



onsemi Divests Wafer Manufacturing Sites as Part of Fab-Liter Strategy

February 28, 2022

Company entered into definitive agreement to sell its South Portland, Maine fab and closed sale of Belgium fab

PHOENIX--(BUSINESS WIRE)-- onsemi (Nasdaq: [ON](#)), a leader in intelligent power and sensing technologies, is executing on its fab-liter manufacturing strategy with the ultimate goal of sustainable financial performance through gross margins expansion.

Last week the company signed a definitive agreement to divest its South Portland, Maine fab. Earlier this month, onsemi closed on the sale of its wafer fabrication facility in Oudenaarde, Belgium. As onsemi transitions production to more efficient fabs within its network, it will improve its cost structure by eliminating fixed costs associated with the sold fabs and lowering its unit costs.

"The proposed divestitures show that we are well on our way to achieve an optimized manufacturing network while supporting our customers with long-term assurance of supply," said Hassane El-Khoury, president and chief executive officer of onsemi. "The transactions provide employees at the affected fabs with continued employment and growth opportunities while allowing onsemi to transition production from these fabs to other manufacturing sites in an orderly manner."

onsemi and Diodes Incorporated entered into a definitive agreement for the divestiture of onsemi's wafer fabrication facility and operations in South Portland, Maine. Diodes plans to expand on its 200mm wafer fab capacity in support of its analog product growth. The transaction is expected to close in the second quarter of 2022.

On February 8, 2022, onsemi completed the sale of its manufacturing facility in Oudenaarde, Belgium to BelGaN Group BV, a consortium of investors and executives with extensive expertise in semiconductors, BelGaN plans to become a leading 6-inch and 8-inch gallium nitride (GaN) foundry in Belgium.

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. With a highly differentiated and innovative product portfolio, **onsemi** creates intelligent power and sensing technologies that solve the world's most complex challenges and leads the way in creating a safer, cleaner and smarter world.

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Cautions Regarding Forward-Looking Statements

Certain statements in this press release, including, among others, the expected closing of the transactions and the potential effects thereof, are "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. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," "should," or "anticipates," and similar expressions. 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. Additional factors that could cause results to differ materially from those projected in the forward-looking statements are contained in onsemi's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and other of onsemi's filings with the SEC, respectively. onsemi assumes no obligation to update such information, except as may be required by law.



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