



onsemi Announces Pricing of Private Offering of \$1.3 Billion of 0% Convertible Senior Notes

May 07, 2026

SCOTTSDALE, Ariz., May 06, 2026 (GLOBE NEWSWIRE) -- ON Semiconductor Corporation (Nasdaq: ON) ("onsemi") announced today the pricing of its private offering of \$1.3 billion aggregate principal amount of 0% Convertible Senior Notes due 2031 (the "notes") at an approximately 52.5% premium to the closing price of onsemi's common stock on May 6, 2026 of \$105.77 per share. The notes were offered only to persons reasonably believed to be qualified institutional buyers in accordance with Rule 144A under the Securities Act of 1933, as amended (the "Securities Act"). onsemi has granted to the initial purchasers of the notes an option to purchase, within a 13-day period beginning on, and including, the date on which the notes are first issued, up to an additional \$200.0 million aggregate principal amount of the notes. The offering of the notes and the convertible hedge and warrant transactions described below are expected to close on May 11, 2026, subject to customary closing conditions.

onsemi expects the net proceeds from the offering of the notes to be approximately \$1,276.4 million (or approximately \$1,472.9 million if the initial purchasers exercise their option to purchase the additional notes in full) after deducting the initial purchasers' discounts and after deducting offering expenses payable by onsemi. onsemi intends to use a portion of the net proceeds from the offering to pay the approximately \$61.2 million cost of the convertible note hedge transactions described below (after such cost is partially offset by the net proceeds to onsemi from the sale of the warrant transactions described below). In addition, onsemi expects to use approximately \$331.9 million of the net proceeds from the offering to repurchase approximately 3.1 million shares of onsemi's common stock, par value \$0.01 per share (the "common stock"), concurrently with the pricing of the offering in privately negotiated transactions effected with or through one of the initial purchasers or its affiliate. onsemi expects to use the remainder of the net proceeds for general corporate purposes, including the repayment of outstanding indebtedness. If the initial purchasers exercise their option to purchase additional notes, onsemi expects to enter into additional convertible note hedge transactions and warrant transactions, and intends to use a portion of the net proceeds from the sale of any such additional notes to pay the cost of such additional convertible note hedge transactions (which would be partially offset by the net proceeds to onsemi from the sale of additional warrant transactions).

The notes will be onsemi's senior unsecured obligations and will be guaranteed by certain of its subsidiaries. The notes will not bear regular interest, and the principal amount of the notes will not accrete. Any special interest will be payable semiannually in arrears on May 1 and November 1 of each year, beginning on November 1, 2026 (if and to the extent that special interest is payable). The notes will mature on May 1, 2031, unless earlier repurchased, redeemed or converted. The initial conversion rate is 6.1997 shares of common stock per \$1,000 principal amount of notes, which is equivalent to an initial conversion price of approximately \$161.30 per share, representing a premium of approximately 52.5% over the closing price of the common stock of \$105.77 per share on May 6, 2026. onsemi will satisfy any conversion elections by paying cash up to the aggregate principal amount of the notes to be converted, and paying or delivering, as the case may be, cash, shares of common stock or a combination of cash and shares of common stock, at onsemi's election, in respect of the remainder, if any, of its conversion obligation in excess of the aggregate principal amount of the notes to be converted. The concurrent repurchases described above may have affected the market price of the common stock concurrently with, or shortly after, the pricing of the notes, which may have resulted in a higher initial conversion price for the notes.

onsemi may redeem for cash all or any portion of the notes, at its option at any time and from time to time, on or after May 7, 2029 if the last reported sale price of onsemi's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading-day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which onsemi provides the related notice of redemption at a redemption price equal to 100% of the principal amount of the notes to be redeemed, *plus* accrued and unpaid special interest, if any, to, but excluding, the redemption date. No sinking fund is provided for the notes. If onsemi undergoes a fundamental change (as defined in the indenture governing the notes), holders may require onsemi to repurchase for cash all or part of their notes at a repurchase price equal to 100% of the principal amount of the notes to be repurchased, *plus* accrued and unpaid special interest, if any, to, but excluding, the fundamental change repurchase date.

In connection with the pricing of the notes, onsemi has entered into privately negotiated convertible note hedge agreements with certain of the initial purchasers of the notes or their respective affiliates and certain other financial institutions (the "hedge counterparties"). The convertible note hedge transactions will cover, subject to customary anti-dilution adjustments, the number of shares of common stock that initially underlie the notes, and are expected to reduce the potential dilution to the common stock and/or offset potential cash payments in excess of the principal amount upon conversion of the notes. onsemi also has entered into warrant transactions with the hedge counterparties relating to the same number of shares of common stock, subject to customary anti-dilution adjustments. The warrant transactions could have a dilutive effect on the common stock to the extent that the market price per share of the common stock exceeds the strike price of the warrants on the applicable expiration dates. The strike price of the warrant transactions will initially be \$211.54 per share, which represents a premium of 100.0% over the closing price of onsemi's common stock of \$105.77 per share on May 6, 2026 and is subject to certain adjustments under the terms of the warrant transactions. If the initial purchasers exercise their option to purchase additional notes, onsemi expects to enter into additional convertible note hedge and warrant transactions.

In connection with establishing their initial hedge of the convertible note hedge and warrant transactions, the hedge counterparties, or their affiliates, expect to purchase shares of the common stock and/or enter into various derivative transactions with respect to the common stock concurrently with or shortly after the pricing of the notes. These activities could have the effect of increasing, or reducing the size of any decline in, the market price of the common stock or the notes at that time. In addition, the hedge counterparties, or their affiliates, may modify their hedge positions by entering into or unwinding various derivative transactions with respect to the common stock and/or by purchasing or selling the common stock or other securities of onsemi in secondary market transactions prior to the maturity of the notes, and are likely to do so during any observation period related to a conversion of notes. The effect, if any, of these activities on the market price of the common stock or the notes will depend in part on market conditions and cannot be ascertained at this time, but any of these activities could cause or prevent an increase or decline in the market price of the common stock or the notes, which could affect holders' ability to convert the notes and, to the extent the activity occurs during any observation period related to a conversion of notes, it could affect the amount of cash and the number and value of shares of the common stock, if any, that holders will receive

upon conversion of the notes.

The notes, guarantees and any shares of the common stock issuable upon conversion of the notes have not been registered under the Securities Act or under any U.S. state securities laws or other jurisdiction and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

This press release is neither an offer to sell nor a solicitation of an offer to buy any of these securities 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 under the securities laws of any such state or jurisdiction.

About onsemi

onsemi (Nasdaq: ON) delivers intelligent power and sensing technologies that enable electrification, energy efficiency, safety, and automation across automotive, industrial, and AI data center end-markets. With a highly differentiated and innovative product portfolio, onsemi helps customers solve complex challenges to achieve higher efficiency, improved performance, and lower system cost, while supporting a safer, cleaner, and more energy-efficient world. The company is part of the S&P 500® index.

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Forward-Looking Statements

This press release includes “forward-looking statements,” as that term is defined in Section 27A of the Securities Act and Section 21E of the Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated in this press release could be deemed forward-looking statements, particularly statements about the expected closing of the offering, the extent, and potential effects, of the convertible note hedge and warrant transactions and the concurrent share repurchases described above, the potential dilution to the common stock and the expected use of the proceeds from the sale of the notes. Forward-looking statements are often characterized by words such as “believes,” “estimates,” “expects,” “projects,” “may,” “will,” “intends,” “plans,” “anticipates,” “should,” “could,” “would” or similar expressions, or by discussions of strategy, plans or intentions. All forward-looking statements in this press release are made based on onsemi’s current expectations, forecasts, estimates and assumptions, and involve risks, uncertainties and other factors that could cause results or events to differ materially from those expressed in the forward-looking statements. Important factors that could cause onsemi’s actual results to differ materially from those anticipated in the forward-looking statements are described under Part I, Item 1A “Risk Factors” in onsemi’s 2025 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on February 9, 2026 (the “2025 Form 10-K”). Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information, which speaks only as of the date made, except as may be required by law.

Investing in onsemi’s securities involves a high degree of risk and uncertainty, and you should carefully consider the trends, risks and uncertainties described in this press release, onsemi’s 2025 Form 10-K and other reports filed with or furnished to the SEC before making any investment decision with respect to onsemi’s securities. If any of these trends, risks or uncertainties actually occurs or continues, onsemi’s business, financial condition or operating results could be materially adversely affected, the trading price of onsemi’s securities could decline, and you could lose all or part of your investment. All forward-looking statements attributable to onsemi or persons acting on onsemi’s behalf are expressly qualified in their entirety by this cautionary statement.

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