

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

May 10, 2001  
Date of report (Date of earliest event reported)

ON Semiconductor Corporation  
(Exact name of registrant as specified in its charter)

Delaware	000-30419	36-3840979
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)
ON Semiconductor Corporation 5005 E. McDowell Road Phoenix, Arizona		85008
(Address of principal executive offices)		(Zip Code)

602-244-6600  
(Registrant's telephone number, including area code)

1

---

**TABLE OF CONTENTS**

[FORM 8-K](#)

[Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.](#)

[Item 9. Regulation FD Disclosure.](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[ex-99](#)

---

[Table of Contents](#)

**Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.**

(a) Financial Statements of Businesses Acquired

Not applicable.

(b) Pro Forma Financial Information

Not applicable.

(c) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99	Excerpted Slides and Notes for the Presentations to be Made by ON Semiconductor Corporation During Its Analyst Day on May 10, 2001.

**Item 9. Regulation FD Disclosure.**

Attached to this Current Report as Exhibit 99 are excerpted slides and notes for the presentations to be made by ON Semiconductor Corporation during its Analyst Day on May 10, 2001. As a result of this Current Report filing, ON

Semiconductor Corporation is electing to disclose the information attached as Exhibit 99 pursuant to Regulation FD Rules 100-103.

This Current Report and its Exhibit 99 include “forward-looking statements” as that term is defined in Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are often characterized by the use of words such as “believes”, “expects”, “estimates (or the symbols “E” or “est.”)”, “projects”, “may”, “will”, “intends”, “plans”, or “anticipates”, or by discussions of strategy, plans or intentions. All forward-looking statements in this press release are made based on management’s current expectations and estimates, which involve risks, uncertainties and other factors that could cause results to differ materially from those expressed in forward-looking statements. Among these factors are changes in overall economic conditions, the cyclical nature of the semiconductor industry, changes in demand for our products, changes in inventories at our customers and distributors, technological and product development risks, availability of manufacturing capacity, availability of raw materials, competitors’ actions, loss of key customers, order cancellations or reduced bookings, changes in manufacturing yields, restructuring programs and the impact of such programs, control of costs and expenses, inability to reduce manufacturing and general and administrative costs, litigation, risks associated with acquisitions, changes in management, changes in management, risks associated with our debt, and risks involving environmental or other governmental regulation. Additional factors that could affect the company’s future operating results are described in Exhibit 99.1, entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2000 and other factors as described from time to time in our SEC filings. Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information.

2

---

[Table of Contents](#)

### SIGNATURES

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 thereunto duly authorized.

ON SEMICONDUCTOR CORPORATION  
(Registrant)

Date: May 9, 2001

By: /S/ DARIO SACOMANI  
Dario Sacomani  
Chief Financial Officer and  
Senior Vice President

3

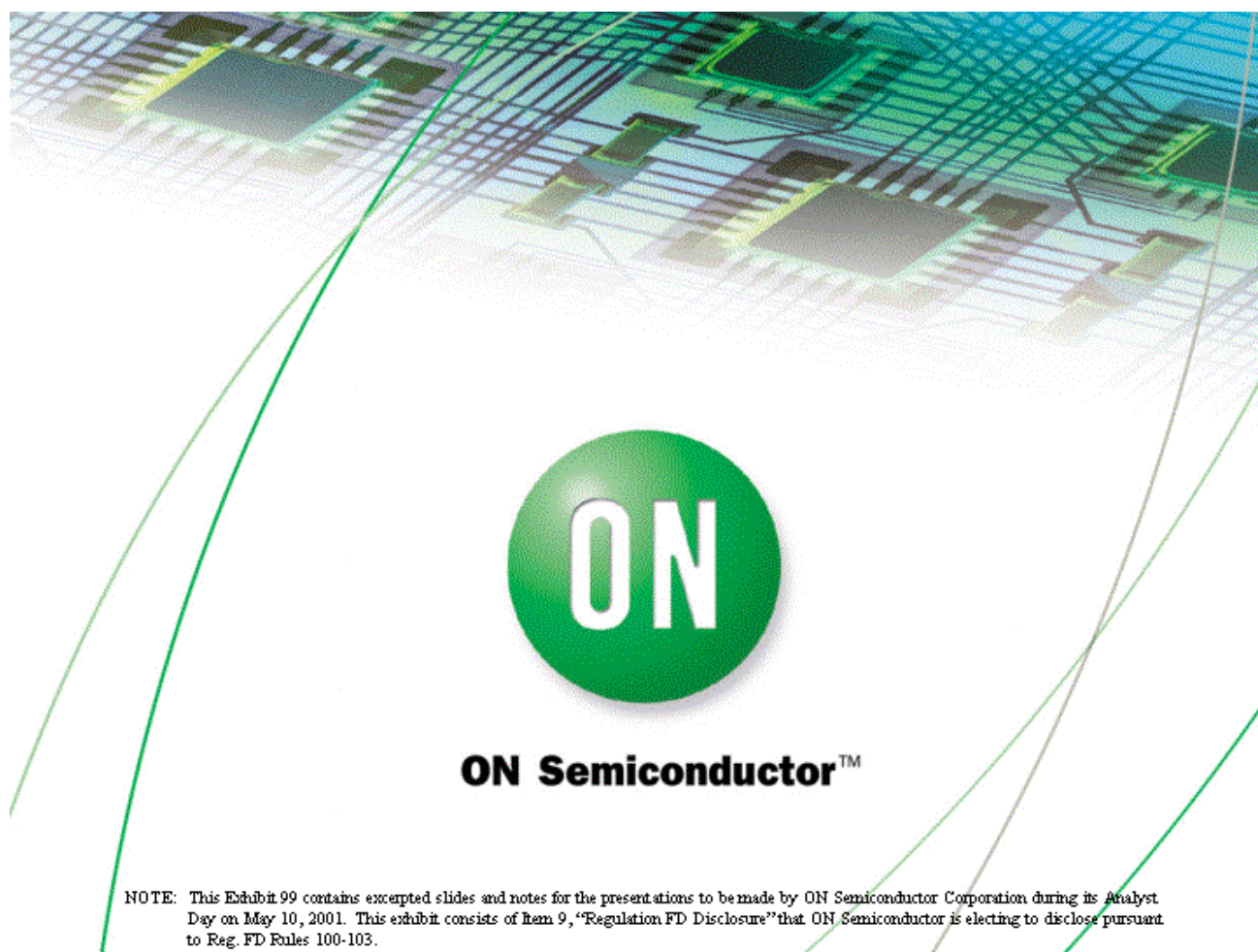
---

[Table of Contents](#)

### EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99	Excerpted Slides and Notes for the Presentations to be Made by ON Semiconductor Corporation During Its Analyst Day on May 10, 2001.

4



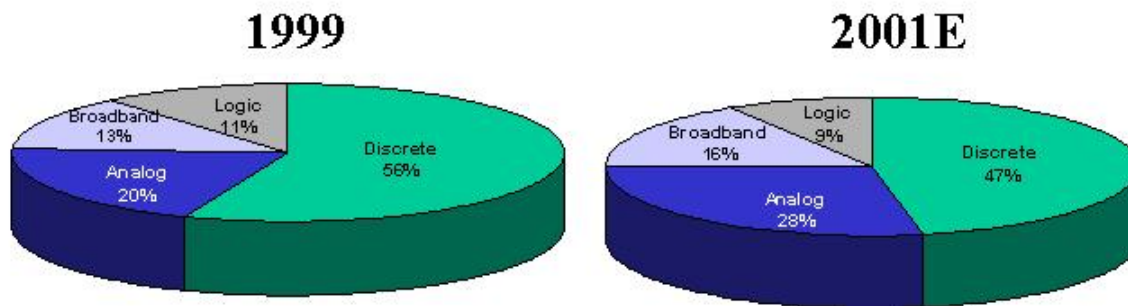
NOTE: This Exhibit 99 contains excerpted slides and notes for the presentations to be made by ON Semiconductor Corporation during its Analyst Day on May 10, 2001. This exhibit consists of Item 9, "Regulation FD Disclosure" that ON Semiconductor is electing to disclose pursuant to Reg. FD Rules 100-103.

## Safe Harbor Statement

During the course of this presentation, we may make projections or other forward-looking statements regarding future events or the future financial performance of the Company. The words "estimate" (or the symbols "E" or "est."), "intend", "expect", "plan", or similar expressions are intended to identify forward-looking statements. We wish to caution that such statements are subject to risks and uncertainties that could cause actual events or results to differ materially. Important factors relating to our business, including factors that could cause actual results to differ from our forward-looking statements, are described in our recently filed 2000 Form 10-K, and other filings with the SEC. The Company assumes no obligation to update forward-looking statements to reflect actual results or changed assumptions or other factors.



# Transitioned to Integrated Circuits (IC)



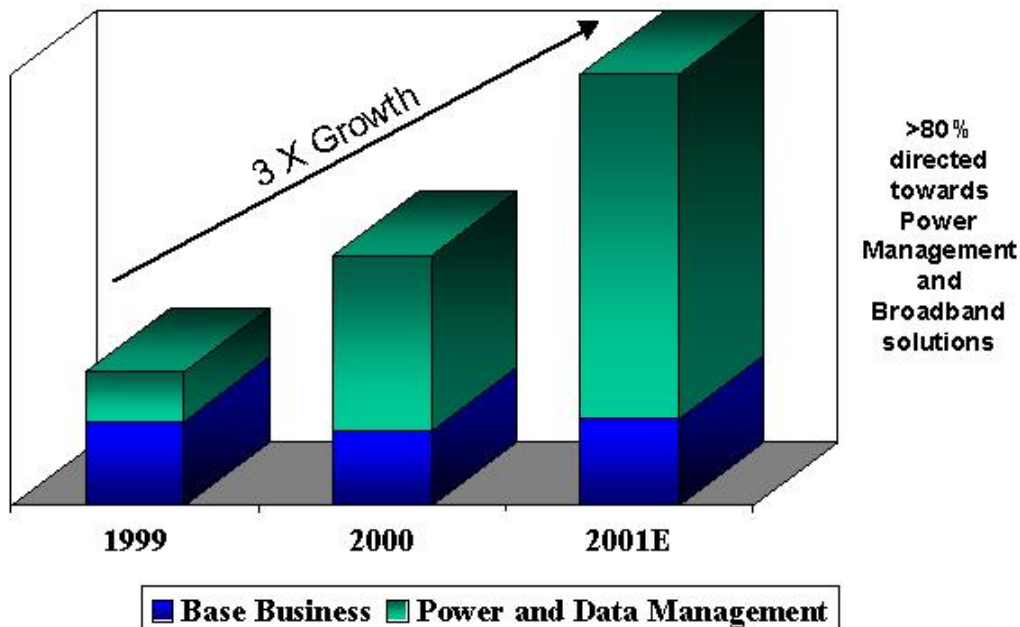
- 1999 - 2001 transitioned to an IC company with 53% of our revenue coming from ICs.



*Analyst Day  
May 10, 2001*



## Research & Development Investment



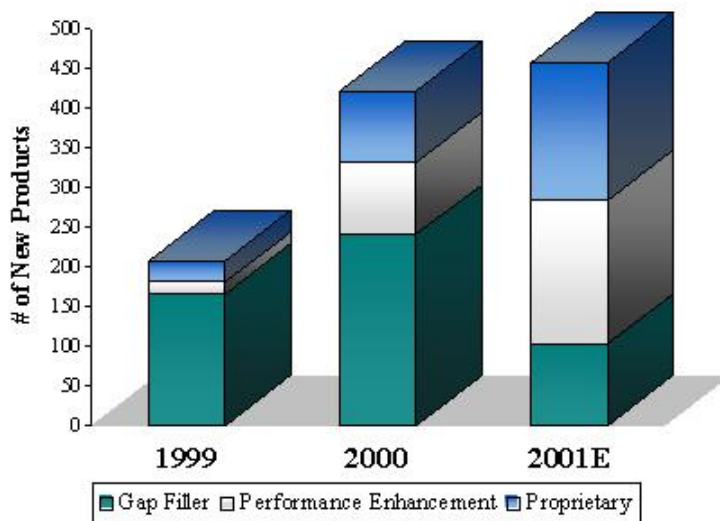
*Analyst Day  
May 10, 2001*



# The Innovation Engine

ON continues to step up its product development engine with a focus on Broadband and Analog Power Management.

## New Products Introduced

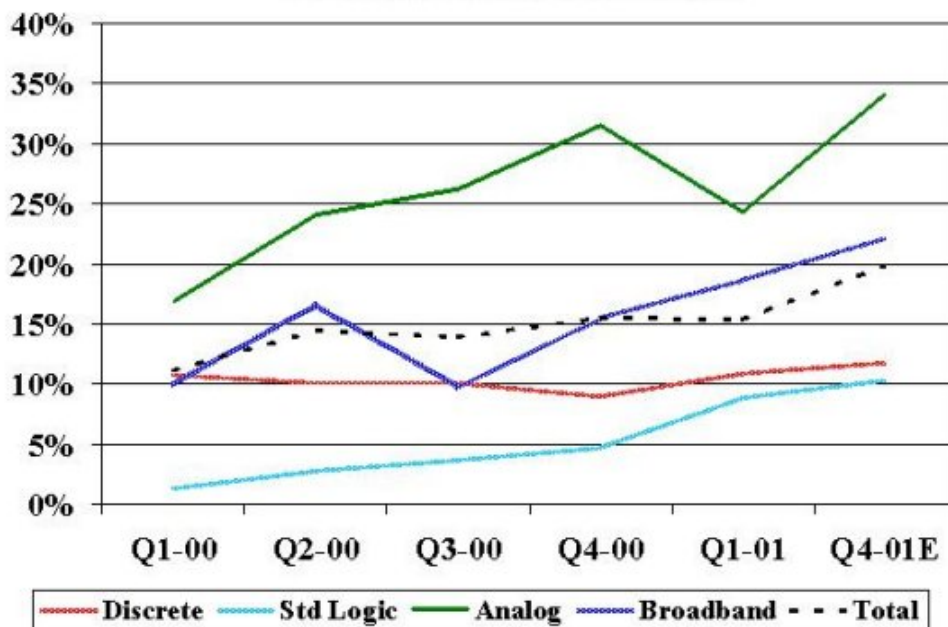


Analyst Day  
May 10, 2001



## New Product Revenue

### New Product Revenue Momentum Percent of Total Product Revenue



We have placed great emphasis on new product development.

We are building momentum, increasing overall new product revenue from 11% a year ago to greater than 15% by the end of 2000. Our target for the end of this year is 20% with long-term goal being greater than 25%.

Analog and Broadband are already above the company targets and are expected to continue to set the pace for new product revenue growth.

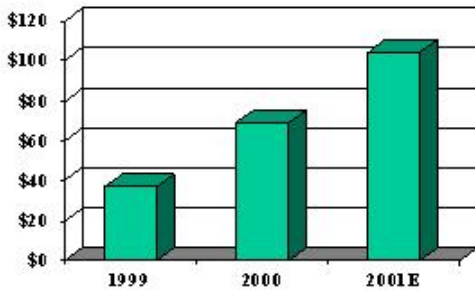


Analyst Day  
May 10, 2001

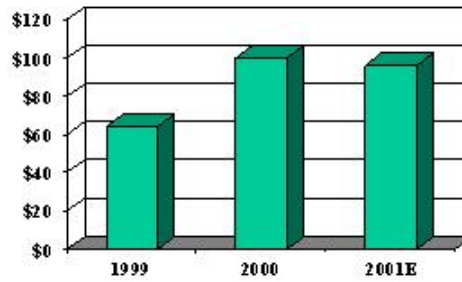


# Operating Expense

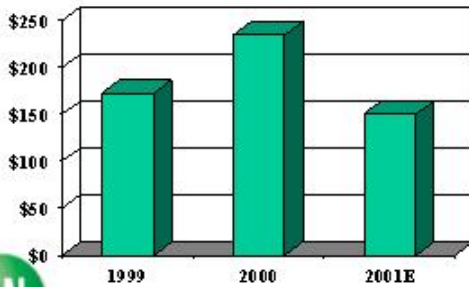
## Research & Development



## Sales & Marketing



## General & Administrative



### Transforming Operating Structure

- \* Continue R&D investment
- \* Moderate S&M spend
- \* Significantly improve G&A efficiency

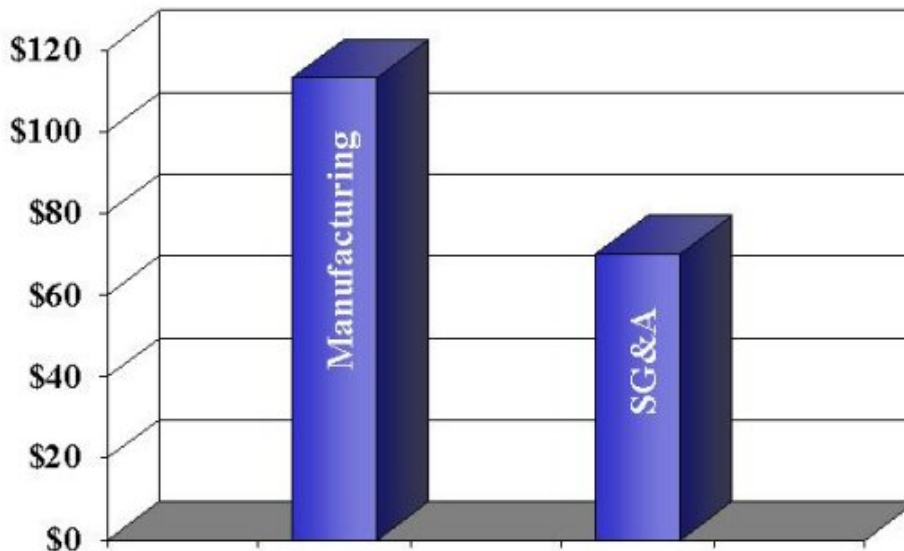


ON Semiconductor™

*Analyst Day  
May 10, 2001*



## Overall Transformation Acceleration 2001 Cost Reduction Plan



Overall we have established cost reduction plans in manufacturing that exceed \$100 million for this year. In addition to process cost & product yield improvements, we also have consolidation efforts underway that brings more external manufacturing in house which for the most part is at a lower cost while increasing factory utilization.

SG&A cost reductions are expected to yield more than \$60 million this year from the actions I mentioned earlier.



ON Semiconductor™

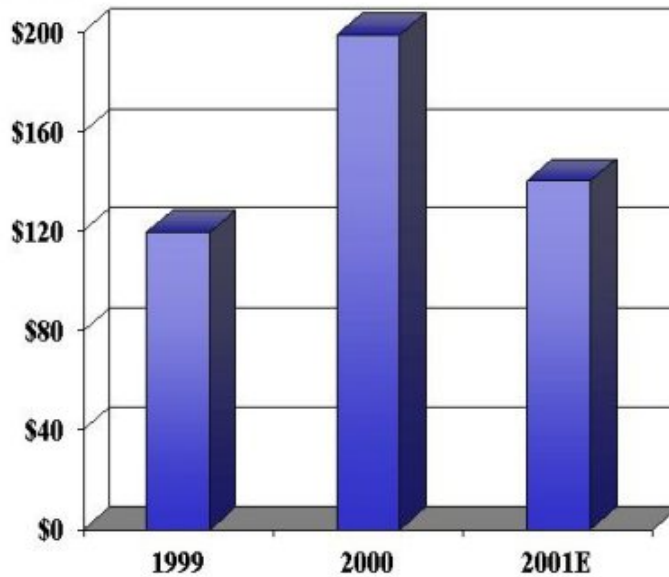
*Analyst Day  
May 10, 2001*



# Capital Expenditures

## Moderate Capital Investments

(in millions)



The nature of our business does not require large capital investments relative to the semiconductor industry in general. We typically invest 6-10% of revenues into capital investments on an annual basis.

Given the current business environment, we have been rescheduling capital needs with our suppliers over the few months and are targeting \$140 million of capital expenditures this year. The primary focus continues to be migration to low cost regions, broadband design development, and IT system integration completion.



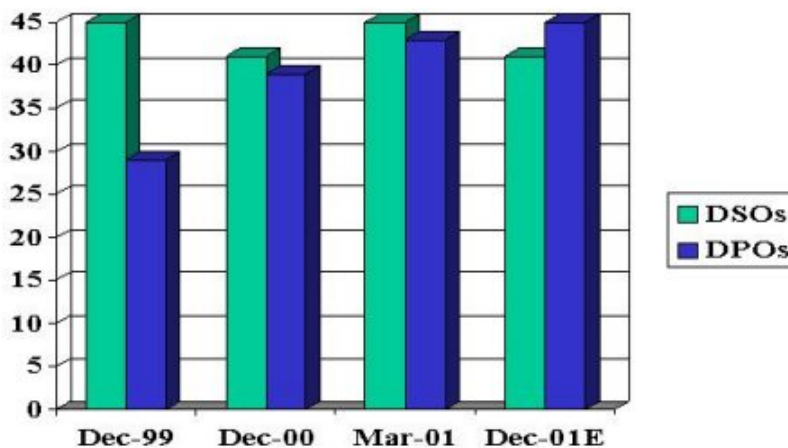
ON Semiconductor™

Analyst Day  
May 10, 2001



## Working Capital Metrics

### Continue Net Days Improvement Receivable & Payable Days



We have made significant progress in closing the gap on net days receivable and payable. DSO's have ranged in the 40-45 day range over the past year while payable days have moved up significantly, from 29 days in Dec-99 to 43 days today. We expect to net a cash neutral to slightly positive position from receivable-payable activity going forward.



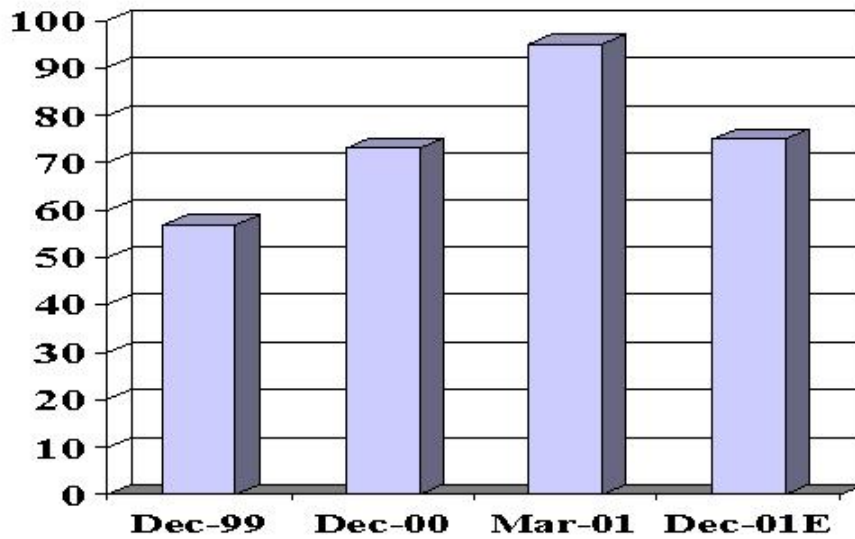
ON Semiconductor™

Analyst Day  
May 10, 2001



# Working Capital Metrics

## Re-align Factory Runrates Inventory Days



ON Semiconductor™

*Analyst Day  
May 10, 2001*



---

## Outlook

### 2001 Q1 Highlights / Q2 Outlook

#### Q101 versus pro forma Q400:

Product revenues of \$357 million, down 24%  
Gross margin of 24%, down 9.3 percentage points  
R&D up 11% to 6.4% of product revenues  
SG&A down \$25 million or 29%

#### Q201 outlook versus Q101:

Product revenues are expected to be flat to slightly down with slightly better gross and operating margins as cost reduction actions taken in the first quarter begin to materialize.



ON Semiconductor™

*Analyst Day  
May 10, 2001*





# Financial Model

<i>Percent of Product Revenues</i>	Pro-Forma		
	1999	2000	Targets
IC Revenue% of Total	44.1%	51.3%	55% - 60%
Gross Margin	30.8%	35.4%	37% - 39%
Research & Development	2.3%	3.4%	5% - 7%
Operating Margin	13.8%	15.7%	17% - 19%

Excludes amortization of intangibles, restructuring and non-recurring charges

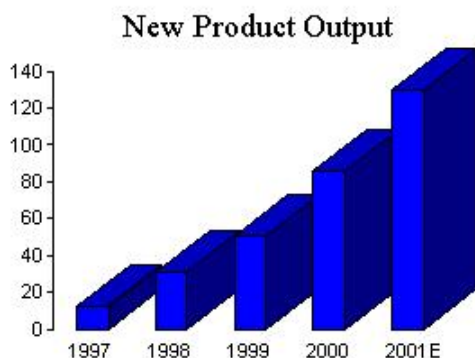


ON Semiconductor™

*Analyst Day  
May 10, 2001*



## New Products Analog IC's



### New Product Output Increasing

- 2001 goal is 130 new products
- New product revenue @ 30%



ON Semiconductor™

*Analyst Day  
May 10, 2001*



# Broadband

## Available Market

- Based on 1998-1999 Product Portfolio: \$450M  
**Market share 2000: about 70%**  
 Competitors: Micrel/Synergy, Semtech
- Based on expanded product roadmap:  
 > \$1,600M @ CAGR 40%  
**Market share 2001: about 12.5%**  
 Competitors: Micrel, Semtech, Maxim, AMCC, Vitesse



ON Semiconductor™

Analyst Day  
May 10, 2001



# Broadband

## Competitive Landscape

	Growth % 00/99	R&D%	GM%	EBIT%	Strengths			
					Digital Broadband ICs	Optical PMD layer	Optical PHY layer	Clock Distribution
VTSS	57	20	66	35		Y	Y	
MXIM	42	16	70	45		Y		
SMTC	47	13	56	34	Y			Y
MCRL	65	11	59	35	Y			
ONNN- BBG	52	12.5	73	41	Y			Y
AMCC	64	19	71	35		Y	Y	



ON Semiconductor™

Analyst Day  
May 10, 2001



## Broadband Strategy Summary

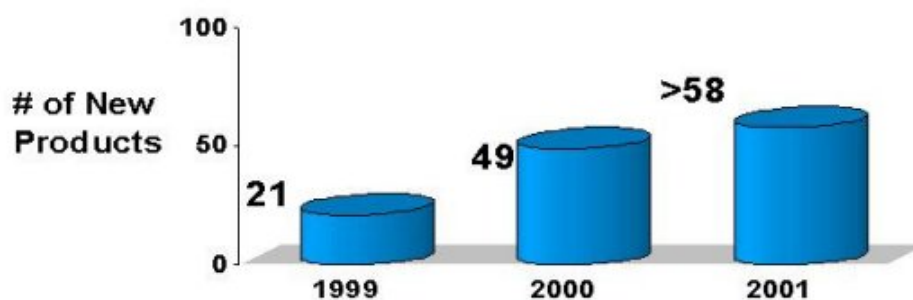
- R&D: 3x 2000 to 12.5%
- Focus on Networking Infrastructure/SAN & Servers/WS
- Customer intimacy
- Value added solutions @ higher GM (70-75%)
- Maintaining Performance leadership –
  - from 7 Gb/s to 10-15Gb/s & beyond
  - access to state of the art technologies: Bipolar, SiGe Bipolar, SiGe-BiCMOS, BiCMOS & 0.13um CMOS



*Analyst Day  
May 10, 2001*



## Broadband New Products Introductions



Increasing complexity /  
Value add / Gross Margin

	1999	2000	2001
General Purpose	21	3	
Signal translation	4	4	
Dataflow Management	12	16	
Clock Generation & Dist	11	22	
OEO PMD & PHY	1	13	



*Analyst Day  
May 10, 2001*



## Broadband New Product Revenue

- 2000: \$37M (11.8% of Sales)
- Q101: \$9M
- 2001 CuView: \$40+ M
- Revenue F/C 2002-2004 from 2001 development queue: > \$150M

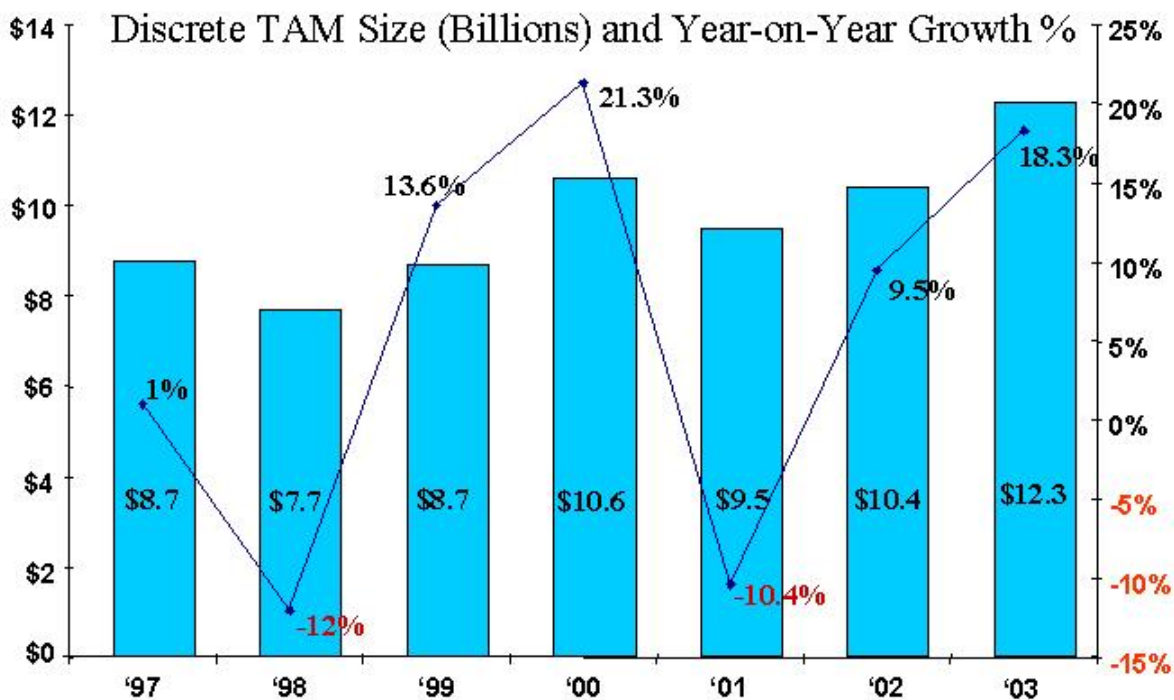


ON Semiconductor™

*Analyst Day  
May 10, 2001*



## Total Bipolar Discrete Market



ON Semiconductor™

Source: WSTS, OnSemi 21st Century Model,  
OnSemi Internal Assessment

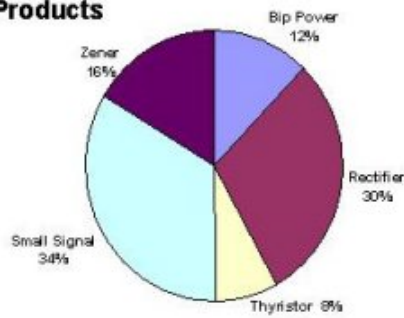
*Analyst Day  
May 10, 2001*



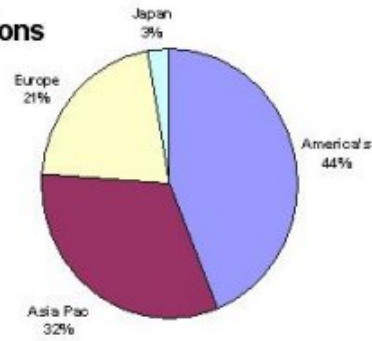
# Standard Semiconductors

## Current Revenue Splits

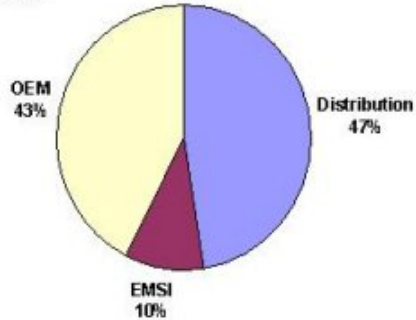
**Products**



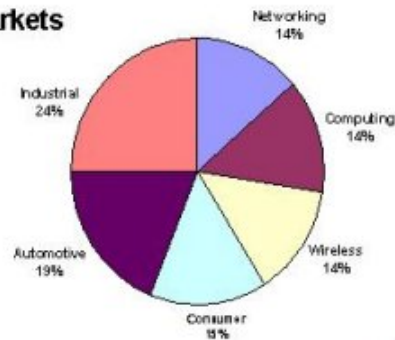
**Regions**



**Channel**



**Markets**

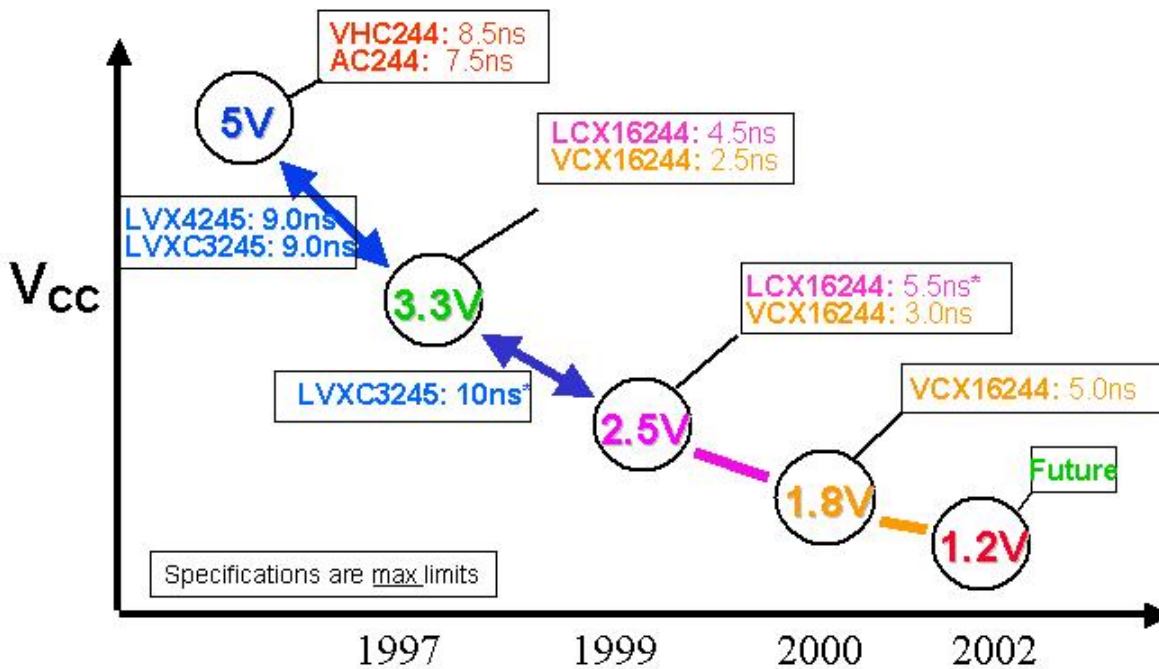


ON Semiconductor™

Analyst Day  
May 10, 2001



## CMOS Logic – Low Voltage Roadmap

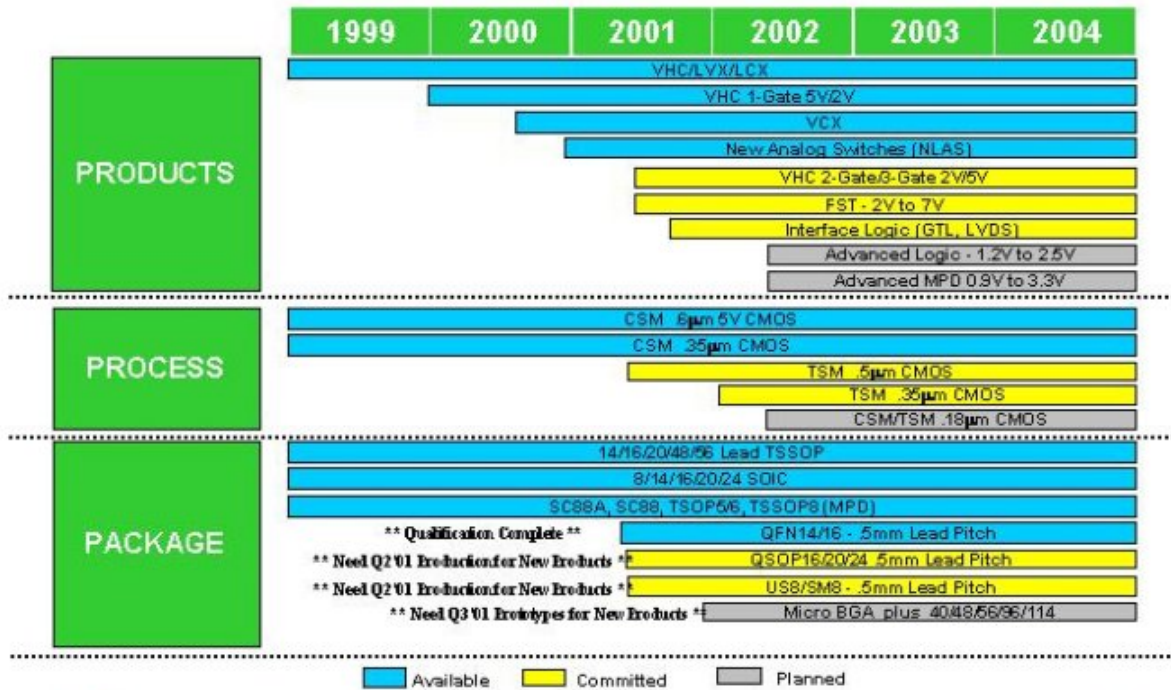


ON Semiconductor™

Analyst Day  
May 10, 2001



# Advanced CMOS Technology Roadmap



Analyst Day  
May 10, 2001



## Manufacturing Cost Reduction

- 1999 Cost Savings: \$111 Million
- 2000 Cost Savings: \$88 Million

- 2001 Cost Reduction Plan: \$113 Million
- 2001 Q1 Cost Savings: \$19.2 Million  
(versus \$16.3 M goal)



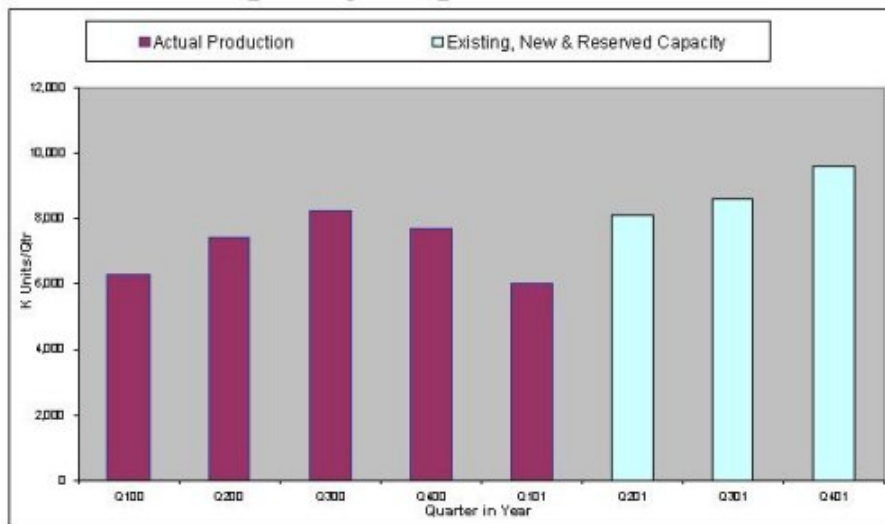
- Factory Consolidation Projects to produce 2002 Cost Savings



Analyst Day  
May 10, 2001



# Capacity Expansion Plan



-Actual unit output peaked at more than 8B units in Q3 of 2000.

-Run rates adjusted down through:

- selective downsizing in staff
- short term factory shutdowns
- elimination of non-strategic external suppliers
- reduction in run rates at remaining subcontractors

-Recovery plan through:

- full utilization of existing installed capacity
- addition of new fab & A/T capability, especially analog, Broadband and micropackages
- expansion of suppliers through utilization of reserved capacity



ON Semiconductor™

Analyst Day  
May 10, 2001

