

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

Date of report (Date of earliest event reported): July 26, 2021

SILICON LABORATORIES INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-29823
(Commission File Number)

74-2793174
(IRS Employer
Identification No.)

400 West Cesar Chavez, Austin, TX
(Address of Principal Executive Offices)

78701
(Zip Code)

Registrant's telephone number, including area code: **(512) 416-8500**

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(s)	Name of each exchange on which registered
Common Stock, \$0.0001 par value	SLAB	The NASDAQ Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

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 Securities Exchange Act of 1934.

Item 7.01. Regulation FD Disclosure.

On July 26, 2021, Silicon Laboratories Inc., a Delaware corporation (“Silicon Laboratories”) completed the sale of its infrastructure and automotive business. Pro forma condensed consolidated financial statements are included as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 7.01 of this Current Report on Form 8-K, including exhibit 99.1 hereto, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section. The information contained in this Item 7.01 and in the accompanying exhibit 99.1 shall not be incorporated by reference into any filing with the U.S. Securities and Exchange Commission made by Silicon Laboratories, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements based on Silicon Laboratories’ current expectations. The words “believe,” “estimate,” “expect,” “intend,” “anticipate,” “plan,” “project,” “will” and similar phrases as they relate to Silicon Laboratories are intended to identify such forward-looking statements. These forward-looking statements reflect the current views and assumptions of Silicon Laboratories and are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are the following: the effect of the Skyworks transaction on the ability of Silicon Laboratories to retain and hire key personnel and maintain relationships with its customers, suppliers, advertisers, partners and others with whom it does business, or on its operating results and businesses generally; risks associated with the disruption of management’s attention from ongoing business operations due to such transaction; the timing and scope of anticipated share repurchases and/or dividends; the impact of COVID-19 on the U.S. and global economy, including the restrictions on travel and transportation and other actions taken by governmental authorities and disruptions to the business of Silicon Laboratories’ customers or Silicon Laboratories’ global supply chain that have occurred or may occur in the future, the ongoing impact of COVID-19 on Silicon Laboratories’ employees and Silicon Laboratories’ ability to provide services to Silicon Laboratories’ customers and respond to their needs; risks that Silicon Laboratories may not be able to maintain its historical growth; quarterly fluctuations in revenues and operating results; difficulties developing new products that achieve market acceptance; risks associated with international activities (including trade barriers, particularly with respect to China); intellectual property litigation risks; risks associated with acquisitions and divestitures; product liability risks; difficulties managing Silicon Laboratories’ distributors, manufacturers and subcontractors; dependence on a limited number of products; absence of long-term commitments from customers; inventory-related risks; difficulties managing international activities; risks that Silicon Laboratories may not be able to manage strains associated with its growth; credit risks associated with its accounts receivable; dependence on key personnel; stock price volatility; geographic concentration of manufacturers, assemblers, test service providers and customers in Asia that subjects Silicon Laboratories’ business and results of operations to risks of natural disasters, epidemics or pandemics, war and political unrest; debt-related risks; capital-raising risks; the competitive and cyclical nature of the semiconductor industry; average selling prices of products may decrease significantly and rapidly; information technology risks; cyber-attacks against Silicon Laboratories’ products and its networks and other factors that are detailed in the SEC filings of Silicon Laboratories Inc. The level of share repurchases and/or dividends depends on market conditions and the level of other uses of cash. Silicon Laboratories disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

[99.1](#) [Unaudited Pro Forma Condensed Consolidated Financial Statements](#)

104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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.

SILICON LABORATORIES INC.

July 26, 2021

/s/ John C. Hollister

Date

John C. Hollister
*Senior Vice President and
Chief Financial Officer
(Principal Financial Officer)*

Silicon Laboratories Inc.
Unaudited Pro Forma Condensed Consolidated Balance Sheet
As of April 3, 2021
(in thousands, except per share data)

Assets	Historical	Disposition Adjustments	Pro Forma
Current assets:			
Cash and cash equivalents	\$ 205,224	\$ 2,750,000 (A)	\$ 2,955,224
Short-term investments	367,708	--	367,708
Accounts receivable, net	103,699	--	103,699
Inventories	79,244	(26,519) (B)	52,725
Prepaid expenses and other current assets	105,056	(1,827) (B)	103,229
Total current assets	860,931	2,721,654	3,582,585
Property and equipment, net	141,000	(3,697) (B)	137,303
Goodwill	631,932	(255,543) (B)	376,389
Other intangible assets, net	154,379	(2,346) (B)	152,033
Other assets, net	82,381	(3,072) (B)	79,309
Total assets	\$ 1,870,623	\$ 2,456,996	\$ 4,327,619
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 68,998	\$ --	\$ 68,998
Deferred revenue and returns liability	13,450	--	13,450
Other current liabilities	68,351	(436) (B)	
		35,067 (C)	
		344,000 (D)	446,982
Total current liabilities	150,799	378,631	529,430
Convertible debt, net	434,288	--	434,288
Other non-current liabilities	78,557	(357) (B)	78,200
Total liabilities	663,644	378,274	1,041,918
Commitments and contingencies			
Stockholders' equity:			
Preferred stock--\$0.0001 par value	--	--	--
Common stock--\$0.0001 par value	4	--	4
Additional paid-in capital	199,576	--	199,576
Retained earnings	1,007,173	2,078,722 (E)	3,085,895
Accumulated other comprehensive income	226	--	226
Total stockholders' equity	1,206,979	2,078,722	3,285,701
Total liabilities and stockholders' equity	\$ 1,870,623	\$ 2,456,996	\$ 4,327,619

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

Silicon Laboratories Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Three Months Ended April 3, 2021
(in thousands, except per share data)

	Historical	Disposition Adjustments (F)	Pro Forma
Revenues	\$ 255,505	\$ (97,648)	\$ 157,857
Cost of revenues	104,922	(38,819)	66,103
Gross profit	150,583	(58,829)	91,754
Operating expenses:			
Research and development	76,474	(12,459)	64,015
Selling, general and administrative	51,950	(9,496)	42,454
Operating expenses	128,424	(21,955)	106,469
Operating income (loss)	22,159	(36,874)	(14,715)
Other income (expense):			
Interest income and other, net	2,875	--	2,875
Interest expense	(11,324)	--	(11,324)
Income (loss) before income taxes	13,710	(36,874)	(23,164)
Provision (benefit) for income taxes	201	1,791 (G)	1,992
Net income (loss)	\$ 13,509	\$ (38,665)	\$ (25,156)
Earnings (loss) per share:			
Basic	\$ 0.31		\$ (0.57)
Diluted	\$ 0.29		\$ (0.57)
Weighted-average common shares outstanding:			
Basic	44,160	--	44,160
Diluted	45,832	(1,672) (H)	44,160

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

Silicon Laboratories Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended January 2, 2021
(in thousands, except per share data)

	Historical	Disposition Adjustments (F)	Pro Forma
Revenues	\$ 886,677	\$ (375,749)	\$ 510,928
Cost of revenues	359,151	(143,068)	216,083
Gross profit	527,526	(232,681)	294,845
Operating expenses:			
Research and development	287,887	(52,702)	235,185
Selling, general and administrative	201,339	(34,591)	166,748
Operating expenses	489,226	(87,293)	401,933
Operating income (loss)	38,300	(145,388)	(107,088)
Other income (expense):			
Interest income and other, net	11,143	--	11,143
Interest expense	(34,142)	--	(34,142)
Income (loss) before income taxes	15,301	(145,388)	(130,087)
Provision (benefit) for income taxes	2,770	(17,372) (G)	(14,602)
Net income (loss)	\$ 12,531	\$ (128,016)	\$ (115,485)
Earnings (loss) per share:			
Basic	\$ 0.29		\$ (2.64)
Diluted	\$ 0.28		\$ (2.64)
Weighted-average common shares outstanding:			
Basic	43,775	--	43,775
Diluted	44,372	(597) (H)	43,775

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

Silicon Laboratories Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended December 28, 2019
(in thousands, except per share data)

	Historical	Disposition Adjustments (F)	Pro Forma
Revenues	\$ 837,554	\$ (363,769)	\$ 473,785
Cost of revenues	327,270	(133,699)	193,571
Gross profit	510,284	(230,070)	280,214
Operating expenses:			
Research and development	257,150	(51,460)	205,690
Selling, general and administrative	196,437	(33,270)	163,167
Operating expenses	453,587	(84,730)	368,857
Operating income (loss)	56,697	(145,340)	(88,643)
Other income (expense):			
Interest income and other, net	13,185	--	13,185
Interest expense	(20,233)	--	(20,233)
Income (loss) before income taxes	49,649	(145,340)	(95,691)
Provision (benefit) for income taxes	30,384	(23,400) (G)	6,984
Net income (loss)	\$ 19,265	\$ (121,940)	\$ (102,675)
Earnings (loss) per share:			
Basic	\$ 0.44		\$ (2.37)
Diluted	\$ 0.43		\$ (2.37)
Weighted-average common shares outstanding:			
Basic	43,346	--	43,346
Diluted	44,290	(944) (H)	43,346

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

Silicon Laboratories Inc.
Unaudited Pro Forma Condensed Consolidated Statement of Operations
For the Year Ended December 29, 2018
(in thousands, except per share data)

	Historical	Disposition Adjustments (F)	Pro Forma
Revenues	\$ 868,267	\$ (412,201)	\$ 456,066
Cost of revenues	346,868	(145,334)	201,534
Gross profit	521,399	(266,867)	254,532
Operating expenses:			
Research and development	238,347	(48,269)	190,078
Selling, general and administrative	197,844	(34,305)	163,539
Operating expenses	436,191	(82,574)	353,617
Operating income (loss)	85,208	(184,293)	(99,085)
Other income (expense):			
Interest income and other, net	6,647	--	6,647
Interest expense	(19,694)	--	(19,694)
Income (loss) before income taxes	72,161	(184,293)	(112,132)
Provision (benefit) for income taxes	(11,430)	(8,207) (G)	(19,637)
Net income (loss)	\$ 83,591	\$ (176,086)	\$ (92,495)
Earnings (loss) per share:			
Basic	\$ 1.94		\$ (2.14)
Diluted	\$ 1.90		\$ (2.14)
Weighted-average common shares outstanding:			
Basic	43,159	--	43,159
Diluted	44,044	(885) (H)	43,159

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

Silicon Laboratories Inc.
Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

1. Basis of Presentation

As disclosed in Item 7.01 of this Form 8-K, Silicon Laboratories Inc. (the “Company”) completed the sale of its infrastructure and automotive business to Skyworks Solutions, Inc. for \$2.75 billion in cash on July 26, 2021 (the “Sale”). The unaudited pro forma condensed consolidated financial statements included herein have been prepared based on the Company’s historical consolidated balance sheet as of April 3, 2021, condensed consolidated statement of operations for the three months ended April 3, 2021 and consolidated statements of operations for the fiscal years ended January 2, 2021, December 28, 2019 and December 29, 2018, after giving effect to the disposition of the net assets and operations related to the sold business. The accompanying pro forma adjustments give effect to the pro forma events that are 1) directly attributable to the Sale, 2) factually supportable, and 3) with respect to the pro forma condensed consolidated statements of operations, have a continuing impact on the consolidated results of operations. This disposition will be accounted for as discontinued operations in accordance with Financial Accounting Standards Board Accounting Standards Codification 205-20, *Presentation of Financial Statements — Discontinued Operations*.

The pro forma condensed consolidated balance sheet gives effect to the Sale as if it had occurred on April 3, 2021. The pro forma balance sheet also reflects the effects of nonrecurring items attributed directly to the Sale, including the gain on sale, net of taxes, and direct transaction costs as though the Sale occurred on April 3, 2021. The pro forma gain as of April 3, 2021 is expected to differ from the actual gain that ultimately will be recognized as of the closing date of July 26, 2021.

The pro forma condensed consolidated statements of operations give effect to the Sale as if it had occurred on December 31, 2017, the first day of our fiscal year ended December 29, 2018. The disposition adjustments reflect the elimination of revenues and direct expenses of the discontinued operations. The pro forma statements of operations do not include adjustments for nonrecurring items attributed directly to the Sale. Such items will be recorded in the consolidated financial statements for the three months ended October 2, 2021.

This pro forma financial information is presented for illustrative purposes only, and is not necessarily indicative of the operating results and financial position that might have been achieved had the Sale occurred on the dates indicated, nor are they necessarily indicative of the operating results and financial position that may occur in the future. The accompanying unaudited pro forma condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the three fiscal years in the period ended January 2, 2021, included in the Company’s Form 10-K filed with the Securities and Exchange Commission (SEC) on February 3, 2021.

2. Pro Forma Adjustments

The unaudited pro forma condensed consolidated financial statements reflect the following adjustments:

- (A) Consideration received on the Sale consisting of \$2.75 billion in cash.
 - (B) Removal of balances related to assets and liabilities that transferred in the Sale.
 - (C) Accrual of estimated direct transaction costs.
 - (D) Represents the estimated tax effect of the pro forma adjustments, including the estimated gain on sale.
 - (E) Represents the retained earnings impact of the pro forma adjustments.
 - (F) Represents revenues and direct expenses incurred by the discontinued component.
 - (G) Represents the estimated tax effect of the pro forma adjustments.
 - (H) Removal of dilutive shares due to pro forma net loss.
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