

**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): December 5, 2023



Merit Medical Systems, Inc.

(Exact name of registrant as specified in its charter)

Utah
(State or other jurisdiction of
incorporation or organization)

0-18592
(Commission
File Number)

87-0447695
(I.R.S. Employer
Identification No.)

1600 West Merit Parkway
South Jordan, Utah
(Address of principal executive offices)

84095
(Zip Code)

(801) 253-1600
(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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, no par value	MMSI	NASDAQ Global Select Market System

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 December 6, 2023, Merit Medical Systems, Inc (“Merit”) issued a press release announcing the upside and pricing of its offering of \$650.0 million aggregate principal amount of its 3.00% convertible senior notes due 2029 (the “Notes”) in a private placement to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Notes Offering”). Merit also granted the initial purchasers of the Notes an option to purchase additional Notes within a 13-day period beginning on, and including, the initial closing date. A copy of the press release is furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

The information contained in Item 7.01 of this Current Report on Form 8-K (including the exhibit attached hereto) is furnished pursuant to General Instruction B.2. of Form 8-K and 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 liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by Merit under the Securities Act of 1933, as amended, or the Exchange Act.

Neither this Current Report on Form 8-K, nor the press release attached as an exhibit hereto, constitutes an offer to sell, or the solicitation of an offer to buy, the Notes or any shares of Merit’s common stock issuable upon conversion of the Notes.

Item 8.01. Other Events.

On December 5, 2023, Merit entered into an amendment to its Fourth Amended and Restated Credit Agreement dated June 6, 2023 (the “Fourth Amended and Restated Credit Agreement”) with the lenders named therein and Wells Fargo Bank, National Association, a national banking association, as administrative agent for the lenders, to amend certain definitions, covenants and events of default under the Fourth Amended and Restated Credit Agreement to facilitate the issuance of the Notes and to permit Merit to enter into related capped call transactions.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
99.1	Press Release issued by Merit Medical Systems on December 6, 2023 announcing the pricing of the Notes Offering
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MERIT MEDICAL SYSTEMS, INC.

Date: December 6, 2023

By: /s/ Brian G. Lloyd

Brian G. Lloyd
Chief Legal Officer and Corporate Secretary



PRESS RELEASE

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South Jordan, Utah 84095

Merit Medical Announces Pricing of Upsized Private Offering of \$650.0 Million of 3.00% Convertible Senior Notes Due 2029

SOUTH JORDAN, Utah, December 6, 2023 – Merit Medical Systems, Inc. (Nasdaq: MMSI) (“Merit”), a leading global manufacturer and marketer of healthcare technology, announced the pricing of \$650.0 million aggregate principal amount of 3.00% Convertible Senior Notes due 2029 (the “notes”) in a private placement (the “offering”) only to persons reasonably believed to be “qualified institutional buyers” pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). Merit has granted the initial purchasers of the notes an option to purchase, during a 13-day period beginning on, and including, the date on which the notes are first issued, up to an additional \$97.5 million aggregate principal amount of the notes on the same terms and conditions. The offering was upsized from the previously announced offering of \$550 million aggregate principal amount of notes. The sale of the notes to the initial purchasers is expected to close on December 8, 2023, subject to customary closing conditions.

The notes will bear interest at 3.00% per year, payable semi-annually in arrears on February 1 and August 1 of each year, beginning on August 1, 2024. The notes will mature on February 1, 2029, unless earlier repurchased, redeemed or converted in accordance with their terms prior to such date. When issued, the notes will be Merit’s senior unsecured obligations and will rank senior in right of payment to any of Merit’s indebtedness that is expressly subordinated in right of payment to the notes; equal in right of payment to any of Merit’s unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of Merit’s senior, secured indebtedness (including indebtedness under Merit’s Fourth Amended and Restated Credit Agreement) to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities (including trade payables) of Merit’s subsidiaries.

Holders of the notes will have the right to require Merit to repurchase all or a part of their notes upon the occurrence of a “fundamental change” in cash at a fundamental change repurchase price of 100% of their principal amount plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. Following certain corporate events or if Merit calls the notes for redemption, Merit will, under certain circumstances, increase the conversion rate for holders who elect to convert their notes in connection with such corporate event or convert their notes called for redemption, as the case may be.

The initial conversion rate of the notes will be 11.5171 shares of Merit’s common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$86.83 per share of Merit’s common stock). The initial conversion price of the notes represents a premium of approximately 32.5% over the last reported sale price of Merit’s common stock on the Nasdaq Global Select Market on December 5, 2023. Prior to the close of business on the business day immediately preceding October 1, 2028, 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, 2028, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes at any time, regardless of such conditions. Upon conversion of the notes, Merit will pay cash up to the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, shares of Merit common stock or a combination of cash and shares of Merit common stock, at Merit’s

election, in respect of the remainder, if any, of Merit's conversion obligation in excess of the aggregate principal amount of the notes being converted.

In connection with the pricing of the notes, Merit entered into privately negotiated capped call transactions with one or more of the initial purchasers and/or their respective affiliates and certain other financial institutions (the "option counterparties"). The capped call transactions are generally expected to mitigate potential dilution to Merit's common stock upon conversion of any notes and/or offset any cash payments Merit is required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and/or offset subject to a cap. If the initial purchasers exercise their option to purchase additional notes, Merit expects to enter into additional capped call transactions with the option counterparties. The cap price of the capped call transactions will initially be approximately \$114.68 per share of Merit's common stock, subject to certain adjustments under the terms of the capped call transactions.

In connection with establishing their initial hedges of the capped call transactions, Merit expects the option counterparties or their respective affiliates to enter into various derivative transactions with respect to Merit's common stock and/or purchase shares of Merit's 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 Merit's common stock or the notes at that time.

In addition, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to Merit's common stock and/or purchasing or selling Merit's common stock or other securities of Merit in secondary market transactions following the pricing of the notes and prior to the maturity of the notes (and are likely to do so on each exercise date for the capped call transactions or following any termination of any portion of the capped call transactions in connection with any repurchase, redemption or early conversion of the notes). This activity could also cause or avoid an increase or a decrease in the market price of Merit's common stock or the notes, which could affect the ability of a holder of notes to convert the notes and, to the extent the activity occurs following a conversion or during any observation period related to a conversion of notes, it could affect the amount and value of the consideration that a holder of notes will receive upon conversion of its notes.

Merit estimates that the net proceeds from the offering will be \$630.5 million (or approximately \$725.1 million if the initial purchasers exercise their option to purchase additional notes in full), after deducting initial purchasers' discounts and commissions but before estimated offering expenses payable by Merit. Merit intends to use approximately \$57.9 million of the net proceeds from the offering to pay the cost of the capped call transactions. If the initial purchasers exercise their option to purchase additional notes, Merit expects to use a portion of the net proceeds from the sale of the additional notes to enter into additional capped call transactions with the option counterparties. Merit intends to use the remaining net proceeds from the offering for general corporate purposes, which may include repayment or reduction of existing debt, sales and marketing activities, medical affairs and educational efforts, research and development, clinical studies, working capital, capital expenditures and investments in and acquisitions of other companies, products or technologies in the future. However, while Merit regularly evaluates acquisition opportunities, Merit has no commitments with respect to any acquisitions of other companies, products or technologies of a material nature at this time.

The notes and any shares of Merit's common stock issuable upon conversion of the notes have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction, and unless so registered, may not be offered or sold in the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable securities laws. The notes will be offered to persons reasonably believed to be qualified institutional buyers pursuant to Rule 144A under the Securities Act.

This press release is neither an offer to sell nor a solicitation of an offer to buy any of these securities (including the shares of Merit's common stock, if any, into which the notes are convertible) 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 thereof under the securities laws of any such state or jurisdiction.

About Merit Medical

Merit Medical Systems, Inc. is a leading manufacturer and marketer of proprietary medical devices used in interventional, diagnostic and therapeutic procedures, particularly in cardiology, radiology, oncology, critical care and endoscopy. Merit strives to be the most customer-focused company in healthcare. Merit is determined to make a difference by understanding its customers' needs and innovating and delivering a diverse range of products that improve the lives of people and communities throughout the world. Merit believes that long-term value is created for its customers, employees, shareholders, and communities when it focuses outward and is determined to deliver an exceptional customer experience.

Forward-Looking Statements

This release includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements in this release, other than statements of historical fact, are "forward-looking statements" for purposes of these provisions, including any projections of earnings, revenues or other financial items, any statements of the plans and objectives of Merit's management for future operations, any statements regarding the terms, conditions and anticipated financial transactions and outcomes associated with the notes, any statements concerning proposed new products or services, any statements regarding the integration, development or commercialization of the business or any assets acquired from other parties, any statements regarding future economic conditions or performance, and any statements of assumptions underlying any of the foregoing. In some cases, forward-looking statements can be identified by the use of terminology such as "may," "will," "expects," "plans," "anticipates," "intends," "seeks," "believes," "estimates," "potential," "forecasts," "continue," or other forms of these words or similar words or expressions, or the negative thereof or other comparable terminology. Although Merit believes that the expectations reflected in the forward-looking statements contained herein are reasonable, there can be no assurance that such expectations or any of the forward-looking statements will prove to be correct, and actual results will likely differ, and could differ materially, from those projected or assumed in the forward-looking statements. Important factors that could cause actual results to differ materially from those indicated in the forward-looking statements related to the offering include risks and

uncertainties related to the satisfaction of customary closing conditions. Investors are cautioned not to unduly rely on any such forward-looking statements.

All subsequent forward-looking statements attributable to Merit or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Merit's actual results will likely differ, and may differ materially, from anticipated results. Financial estimates are subject to change and are not intended to be relied upon as predictions of future operating results. All forward-looking statements included in this release are made as of the date hereof and are based on information available to Merit as of such date. Merit assumes no obligation to update any forward-looking statement. If Merit does update or correct one or more forward-looking statements, investors and others should not conclude that Merit will make additional updates or corrections.

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