
**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) March 11, 2021

BANDWIDTH INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38285
(Commission
File Number)

56-2242657
(IRS Employer
Identification No.)

900 Main Campus Drive
Raleigh, NC 27606
(Address of principal executive offices) (Zip Code)

(800) 808-5150
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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.001 per share	BAND	NASDAQ Global Select Market

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 8.01 Other Events.

On March 12, 2021, Bandwidth Inc. issued a press release announcing that on March 11, 2021, it priced a private offering of \$250 million principal amount of 0.50% convertible senior notes due 2028 (the “Notes”) pursuant to Rule 144A under the Securities Act of 1933, as amended. The sale of the Notes to the initial purchasers is expected to settle on March 16, 2021, subject to customary closing conditions. A copy of the press release is filed as Exhibit 99.1 hereto and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Bandwidth Inc. press release, dated March 12, 2021
104	Cover Page Interactive File (the cover page tags are 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.

BANDWIDTH INC.

Date: March 12, 2021

By: /s/ Jeffrey A. Hoffman

Name: Jeffrey A. Hoffman

Title: Chief Financial Officer



Bandwidth Announces Pricing of \$250 Million Convertible Senior Notes Offering

RALEIGH, NC, March 12, 2021 -- Bandwidth Inc. (NASDAQ: BAND) (“Bandwidth”), a leading enterprise cloud communications company, today announced the pricing of \$250 million aggregate principal amount of 0.50% Convertible Senior Notes due 2028 (the “Notes”) in a private offering (the “Offering”) to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). In addition, Bandwidth has granted the initial purchasers of the Notes a 13-day option to purchase up to an additional \$37.5 million aggregate principal amount of the Notes. The sale of the Notes to the initial purchasers is expected to settle on March 16, 2021, subject to customary closing conditions.

The Notes will be senior, unsecured obligations of Bandwidth, and will bear interest at a rate of 0.50% per year. Interest will be payable semi-annually in arrears on April 1 and October 1 of each year, beginning on October 1, 2021. The Notes will mature on April 1, 2028, unless earlier repurchased, redeemed or converted. Bandwidth may not redeem the Notes prior to April 6, 2025. Bandwidth may redeem the Notes, in whole or in part, at its option at any time, and from time to time, on or after April 6, 2025 and on or before the 40th scheduled trading day immediately before the maturity date, at a cash redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, if the last reported sale price per share of Bandwidth’s Class A common stock has exceeded 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive), including the trading date immediately preceding the date on which Bandwidth provides notice of redemption, during the 30 consecutive trading days ending on, and including, the trading day immediately before the date on which Bandwidth provides the related notice of redemption.

Holders of the Notes will have the right to require Bandwidth to repurchase all or a portion of their Notes upon the occurrence of a fundamental change (as defined in the indenture governing the Notes) at a cash purchase price of 100% of their principal amount plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.

The Notes will be convertible based on an initial conversion rate of 5.5781 shares of Bandwidth’s Class A common stock per \$1,000 principal amount of Notes (equivalent to an initial conversion price of approximately \$179.27 per share, which represents a conversion premium of approximately 37.5% to the last reported sale price of Bandwidth’s Class A common stock of \$130.38 per share on the NASDAQ Global Select Market on March 11, 2021). Prior to the close of business on the business day immediately preceding October 1, 2027, the Notes will be convertible at the option of the holders of the Notes only upon the satisfaction of specified conditions and during certain periods. On or after October 1, 2027 until the close of business on the second scheduled trading day preceding the maturity date, the Notes will be convertible at the option of the holders of Notes at any time regardless of these conditions. Conversions of the Notes will be settled in cash, shares of Bandwidth’s Class A common stock or a combination thereof, at Bandwidth’s election.

Bandwidth estimates that the net proceeds from the offering will be approximately \$242.3 million, after deducting the initial purchasers’ discount and estimated offering expenses payable by Bandwidth (assuming no exercise of the initial purchasers’ option to purchase additional Notes). Bandwidth intends to use a portion of the net proceeds from the offering to pay the cost of the capped call transactions described below. Bandwidth intends to use the remainder of the net proceeds for working capital or other general corporate purposes, which may include capital expenditures and potential acquisitions and strategic transactions. However, Bandwidth has not designated any specific uses and has no current agreements with respect to any acquisition or strategic transaction.

In connection with the pricing of the Notes, Bandwidth entered into privately negotiated capped call transactions with certain of the initial purchasers of the Notes and/or their respective affiliates and/or other financial institutions (the “Option Counterparties”). The capped call transactions are expected generally to reduce the potential dilution to

Bandwidth's Class A common stock upon any conversion of the Notes and/or to offset any cash payments Bandwidth is required to make in excess of the principal amount of the converted Notes, as the case may be, upon any conversion of Notes, with such reduction and/or offset subject to a cap based on the cap price. The cap price of the capped call transactions will initially be approximately \$260.76 per share of Bandwidth's Class A common stock, which represents a premium of approximately 100% over the last reported sale price of Bandwidth's Class A common stock of \$130.38 per share on March 11, 2021, and is subject to certain adjustments under the terms of the capped call transactions. If the initial purchasers of the Notes exercise their option to purchase additional Notes, Bandwidth expects to enter into additional capped call transactions with the Option Counterparties.

Bandwidth expects that, in connection with establishing their initial hedges of the capped call transactions, the Option Counterparties or their respective affiliates expect to purchase shares of Bandwidth's Class A common stock and/or enter into various derivative transactions with respect to Bandwidth's Class A common stock concurrently with or shortly after the pricing of the Notes. This activity could increase (or reduce the size of any decrease in) the market price of Bandwidth's Class A common stock or the Notes at that time. In addition, Bandwidth expects that the Option Counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to the Class A common stock and/or by purchasing or selling shares of Bandwidth's Class A common stock or other securities of Bandwidth in secondary market transactions following the pricing of the Notes and from time to time prior to the maturity of the Notes (and are likely to do so during any observation period related to a conversion of the Notes). This activity could also cause or avoid an increase or a decrease in the market price of Bandwidth's Class A common stock or the Notes, which could affect the ability of holders of the Notes to convert the Notes and, to the extent the activity occurs during any observation period related to a conversion of the Notes, it could affect the number of shares of Class A common stock and value of the consideration that holders of the Notes will receive upon conversion of the Notes.

The Notes were offered only to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act. The offer and sale of the Notes and the shares of Bandwidth's Class A common stock potentially issuable upon conversion of the Notes, if any, have not been, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction, and unless so registered, the Notes and such shares, if any, may not be offered or sold in the United States except pursuant to an applicable exemption from such registration requirements.

Important Information

This press release does not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any offer or sale of, the Notes (or any shares of Bandwidth's Class A common stock issuable upon conversion of the Notes) in any state or jurisdiction in which the offer, solicitation or sale would be unlawful prior to the registration or qualification thereof under the securities laws of any such state or jurisdiction.

About Bandwidth

Bandwidth (NASDAQ: BAND) is a leading enterprise cloud communications company. Companies like Cisco, Google, Microsoft, RingCentral, Uber, and Zoom use Bandwidth's APIs to easily embed voice, messaging and emergency services into software and applications. Bandwidth is the first and only CPaaS provider offering a robust selection of communications APIs built around their own IP voice network.

Forward-Looking Statements

This press release contains or may imply "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These forward-looking statements are not based on historical fact and include, but are not limited to, statements regarding our future financial and business performance, whether Bandwidth will be able to consummate the Offering, the terms of the Offering and the capped call transactions, expectations regarding actions of the Option Counterparties and their respective affiliates and the satisfaction of customary closing conditions with respect to the Offering. Any forward-looking statements are based on management's current expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to

differ materially and adversely from those set forth in or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, risks and uncertainties related to the Offering, including that such transaction may not occur. For a discussion of other risks and uncertainties, and other important factors, any of which could cause our actual results to differ from those contained in the forward-looking statements, see the section entitled “Risk Factors” in Bandwidth’s Form 10-K for the year ended December 31, 2020, filed with the SEC and any subsequent reports that we file with the SEC after December 31, 2020. We caution you that the foregoing list may not contain all the forward-looking statements made in this press release. These forward-looking statements speak only as of the date hereof and Bandwidth undertakes no obligation to update forward-looking statements, and readers are cautioned not to place undue reliance on such forward-looking statements.

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