

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): June 25, 2024

PIXELWORKS, INC.

(Exact name of registrant as specified in its charter)

Oregon
(State or other jurisdiction
of incorporation)

000-30269
(Commission File Number)

91-1761992
(I.R.S. Employer
Identification No.)

16760 SW Upper Boones Ferry Rd., Suite 101
Portland, OR 97224
(503) 601-4545

(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

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	PXLW	The Nasdaq Global 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 2.05 Costs associated with exit or disposal activity.

On June 25, 2024, the Board of Directors (the “Board”) of Pixelworks, Inc. (the “Company”) approved a restructuring plan to make the operation of the Company more efficient and which would result in an approximately 16% reduction in workforce, in the areas of operations, research and development, sales, marketing and administration. The Board and management believe adoption of this restructuring plan will help streamline the Company’s operations and workforce, and more appropriately align the Company’s operating expenses with current revenue levels. The Company expects the restructuring to be substantially complete by the end of the second quarter ending June 30, 2024 and expects to incur total estimated restructuring charges of approximately \$1.7 million related to employee severance and benefits. The Company expects that these charges will largely be recorded in the second quarter of 2024.

In addition to the restructuring charges, the restructuring plan includes the payment by Pixelworks Semiconductor Technology (Shanghai) Co., Ltd. (“PWSH”) (directly or through its subsidiary, Pixelworks Hong Kong Limited) of \$1.2 million collectively to those terminated employees who are holders of an interest in one of the five employee stock ownership entities (the “ESOP”) that were established to enable employee ownership of Pixelworks Shanghai. Per the terms of the ESOP agreements, PWSH must re-purchase from the ESOP such shares that are attributable to the withdrawing former employees (the “Repurchased Shares”) for the amount invested plus annual interest of 5%, accrued to the date of withdrawal. Each former employee must withdraw from the ESOP, and the ESOP will remit to them the amounts paid by PWSH. The Company expects this process to be completed within the third quarter of 2024. PWSH shall hold the Repurchased Shares as treasury stock, which can be re-issued to new employees in connection with the ESOP equity plan within the next three years, at which point any remaining shares must be cancelled. While held as treasury stock, the Repurchased Shares will not be eligible for voting. The total number of Repurchased Shares will equate to 0.50% of all PWSH shares.

As a result of the restructuring, the Company expects to realize annualized savings of approximately \$4.0 million.

Note Regarding Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements may include terms such as “expects”, “will,” “believes,” and similar expressions and include, without limitation, statements regarding the Company’s restructuring plan, its expectations and estimates regarding the workforce reduction, the objectives of the restructuring plan and the timing thereof, amounts and timing of the charges, including payments to former employees for the Repurchased Shares, savings to be incurred in connection with the restructuring plan, and the potential impact of the restructuring plan. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. Potential risks and uncertainties that could cause actual results to differ from expected results include, among others, whether the Company will be able to implement the restructuring program as planned, whether additional measures outside those set forth herein will need to be taken to fulfill the objectives of the restructuring plan, whether the expected amount of the costs associated with the restructuring program will differ from or exceed the Company's forecasts and whether the Company will be able to realize the full amount of estimated savings from the restructuring program or in the timeframe expected. It is not possible to predict or identify all risks and uncertainties, and additional significant risks and uncertainties are described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, and subsequent reports filed with the Securities and Exchange Commission. The reader should not place undue reliance on forward-looking statements, which speak only as of the date they are first made. Except to the extent required by law, the Company undertakes no obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

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.

PIXELWORKS, INC.
(Registrant)

Dated: June 27, 2024

/s/ Haley F. Aman

Haley F. Aman
Chief Financial Officer