



onsemi Advances Fab Right Strategy with Agreements to Divest Two Manufacturing Facilities

July 07, 2026

SCOTTSDALE, Ariz., July 07, 2026 (GLOBE NEWSWIRE) -- onsemi (Nasdaq: ON) today announced it has entered into definitive agreements to divest two manufacturing facilities. These planned divestitures are part of onsemi's ongoing initiative to improve companywide manufacturing cost structure to drive sustained gross margin expansion as part of its Fab Right strategy.

onsemi's Fab Right manufacturing strategy focuses on continuous optimization of manufacturing footprint and directs resources to the most competitive, scalable and technology-aligned operations across its global manufacturing footprint. This approach is designed to improve the company's long-term cost structure and strengthen overall competitiveness by enabling a highly efficient manufacturing network.

Tarlac, Philippines

onsemi has entered into an agreement with Greatek Electronics Inc., a Taiwan-based semiconductor company specializing in integrated circuit packaging and testing services. The transaction is expected to close within the next three to six months, subject to customary closing conditions and regulatory approvals.

The Tarlac site will continue operating as part of onsemi's manufacturing network throughout the transition period. The companies have established a long-term supply agreement to support ongoing production and ensure continuity for customer commitments following the close of the transaction.

Mountain Top, Pennsylvania

onsemi has also entered into an agreement with Silex Microsystems, a Sweden-based semiconductor company. The transaction is expected to close in January 2028, subject to customary closing conditions and regulatory approvals.

The extended transition period is intended to allow onsemi to continue an orderly transfer of the products currently manufactured at the site to other facilities within its network, ensuring continuity for customers and a structured migration of technologies.

These actions are expected to result in cost savings of approximately \$35 million per year, with initial savings starting in 2027 and the full savings realized in 2028. This represents an important step in shaping a more focused and efficient manufacturing network. By aligning its footprint to long-term strategic priorities, onsemi is strengthening its ability to deliver sustained value to customers and stakeholders.

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. Learn more at www.onsemi.com.

onsemi and the onsemi logo are trademarks of Semiconductor Components Industries, LLC. All other brand and product names appearing in this document are registered trademarks or trademarks of their respective holders.

Caution Regarding Forward-Looking Statements:

This press release includes "forward-looking statements," as that term is defined in Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities 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 proposed divestitures, their impact on onsemi's manufacturing cost structure and, more broadly, the impact of onsemi's Fab Right strategy on its operating results and financial condition. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," "anticipates," "targets," "should," "would" or similar expressions or by discussions of strategy, plans, expectations, projections or intentions. All forward-looking statements in this document 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. Certain factors that could affect onsemi's future results or events are described under Part I, Item 1A "Risk Factors" in the 2025 Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 9, 2026 and from time to time in onsemi's other SEC reports. Readers are cautioned not to place undue reliance on forward-looking statements. onsemi assumes no obligation to update such information, which speaks only as of the date made, except as may be required by law.

Contacts:

Krystal Heaton

Director, Head of Public Relations

onsemi

(480) 242-6943

Krystal.Heaton@onsemi.com

Parag Agarwal

Vice President, Investor Relations & Corporate Development

onsemi

(602) 244-3437

investor@onsemi.com