempt from the registration requirements of the Securities Act of 1933, as amended (the “**Offering**”). A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed with this report.

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release dated May 10, 2021</a>
104	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.

ON SEMICONDUCTOR CORPORATION  
(Registrant)

Date: May 10, 2021

By: /s/ THAD TRENT  
Thad Trent  
Executive Vice President, Chief Financial Officer and Treasurer



ON Semiconductor®

## News Release

## ON Semiconductor Announces Proposed Private Offering of \$700 Million of Convertible Senior Notes

**PHOENIX, Ariz. – May 10, 2021** – ON Semiconductor Corporation (Nasdaq: ON) (“ON Semiconductor”) announced today that it intends to offer, subject to market and other conditions, \$700 million aggregate principal amount of 0% Convertible Senior Notes due 2027 (the “notes”) in a private offering. The notes will be offered only to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). ON Semiconductor also expects to grant to the initial purchasers of the notes an option to purchase, within a 13-day period beginning on, and including, the date on which the notes are first issued, up to an additional \$105 million aggregate principal amount of the notes.

The notes will be ON Semiconductor’s senior unsecured obligations and will be guaranteed by certain of its subsidiaries. The notes will not bear regular interest, and the principal amount of the notes will not accrete. The notes will mature on May 1, 2027, unless earlier repurchased, redeemed or converted. ON Semiconductor will satisfy any conversion elections by paying cash up to the aggregate principal amount of the notes to be converted, and paying or delivering, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at ON Semiconductor’s election, in respect of the remainder, if any, of its conversion obligation in excess of the aggregate principal amount of the notes to be converted. The initial conversion rate of and other terms of the notes will be determined by negotiations between ON Semiconductor and the initial purchasers of the notes.

ON Semiconductor intends to use the net proceeds from the offering, together with cash on hand, (i) to pay the cost of the convertible note hedge transactions described below (after such cost is partially offset by the proceeds to it from the sale of the warrant transactions described below), (ii) to repurchase or exchange a portion of the aggregate principal amount outstanding of ON Semiconductor’s existing 1.625% Convertible Senior Notes due 2023 (the “2023 Notes”) in privately negotiated note repurchase or exchange transactions described below, (iii) to repay a portion of the existing outstanding indebtedness under ON Semiconductor’s revolving credit facility and related transaction fees and expenses, if any, and (iv) with respect to the remainder of the net proceeds, if any, for general corporate purposes, including the repurchase of shares of ON Semiconductor’s common stock. If the initial purchasers exercise their option to purchase additional notes, ON Semiconductor expects to enter into additional convertible note hedge transactions and warrant transactions, and intends to use cash on hand, a portion of the net proceeds from the sale of any such additional notes or a combination thereof, to pay the costs of such additional convertible note hedge transactions (which would be partially offset by the proceeds to us from the sale of additional warrant transactions).

In connection with the pricing of the notes, ON Semiconductor expects to enter into privately negotiated convertible note hedge agreements with certain of the initial purchasers of the notes or their affiliates and/or other financial institutions (the “hedge counterparties”). The convertible note hedge transactions will cover, subject to customary anti-dilution adjustments, the number of shares of common stock that initially underlie the notes, and are expected to reduce the potential dilution to the common stock and/or offset potential cash payments in excess of the principal amount upon conversion of the notes. ON

Semiconductor also expects to enter into warrant transactions with the hedge counterparties relating to the same number of shares of common stock. The warrant transactions could have a dilutive effect on the common stock to the extent that the market price per share of the common stock exceeds the strike price of the warrants. If the initial purchasers exercise their option to purchase additional notes, ON Semiconductor expects to enter into additional convertible note hedge and warrant transactions.

In connection with establishing their initial hedge of the convertible note hedge and warrant transactions, the hedge counterparties, or their affiliates, expect to purchase shares of the common stock and/or enter into various derivative transactions with respect to the common stock concurrently with or shortly after the pricing of the notes. In addition, the hedge counterparties, or their affiliates, may modify their hedge positions by entering into or unwinding various derivative transactions with respect to the common stock and/or by purchasing or selling the common stock or other securities of ON Semiconductor in secondary market transactions prior to the maturity of the notes, and are likely to do so following the conversion of the notes or during any observation period related to a conversion of notes. These hedging activities could have the effect of increasing, or reducing the size of any decline in, the market price of ON Semiconductor's common stock or the notes at that time.

Contemporaneously with the pricing of the notes, ON Semiconductor expects to enter into one or more separate and individually negotiated transactions with one or more holders of the 2023 Notes to repurchase or exchange a portion of the 2023 Notes on terms to be negotiated with each holder (each, a "note repurchase"). The terms of any note repurchase are anticipated to be individually negotiated with each holder and will depend on several factors, including the market price of ON Semiconductor's common stock and the trading price of the 2023 Notes at the time of each such note repurchase. No assurance can be given as to how much, if any, of the 2023 Notes will be repurchased or exchanged or the terms on which they will be repurchased or exchanged. The consideration for any such note repurchases may include cash, shares of ON Semiconductor's common stock, or a combination thereof. ON Semiconductor expects that holders of the outstanding 2023 Notes that sell or exchange their 2023 Notes may enter into or unwind various derivatives with respect to ON Semiconductor's common stock (including entering into derivatives with one or more of the initial purchasers in the notes offering or their respective affiliates) and/or purchase or sell shares of ON Semiconductor's common stock concurrently with or shortly after the pricing of the notes. This activity could affect the market price of ON Semiconductor's common stock and the initial conversion price of the notes.

In connection with the issuance of the 2023 Notes, ON Semiconductor entered into convertible note hedge transactions (the "existing convertible note hedge transactions") with certain financial institutions (the "existing counterparties"). ON Semiconductor also entered into separate warrant transactions (the "existing warrant transactions") with the existing counterparties. To the extent ON Semiconductor effects note repurchases, ON Semiconductor intends to enter into agreements with the existing counterparties to terminate a portion of: (i) the existing convertible note hedge transactions in a notional amount corresponding to the principal amount of the 2023 Notes repurchased or exchanged and (ii) the existing warrant transactions with respect to a number of shares equal to the notional shares underlying such 2023 Notes repurchased or exchanged. In connection with such terminations, the existing counterparties and/or their respective affiliates may purchase or sell shares of common stock in secondary market transactions, and/or enter into or unwind various derivative transactions with respect to ON Semiconductor's common stock concurrently with or shortly after the pricing of the notes. In connection with such terminations, ON Semiconductor anticipates that it will receive, on a net basis from the existing counterparties, shares of its common stock.

The repurchase or exchange of the 2023 Notes and the unwind of the existing convertible note hedge transactions and the existing warrant transactions described above, and the potential related market activities by holders of the 2023 Notes participating in the note repurchases and/or exchanges and the existing counterparties, as applicable, could increase (or reduce the size of any decrease in) or decrease (or reduce the size of any increase in) the market price of ON Semiconductor's common stock, which may affect the trading price of the notes at that time and the initial conversion price of the notes. ON Semiconductor cannot predict the magnitude of such market activity or the overall effect it will have on the price of the notes or ON Semiconductor's common stock.

The notes, guarantees and any shares of the common stock issuable upon conversion of the notes have not been registered under the Securities Act or under any U.S. state securities laws or other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release is neither an offer to sell nor a solicitation of an offer to buy any of these securities nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction.

#### **About ON Semiconductor**

ON Semiconductor (Nasdaq: [ON](#)) is driving energy efficient electronics innovations that help make the world greener, safer, inclusive and connected. The company has transformed into our customers' supplier of choice for power, analog, sensor and connectivity solutions. Our superior products help engineers solve their most unique design challenges in automotive, industrial, cloud power, and Internet of Things (IoT) applications. ON Semiconductor operates a responsive, reliable supply chain and quality programs, and robust ESG programs. Headquartered in Phoenix, Arizona, the company has a global network of manufacturing facilities, sales and marketing offices and engineering centers in its key markets.

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#### **Cautions Regarding Forward-Looking Statements**

Certain statements in this press release, including, among others, the proposed terms of the notes and the related guarantees, the size of the notes offering, including the option to the initial purchasers to purchase additional notes, the extent, and potential effects, of convertible note hedge and warrant transactions, the potential dilution to the common stock, the conversion price for the notes, the expected use of the proceeds from the sale of the notes, including the repurchase or exchange transactions described herein, and the unwind of the existing convertible note transactions and the exiting warrant transactions described herein and the potential effects thereof, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," "should," or "anticipates," and similar expressions. All forward-looking statements in this press release are made based on Semiconductor's current expectations, forecasts, estimates and assumptions, and involve risks, uncertainties and other factors that could cause results or events to differ materially from those expressed in the forward-looking statements. Among these factors are economic conditions and markets (including current financial conditions), exchange rate fluctuations, risks associated with decisions to expend cash reserves for various uses in accordance with ON Semiconductor's capital allocation policy such as debt prepayment, stock repurchases or acquisitions rather than to retain such cash for future needs, risks associated with ON Semiconductor's substantial leverage and restrictive covenants in ON Semiconductor's debt agreements that may be in place from time to time, and risks involving governmental regulation. Additional factors that could cause results to differ materially from those projected in the forward-looking statements are contained in ON Semiconductor's 2020 Annual Report on Form 10-K, Quarterly Report on Form 10-Q, Current Reports on Form 8-K and other of ON Semiconductor's filings with the SEC. ON Semiconductor assumes no obligation to update such information, except as may be required by law.

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