



onsemi Selects the Czech Republic to Establish End-to-End Silicon Carbide Production for Advanced Power Semiconductors

June 19, 2024

Brownfield investment would bring critical manufacturing capabilities of energy efficient chips to Central Europe to power the future of electrification, renewables and AI

NEWS HIGHLIGHTS

- onsemi's planned multi-year investment of up to \$2 billion would solidify advanced power semiconductor supply chain for its European and global customer base
- Vertically integrated silicon carbide site brings advanced packaging capabilities to the region and best positions onsemi to meet rising demand for clean, energy efficient semiconductor solutions
- onsemi is cooperating with the government of the Czech Republic to prepare an incentive package that would support the investment
- The investment would be one of the largest private sector investments in the Czech Republic's history and one of the first investments in advanced semiconductor manufacturing in Central Europe

SCOTTSDALE, Ariz.--(BUSINESS WIRE)--Jun. 19, 2024-- Electrification, renewables and artificial intelligence are global megatrends converging and driving unprecedented demands for advanced power semiconductors capable of optimizing energy conversion and management. In a strategic move toward addressing these demands, onsemi announced plans to establish a state-of-the-art, vertically integrated silicon carbide (SiC) manufacturing facility in the Czech Republic. The site would produce the company's intelligent power semiconductors that are essential for improving the energy efficiency of applications in electric vehicles, renewable energy and AI data centers.

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onsemi facility in Rožnov pod Radhoštěm in the Czech Republic (Graphic: Business Wire)

"Our brownfield investment would establish a Central European supply chain to better service our customers' rapidly increasing demand for innovative technologies that improve the energy efficiency in their

applications," said Hassane El-Khoury, president and CEO, onsemi. "Through a close collaboration with the Czech government, the expansion would also enhance our production of intelligent power semiconductors that are essential to helping ensure the European Union is able to achieve its ambitions to significantly reduce carbon emissions and environmental impact."

"onsemi's decision to expand in Czechia is a clear confirmation of our country's attractiveness for foreign investment and will bring significant momentum for the development of our economy," said Mr. Jozef Sikela, Minister of Industry and Trade of the Czech Republic. "This investment not only strengthens our position in the semiconductor field but can also contribute to the development of the automotive industry and help us with its adaptation to the rise of electromobility."

onsemi's Commitment to Europe and the Czech Republic

onsemi's plan to expand SiC manufacturing with a multi-year brownfield investment of up to \$2 billion (44 billion CZK) is part of the company's previously disclosed long-term capital expenditure target. This investment would build on the company's current operations in the Czech Republic, which include silicon crystal growth, silicon and silicon carbide wafer manufacturing (polished and EPI) and a silicon wafer fab. Today, the site can produce more than three million wafers annually, including more than one billion power devices. Upon completion, the operation would contribute annually more than \$270 million USD (6 billion CZK) to the country's GDP.

Pending all final regulatory and incentive approvals¹, this would be one of the largest private sector investments in the Czech Republic's history and would further contribute to the prosperity and economic dynamism of the Zlín region. onsemi is one of the first companies to invest in advanced semiconductor manufacturing in the Central European region. With this investment, the company would contribute to the strategic positioning of the region within the EU's semiconductor value chain and demonstrate that all EU countries can benefit from the European Chips Act. The announcement also reflects onsemi's strategic alignment with the overarching goals of the European Chips Act of increasing market share and technological advancement to strengthen the resilience of the EU's semiconductor supply chains in times of ever-growing demand.

Driving Innovation in Power Semiconductors

Silicon carbide is a critical material for high-power, high-temperature applications, and is extremely difficult to produce. onsemi is one of the only companies in the world with the ability to manufacture SiC-based semiconductors from crystal growth to advanced packaging solutions. By expanding its production facilities in the Czech Republic, onsemi would be faster to provide supply assurance for customers, strengthening its leadership in intelligent power solutions. This integration would also enable onsemi to leverage its latest advancements in research and development (R&D) to maximize manufacturing and production efficiency.

¹ Including the investment incentive approval by the government of the Czech Republic and its notification to the European Commission

About onsemi

onsemi (Nasdaq: ON) is driving disruptive innovations to help build a better future. With a focus on automotive and industrial end-markets, the company is accelerating change in megatrends such as vehicle electrification and safety, sustainable energy grids, industrial automation, and 5G and cloud infrastructure. **onsemi** offers a highly differentiated and innovative product portfolio, delivering intelligent power and sensing technologies that solve the world's most complex challenges and leads the way to creating a safer, cleaner and smarter world. onsemi is recognized as a Fortune 500[®] company and included in the Nasdaq-100 Index[®] and S&P 500[®] index. Learn more about onsemi at www.onsemi.com.

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