

ANALOG DEVICES INC

Form 424B2

March 09, 2018

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CALCULATION OF REGISTRATION FEE

Title of Each Class of	Amount	Maximum	Maximum	Amount of
	to be	Offering Price	Aggregate	
Securities to be Registered	Registered	Per Unit	Offering Price	Registration Fee (1)
2.850% Senior Notes due March 12, 2020	\$300,000,000	99.807%	\$299,421,000	\$37,277.92
2.950% Senior Notes due January 12, 2021	\$450,000,000	99.572%	\$448,074,000	\$55,785.22

(1) The filing fee is calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

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**Filed pursuant to Rule 424(b)(2)
Registration No. 333-207043**

PROSPECTUS SUPPLEMENT

(TO PROSPECTUS DATED SEPTEMBER 21, 2015)

Analog Devices, Inc.

\$300,000,000 2.850% Senior Notes Due March 12, 2020

\$450,000,000 2.950% Senior Notes Due January 12, 2021

We are offering \$300,000,000 aggregate principal amount of our 2.850% senior notes due March 12, 2020, which we refer to as the 2020 Notes, and \$450,000,000 aggregate principal amount of our 2.950% senior notes due January 12, 2021, which we refer to as the 2021 Notes. We refer to the 2020 Notes and the 2021 Notes collectively as the notes.

We will pay interest on the 2020 Notes semi-annually in arrears each March 12 and September 12, commencing on September 12, 2018. We will pay interest on the 2021 Notes semi-annually in arrears each January 12 and July 12, commencing on July 12, 2018. The 2020 Notes will mature on March 12, 2020 and the 2021 Notes will mature on January 12, 2021.

We may redeem some or all of the notes at any time and from time to time at the applicable redemption prices described under the heading Description of the Notes Optional Redemption. If a change of control triggering event as described under the heading Description of the Notes Change of Control Offer occurs, we may be required to offer to purchase each series of notes from their holders. There are no sinking funds for the notes.

The notes will be our senior unsecured obligations. The notes will rank without preference or priority among themselves and equally in right of payment with all of our other existing and future senior unsecured debt and senior in right of payment to all of our future subordinated debt.

The notes are new issues of securities with no established trading market. We do not intend to apply for the listing of the notes on any securities exchange or for inclusion of the notes on any automated dealer quotation system.

Investing in the notes involves risks. See Risk Factors beginning on page S-10.

Underwriting

	Price to	Discounts and	Proceeds
	Public (1)	Commissions	to us (1)
Per 2020 Note	99.807%	0.250%	99.557%
2020 Note Total	\$ 299,421,000	\$ 750,000	\$ 298,671,000
Per 2021 Note	99.572%	0.350%	99.222%
2021 Note Total	\$ 448,074,000	\$ 1,575,000	\$ 446,499,000
Total	\$ 747,495,000	\$ 2,325,000	\$ 745,170,000

(1) Plus accrued interest, if any, from March 12, 2018, if settlement occurs after that date.

Delivery of the notes in book-entry form will be made through the facilities of The Depository Trust Company and its direct participants, including the Euroclear System and Clearstream Banking S.A., on or about March 12, 2018.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

*Joint Book-Running Managers***BofA Merrill Lynch****MUFG****SMBC Nikko**
*Co-Manager***Wells Fargo Securities****The Williams Capital Group, L.P.**

The date of this prospectus supplement is March 8, 2018.

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We are responsible only for the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or information contained in a free writing prospectus that we authorize to be delivered to you. This prospectus supplement and the accompanying prospectus may be used only for the purpose for which they have been prepared. No one is authorized to give information other than that contained in or incorporated by reference into this prospectus supplement, the accompanying prospectus or any free writing prospectus that we authorize to be delivered to you. We have not, and the underwriters have not, authorized any other person to provide you with different information. Neither we nor any of the underwriters or their affiliates take any responsibility for, nor can we or any of the underwriters or their affiliates provide any assurance as to the reliability of, any information that others may give you.

We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information appearing in this prospectus supplement, the accompanying prospectus or any document incorporated by reference herein or therein is

accurate as of any date other than the date of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date. Neither this prospectus supplement nor the accompanying prospectus constitutes an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe for and purchase any of the securities and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part is the accompanying prospectus, which describes more general information, some of which may not apply to this offering. You should read this prospectus supplement, the accompanying prospectus and any related free writing prospectus, together with additional information described under the heading "Where You Can Find More Information" on page S-38.

In this prospectus supplement and the accompanying prospectus, the Company, we, our, ours and us refer to Analog Devices, Inc. and its subsidiaries on a consolidated basis, unless the context otherwise requires. If the information set forth in this prospectus supplement differs in any way from the information set forth in the accompanying prospectus, you should rely on the information set forth in this prospectus supplement.

Currency amounts in this prospectus supplement are stated in U.S. dollars.

Notwithstanding anything to the contrary contained herein, none of the trustee, registrar and paying agent (or any other agent under an indenture) makes any representation with respect to the accuracy or completeness of the information contained herein and shall have no liability whatsoever on its accuracy or completeness.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the information incorporated by reference in this prospectus supplement and the accompanying prospectus contain forward-looking statements regarding future events and our future results that are subject to the safe harbor created under the Private Securities Litigation Reform Act of 1995 and other safe harbors under the Securities Act of 1933 (the "Securities Act") and the Securities Exchange Act of 1934 (the "Exchange Act"). All statements other than statements of historical fact are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "may," variations of such words and similar expressions, are intended to identify such forward-looking statements. In addition, any statements that refer to projections regarding our future financial performance; our anticipated growth and trends in our businesses; our future liquidity, capital needs and capital expenditures; our future market position and expected competitive changes in the marketplace for our products; our ability to pay dividends or repurchase stock; our ability to service our outstanding debt; our expected tax rate; the effect of changes in or the application of new or revised tax laws, including the recently-passed Tax Cuts and Jobs Act of 2017 in the United States; the effect of new accounting pronouncements; our ability to successfully integrate acquired businesses and technologies, including the integration of the acquired business, operations and employees of Linear Technology Corporation ("Linear"); and other characterizations of future events or circumstances are forward-looking statements. You are cautioned that these forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions that are difficult to predict. You should pay particular attention to the important risk factors and cautionary statements referenced in the section of this prospectus supplement entitled "Risk Factors" beginning on page S-10. You should also carefully review the risk factors and cautionary statements described in the other documents we file from time to time with the SEC, specifically our most recent Annual Report on Form 10-K, our Quarterly Report on Form 10-Q for the quarter ended February 3, 2018, and our Current Reports on Form 8-K. Actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update any forward-looking statements, including to reflect events or circumstances occurring after the date of the filing of this prospectus supplement, except to the extent required by law.

Table of Contents**SUMMARY**

This summary highlights information contained elsewhere in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus. As a result, it may not contain all of the information that may be important to you or that you should consider before investing in the notes. You should read this entire prospectus supplement, the accompanying prospectus and any related free writing prospectus, including the Risk Factors section and the documents incorporated by reference, which are described under Where You Can Find More Information on page S-38.

The Company

We are a leading global high-performance analog technology company. Our products and technologies intelligently bridge the physical and digital domains through sensing, measuring, connecting and interpreting. We design, manufacture and market a broad portfolio of solutions that leverage high-performance analog, mixed-signal and digital signal processing technology, including integrated circuits (ICs), algorithms, software and subsystems. Since our inception in 1965, we have focused on solving our customers' toughest signal processing engineering challenges and playing a fundamental role in converting, conditioning, and processing real-world phenomena such as temperature, pressure, sound, light, speed and motion into electrical signals to be used in a wide array of electronic devices. We combine sensors, data converters, amplifiers and linear products, radio frequency ICs, power management products and signal processing products into technology platforms that meet specific customer and market needs, leveraging our engineering investment across a broad base of markets and customers. As new generations of applications evolve, such as autonomous vehicles and the Internet of Things, new needs for our high-performance analog signal processing and digital signal processing products and technologies are emerging.

We focus on key strategic markets where our signal processing technology is often a critical differentiator in our customers' products, in particular, the industrial, automotive, consumer and communications markets. Used by more than 125,000 customers worldwide, our products are embedded inside many different types of electronic equipment including:

Industrial process control systems	Medical imaging equipment
Factory process automation systems	Patient vital signs monitoring devices
Instrumentation and measurement systems	Wireless infrastructure equipment
Energy management systems	Networking equipment
Aerospace and defense electronics	Optical systems
Automobiles	Portable consumer devices

We were incorporated in Massachusetts in 1965. Our headquarters is near Boston, in Norwood, Massachusetts. In addition, we have manufacturing facilities in the United States, Ireland and Southeast Asia. We have more than 50 design, development, field application engineering, sales and manufacturing centers worldwide. Our common stock is listed on The Nasdaq Global Select Market under the symbol ADI and is included in the Standard & Poor's 500 Index.

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Our principal executive offices are located at One Technology Way, Norwood, Massachusetts 02062, and our telephone number is (781) 329-4700.

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The Offering

The summary below describes the principal terms of the notes. Some of the terms and conditions described below are subject to important limitations and exceptions. See Description of the Notes for a more detailed description of the terms and conditions of the notes.

Issuer	Analog Devices, Inc.
Securities Offered	\$300,000,000 initial aggregate principal amount of 2.850% notes due March 12, 2020. \$450,000,000 initial aggregate principal amount of 2.950% notes due January 12, 2021.
Maturity	2020 Notes: March 12, 2020. 2021 Notes: January 12, 2021.
Interest Rate	The 2020 Notes will bear interest at a rate of 2.850% per annum. The 2021 Notes will bear interest at a rate of 2.950% per annum.
Interest Payment Dates	Interest on the 2020 Notes will be paid semi-annually in arrears on March 12 and September 12 of each year, commencing on September 12, 2018. Interest on the 2021 Notes will be paid semi-annually in arrears on January 12 and July 12 of each year, commencing on July 12, 2018.
Ranking	The notes will be our senior unsecured obligations. Each series of notes will rank without preference or priority among themselves and equally in right of payment with all of our other existing and future unsecured and unsubordinated debt and senior in right of payment to all of our future debt that is subordinated to the notes. The notes will be: effectively subordinated to any of our future secured debt, to the extent of the assets securing that debt; and structurally subordinated to any existing and future indebtedness and other liabilities of our subsidiaries.

As of February 3, 2018:

our total consolidated indebtedness was approximately \$7.5 billion;
and

we had no secured indebtedness outstanding.

Covenants

The indenture governing the notes contains covenants that, among other things, limit our ability to:

incur, create, assume or guarantee any debt for borrowed money
secured by a lien upon our principal properties (as defined herein);

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enter into sale and lease back transactions with respect to our principal properties (as defined herein); and

consolidate with or merge into, or transfer or lease all or substantially all of our assets to, any other party.

As of February 3, 2018, we did not have any Principal Properties (as defined herein). These covenants are subject to important exceptions and qualifications that are described under the heading Description of the Notes Limitation on Liens, Limitation on Sale and Lease Back Transactions and Limitation on Mergers and Other Transactions in this prospectus supplement.

Repurchase Offer Upon a Change of

Control Triggering Event

If we experience a Change of Control Triggering Event (as defined in Description of the Notes Change of Control Offer), we will be required, unless we have exercised our option to redeem the notes or have defeased or satisfied and discharged the notes, to offer to purchase the notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any.

Optional Redemption

At any time prior to the applicable maturity date of the notes, we will have the right at our option to redeem either series of notes, at any time and from time to time, either in whole or in part, at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed and (2) the make-whole redemption price described in Description of the Notes Optional Redemption, plus accrued and unpaid interest thereon to but excluding the date of redemption.

Sinking Fund

None.

Use of Proceeds

We estimate that the net proceeds we will receive from this offering will be approximately \$743.4 million, after deducting estimated expenses and underwriting discounts and commissions. We intend to use the net proceeds to repay a portion of the amount outstanding under our five-year term loan. We expect to use the remaining net proceeds, if any, for general corporate purposes, which may include capital expenditures, repurchases of our common stock under our stock repurchase program, repayment or refinancing of existing indebtedness, dividend payments and acquisitions. See Use of Proceeds.

Denominations and Form

We will issue the notes in the form of one or more fully registered global notes registered in the name of the nominee of The Depository Trust Company (DTC). The notes will be issued in minimum denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

No Listing

We do not intend to apply for the listing of the notes on any securities exchange or for the quotation of the notes in any dealer quotation system.

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Risk Factors	An investment in the notes involves risks. You should carefully consider the information set forth in the section of this prospectus supplement entitled Risk Factors beginning on page S-10, as well as other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether to invest in the notes.
Trustee, Registrar and Paying Agent	The Bank of New York Mellon Trust Company, N.A.
Governing Law	The indenture and the notes will be governed by the laws of the State of New York.
Conflicts of Interest	Certain of the underwriters or their affiliates are lenders under our five-year term loan that is being partially repaid with the proceeds of this offering. At least 5% of the net proceeds of this offering may be directed to one or more of the underwriters (or their affiliates). The receipt of at least 5% of the net proceeds of this offering by any underwriter (or its affiliates) would be considered a conflict of interest under FINRA Rule 5121. As such, this offering is being conducted in accordance with the applicable requirements of Rule 5121 See Underwriting (Conflicts of Interest) Other Relationships and Conflicts of Interest for more information.

Table of Contents**Selected Financial Information and Other Data**

The following selected financial information should be read in conjunction with the consolidated financial statements and the accompanying notes thereto incorporated by reference into this prospectus supplement. The following tables set forth the selected consolidated financial and other data as of the dates and for the periods indicated. The selected consolidated financial data for the three-month periods ended February 3, 2018 and January 28, 2017 has been derived from our unaudited interim consolidated financial statements incorporated by reference into this prospectus supplement from our Quarterly Report on Form 10-Q for the three-month period ended February 3, 2018. The selected consolidated financial data for the fiscal years ended October 28, 2017, October 29, 2016 and October 31, 2015 has been derived from our audited consolidated financial statements incorporated by reference into this prospectus supplement from our Annual Report on Form 10-K for the fiscal year ended October 28, 2017. Historical results are not necessarily indicative of the results to be expected for future periods.

	Three Months Ended	
	February 3, 2018	January 28, 2017
(in thousands)		
Statement of Operations data:		
Revenue	\$ 1,518,624	\$ 984,449
Cost of sales (1)	483,434	335,945
Gross profit	1,035,190	648,504
Operating expenses (1)	629,842	382,236
Operating income	405,348	266,268
Nonoperating expense (income)	66,494	32,959
Income before income taxes	338,854	233,309
Provision for income taxes	70,682	16,180
Net income	\$ 268,172	\$ 217,129
Balance Sheet data:		
Total assets	\$ 20,853,315	
Long-term debt	\$ 7,384,856	

- (1) Includes \$37,902 and \$16,529 related to stock-based compensation at February 3, 2018 and January 28, 2017, respectively.

	Fiscal Year Ended		
	October 28, 2017	October 29, 2016	October 31, 2015
(in thousands)			
Statement of Operations data:			
Revenue	\$ 5,107,503	\$ 3,421,409	\$ 3,435,092
Cost of sales (2)	2,045,907	1,194,236	1,175,830

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Gross profit	3,061,596	2,227,173	2,259,262
Operating expenses (2)	2,006,462	1,199,061	1,428,421
Operating income	1,055,134	1,028,112	830,841
Nonoperating expense (income)	226,649	71,191	20,727
Income before income taxes	828,485	956,921	810,114
Provision for income taxes	101,226	95,257	113,236
Net income	\$ 727,259	\$ 861,664	\$ 696,878

Balance Sheet data:

Total assets	\$ 21,141,294	\$ 7,970,278
Long-term debt	\$ 7,551,084	\$ 1,732,177

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(2) Includes \$104,188, \$63,421 and \$68,919 related to stock-based compensation at October 28, 2017, October 29, 2016 and October 31, 2015, respectively.

The following table sets forth the net income and Adjusted EBITDA of the combined business of Analog Devices and Linear, which we acquired on March 10, 2017, for the three-month period ended February 3, 2018 and the fiscal year ended October 28, 2017. This information is unaudited and is not necessarily indicative of our future results. Adjusted EBITDA is a performance measure that is not presented in accordance with generally accepted accounting principles in the United States of America, or GAAP, and presents our and Linear's combined adjusted earnings from operations as if we had been a single company for the entire period before certain expenses that management believes may obscure our normal operating results or are non-cash in nature, such as amortization of acquired intangible assets and restructuring, integration and other expenses. In light of the recent acquisition of Linear, management believes that presentation of Adjusted EBITDA for the periods below is useful to help investors better assess and understand the core performance of Analog's ongoing business. Any analysis of results on a non-GAAP basis should be used only as a complement to, and in conjunction with, results presented in accordance with GAAP. See the reconciliation to GAAP below for a reconciliation of net income to Adjusted EBITDA.

	Three Months Ended February 3, 2018	Fiscal Year Ended October 28, 2017
(in thousands)		
Net income	\$ 268,200	\$ 727,300
Adjusted EBITDA (3)	\$ 713,600	\$ 2,609,900

(3) We provide below a reconciliation from net income to Adjusted EBITDA.

	Three Months Ended February 3, 2018	Fiscal Year Ended October 28, 2017 (a)
(in thousands)		
Net income	\$ 268,200	\$ 727,300
Linear net income adjustments		394,300
Adjusted net income	268,200	1,121,600
Provision for income taxes	70,700	175,100
Income before income taxes	338,900	1,296,700
Nonoperating (income) expense	66,500	221,100
Restructuring related expenses	57,300	49,500
Stock based compensation expense	31,800	128,000
Acquisition-related revenues and expenses	161,800	623,300
Acquisition-related transaction costs	8,700	100,000

Depreciation	48,600	191,300
Adjusted EBITDA	\$ 713,600	\$ 2,609,900

- (a) Includes Linear's net income and related expenses for the first quarter of its 2017 fiscal year (the three-month period ending October 2, 2016) and the second quarter of its 2017 fiscal year (the three-month period ending January 1, 2017) and excludes a net loss and related expenses from the second quarter of our 2017 fiscal year that reflects Linear's operations from the closing of our acquisition of Linear on March 10, 2017 through the end of our second fiscal quarter (April 29, 2017).

Table of Contents**Consolidated Ratio of Earnings to Fixed Charges**

The following table presents our consolidated ratio of earnings to fixed charges for each of the periods indicated. You should read this table in conjunction with the consolidated financial statements and notes incorporated by reference in this prospectus supplement and the accompanying prospectus.

	Fiscal Year Ended					
	Three Months Ended					
	February 3, 2018	October 28, 2017	October 29, 2016	October 31, 2015	November 1, 2014	November 2, 2013
Consolidated Ratio of Earnings to Fixed Charges (1)	5.9	4.3	12.0	29.7	21.3	26.3

- (1) For purposes of computing the consolidated ratio of earnings to fixed charges, earnings consist of income before income taxes plus amortization of capitalized interest and fixed charges. Fixed charges consist of interest expense (including an estimate of interest expense within rent expense).

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RISK FACTORS

Before you decide to invest in the notes, you should carefully consider the factors set forth below, as well as the risk factors discussed in our Quarterly Report on Form 10-Q for the period ended February 3, 2018, which are incorporated by reference in this prospectus supplement and the accompanying prospectus. See Where You Can Find More Information in this prospectus supplement. The information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus includes forward-looking statements that involve risks and uncertainties. We refer you to Forward-Looking Statements in this prospectus supplement.

Risks Related to the Notes

The notes will be unsecured and, therefore, will be effectively subordinated to any of our future secured debt.

The notes will not be secured by any of our assets. As a result, the notes will be effectively subordinated to any secured debt we may incur in the future, to the extent of the value of the assets securing that debt. In any liquidation, dissolution, bankruptcy or other similar proceeding involving us, the holders of any of our secured debt may assert rights against our secured assets in order to receive full payment of their debt before such assets may be used to pay the holders of the notes. The terms of the indenture limit our ability to create, incur, assume or permit to exist any liens to secure any of our debt. However, these limitations are subject to numerous exceptions. See Description of the Notes Limitation on Liens. As of February 3, 2018, we did not have any secured debt outstanding. See Description of the Notes Ranking.

We have substantial indebtedness and the indenture does not restrict our ability to incur additional indebtedness.

As of February 3, 2018, we had approximately \$7.5 billion of indebtedness outstanding, and after giving effect to this offering including the expected use of proceeds therefrom, we would have had approximately \$7.5 billion of indebtedness outstanding. In addition, we may incur substantial additional indebtedness in the future. In particular, the indenture pursuant to which the notes will be issued will not place any limitation on the amount of indebtedness that we or our subsidiaries may incur. Our incurrence of additional indebtedness may have important consequences for you as a holder of the notes, including, without limitation:

we will have additional cash requirements in order to support the payment