



Quarterly Investor Presentation

Second Quarter 2023

Safe Harbor Statement and Non-GAAP and Forecast Information

This document includes “forward-looking statements,” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated in this document could be deemed forward-looking statements, particularly statements about the future financial performance of onsemi, including financial guidance for the third quarter of 2023. Forward-looking statements are often characterized by the use of words such as “believes,” “estimates,” “expects,” “projects,” “may,” “will,” “intends,” “plans,” “anticipates,” “should” or similar expressions or by discussions of strategy, plans or intentions. All forward-looking statements in this document are made based on our 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. Certain factors that could affect our future results or events are described under Part I, Item 1A “Risk Factors” in the 2022 Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on February 6, 2023 (the “2022 Form 10-K”) and from time to time in our other SEC reports. 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 our securities involves a high degree of risk and uncertainty, and you should carefully consider the trends, risks and uncertainties described in this document, our 2022 Form 10-K and other reports filed with or furnished to the SEC before making any investment decision with respect to our securities. If any of these trends, risks or uncertainties actually occurs or continues, our business, financial condition or operating results could be materially adversely affected, the trading prices of our securities could decline, and you could lose all or part of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

onsemi at a glance

S&P 500® index

500

Fortune 500®
company

100

Nasdaq 100®
company

64B

Units shipping
in 2022

37K+

Portfolio SKUs

\$8.3B

2022 Revenue

26%

Revenue CAGR

~33K

Employees
Worldwide

19

Manufacturing Sites in

9

Countries

10x

Increase in
Free Cash Flow

3.7x

Operating Income
Growth

The **onsemi** Mission

We push innovation to create **intelligent power** and **sensing technologies** that solve the most challenging customer problems

Our employees are inspired to go above and beyond, to increase stakeholder value through high quality and high value products and services

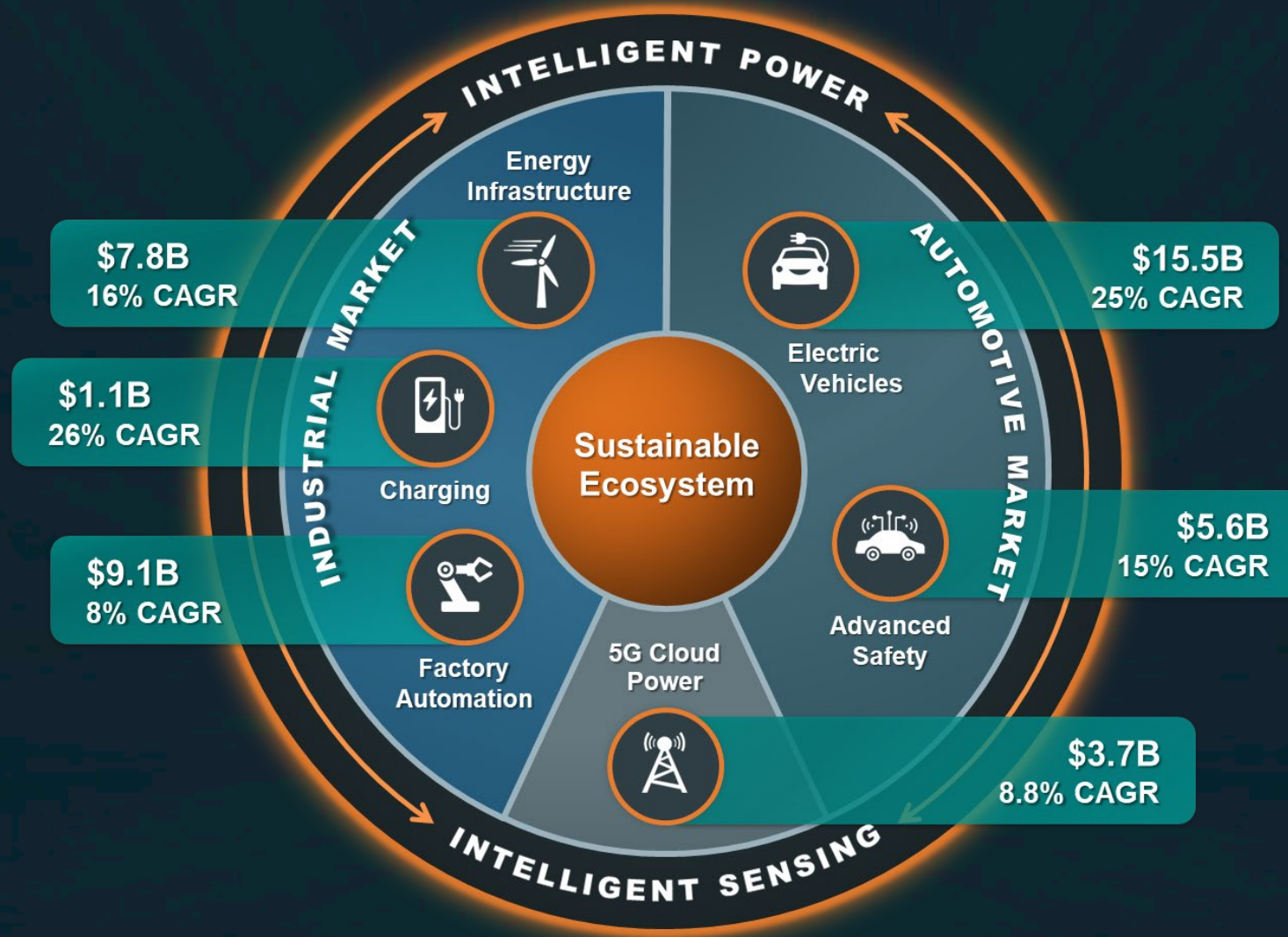


Enabling a Sustainable Ecosystem

INTELLIGENT POWER SOLUTIONS enable customers to exceed range targets with lower weight, and reduce system cost through unparalleled efficiency



INTELLIGENT SENSING SOLUTIONS offer the proprietary features customers require to meet their most demanding use cases



\$43B TAM growing at ~16% CAGR

Notes:
Based on current market projections, '22-'27
See Slide 23 for notes

Enabling a Sustainable Ecosystem

Premium Business in Intelligent Power and Sensing

Intelligent Power

Silicon Carbide

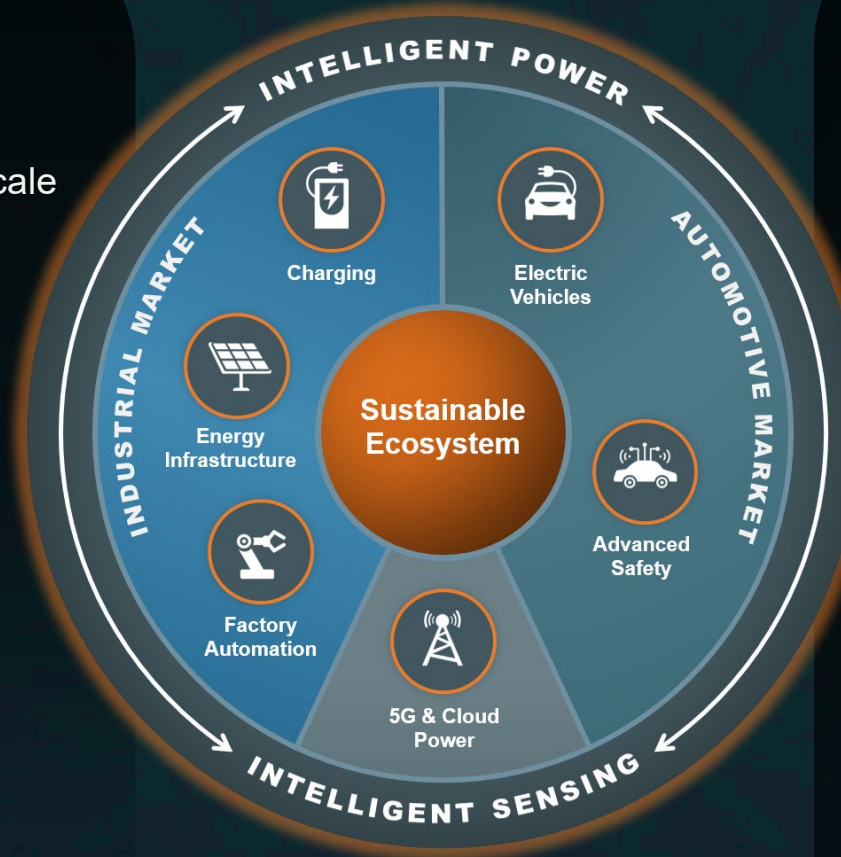
- Revenue growing >2x market at 70%
- Vertically integrated manufacturing at scale
- Industry-leading innovative device and packaging technologies

Silicon Power – IGBT, FET

- #2 position with growing market share
- Expanding BOM coverage with new products
- Exited price-sensitive markets

Power ICs

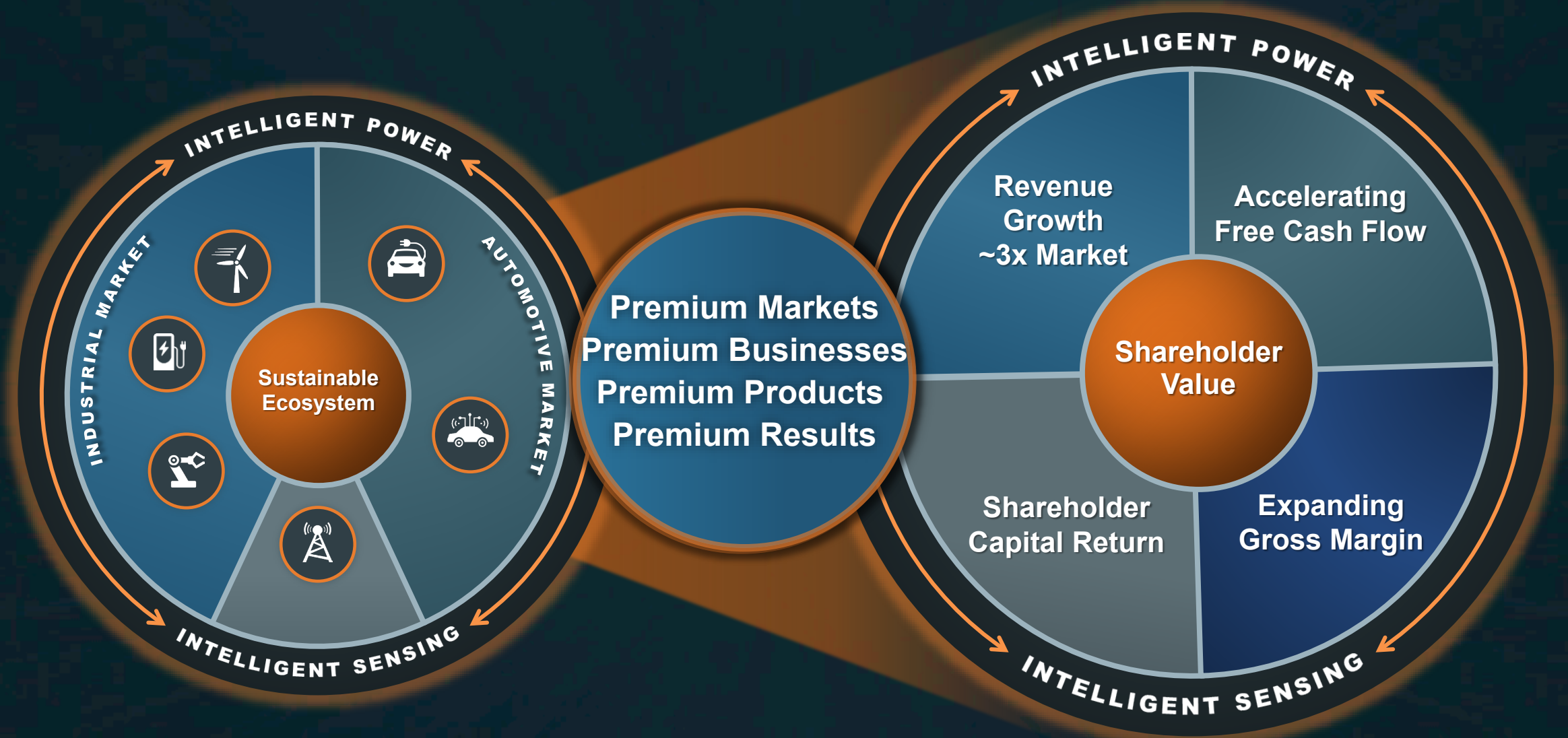
- Double down on \$14B TAM with >70% gross margin
- Optimize system cost with gate drivers and controllers
- Expand leadership to full Power Tree solutions



Intelligent Sensing

- #1 position in Auto and Industrial
- Growing in Machine Vision
- 68% market share in ADAS, 27% market share in Industrial
- 8MP ramping with ~2.5x ASP uplift
- #1 in Ultrasonic and Inductive Sensing for Automotive and Industrial
- Delivering high margins and the most profitable sensor business in the industry

Premium Businesses Driving Premium Results



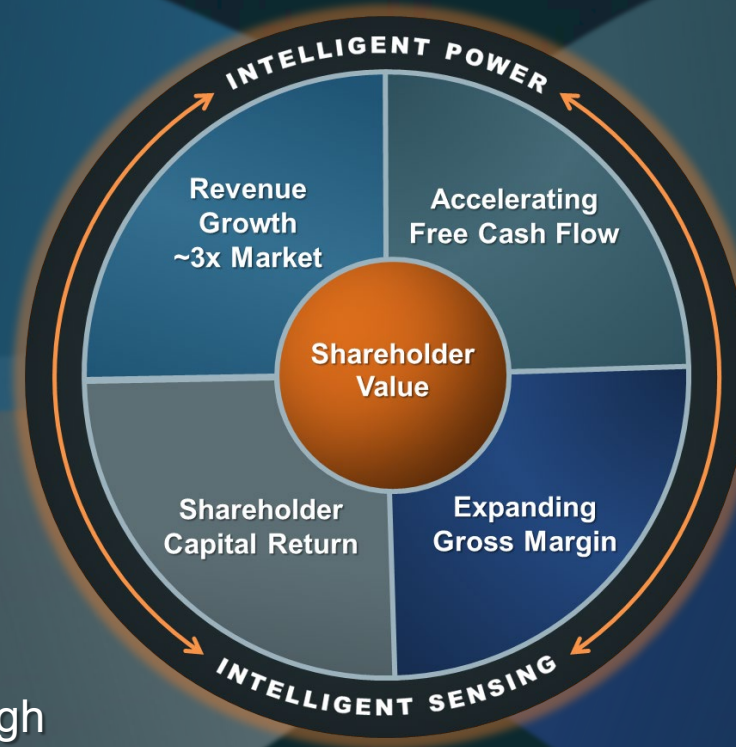
Accelerating Shareholder Value

Revenue

- Sustainable Ecosystem to drive revenue 3x the industry growth¹
- Aligned to fast-growing secular megatrends of auto and industrial
- SiC growth 2x the industry at 70%; 35-40% market share²

Shareholder Capital Returns

- Shareholder-friendly capital allocation policy
- Return 50% of Free Cash Flow through share repurchases
- \$3.0B share repurchase authorization



Free Cash Flow

- Significant growth in Free Cash Flow margin to 25-30%³
- Capital efficiency through high ROIC investments and working capital management
- \$3.5-4.0B in Free Cash Flow in 2027³

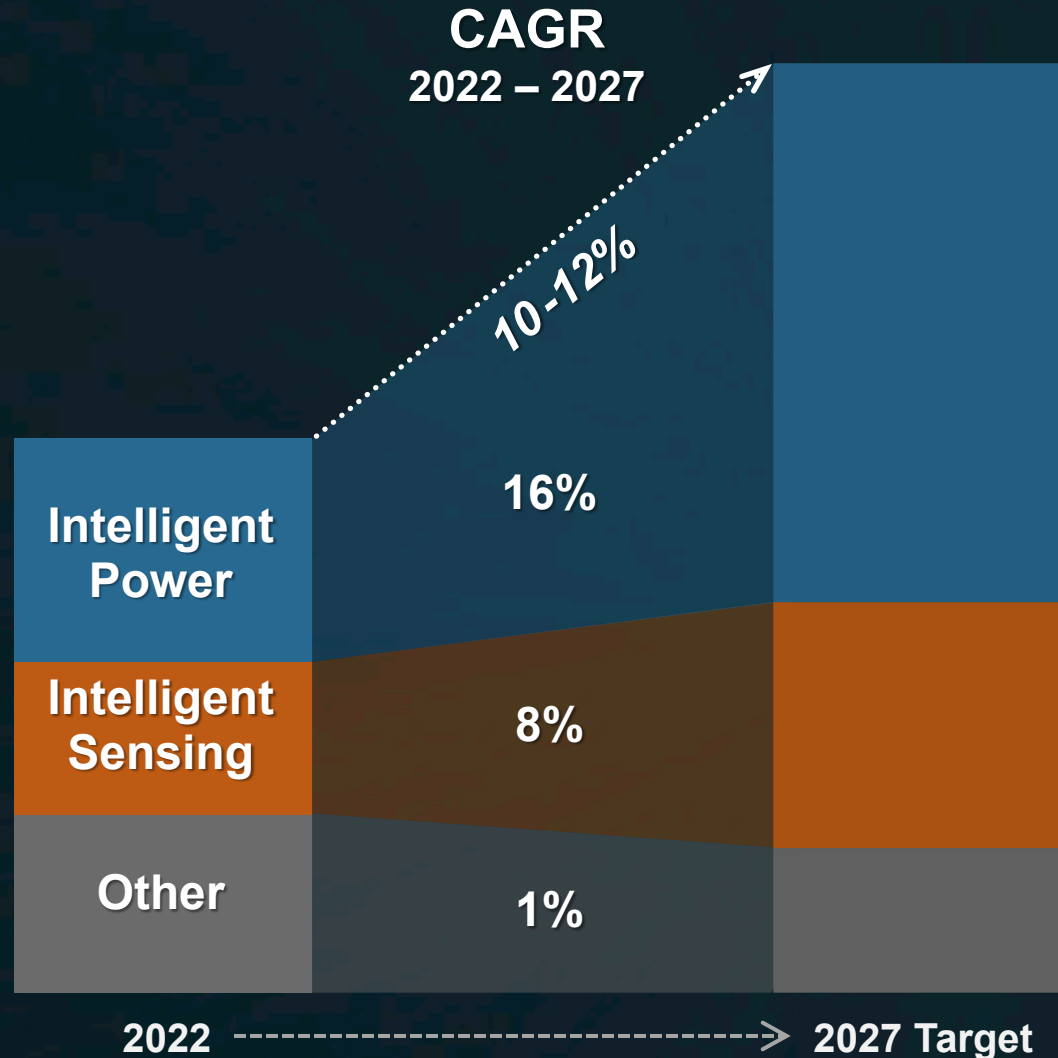
Gross Margin

- Significant gross margin expansion to 53%
- Fab Right: optimize manufacturing network for cost efficiencies. Maximize utilization with flex to external capacity
- Accretive SiC margins at scale
Ramp new and differentiated products

Notes:

1. onsemi estimates based on current market projections, excludes Memory
2. Yole SiC market forecast: 2022-27 CAGR of 33%
3. onsemi estimates based on current market projections

Sustainable Ecosystem to Drive ~3x the Market Growth



Intelligent Power

- SiC growth 2x the industry at 70%; 35-40% market share¹
- Si Power – IGBT, FET share gain in Auto & Industrial
- Accelerate Power IC growth with controllers and gate drivers

Intelligent Sensing

- Grow in machine vision for auto and industrial
- Advanced safety for ADAS and in-cabin vision
- Factory Automation
- Opportunistic in human vision applications

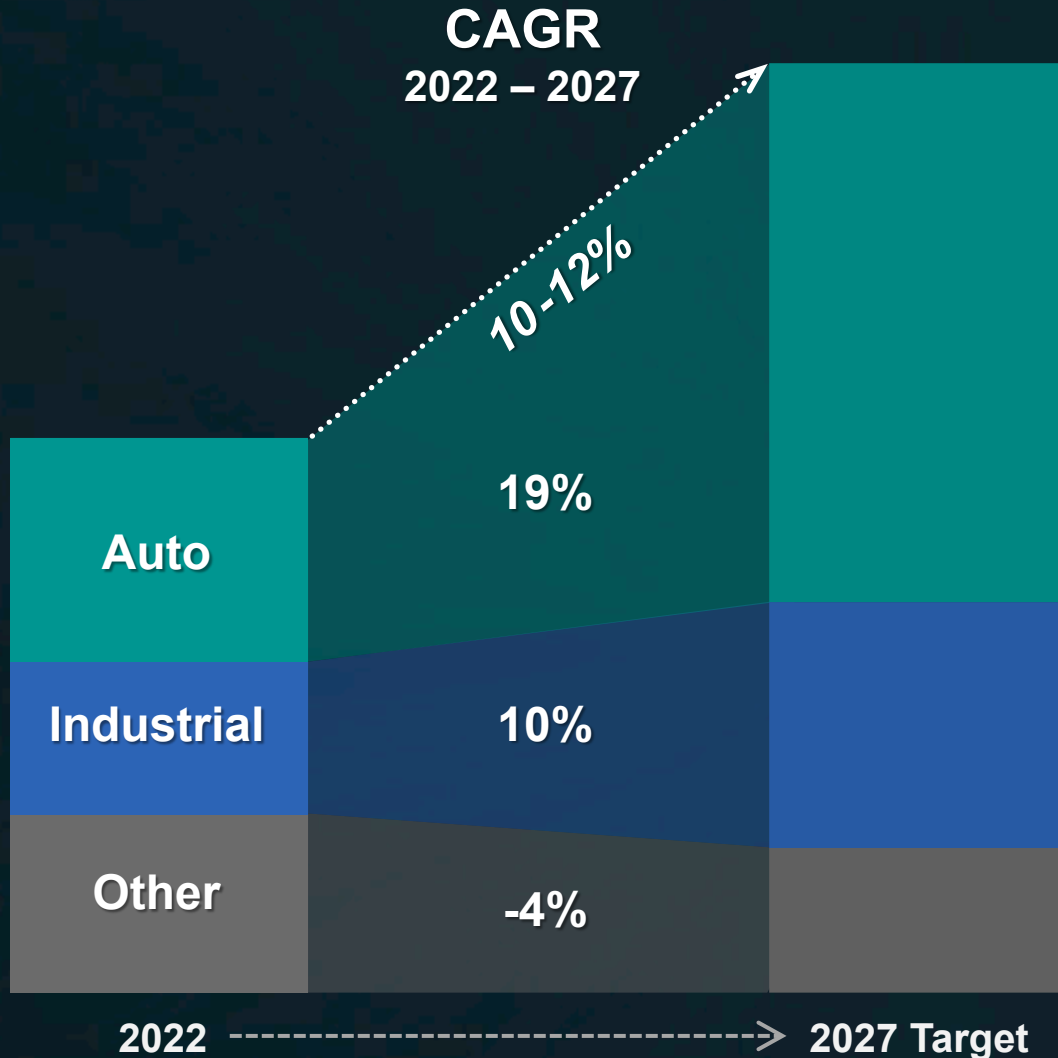
Other

- Attractive cash flow businesses
- BOM indispensability and complementarity

Notes:

1. Yole SiC market forecast: 2022-27 CAGR of 33%
onsemi estimates based on current market projections

Automotive and Industrial markets to Fuel ~3X Market Growth



Automotive

- Electrification – SiC & IGBT
- Increasing ADAS Adoption
- Power Management for LED and Advanced Safety

Industrial

- Energy Infrastructure
- Factory Automation
- EV Charging

Other

- 5G & Cloud Power growing at 22%
- Engage with Strategic market leaders opportunistically with value driven solutions
- No investment in broad markets

onsemi SiC Leadership: **EliteSiC** Advantage

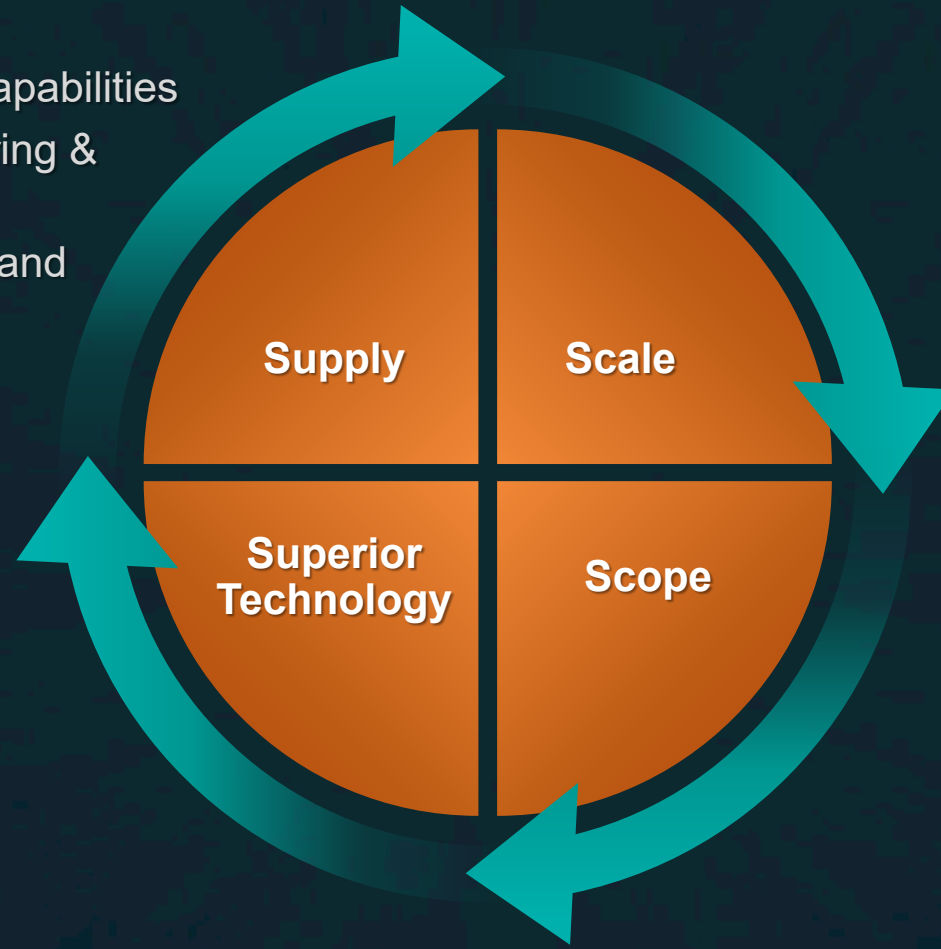
SiC growing 2x the industry at 70%; 35-40% market share by 2027¹

SUPPLY

- Vertically integrated end-to-end capabilities
- Volume substrates, epitaxy, wafering & device fabrication
- Best-in-class integrated modules and discrete package solutions

SUPERIOR TECHNOLOGY

- Lead with die performance
- Differentiate with package innovation
- **Die + Package = THE most optimal solution on the planet**



SCALE

- A multi-decade history in Auto and Industrial markets
- High-quality, high-volume manufacturing
- Able to ramp in line with customer expectations

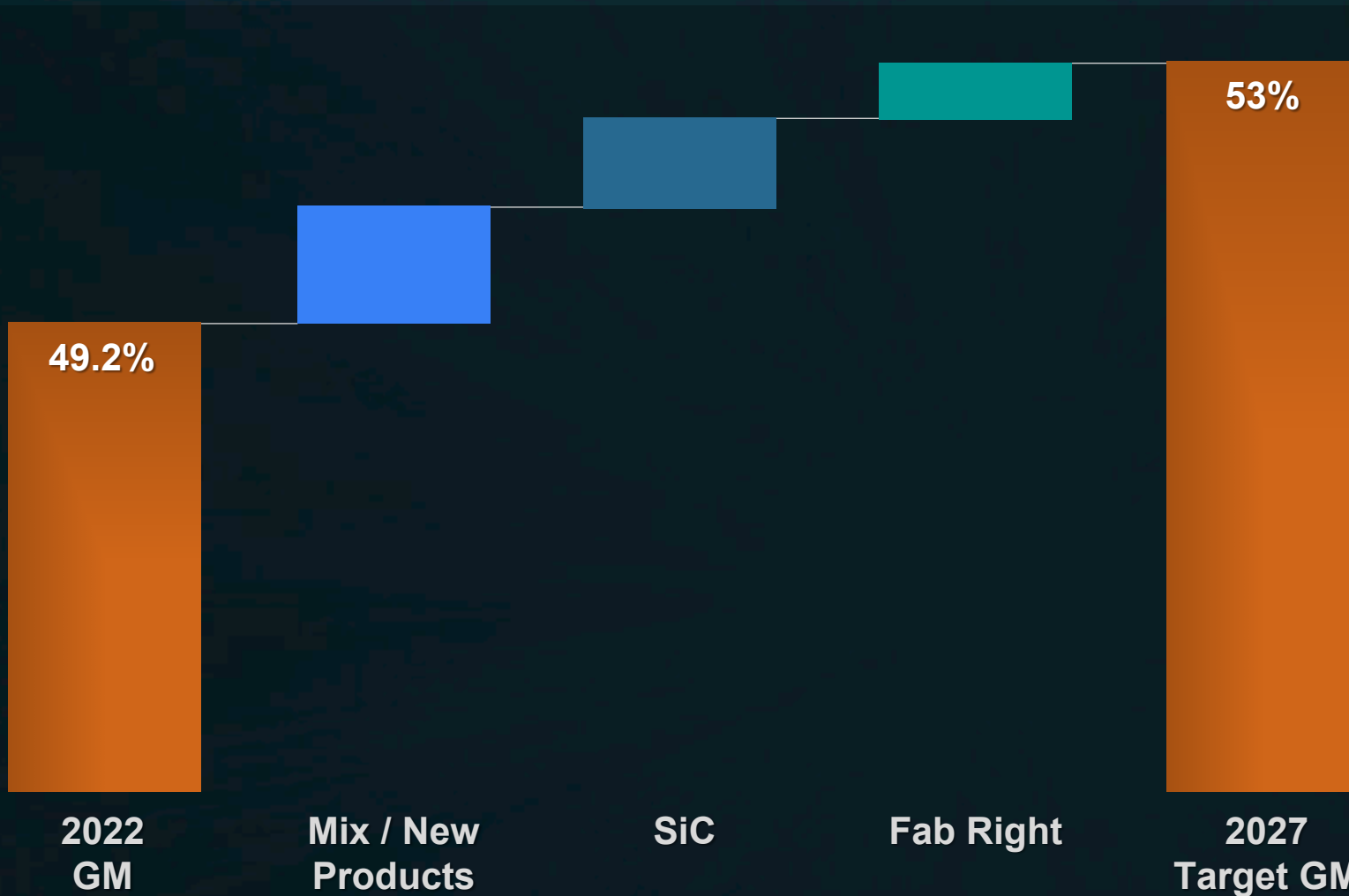
SCOPE

- Suite of sustainable solutions from energy generation to energy consumption
- Depth and breadth of power technologies
- Supporting portfolio for optimized solutions

Notes:

1. Yole SiC market forecast: 2022-27 CAGR of 33%

Our Next Milestone: Expand Gross Margin to 53%



Mix / New Products

- Continued mix shift to Auto & Industrial
- Ramp new and differentiated products at margins above target

Silicon Carbide (SiC)

- Accretive margins at scale
- Absorption of startup costs
- SiC growing 2x market¹

Fab Right

- Optimize manufacturing network for cost efficiency
- \$160M in fixed-cost savings from four Fab divestitures in 2022
- Maximize utilization across network with flex to external capacity

Notes:

1. Yole SiC market forecast: 2022-27 CAGR of 33%
2027 Target based on onsemi internal estimates

Accelerating the Financial Model

	2022 Actual	2027 Target	
Revenue	\$8.3B	10-12% CAGR	<ul style="list-style-type: none"> • Grow at ~3x the semiconductor industry
Gross Margin	49.2%	53%	<ul style="list-style-type: none"> • Mix shift, new products & SiC ramp at accretive margins • Optimize cost through Fab Right
Operating Expenses	14.7%	13%	<ul style="list-style-type: none"> • Invest in R&D for long-term growth • Digital First - embrace new technologies & data analytics
Operating Margin	34.5%	40%	<ul style="list-style-type: none"> • Grow Operating Income faster than Revenue
CapEx	12%	11%	<ul style="list-style-type: none"> • Market success drives investments • High ROIC brownfield investments
Free Cash Flow	20%	25-30%	<ul style="list-style-type: none"> • \$3.5-\$4.0B of Free Cash Flow in 2027 • Return 50% to shareholders

Notes:
2027 Target based on onsemi internal estimates

onsemi's Path to Net Zero by 2040



Greenhouse Gas Emissions

Near-term targets to be published in 2024

21% YoY Scope 2 emissions reduction in 2022



Water

42% water recycled in 2022

19% YoY water withdrawal reduction in 2022



Waste

70% waste diverted from landfill in 2022

23% YoY waste Reduction in 2022

**SBTi
Letter signed
December
2022**



Energy Savings

Fab Right Energy Savings of 18% in kWh/Wafer by 2027

18% savings by 2027

View the 2022 onsemi Sustainability Report at: <https://www.onsemi.com/site/pdf/sustainability-report.pdf>

Q2'23 Financial Results

News Highlights from the Quarter

Vitesco Technologies and onsemi sign SiC long-term supply agreement and agree to invest in SiC technology capacity expansion

onsemi Selected by Nasdaq for 100 Index

New onsemi Hyperlux Image Sensor Family Leads the Way in Next-Generation ADAS to Make Cars Safer

BorgWarner will integrate onsemi EliteSiC 1200 V and 750 V power devices into its VIPER power modules for traction inverter solutions to increase performance of electric vehicles

onsemi Ships One Billionth Inductive Sensor IC to HELLA

onsemi Honored with Supplier of the Year 2022 Award by Hyundai Motor Group

onsemi Launches End-to-End Positioning System to Enable Accurate, More Power-Efficient Asset Tracking

onsemi Second Quarter 2023 Results Exceed Expectations

onsemi and ZEEKR Sign Long-Term Supply Agreement for Silicon Carbide Power Devices

Penn State and onsemi sign MOU to boost silicon carbide research in the U.S.

onsemi Named to Barron's 2023 List of 100 Most Sustainable Companies in the U.S.

onsemi Launches Simulation Tools to Bring Complex Power Electronics Applications to Market Faster

Newest 8 Megapixel onsemi Image Sensor Achieves Stunning 4K Video Quality

Next-Generation onsemi 1200 V EliteSiC M3S Devices Enhance Efficiency of Electric Vehicles and Energy Infrastructure Applications

onsemi and Kempower Enter Strategic Agreement for Electric Vehicle Chargers

onsemi and Sineng Electric Spearhead the Development of Sustainable Energy Applications

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Non-GAAP Financial Performance

	2021 Actual	2022 Actual	Q1'23	Q2'23	Q3'23 Guide	2027 Target	
Revenue (\$ millions)	6,739.8	8,326.2	1,959.7	2,094.4	2,095 to 2,195	10-12% CAGR	<ul style="list-style-type: none"> Automotive and Industrial end-markets contribute record 80% of revenue Automotive revenue exceeds \$1B
Gross Margin	40.4%	49.2%	46.8%	47.4%	46.0% to 48.0%	53%	<ul style="list-style-type: none"> 2023 is a transition year for gross margin Q2'23 gross margin at high end of guidance
Operating Expenses (\$ millions)	1,241.5	1,225.2	286.0	305.5	300 to 315	13%	<ul style="list-style-type: none"> Tight cost management in soft business environment
Operating Margin	21.9%	34.5%	32.2%	32.8%	---	40%	<ul style="list-style-type: none"> Opex management offsets the impact of gross margin transition
Capex (\$ millions)	444.6	1,005.0	321.5	430.6	440 to 480	11%	<ul style="list-style-type: none"> Enabling 300mm and SiC capabilities Capex to be high teens for 2023
LTM Free Cash Flow	19.8%	19.6%	16.9%	14.0%	---	25-30%	<ul style="list-style-type: none"> Committed to capital returns. Returned \$60M to shareholders via buyback in Q2'23
Earnings per Share	\$2.95	\$5.33	\$1.19	\$1.33	\$1.27 to \$1.41	---	<ul style="list-style-type: none"> EPS Significantly exceeded high end of guidance

Our earnings release and this presentation include certain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most directly comparable measures under GAAP are included in our earnings release, which is posted separately on our website in the "Investor Relations" section. See Appendix for GAAP to Non-GAAP Reconciliation

Q3'23 Guidance

	GAAP	Special Items**	Non GAAP***
Revenue	\$2,095 to \$2,195 million	-	\$2,095 to \$2,195 million
Gross Margin	45.9% to 47.9%	0.1%	46.0% to 48.0%
Operating Expenses	\$314 to \$329 million	\$14 million	\$300 to \$315 million
Other Income and Expense (including interest expense), net	-	-	-
Diluted Earnings Per Share	\$1.21 to \$1.35	\$0.06	\$1.27 to \$1.41
Diluted Share Count *	450 million	11 million	439 million

Notes to Q3'23 Guidance

* Diluted shares outstanding can vary as a result of, among other things, the actual exercise of options or vesting of restricted stock units, the incremental dilutive shares from the convertible senior subordinated notes, and the repurchase or the issuance of stock or convertible notes or the sale of treasury shares. In periods when the quarterly average stock price per share exceeds \$20.72 for the 1.625% Notes, \$52.97 for the 0% Notes, and \$103.87 for the 0.50% Notes, the non-GAAP diluted share count and non-GAAP net income per share include the anti-dilutive impact of the hedge transactions entered concurrently with the 1.625% Notes, the 0% Notes, and the 0.50% Notes, respectively. At an average stock price per share between \$20.72 and \$30.70 for the 1.625% Notes, \$52.97 and \$74.34 for the 0% Notes, and \$103.87 and \$156.78 for the 0.50% Notes, the hedging activity offsets the potentially dilutive effect of the 1.625% Notes, the 0% Notes, and the 0.50% Notes, respectively. In periods when the quarterly average stock price exceeds \$30.70 for the 1.625% Notes, \$74.34 for the 0% Notes, and \$156.78 for the 0.50% Notes, the dilutive impact of the warrants issued concurrently with such notes are included in the diluted shares outstanding. GAAP and non-GAAP diluted share counts are based on either the previous quarter's average stock price or the stock price as of the last day of the previous quarter, whichever is higher.

** Special items may include: amortization of acquisition-related intangibles; expensing of appraised inventory fair market value step-up; non-recurring facility costs; in-process research and development expenses; restructuring, asset impairments and other, net; goodwill impairment charges; gains and losses on debt prepayment; actuarial (gains) losses on pension plans and other pension benefits; and certain other special items, as necessary. These special items are out of our control and could change significantly from period to period. As a result, we are not able to reasonably estimate and separately present the individual impact or probable significance of these special items, and we are similarly unable to provide a reconciliation of the non-GAAP measures. The reconciliation that is unavailable would include a forward-looking income statement, balance sheet and statement of cash flows in accordance with GAAP. For this reason, we use a projected range of the aggregate amount of special items in order to calculate our projected non-GAAP operating expense outlook.

*** We believe these non-GAAP measures provide important supplemental information to investors. We use these measures, together with GAAP measures, for internal managerial purposes and as a means to evaluate period-to-period comparisons. However, we do not, and you should not, rely on non-GAAP financial measures alone as measures of our performance. We believe that non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when taken together with GAAP results and the reconciliations to corresponding GAAP financial measures that we also provide in our releases, provide a more complete understanding of factors and trends affecting our business. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures, even if they have similar names.

Appendix: GAAP to Non-GAAP Reconciliation

\$ in Millions, except share count and EPS	FY2021	FY2022	Q1'23	Q2'23
Reconciliation of GAAP to Non-GAAP Net Income Attributable to ON Semiconductor Corporation:				
GAAP net income attributable to ON Semiconductor Corporation	\$ 1,009.6	\$1,902.2	\$ 461.7	\$ 576.6
a) Amortization of acquisition-related intangible assets	99.0	82.8	16.4	13.4
b) Restructuring, asset impairments and other, net	71.4	17.9	51.5	2.6
c) Goodwill and intangible asset impairment	2.9	386.8	-	-
d) Third party acquisition and divestiture-related costs	11.9	12.9	0.1	(1.4)
e) Non-recurring facility costs	5.5	-	-	-
f) Loss on debt refinancing and prepayment	29.0	7.1	-	-
g) Actuarial gains (losses) on pension plans and other pension benefits	(16.7)	(22.0)	-	-
h) Non-cash interest on convertible notes	24.7	-	-	-
i) (Gain) loss on divestiture of a business	(10.2)	(67.0)	1.1	(0.5)
j) Adjustment of income taxes	58.4	14.3	(18.3)	(5.6)
k) Impact of business wind down	-	12.7	(2.1)	(1.8)
l) Litigation settlement	-	-	-	-
m) Amortization of fair market value step-up of inventory	-	-	-	-
n) Indemnification gain	-	-	-	-
o) Loss on debt repurchase or exchange	-	-	13.3	-
Non-GAAP Net Income Attributable to ON Semiconductor Corporation	\$ 1,285.5	\$2,347.7	\$ 523.7	\$ 583.3
Reconciliation of GAAP to Non-GAAP Diluted Shares Outstanding:				
GAAP diluted shares outstanding	\$ 443.8	\$ 448.2	\$ 448.5	\$ 448.7
Less: dilutive shares attributable to convertible notes	(8.6)	(7.0)	(9.4)	(10.0)
Add: dilutive shares attributable to share-based awards	-	-	-	-
Non-GAAP Diluted Shares Outstanding	\$ 435.2	\$ 441.2	\$ 439.1	\$ 438.7
Non-GAAP Diluted Earnings Per Share:				
Non-GAAP net income for diluted earnings per share	\$ 1,285.5	\$2,349.6	\$ 524.1	\$ 583.7
Non-GAAP diluted shares outstanding	435.2	441.2	439.1	438.7
Non-GAAP Diluted Earnings Per Share	\$ 2.95	\$ 5.33	\$ 1.19	\$ 1.33

Appendix: GAAP to Non-GAAP Reconciliation

\$ in Millions, except share count and EPS	FY2021	FY2022	Q1'23	Q2'23
Reconciliation of GAAP to Non-GAAP Gross Margin:				
GAAP Gross Margin	40.3%	49.0%	46.8%	47.4%
a) Impact of business wind down	0.0%	0.2%	-0.1%	-0.1%
b) Amortization of acquisition-related intangible assets	0.0%	0.1%	0.1%	0.1%
c) Non-recurring facility costs	0.1%	0.0%	0.0%	0.0%
d) Amortization of fair market value step-up of inventory	0.0%	0.0%	0.0%	0.0%
Non-GAAP Gross Margin	40.4%	49.2%	46.8%	47.4%
Reconciliation of GAAP to Non-GAAP Operating Expenses:				
GAAP Operating Expenses	\$ 1,426.7	\$ 1,717.2	\$ 352.6	\$ 318.7
a) Amortization of acquisition-related intangible assets	(99.0)	(81.2)	(15.0)	(12.0)
b) Restructuring, asset impairments and other, net	(71.4)	(17.9)	(51.5)	(2.6)
c) Goodwill and intangible asset impairment	(2.9)	(386.8)	-	-
d) Third party acquisition and divestiture-related costs	(11.9)	(12.9)	(0.1)	1.4
e) Impact of business wind down	-	6.8	-	-
f) Litigation settlement	-	-	-	-
Non-GAAP Operating Expenses	\$ 1,241.5	\$ 1,225.2	\$ 286.0	\$ 305.5
Reconciliation of GAAP to Non-GAAP Operating Income:				
GAAP Operating Income	\$ 1,287.6	\$ 2,360.0	\$ 564.9	\$ 674.7
a) Amortization of acquisition-related intangible assets	99.0	82.8	16.4	13.4
b) Restructuring, asset impairments and other, net	71.4	17.9	51.5	2.6
c) Goodwill and intangible asset impairment	2.9	386.8	-	-
d) Third party acquisition- and divestiture-related costs	11.9	12.9	0.1	(1.4)
e) Non-recurring facility costs	5.5	-	-	-
f) Impact of business wind down	-	12.7	(2.1)	(1.8)
g) Amortization of fair market value step-up of inventory	-	-	-	-
h) Litigation settlement	-	-	-	-
Non-GAAP Operating Income	\$ 1,478.3	\$ 2,873.1	\$ 630.8	\$ 687.5
Reconciliation of GAAP to Non-GAAP Operating Margin				
GAAP Operating Margin	19.1%	28.3%	28.8%	32.2%
a) Amortization of acquisition-related intangible assets	1.5%	1.0%	0.8%	0.6%
b) Restructuring, asset impairments and other, net	1.1%	0.2%	2.6%	0.1%
c) Goodwill and intangible asset impairment	0.0%	4.6%	0.0%	0.0%
d) Third party acquisition and divestiture-related costs	0.2%	0.2%	0.0%	-0.1%
e) Non-recurring facility costs	0.1%	0.0%	0.0%	0.0%
f) Impact of business wind down	0.0%	0.2%	-0.1%	-0.1%
g) Amortization of fair market value step-up of inventory	0.0%	0.0%	0.0%	0.0%
h) Litigation settlement	0.0%	0.0%	0.0%	0.0%
Non-GAAP Operating Margin	21.9%	34.5%	32.2%	32.8%
LTM Free Cash Flow	\$ 1,337.4	\$ 1,628.1	\$ 1,410.7	\$ 1,168.2
LTM Revenue	6,739.9	8,326.2	8,340.9	8,350.3
LTM Cash Flow Margin	19.8%	19.6%	16.9%	14.0%

Notes & Sources

Sustainable Ecosystem '22-'27 TAM CAGRs (Slide 6)

- onsemi estimates based on current market projections
- LMC Automotive: Global Hybrid & Electric Vehicle Forecast -Quarter 4, 2022
- Omdia: Power IC Market Tracker, Sep'22
- \$43B TAM for sustainable ecosystem for onsemi estimates based on current market projections and expected to grow at 16%. ('22-'27)
- Semiconductor TAM, excludes memory and expected to grow at ~4%

Enabling a Sustainable Ecosystem: Premium Business in Intelligent Power and Sensing (Slide 7)

- onsemi estimates
- Omdia: 1Q23 -Semiconductor Device Data By Application Markets
- Omdia: Industrial Semiconductor Market Tracker –3Q22 Database, Jan'23
- Yole: Imaging for Automotive 2022
- Omdia: Power Semiconductors in Automotive Report –2022 Database, 5/26/22
- LMC Automotive: Global Hybrid & Electric Vehicle Forecast-Quarter 4, 2022
- Omdia: Power IC Market Tracker, Sep'22
- Yole: Silicon Carbide Forecast 2023
- Bank of America Research
- Yole: 2022-27 SiCmarket forecast of 33% CAGR
- TSR: Automotive Camera Market Analysis 2021-2022
- Yole: Status of CMOS Image Sensor Industry 2021 Report

onsemi's Path to net Zero (Slide 15)

- Scope 2 Emissions normalized by annual revenue (Metric Tons CO2e per \$ Million Revenue); 2022 GHG data has received limited assurance
- Total Water Withdrawal normalized by annual revenue (Megaliters per \$ Million Revenue)
- Total Waste Generation normalized by annual revenue (Metric Ton Waste per \$ Million Revenue)
- Projected Energy Savings based on internal estimate

onsemiTM

Intelligent Technology. Better Future.

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