

UNITED STATES
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

March 10, 2017
Date of Report (Date of earliest event reported)

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

Delaware
(State or other jurisdiction
of incorporation)

000-30419
(Commission
File Number)

36-3840979
(IRS Employer
Identification No.)

ON Semiconductor Corporation
5005 E. McDowell Road
Phoenix, Arizona
(Address of principal executive offices)

85008
(Zip Code)

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

Not applicable
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 Regulation FD Disclosure

On March 10, 2017, ON Semiconductor Corporation (“ON Semiconductor”) presented business and financial information to institutional investors, analysts, members of the press and the general public at a publicly available webcast meeting (the “Analyst Day Meeting”). Attached hereto as exhibits and incorporated by reference herein are the Analyst Day Meeting presentations made by: (1) Keith Jackson, President and Chief Executive Officer; (2) Bob Klosterboer, Executive Vice President and General Manager, Analog Solutions Group; (3) Taner Ozcelik, Senior Vice President and General Manager, Image Sensor Group; (4) Bill Hall, Executive Vice President and General Manager, Power Solutions Group; and (5) Bernard Gutmann, Executive Vice President, Chief Financial Officer, and Treasurer.

During the course of the Analyst Day Meeting, ON Semiconductor’s executives discussed the company’s corporate strategy, the integration of Fairchild Semiconductor International, Inc., financial performance, and business updates. The presentations include forward-looking statements and accompanying risk factors, and these presentations may be found at onsemi.com.

The information in this report shall not be treated as filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by a specific reference in such a filing. The furnishing of this report is not intended to constitute a determination by ON Semiconductor that the information herein is material or that the dissemination of such information is required by Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The below exhibits are furnished as part of this report.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Analyst Day Meeting Presentation by Keith Jackson dated March 10, 2017.
99.2	Analyst Day Meeting Presentation by Bob Klosterboer dated March 10, 2017.
99.3	Analyst Day Meeting Presentation by Taner Ozcelik dated March 10, 2017.
99.4	Analyst Day Meeting Presentation by Bill Hall dated March 10, 2017.
99.5	Analyst Day Meeting Presentation by Bernard Gutmann dated March 10, 2017.

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 hereunto duly authorized.

ON SEMICONDUCTOR CORPORATION
(Registrant)

Date: March 10, 2017

By: /s/ BERNARD GUTMANN
Bernard Gutmann
Executive Vice President, Chief Financial Officer, & Treasurer



ON Semiconductor[®]

Financial Analyst Day
Phoenix, Arizona
March 10, 2017

RETHINK ENERGY EFFICIENCY.



Financial Analyst Day | Phoenix, Arizona | March 10, 2017

Agenda

Introduction - Parag Agarwal	8:00-8:05
Strategic Overview - Keith Jackson	8:05-8:35
Q&A	
Analog Solutions Group - Bob Klosterboer	8:50-9:20
Image Sensor Group - Taner Ozcelik	9:20-9:50
Break	
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Q&A	

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Safe Harbor Statement and Non-GAAP and Forecast Information

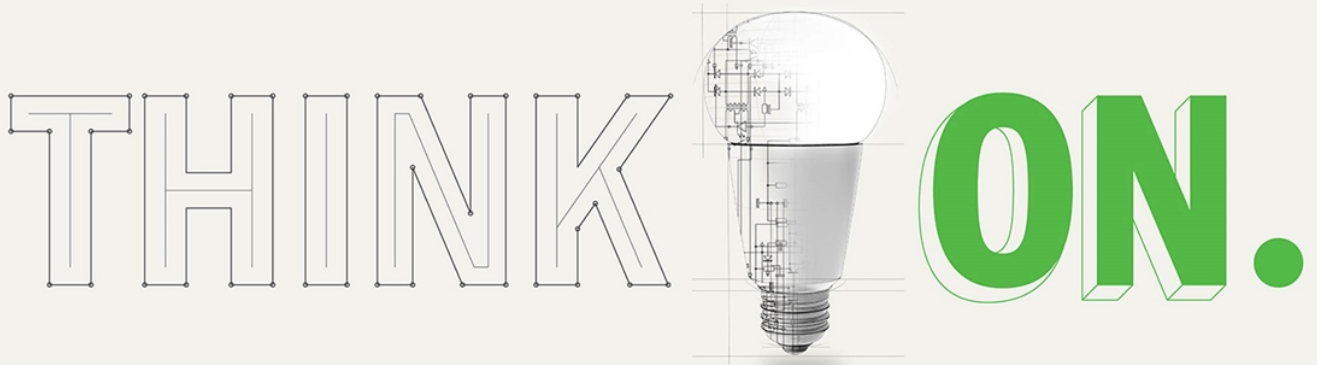
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," or "anticipates," or by discussions of strategy, plans or intentions. All forward-looking statements in this presentation 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. These factors include, among others: our revenues and operating performance; economic conditions and markets (including current financial conditions); risks related to our ability to meet our expectations regarding revenue growth, margin expansion, free cash flow generation, operational efficiency and the realization of synergies from our acquisition of Fairchild; effects of exchange rate fluctuations; the cyclical and seasonal nature of the semiconductor industry; changes in demand for our products; changes in inventories at our customers and distributors; technological and product development risks; enforcement and protection of our IP rights and related risks; risks related to the security of our information systems and secured network; availability of raw materials, electricity, gas, water and other supply chain uncertainties; our ability to effectively shift production to other facilities when required in order to maintain supply continuity for our customers; variable demand and the aggressive pricing environment for semiconductor products; our ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality for our current products; risks associated with acquisitions and dispositions, including our recent acquisition of Fairchild (including our ability to realize the anticipated benefits of our acquisitions and dispositions); risks that acquisitions or dispositions disrupt our current plans and operations, the risk of unexpected costs, charges or expenses resulting from acquisitions or dispositions and difficulties encountered from integrating and consolidating and timely filing financial information with the SEC for acquired businesses and accurately predicting the future financial performance of acquired businesses); competitor actions, including the adverse impact of competitor product announcements; pricing and gross profit pressures; loss of key customers; order cancellations or reduced bookings; changes in manufacturing yields; control of costs and expenses and realization of cost savings and synergies from restructurings; significant litigation; risks associated with decisions to expend cash reserves for various uses in accordance with our capital allocation policy such as debt prepayment, stock repurchases, or acquisitions rather than to retain such cash for future needs; risks associated with financing and capital markets activities; risks associated with our substantial leverage and restrictive covenants in our debt agreements that may be in place from time to time; risks associated with our worldwide operations, including foreign employment and labor matters associated with unions and collective bargaining arrangements as well as man-made and/or natural disasters affecting our operations and finances / financials; the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally; risks and costs associated with increased and new regulation of corporate governance and disclosure standards; and risks related to new legal requirements and risks involving environmental or other governmental regulation. Additional factors that could affect our future results or events are described in our Annual Report on Form 10-K for the year ended December 31, 2016 and in other filings we make with the SEC. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this presentation. We do not undertake or assume any obligation to update publicly any of these forward-looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements.

This presentation, and the related discussion, also contain certain non-GAAP financial measures, including non-GAAP operating expenses, which should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with generally accepted accounting principles ("GAAP"). Please refer to the Appendix of this presentation for our calculation methodologies and a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP.

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RETHINK ENERGY EFFICIENCY.



Keith Jackson, President and CEO

DRIVING SHAREHOLDER VALUE THROUGH STRONG EXECUTION AND FREE CASH FLOW GENERATION



KEY TAKEAWAYS

1

ON has transformed itself into a provider of enabling technologies in strategic end-markets

2

Highly diversified & defensible business with high revenue visibility, & increasing exposure to Auto, Industrial, & Comm. markets

3

Strong execution on Fairchild integration, raising synergy targets

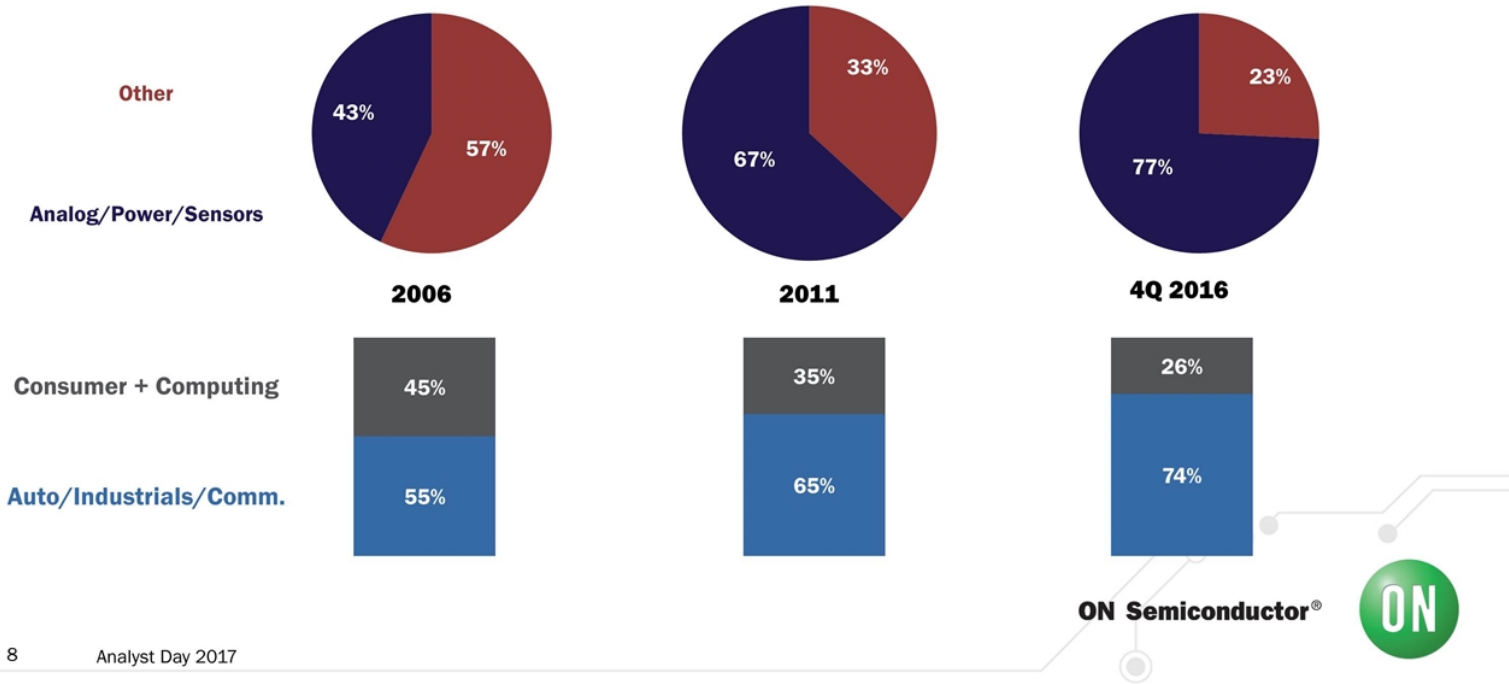
4

Margin expansion & accelerated Free Cash Flow¹ generation, even if revenue growth fails to materialize

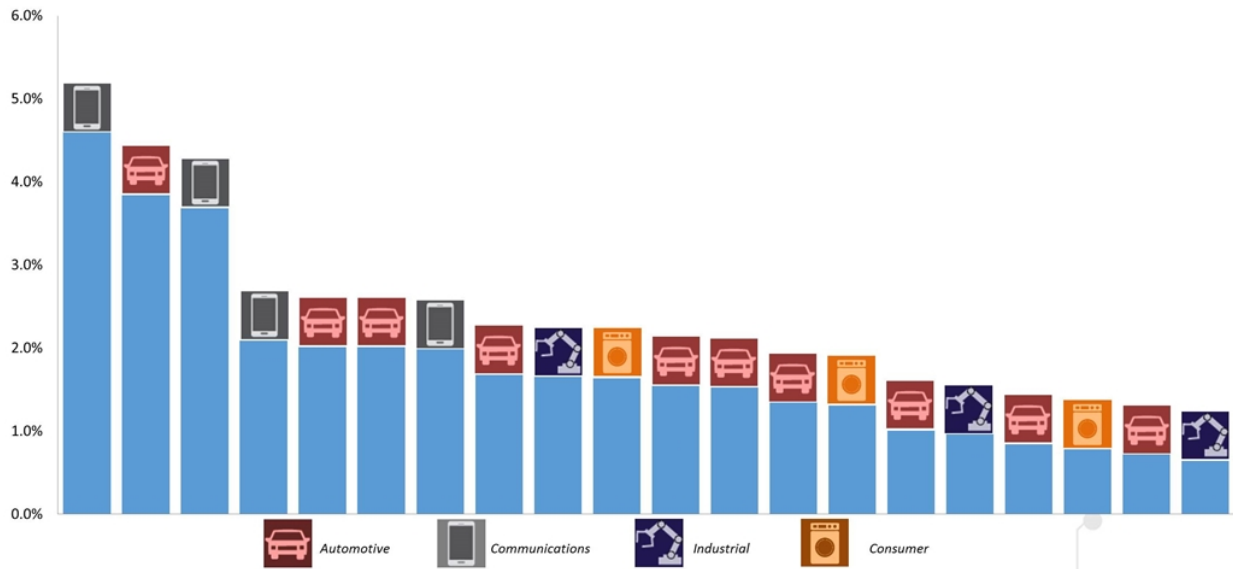
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EVOLUTION INTO A POWER AND ANALOG PLAYER



HIGHLY DIVERSIFIED CUSTOMER BASE



TOP 20 CUSTOMERS 36% OF 2016¹ REVENUE

ON Semiconductor®



¹: FY2016 represents FY16 Pro Forma ON+FCS Revenue

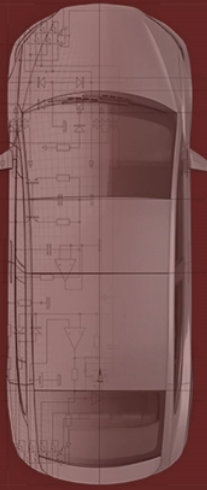
ENABLING INNOVATION

AUTOMOTIVE

Sensor fusion for ADAS applications

Vehicle electrification and power management for EV/HEV

Disruptive technologies, such as solutions for ring cabling



INDUSTRIAL

GaN and SiC based power management solutions

Machine vision for industrial automation, robotics and security applications

Sensors, wireless connectivity and power management for IoT



COMMUNICATION

High efficiency fast and wireless charging solutions

Complete solutions for USB Type C device connectivity and power delivery

Wireless infrastructure power solutions



STRATEGIC PRIORITIES

Growth with Profitability

Invest in markets with sustained profitability and growth:
Auto, Industrial, Communications

Target innovative products to address power management, sensors, connectivity and other challenges

Leverage Sales Reach and Distribution Partnerships

Cross-sell products from ON and Fairchild

Leverage scale to drive sales through distribution channel

Continue to Improve Industry Leading Cost Structure

Optimization of front-end production (high volume & low cost) and insourcing of back-end

Synergies from Fairchild acquisition

Sharp focus on margin improvements



ACCELERATE FREE CASH FLOW GENERATION

ON Semiconductor®



FAIRCHILD INTEGRATION UPDATE

Exceeding Strategic and Financial Objectives

- Customer and market response better than expected
- Strong execution driving higher than expected synergies

Solid Strength in Fairchild Revenue

- Positive revenue synergies with Fairchild bookings up 49% year on year
- Significant cross-selling opportunities

Gross Margin Improvement Program on Track

- Optimization of front-end facilities
- Back-end insourcing to start towards the end of 2017

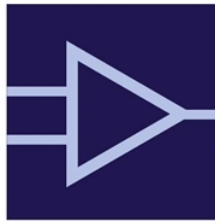


TRANSFORMATIVE IMPACT OF FAIRCHILD



Catapults ON to a leadership position in power market

- Customers looking for alternative to market leader
- Positions ON as one-stop shop for multiple products and technologies



Addition of key technologies to ON's portfolio

- Fast charging, USB-C, SiC, HV and MV IGBTs and MOSFETs, Superjunction MOSFETs



Vastly improved scale and cost structure

- Addition of highly efficient fabs to ON's network
- Operating leverage and efficiency through higher volume

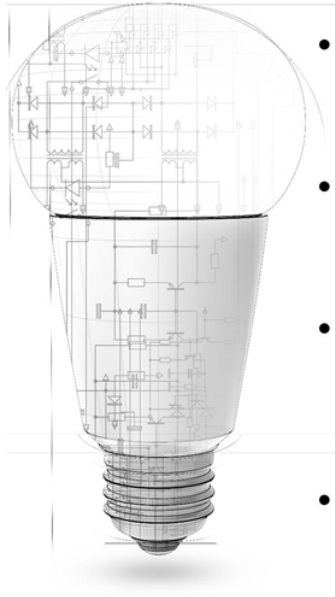


Strong Free Cash Flow Contribution

- Projected incremental FCF of \$260m by 2019
- Value creation through rapid deleveraging and capital returns



THOUGHTS ON INDUSTRY CONSOLIDATION



- **Industry consolidation to continue**
 - Still too many sub-scale players
 - Significant fragmentation in Analog/Power segment
- **Scale is relative**
 - Larger players will continue to consolidate
 - Maintaining competitive cost structure is critical
- **ON will participate, but as always, in a disciplined manner**
 - Investments will be required to generate returns significantly above cost of capital
 - Focus on adding key technologies and capabilities
- **Collateral benefits**
 - Potential for share gains driven by customer consternation, especially if a foreign entity is involved

ON Semiconductor®



EXTENDING COMPETITIVE ADVANTAGE

Integrated manufacturing with unrivaled scale¹

Enabling new technologies to address key markets

Highly differentiated power management, analog & sensor products

Synergistic and broad product portfolio with 84k SKUs

Industry leading cost structure

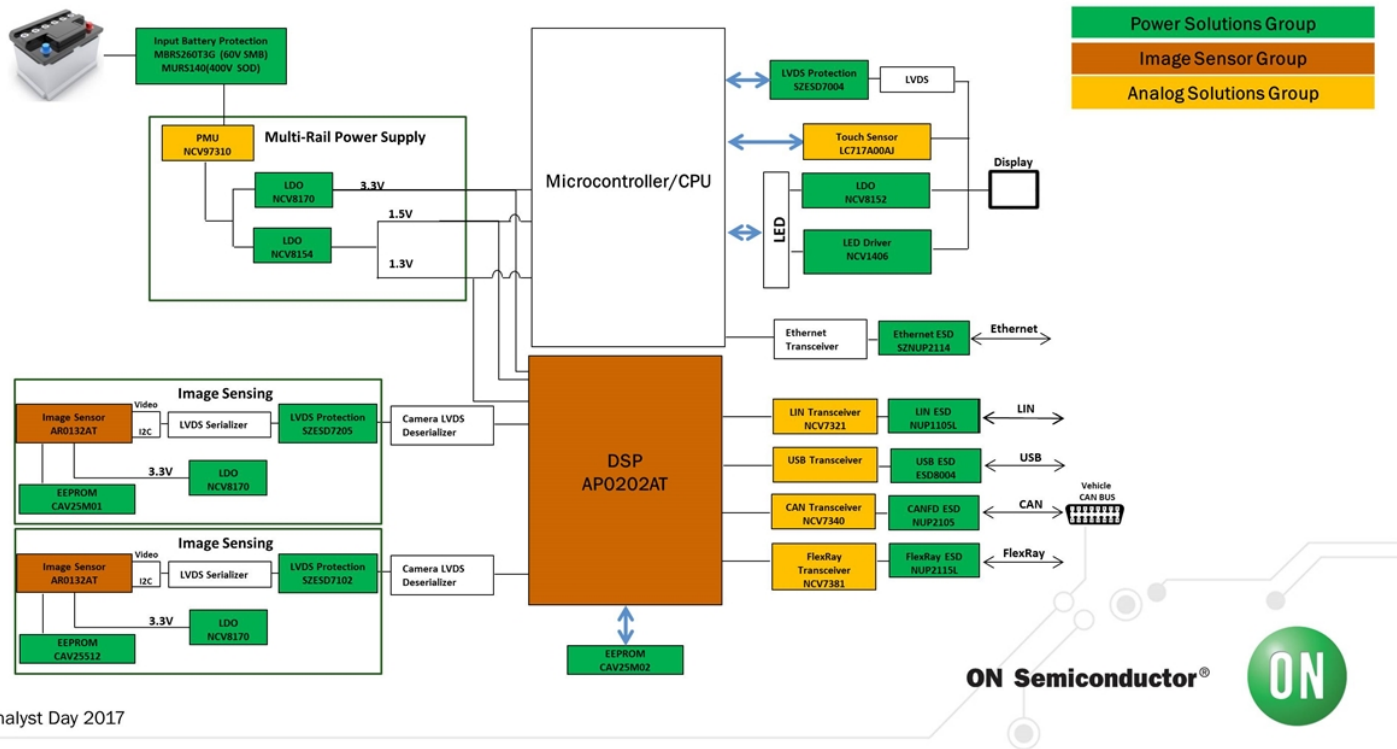
ACCELERATING MARGIN EXPANSION



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SYNERGISTIC PORTFOLIO EXAMPLE - ADAS



VALUE PROPOSITION TO CUSTOMERS

Enabler of new technologies in power, analog, sensors and connectivity for auto, industrial, and communications markets

Focused on providing solutions with synergistic and broad product portfolio of 84,000 SKUs

Reliable supplier with industry leading cost structure and operational efficiency



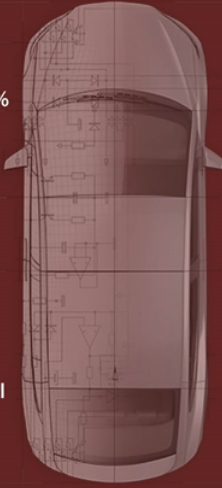
STRATEGIC FOCUS ON KEY MARKETS

AUTOMOTIVE

Expected 4 year revenue CAGR of 7-9%

Broad engagement with global market leading Tier-1 integrators & OEMs

Leadership in high growth applications like ADAS, LED lighting, motor control and EV/HEV powertrain

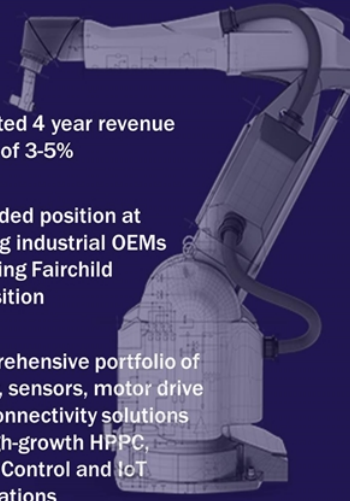


INDUSTRIAL

Expected 4 year revenue CAGR of 3-5%

Expanded position at leading industrial OEMs following Fairchild acquisition

Comprehensive portfolio of power, sensors, motor drive and connectivity solutions for high-growth HPPC, Motor Control and IoT applications



COMMUNICATION

Expected 4 year revenue CAGR of 2-4%

Strong position with leading domestic and Chinese OEMs

Expanded solutions portfolio to address high growth fast and wireless charging, USB Type-C and wireless infrastructure power applications

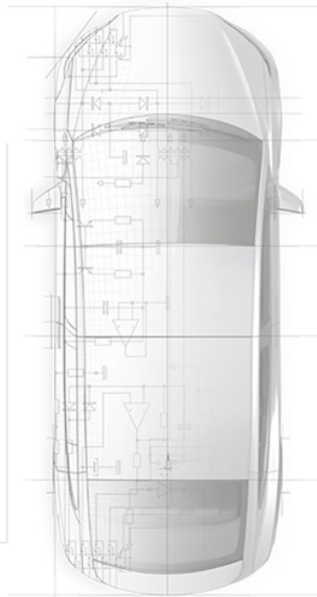
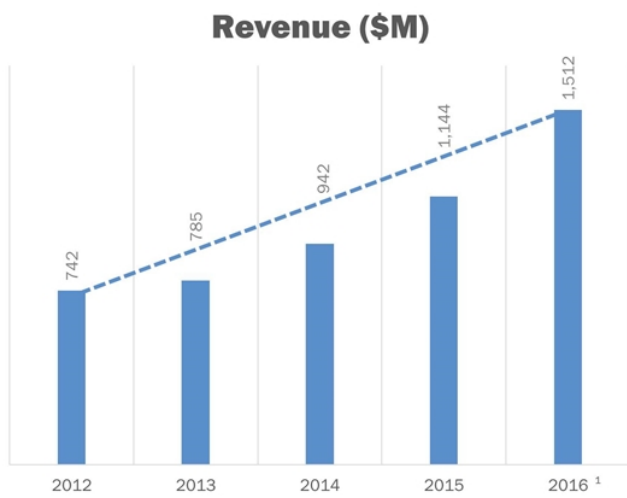






POSITIONED TO OUTGROW THE SEMICONDUCTOR INDUSTRY

ON Semiconductor®



AUTOMOTIVE- EXPECTED REVENUE CAGR 7-9%



-  **BODY & INTERIOR**
-  **LIGHTING**
-  **AUTONOMOUS VEHICLES**
-  **VEHICLE ELECTRIFICATION (EV/HEV)**
-  **IN-VEHICLE NETWORKING**

ON Semiconductor®



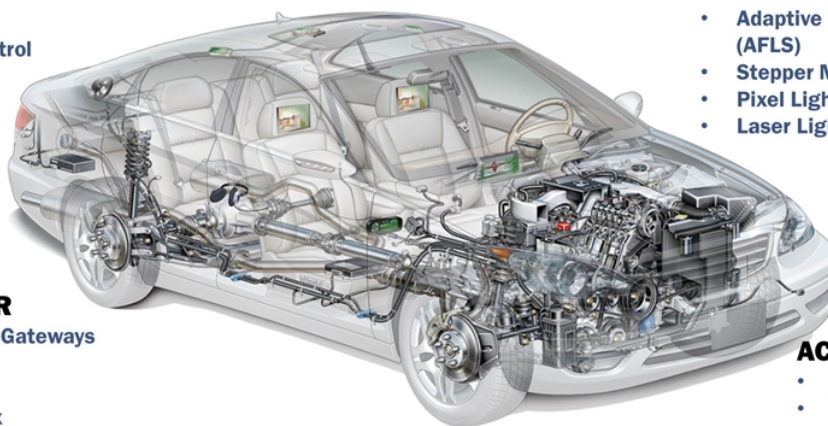
ADDRESSABLE CONTENT OF \$200-\$400¹ IN AUTOS

POWERTRAIN

- Engine Control
- Transmission Control
- Ignition
- Throttle Control
- Start-Stop
- 48 V System
- Electrification
- Charging

BODY & INTERIOR

- Body Computers & Gateways
- HVAC
- Door & Seat
- Smart-Junction Box
- Instrument Clusters
- Infotainment
- Connectivity
- Wireless Charging



IN-VEHICLE NETWORKING

- LIN/CAN, SBC, FlexRay & Ethernet

LIGHTING

- LED Exterior
- LED Interior
- Adaptive Front Lighting System (AFLS)
- Stepper Motor Control
- Pixel Lighting
- Laser Lighting

ACTIVE SAFETY

- Rear View Camera
- Surround View Camera
- Park Assist
- Forward-Looking ADAS
- In-Cabin ADAS
- E-Mirror

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A LEADER IN VEHICLE ELECTRIFICATION

ON-BOARD CHARGER

650 V SJ MOSFETs
650 V Si/SiC Rectifiers/FETs
Automotive HV modules
Gate drivers

650 V IGBTs

650 V GaN transistors
Op-amps & current sense
DC-DC, LDO, IVN, ASIC

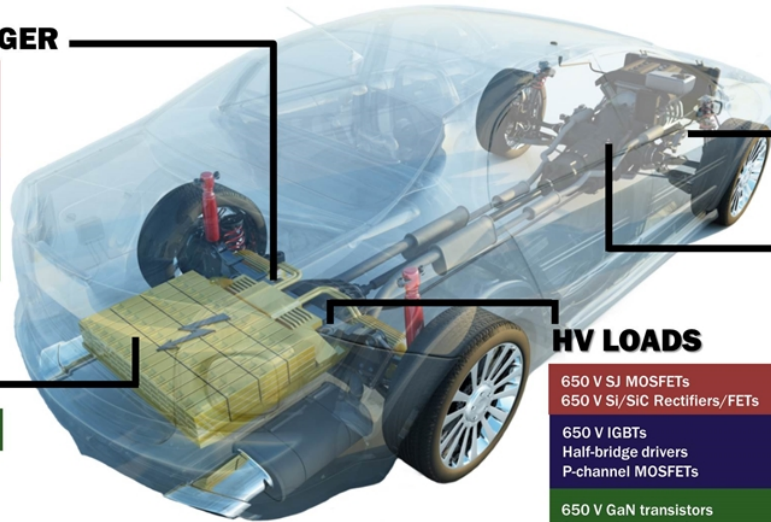
BATTERY MANAGEMENT

40 V FETs (lowest RDS(ON))

FAIRCHILD

ON

Shared
Portfolio



MAIN DRIVE

650/1200 V Rectifiers
1200 V SiC Rectifiers/FETs

650/1200 V IGBTs

650 V GaN transistors
Op-amps & current sense
DC-DC, LDO, IVN, ASIC

12V 48V DC-DC

80/100 V FETs
Half-bridge drivers (high speed)

40 V FETs
Op-amps & current sense
DC-DC, LDO, IVN, ASICs

HV LOADS

650 V SJ MOSFETs
650 V Si/SiC Rectifiers/FETs

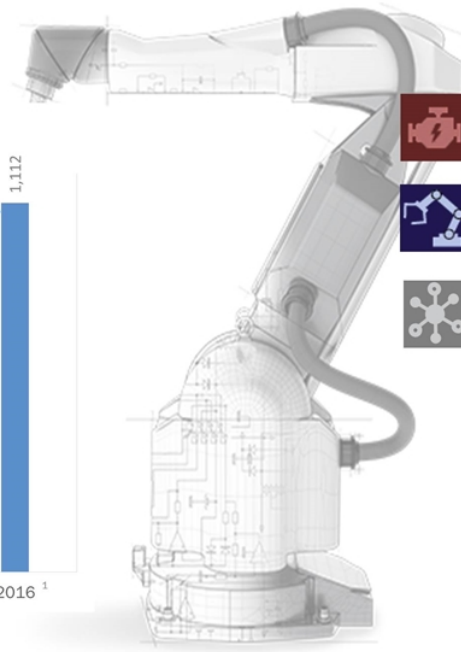
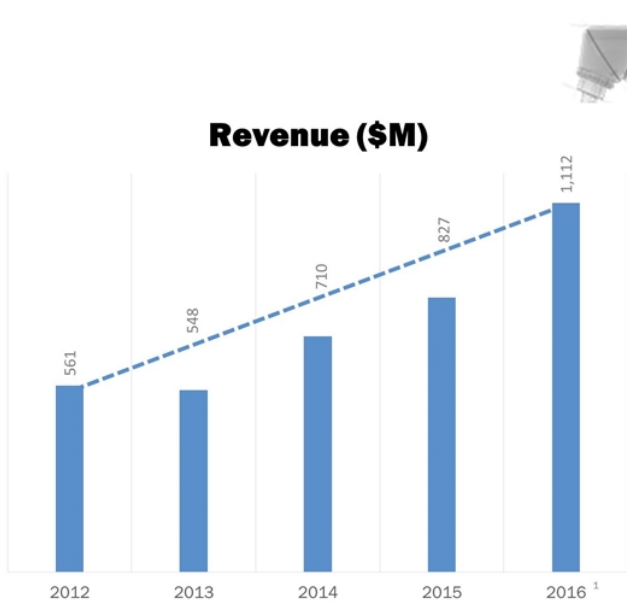
650 V IGBTs
Half-bridge drivers
P-channel MOSFETs

650 V GaN transistors
Automotive modules
Op-amps & current sense
DC-DC, LDO, IVN, ASICs

ON Semiconductor®



INDUSTRIALS- EXPECTED REVENUE CAGR 3-5%



**HIGH PERFORMANCE POWER
CONVERSION**



INDUSTRIAL AUTOMATION

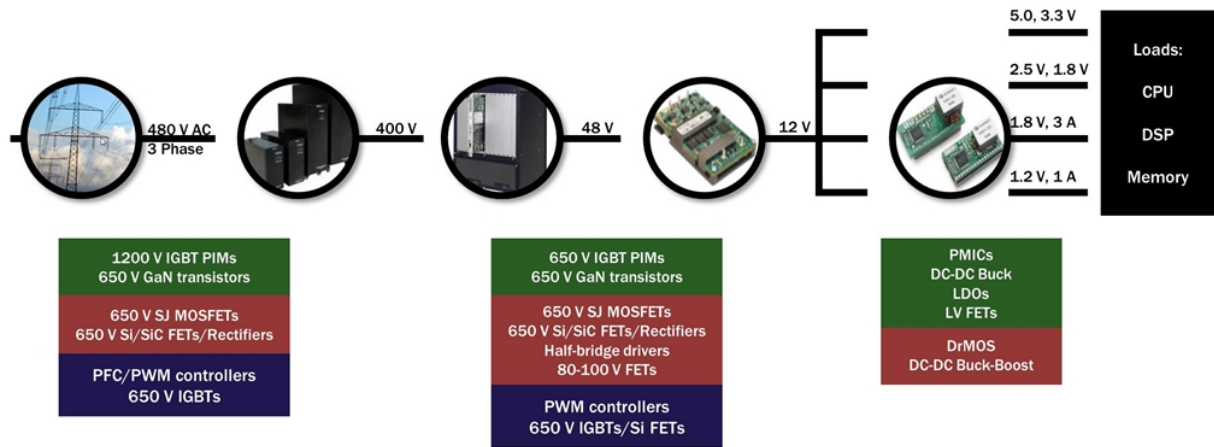


INTERNET OF THINGS

ON Semiconductor®



A LEADER IN HIGH PERFORMANCE POWER CONVERSION

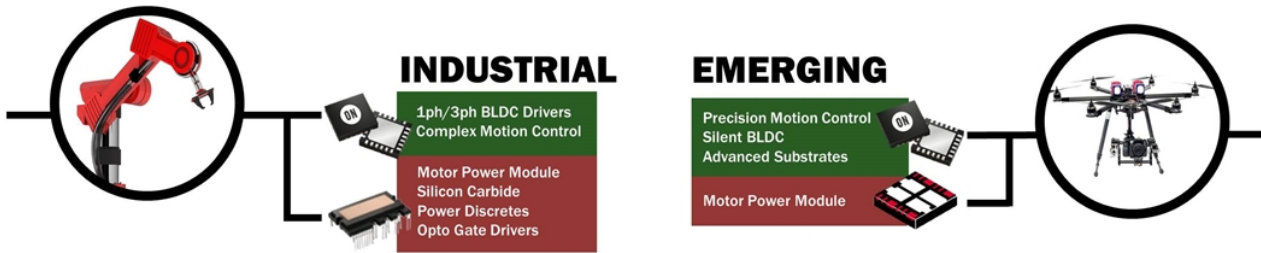


Shared Portfolio

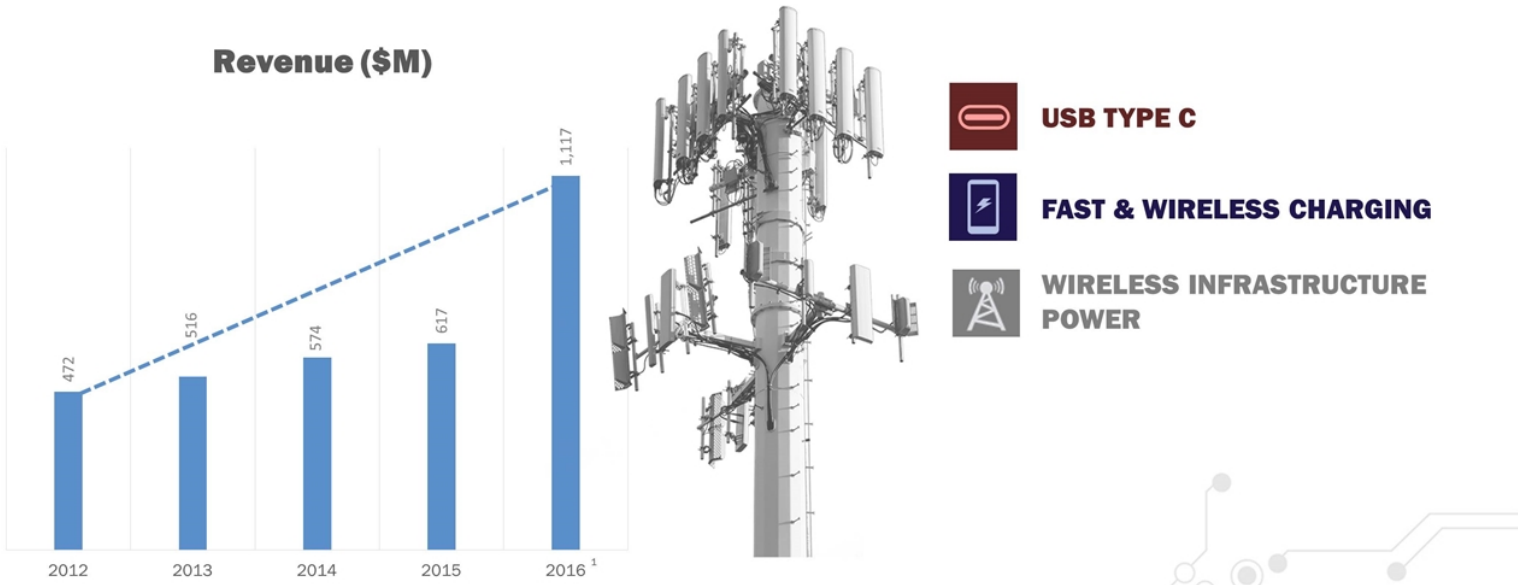
ON Semiconductor®



A LEADER IN MOTOR CONTROL



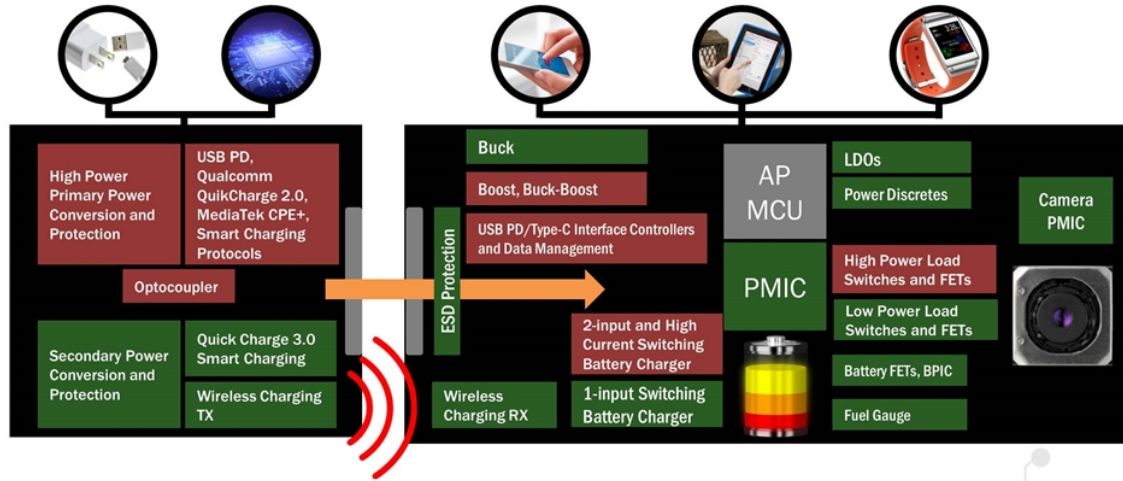
COMMUNICATIONS - EXPECTED REVENUE CAGR 2-4%



¹: FY2016 represents Q4 '16 Annualized values.



ADDRESSABLE CONTENT OF \$9 IN SMARTPHONES



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SUMMARY

1 ON HAS TRANSFORMED ITSELF AS PROVIDER OF ENABLING TECHNOLOGIES FOR ITS STRATEGIC END-MARKETS – AUTOMOTIVE, INDUSTRIAL, AND COMMUNICATIONS

2 FOCUS ON ACCELERATING FREE CASH FLOW AND EXPANDING MARGINS THROUGH OPERATIONAL IMPROVEMENTS AND SYNERGIES

3 FAIRCHILD INTEGRATION AHEAD OF SCHEDULE – RAISING SYNERGIES TARGETS





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Financial Analyst Day
Phoenix, Arizona
March 10, 2017



RETHINK ENERGY EFFICIENCY.



Financial Analyst Day | Phoenix, Arizona | March 10, 2017

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ANALOG SOLUTIONS GROUP



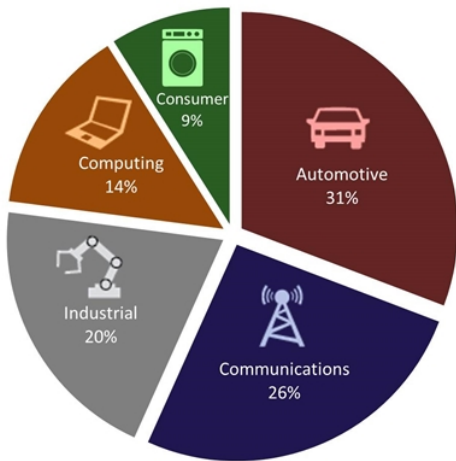
Bob Klosterboer, Executive Vice President

ENERGY EFFICIENT ANALOG SOLUTIONS FOR AUTOMOTIVE, INDUSTRIAL & COMMUNICATIONS



ANALOG SOLUTIONS GROUP (ASG)

4Q16 REVENUE BY MARKET



AUTOMOTIVE
Leader in automotive power management, LED lighting control, & sensor interface ICs.
Growth driver - ADAS power

COMMUNICATIONS
Leader in wall to battery charging solutions and power management.
Growth drivers - USB-C & intelligent charging

INDUSTRIAL
Leader in ASICs and motor control
Growth drivers - IoT communication and mobile medical

ANNUALIZED 2016¹ REVENUE \$1.9B

GROSS MARGIN 39%

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KEY TAKEAWAYS

1 Continue to drive growth in key strategic markets – automotive, industrial, and communications

2 Sharp focus on margin expansion through cost reduction and portfolio management

3 Innovative and disruptive products and technologies for IoT Edge devices

4 Expanding beyond ICs to providing complete solutions, including modules and software



ASG STRATEGIC INTENT AND GOALS

- 1 MARKET LEADERSHIP IN ANALOG POWER MANAGEMENT MARKET**
- 2 CONTINUE TO GROW AT RATE TWICE THAT OF MARKET THROUGH TARGETING INNOVATIVE PRODUCTS FOR RAPIDLY GROWING APPLICATIONS**
- 3 DIFFERENTIATION THROUGH INTEGRATION AND POWER EFFICIENCY**
- 4 EXPAND MARGINS THROUGH OPERATION IMPROVEMENTS AND OPEX RATIONALIZATION**
- 5 2020 TARGET MODEL - REVENUE \$2.1B, NON-GAAP GROSS MARGIN 45%**

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FAIRCHILD ADDS TO STRENGTH

- 1** +\$300M OF MOBILE BUSINESS WITH MARKET LEADING CUSTOMERS
- 2** COMPLETE AND ROBUST PORTFOLIO OF USB TYPE-C AND POWER DELIVERY SOLUTIONS
- 3** NEW CUSTOMERS AND APPLICATIONS IN INDUSTRIAL OFF LINE POWER CONVERSION
- 4** ALIGNED CLOUD COMPUTING CAPABILITY AND ROADMAP WITH ON COMPUTING BUSINESS

ON Semiconductor®



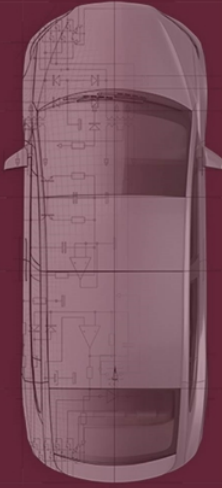
ASG GROWTH OPPORTUNITIES IN STRATEGIC MARKETS

AUTOMOTIVE

31% of revenue

Key Applications

ADAS, Lighting, Body,
Safety, Infotainment,
Powertrain



INDUSTRIAL

20% of revenue

Key Applications

Building Control,
Industrial Motor,
Cloud Power,
Industrial IOT,
Robotics, Medical



COMMUNICATION

26% of revenue

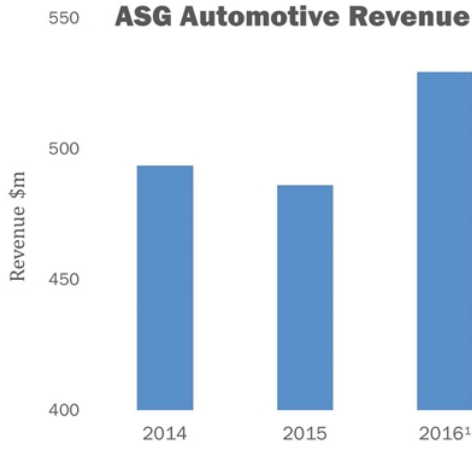
Key Applications

Smartphone, Tablet,
Adaptors, Wearables,
Netcom

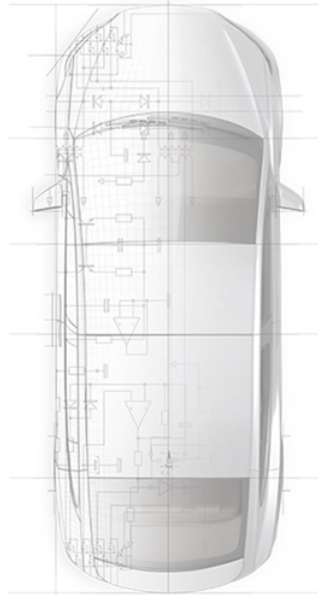


ASG CURRENT AUTOMOTIVE MARKET

ASG Automotive Revenue



#1 IN LIGHTING SOLUTIONS



ADDRESSABLE CONTENT PER LIGHT VEHICLE: \$90

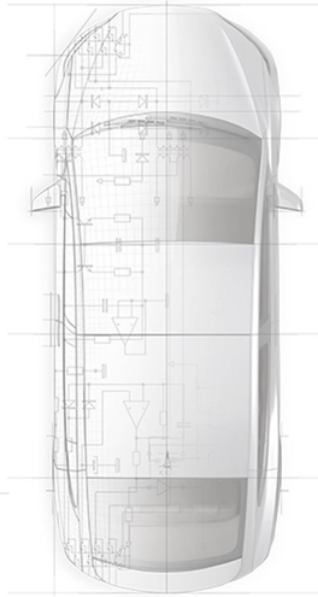
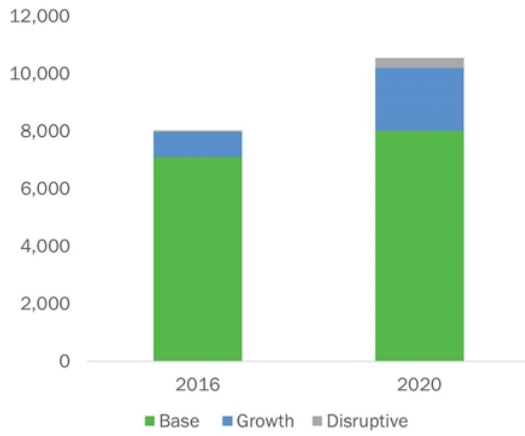
- POWERTRAIN**
- BODY/LIGHTING**
- SAFETY/ADAS**
- INFOTAINMENT**
- IN-VEHICLE COMMUNICATION**

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ASG KEY AUTOMOTIVE GROWTH DRIVERS

Automotive TAM (\$M)



- POWER MANAGEMENT**
More computing power
- SENSOR INTERFACE**
Driver assistance
- LVDS, FLEXRAY**
Higher speed data
- SMART FETS**
Central control

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AUTOMOTIVE “Expanding content and capabilities”

ADAS

Power Supplies
System Basis Chips
Motor Control
Smart FETs
Ultrasonic Sensor I/F
Image Sensor support

ACTIVE SAFETY

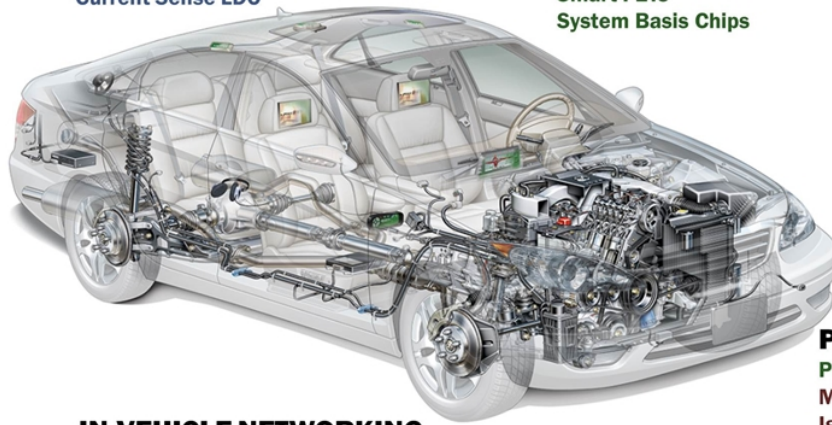
ASIC
Power Supplies
Current Sense LDO

INSTRUMENT CLUSTERS

LED Backlight
Power Supplies
Smart FETs
System Basis Chips

LIGHTING

Full LED AFS
LIN RGB
SMPS
SBC
Motor Control
Backlighting
Smart FETs HS
Pixel Lighting



ELECTRIFICATION

Inductive Sensor I/F IP
Start-Stop – ASIC/ASSP
Power Supplies
System Basis Chips
Current Sense LDOs
Battery Monitoring

IN-VEHICLE NETWORKING

System Basis Chips (SBC)
FlexRay
Ethernet
CAN Partial Network
LIN relay

POWERTRAIN

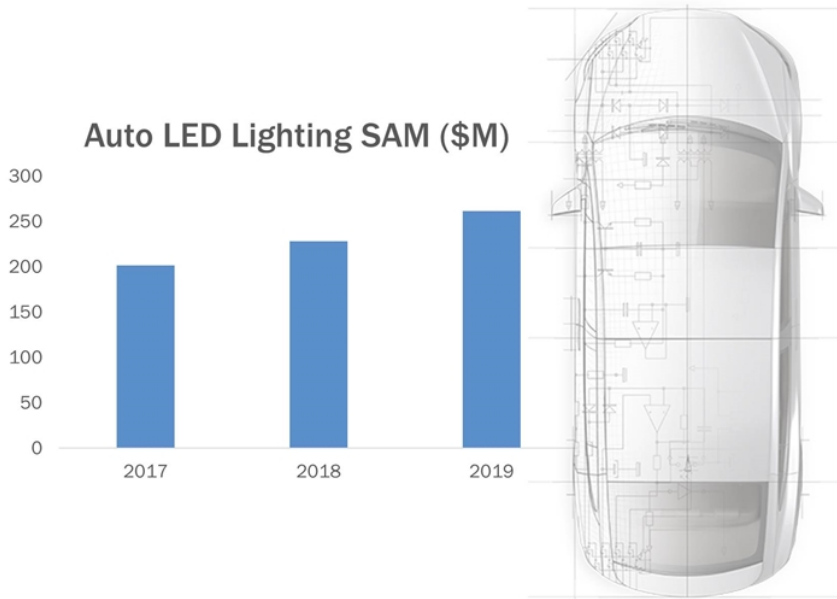
Pressure Sensor I/F IP
Multi-Spark IGBT
Igniters
Transmission Control
Knock Sensor Interface

Strong Offering
Major Investment
Fairchild Additions

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LEADERSHIP IN AUTOMOTIVE LED LIGHTING



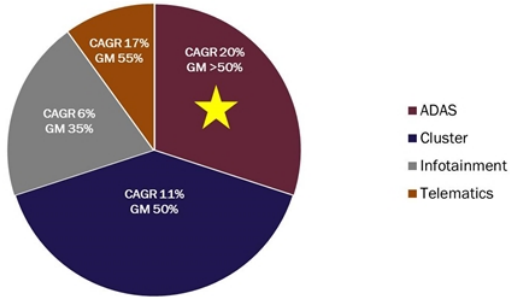
- #1 IN AUTOMOTIVE LIGHTING MOTION CONTROL**
- #2 IN AUTOMOTIVE LED POWER**
- FRONT LIGHTING CONTENT PER CAR UP TO \$16**
- REAR AND INTERIOR LIGHTING CONTROL**
- WINNING:** CONTINENTAL, HELLA, MAGNETI-MARELLI, OSRAM, LEAR, VALEO, KEBODA, MELCO, ZKW

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EXTENDING POWER OPPORTUNITY IN ADAS

2015 High Growth Applications \$500M



2016
\$237M

10% TAM CAGR

2020
\$495M

Power Supply Content per Vehicle

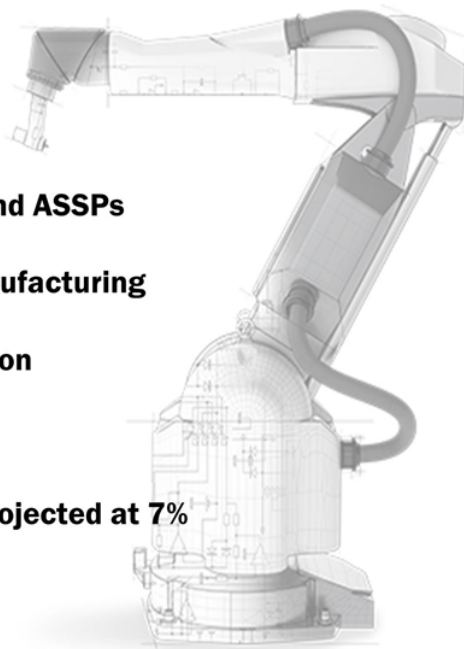
Component	Quantity	Cost	ASIL Level
VCM (Vision Control Module)	1 / Vehicle	\$8	D
RADAR/LIDAR (24, 77 and 79GHz)	6 to 10 / Vehicle	\$12 - \$20	B/C
CAMERAS (Rear & surround view)	5 to 12 / Vehicle	\$5 - \$12	A/B
ULTRASONIC	5 to 15 / Vehicle	\$2 - \$6	A/NA


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ASG CURRENT INDUSTRIAL MARKET

- **#1 in Industrial ASICs and ASSPs**
- **Trusted Design and manufacturing**
- **Efficient power conversion**
- **Long product lifecycles**
- **2016 to 2020 growth projected at 7%**

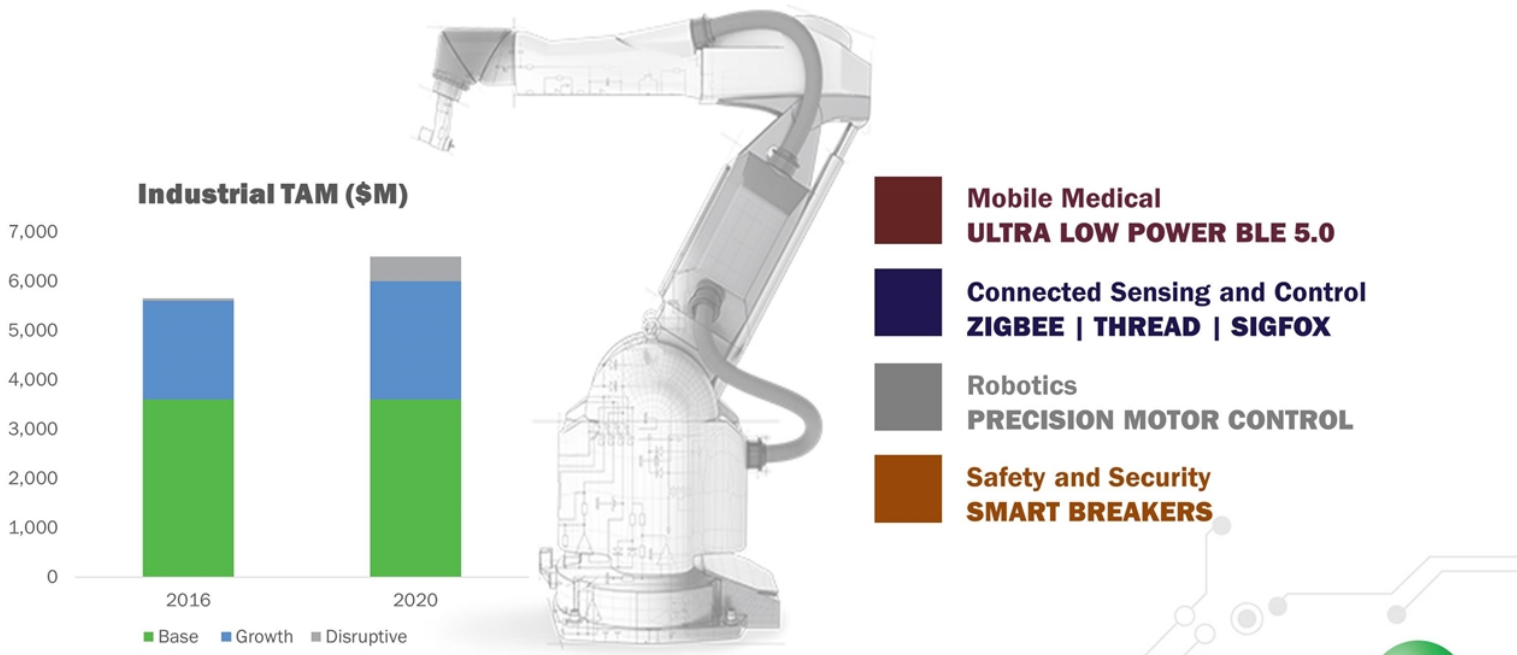


-  **Medical Imaging**
FASTER WITH HIGHER QUALITY
-  **IoT Edge Node**
STANDARDS BASED COMMUNICATION
-  **Circuit Breaking**
INTELLIGENT SWITCHING
-  **LED Lighting**
CONNECTED HIGH EFFICIENCY
-  **Motor Control**
PRECISION

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ASG KEY INDUSTRIAL GROWTH DRIVERS

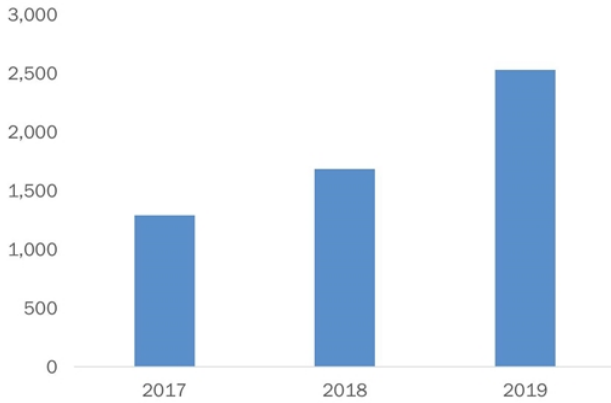


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INTELLIGENT CHARGING

Intelligent Charging SAM (\$M)



- #1 IN TRAVEL ADAPTOR
- FIRST TO MARKET WITH A4WP SOLUTIONS
- INTELLIGENT CHARGING SOLUTIONS ARE A KEY GROWTH DRIVER: CAGR 34%
- 1ST TRUE MULTI-MODE SOLUTIONS SUPPORTING ALL STANDARDS
- INTELLIGENT CHARGING ADDS UP TO \$0.20 PER DEVICE
- WIRELESS CHARGING CONTENT PER PHONE UP TO \$1

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ASG COMMUNICATIONS MARKET

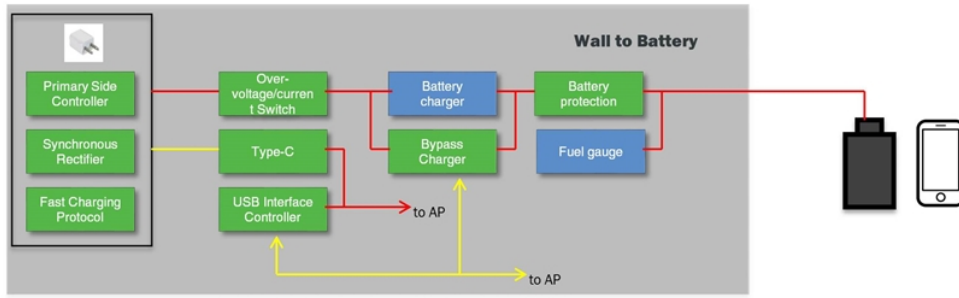


- POWER MANAGEMENT**
Bigger Smarter Phone
- FASTER CHARGING**
Complete wall to battery charging solutions
- RF TUNING**
Better reception

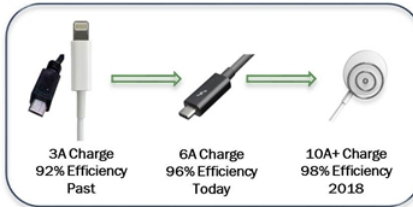
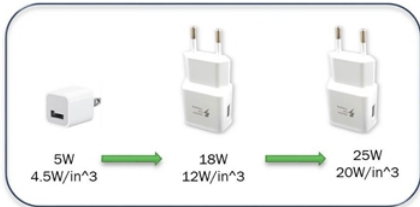
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MOBILE SOLUTIONS - WALL TO BATTERY SOLUTION



Current Products Products Under Development

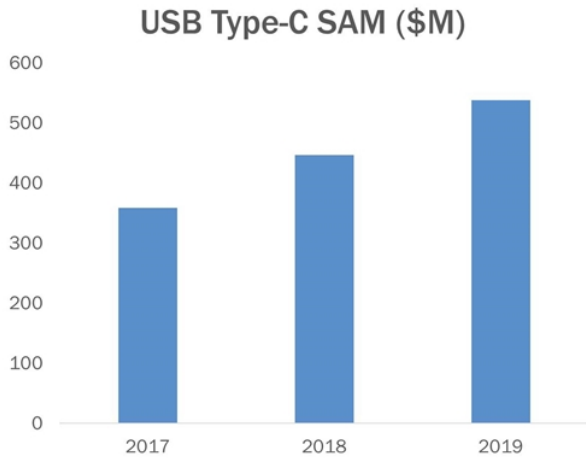


Faster charge times + higher density + higher efficiency = increased content

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LEADERSHIP IN USB TYPE-C



1ST TO MARKET WITH A CERTIFIED 10GHZ SUPERSPEED SOLUTION ADDING \$0.75 PER PORT

ON USB CONTENT PER PHONE UP TO \$1.50

USB TYPE-C AND AUDIO MULTIPLEXING ADDING \$0.35 PER PORT

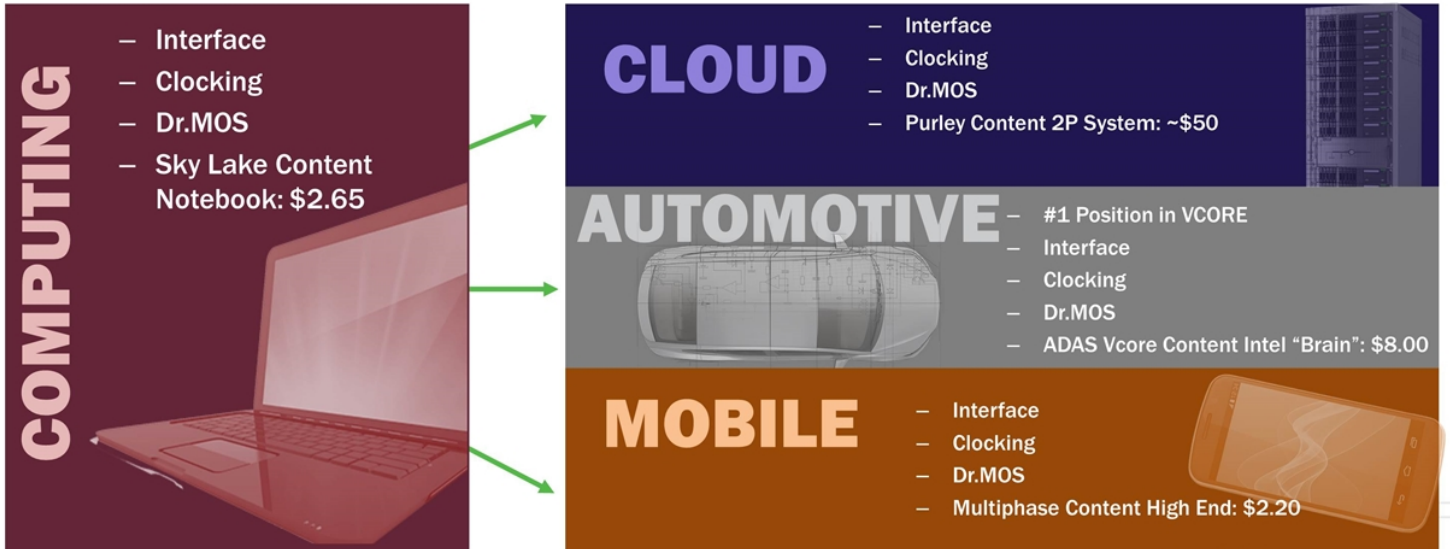
ACTIVE CABLES WILL PROVIDE \$40M OF NEW SAM IN 2017 - CAGR >60%

WINNING : HUAWEI, ASUS, LG, BBK, LENOVO/MOTOROLA, HTC, MEIZU, GOPRO, SAMSUNG, SONY, ZIMI, COOPER

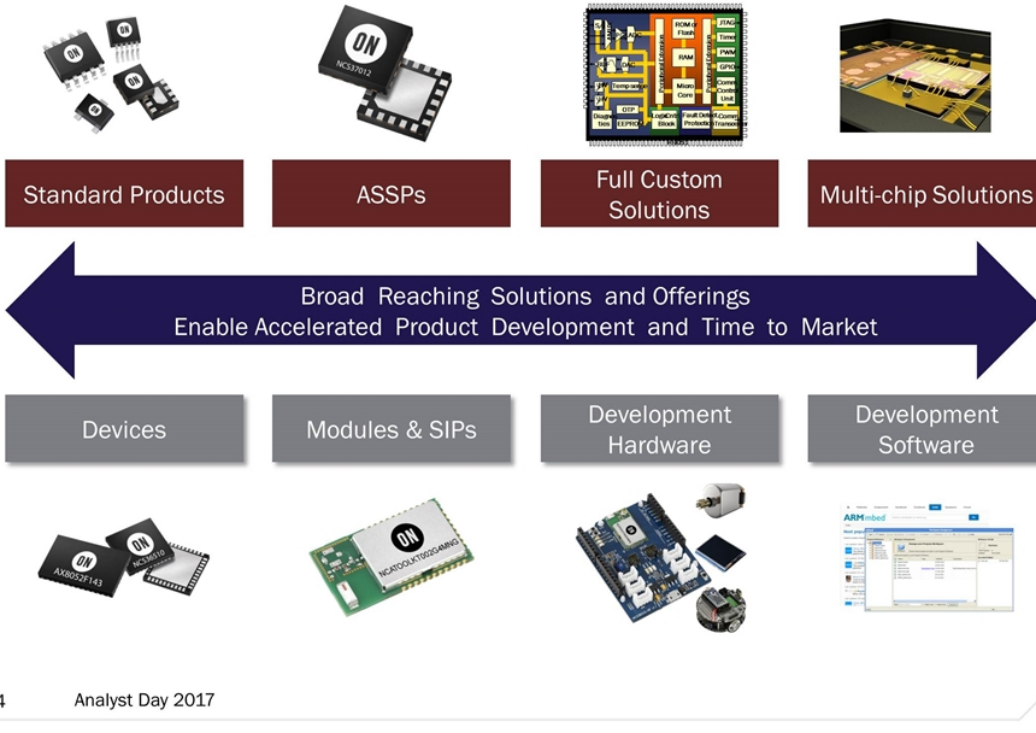
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ASG LEVERAGING COMPUTING STRENGTH INTO GROWTH



TOTAL SOLUTION ECOSYSTEM



ASG MARGIN IMPROVEMENT PLANS

GROSS MARGIN IMPROVEMENT OPPORTUNITIES

- Insourcing of Fairchild assembly and test
- Innovative test strategies
- Portfolio management
- Scrap reduction
- Factory rationalization

OPERATING MARGIN IMPROVEMENT OPPORTUNITIES

- Fairchild Synergies
- Eliminate redundant R&D activities
- Allocate headcount to higher growth markets
- Direct headcount growth to low cost development centers
- Innovative prototyping to reduce high cost tooling
- Closer customer collaboration to improve R&D yield

600 BPS OF GROSS MARGIN IMPROVEMENT¹

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SUMMARY

- 1 DRIVING GROWTH IN AUTOMOTIVE AND INDUSTRIAL**
- 2 REUSING TECHNOLOGIES AND IP TO ADDRESS FAST GROWING MARKETS**
- 3 DISRUPTIVE TECHNOLOGIES IN INTELLIGENT CHARGING & IOT CONNECTIVITY**
- 4 EXECUTING ON MARGIN EXPANSION ROADMAP**
- 5 SYNERGISTIC PORTFOLIO WITH OTHER BUSINESS GROUPS**





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Financial Analyst Day
Phoenix, Arizona
March 10, 2017



RETHINK ENERGY EFFICIENCY.



Financial Analyst Day | Phoenix, Arizona | March 10, 2017

Agenda

Introduction - Parag Agarwal	8:00-8:05
Strategic Overview - Keith Jackson	8:05-8:35
Q&A	
Analog Solutions Group - Bob Klosterboer	8:50-9:20
Image Sensor Group - Taner Ozcelik	9:20-9:50
Break	
Power Solutions Group - Bill Hall	10:05-10:35
Q&A	
Finance - Bernard Gutmann	10:50-11:20
Q&A	

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Safe Harbor Statement and Non-GAAP and Forecast Information

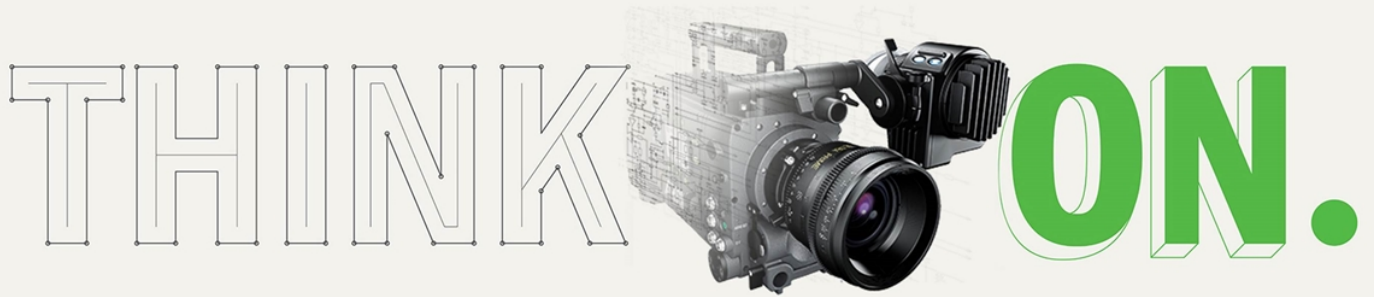
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," or "anticipates," or by discussions of strategy, plans or intentions. All forward-looking statements in this presentation 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. These factors include, among others: our revenues and operating performance; economic conditions and markets (including current financial conditions); risks related to our ability to meet our expectations regarding revenue growth, margin expansion, free cash flow generation, operational efficiency and the realization of synergies from our acquisition of Fairchild; effects of exchange rate fluctuations; the cyclical and seasonal nature of the semiconductor industry; changes in demand for our products; changes in inventories at our customers and distributors; technological and product development risks; enforcement and protection of our IP rights and related risks; risks related to the security of our information systems and secured network; availability of raw materials, electricity, gas, water and other supply chain uncertainties; our ability to effectively shift production to other facilities when required in order to maintain supply continuity for our customers; variable demand and the aggressive pricing environment for semiconductor products; our ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality for our current products; risks associated with acquisitions and dispositions, including our recent acquisition of Fairchild (including our ability to realize the anticipated benefits of our acquisitions and dispositions); risks that acquisitions or dispositions disrupt our current plans and operations, the risk of unexpected costs, charges or expenses resulting from acquisitions or dispositions and difficulties encountered from integrating and consolidating and timely filing financial information with the SEC for acquired businesses and accurately predicting the future financial performance of acquired businesses); competitor actions, including the adverse impact of competitor product announcements; pricing and gross profit pressures; loss of key customers; order cancellations or reduced bookings; changes in manufacturing yields; control of costs and expenses and realization of cost savings and synergies from restructurings; significant litigation; risks associated with decisions to expend cash reserves for various uses in accordance with our capital allocation policy such as debt prepayment, stock repurchases, or acquisitions rather than to retain such cash for future needs; risks associated with financing and capital markets activities; risks associated with our substantial leverage and restrictive covenants in our debt agreements that may be in place from time to time; risks associated with our worldwide operations, including foreign employment and labor matters associated with unions and collective bargaining arrangements as well as man-made and/or natural disasters affecting our operations and finances / financials; the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally; risks and costs associated with increased and new regulation of corporate governance and disclosure standards; and risks related to new legal requirements and risks involving environmental or other governmental regulation. Additional factors that could affect our future results or events are described in our Annual Report on Form 10-K for the year ended December 31, 2016 and in other filings we make with the SEC. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this presentation. We do not undertake or assume any obligation to update publicly any of these forward-looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements.

This presentation, and the related discussion, also contain certain non-GAAP financial measures, including non-GAAP operating expenses, which should be considered only as supplemental to, and not as superior to, financial measures prepared in accordance with generally accepted accounting principles ("GAAP"). Please refer to the Appendix of this presentation for our calculation methodologies and a reconciliation of these non-GAAP financial measures to the most directly comparable financial measures prepared in accordance with GAAP.

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IMAGE SENSOR GROUP



Taner Ozcelik, Senior Vice President

INNOVATING VISION BEYOND THE HUMAN EYE



KEY TAKEAWAYS

- 1** Leader in fast growing automotive image sensor market, which is expected to grow 24% annually for next 5 years
- 2** Optimized portfolio with approximately 80% exposure to automotive and industrial markets
- 3** Margin expansion through mix improvement, new high margin products for industrial market, supplier diversification, yield improvements and COGS reduction
- 4** Driving growth through innovation and extending ADAS portfolio to include radar for autonomous driving



#1 IN MISSION CRITICAL APPLICATIONS

AUTOMOTIVE

ADAS

Surround View

Mirror Replacement

Driver Monitor

AR¹



INDUSTRIAL



Inspection systems

Security

Flat Panel Inspection

Machine Vision

Traffic cameras

SPACE



Planet Labs
Satellites

WorldView-4
Satellite

Star Trackers
Mars Curiosity Rover
Juno Orbiter

MEDICAL

Portable Diagnostics

Digital Radiography

Disposable Endoscopy

Endoscopy

X-ray

Pill Cam

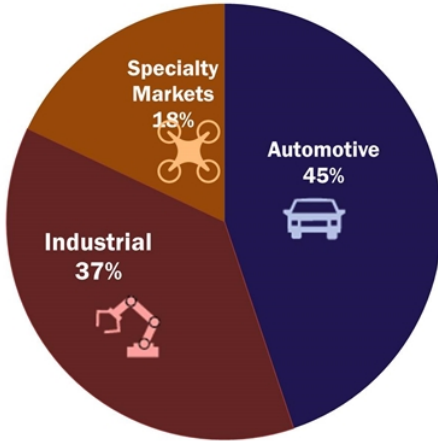


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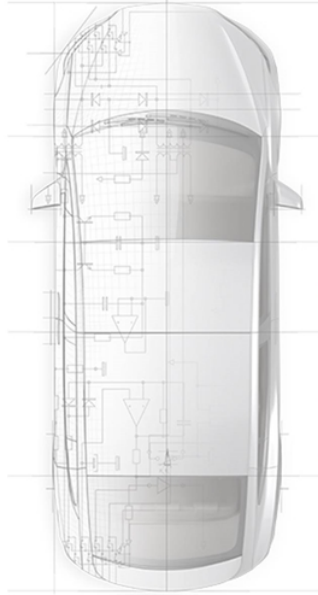


IMAGE SENSOR GROUP (ISG)

4Q16 REVENUE BY MARKET



ANNUALIZED 2016¹ REVENUE \$685M
GROSS MARGIN 33%



AUTOMOTIVE
Market and technology leadership
Industry's broadest product and customer portfolio

INDUSTRIAL
Market leadership: Machine Vision, Scanning, Specialty Industrial, Medical, IP Security
Technology leadership : High speed CMOS, EMCCD, TEC Packaging

SPECIALTY
Market focus: AR/VR, Drones, IoT
Technology leadership: Global shutter image sensors

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ISG STRATEGIC INTENT AND GOALS

1 EXTEND LEADERSHIP IN MISSION CRITICAL APPLICATIONS FOR AUTOMOTIVE AND INDUSTRIAL MARKETS

2 ADD RADAR CAPABILITIES AND ENABLE SENSOR FUSION FOR ADAS IN AUTOMOTIVE

3 EXPAND MARGINS THROUGH OPERATIONAL IMPROVEMENTS AND OPEX RATIONALIZATION

4 2020 TARGET MODEL – REVENUE \$850M, NON-GAAP GROSS MARGIN 42%

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SIGNIFICANT GROWTH OPPORTUNITIES IN STRATEGIC MARKETS

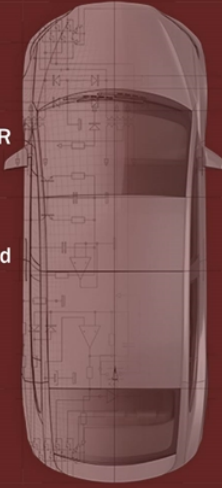
AUTOMOTIVE

45% of revenue

2016-20 Market CAGR of 24%

Growth from ADAS, NCAP¹ and Automated Driving

#1 in ADAS and Viewing Cameras



INDUSTRIAL

37% of revenue

IoT, security, automation key drivers

Broadest portfolio in the market

#1 in IP cameras and scanning



SPECIALTY

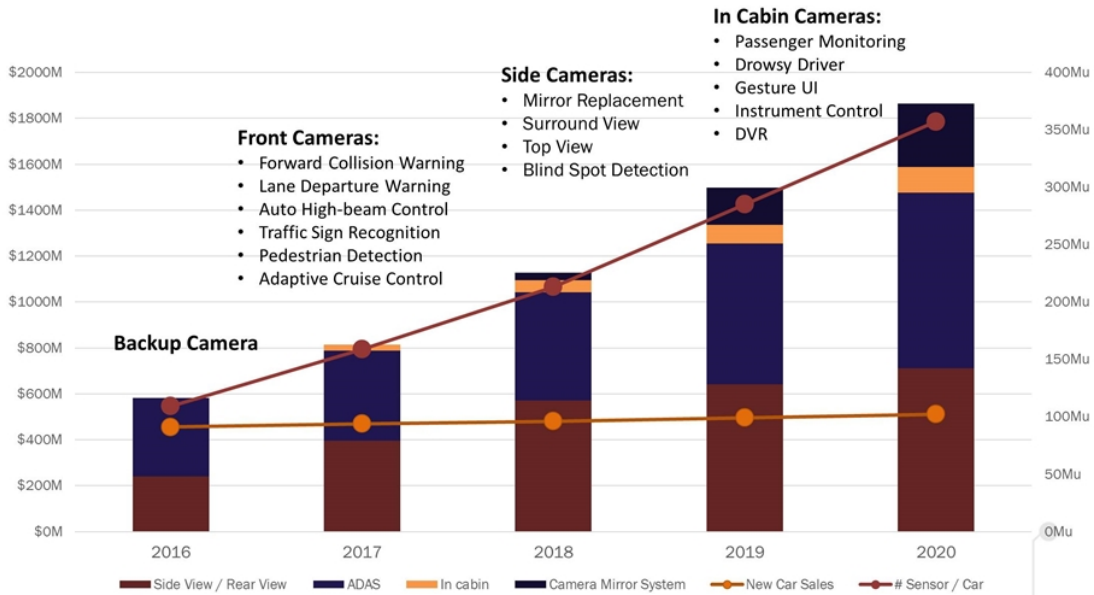
18% of Revenue

Select segments with differentiated technology, such as Global Shutter

Drones, AR/VR, 360, IOT



AUTOMOTIVE IMAGE SENSORS - FAST GROWING MARKET

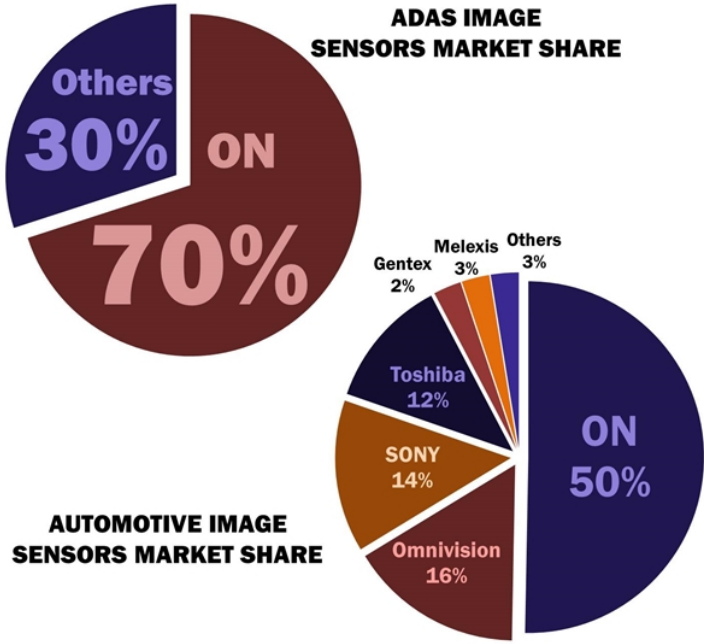


2016-20 INDUSTRY REVENUE CAGR OF 24%

ON Semiconductor®

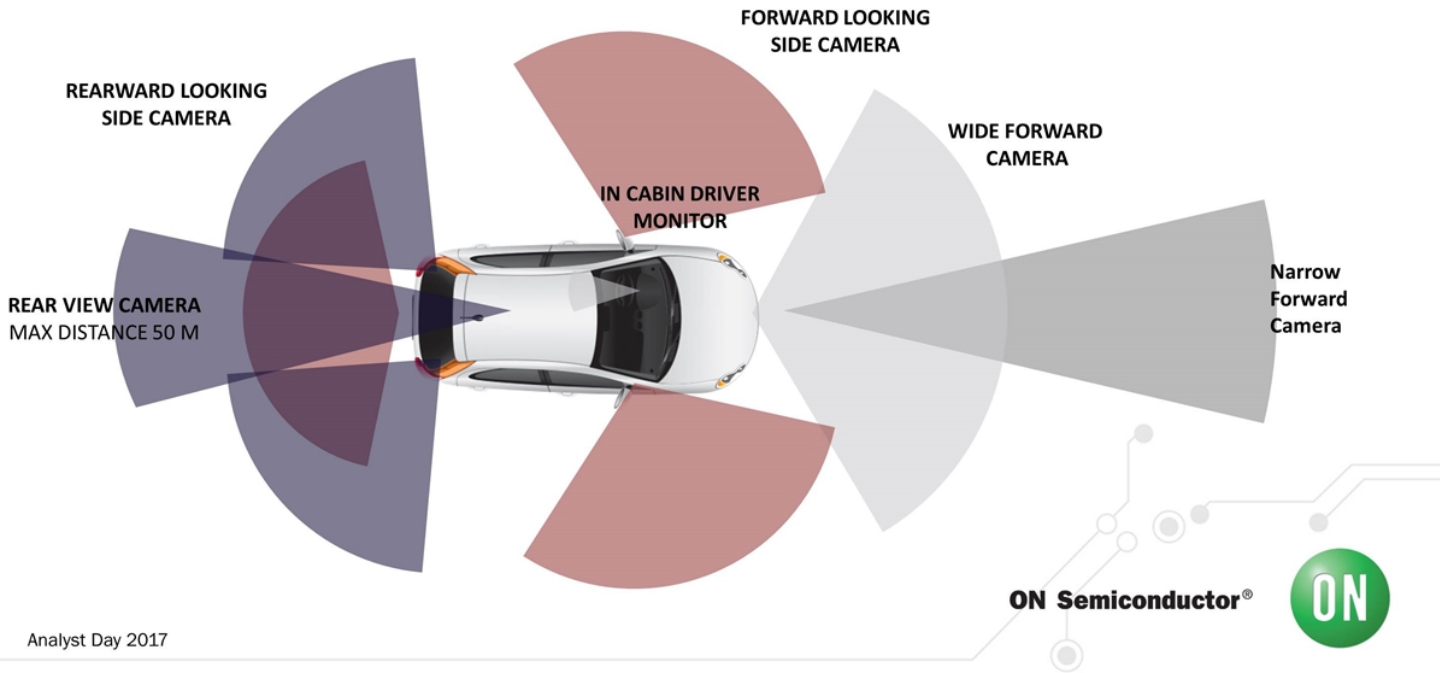


AUTOMOTIVE GROWTH DRIVERS - #1 MARKET SHARE AND GROWING



¹: FY2014 revenue includes full year Aptina revenue. Source: TSR, IHS, Gartner and ON Semiconductor

LEADING EV HAS 9 ON IMAGE SENSORS IN LATEST MODEL



MARQUEE AUTOMOTIVE CUSTOMER LIST

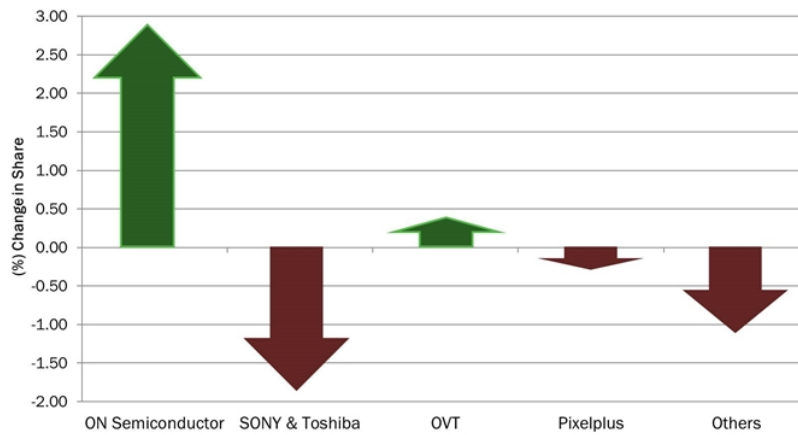


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CONTINUING TO GAIN MARKET SHARE

**Automotive Market Share Growth
2015-2017F**



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THE MOST COMPLETE CAMERA MODULE PORTFOLIO

Segment	Device	ON	SONY	Omnivision
IMAGE SENSOR, IC & STORAGE	Image Sensor	★	★	★
	Image Signal Processor	★	✓	★
	EEPROM	★	-	-
	LIN Transceiver	★	-	-
	Microcontroller	✓	-	-
	In-Vehicle Networking	✓	-	-
POWER	Voltage regulator	★	-	-
	LDO	★	-	-
	LV & HV FET	★	-	-
	Rectifier	★	-	-
SIGNAL & PROTECTION	Std. Logic	★	-	-
	ESD/EMI	★	-	-
	Diodes	★	-	-
	eFuse/Current Prot.	★	-	-
	TVS	★	-	-

★ Leading Capability

✓ Competency

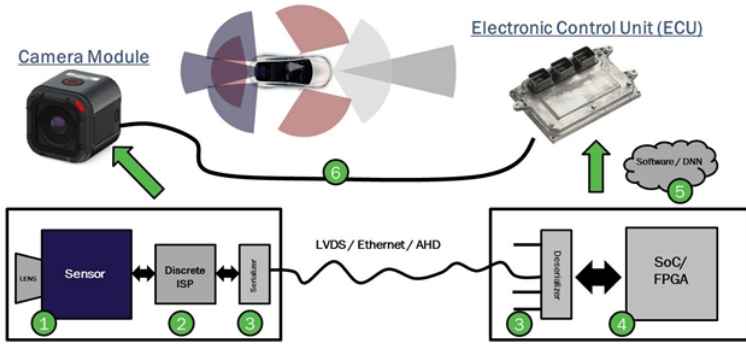
- Lacking Capability

SYNERGISTIC PRODUCTS FOR AUTOMOTIVE IMAGING

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MASTERS OF AUTOMOTIVE ECOSYSTEM



- 1 Lens**
- 2 Discrete ISP**
- 3 SerDes/IF**
- 4 SoC/FPGA**
- 5 ISVs**

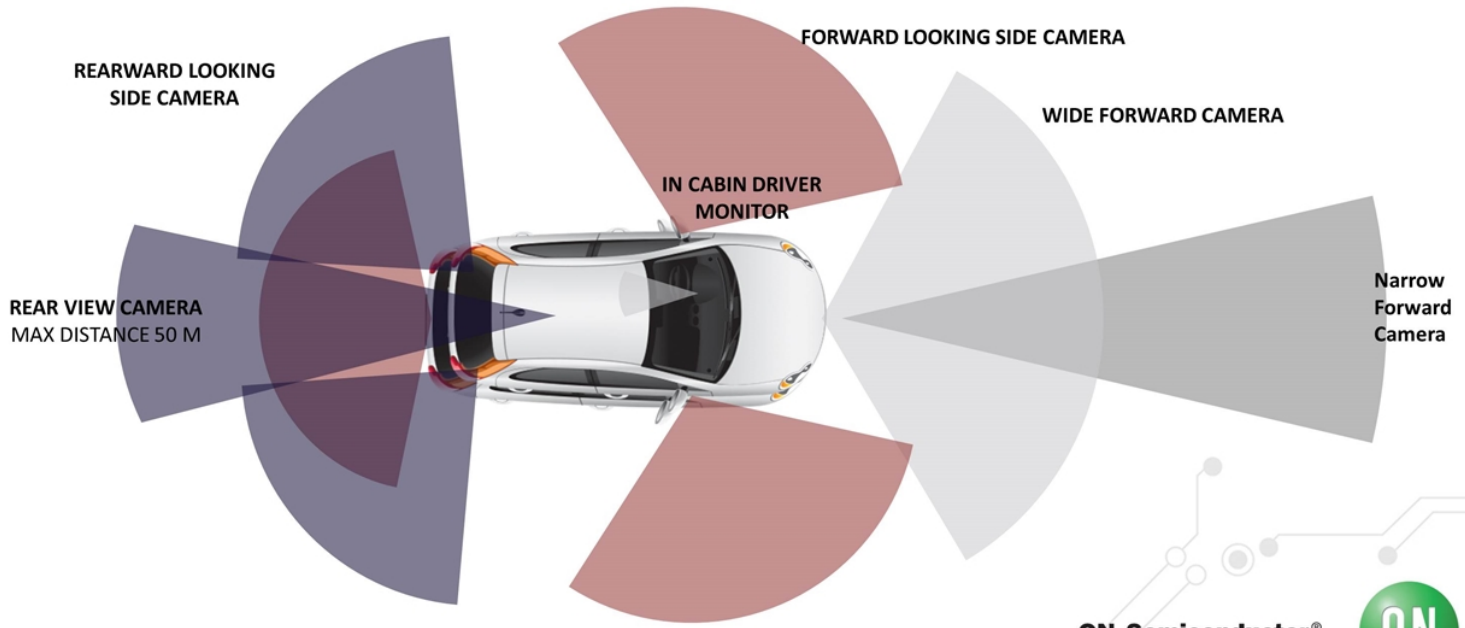




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LEADING EV HAS 9 ON IMAGE SENSORS IN LATEST MODEL

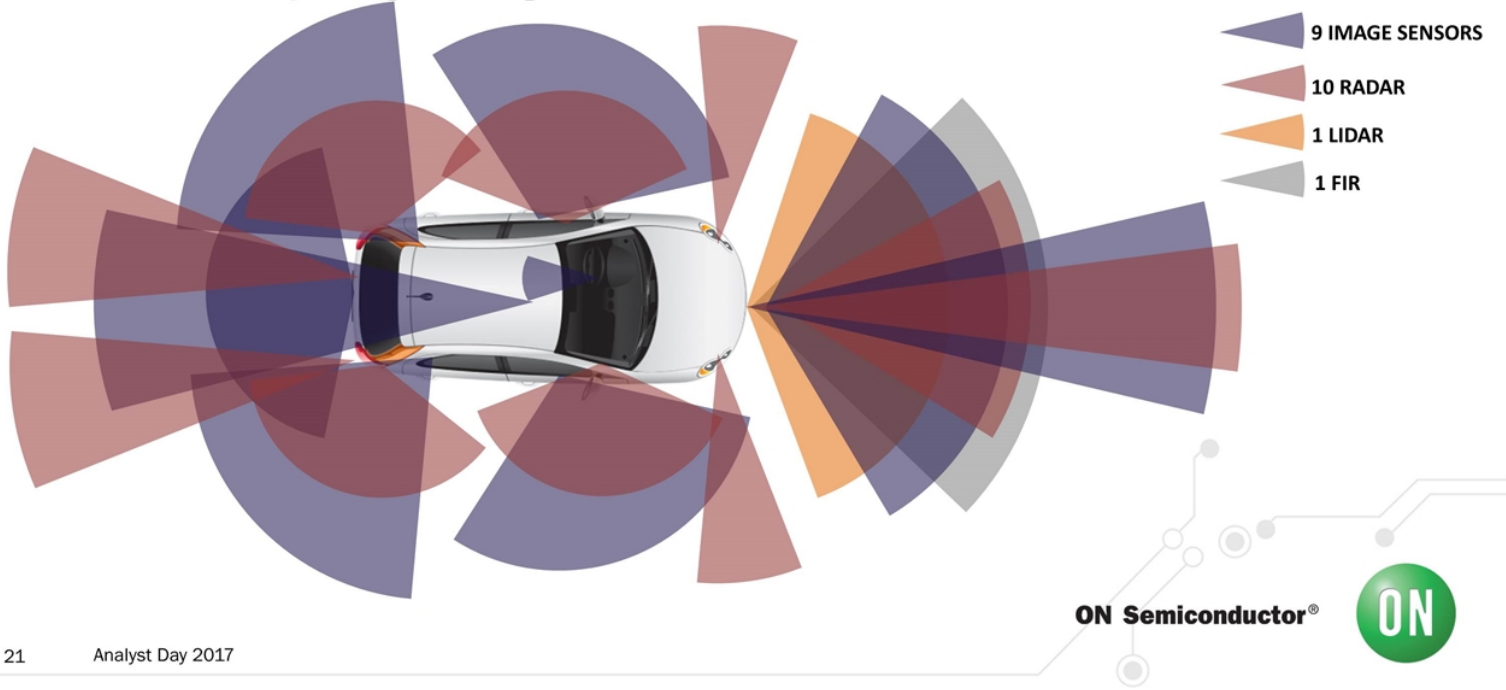


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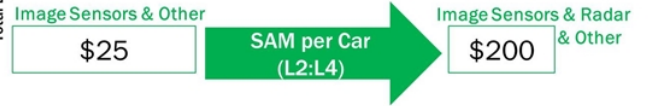
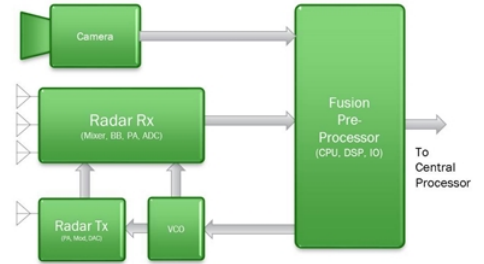
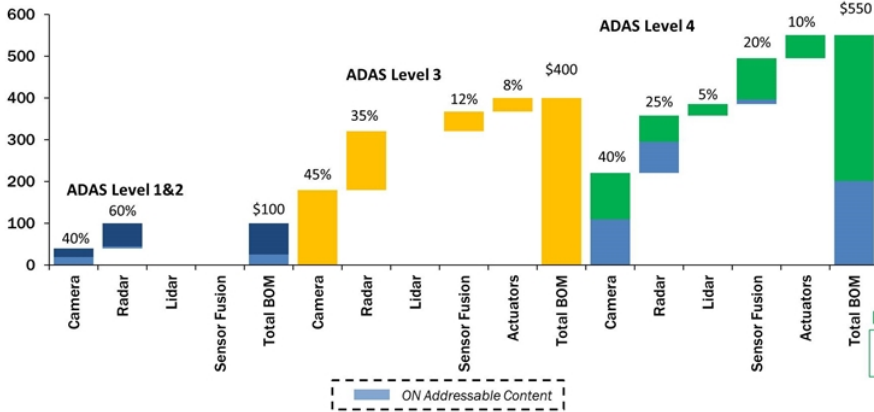
IMAGING + RADAR FUSION

Customers Requiring 9 Imagers and 10 Radar Transceivers



AUTONOMOUS DRIVING PORTFOLIO EXPANSION

Radar & Image Sensor Fusion – SAM growth of ~10x



- Energy Efficiency:** 1 sensor pre-processor vs. 2
- Size & Weight Reduction:** 1 cable to central processor
- Better Sensing:** Improved imaging by using radar data

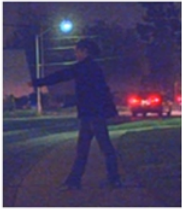
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ISG BEST IN CLASS TECHNOLOGIES

LARGEST IMAGE SENSOR AND PROCESSING PATENT PORTFOLIO WITH 2000 + PATENTS

Best Automotive Pixel Technology



LED Processing



Own CFA & Micro Lens Manufacturing

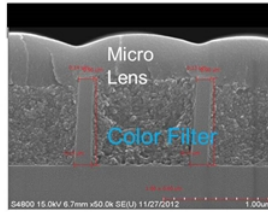
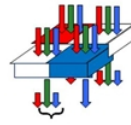
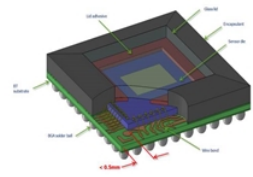


Image Processing



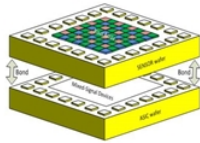
Packaging



Highest Dynamic Range



Stacking



Global Shutter



ON-Sensor Safety & Cyber Security



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SUSTAINABLE COMPETITIVE ADVANTAGE IN AUTOMOTIVE

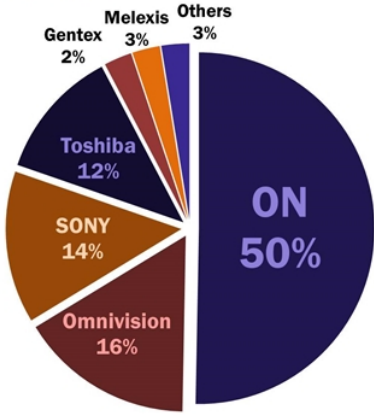
1 STRONG DESIGN PIPELINE
Automotive design win pipeline of more than \$1B with visibility of at least three years

2 ROBUST TECHNOLOGY LEAD
HDR¹, functional safety, cyber security, sensor fusion, ISP², uLens, packaging

3 COMPLETE SOLUTION
Sensor, power management, protection, Image signal processing, In-vehicle networking

4 FASTEST TIME TO MARKET
2x the products per year and largest automotive imaging team in the world

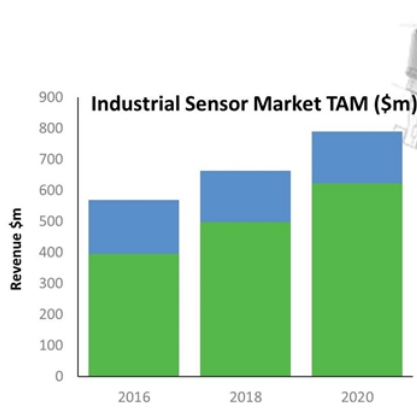
5 SENSOR FUSION
Complementing leadership in image sensors with investment in automotive radar



AUTOMOTIVE IMAGE SENSORS MARKET SHARE



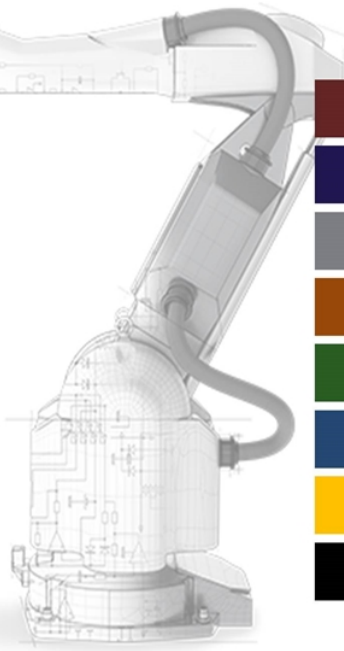
INDUSTRIAL GROWTH DRIVERS



**PYTHON CMOS
Image Sensor
Family**



**Large Format
Interline CCD**



- BARCODE SCANNING**
- WAREHOUSE AUTOMATION**
- MADE IN CHINA 2025**
- ROBOTICS**
- BIOMETRICS**
- TRAFFIC CAMERAS**
- LICENSE PLATE RECOGNITION**
- PCB INSPECTION**

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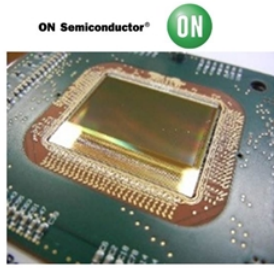


AWARD WINNING DIGITAL CINEMATOGRAPHY

2016 Academy Award



**ALEXA Digital
Cinematography Camera**




ALEV III Image Sensor

For the pioneering design and engineering of the Super 35 format ALEXA digital camera system



**2016 Scientific and Technical Award
Academy of Motion Picture Arts and Sciences**

Improvements to Large Format CMOS Imagers for Use in High Definition Broadcast Video Cameras



**2013 Technology and Engineering Emmy Award
National Academy of Television Arts & Sciences**

This camera has brought us to a point where digital is simply better. In my opinion, there are now more advantages than disadvantages to digital cinematography.

Roger Deakins, ASC, BSC
13 Academy Award Nominations for Best Cinematography
2011 ASC Lifetime Achievement Award

Academy Award Winners for Best Cinematography

				
2011	2012	2013	2014	2015



ISG SPECIALTY IMAGING FOR GROWTH

GLOBAL SHUTTER

AR/VR, Drones,

- No motion blur or distortion
- Low read noise
- High reliability capture



3D DEPTH MAPPING

AR/VR, IP Cam, Gaming, IOT

- Highest depth range
- High shutter efficiency
- Low read noise
- High frame rate



DRONES

CAMERAS:

IP, ACTION, DEPTH, 360, USB

VACUUM CLEANERS

AR / VR / MR

EYE GLASSES

IOT DEVICES

ON Semiconductor®



ISG MARGIN IMPROVEMENT PLANS

MANUFACTURING

Dual Source
Transition to Lower Cost Fab & Process Nodes
Yield Improvements (Fab Process and Binning)
Test Time Reduction

PRODUCT DEVELOPMENT

Die Shrink
BOM Cost Reductions

OPEX

Opex leverage and rationalization

900 BPS OF GROSS MARGIN IMPROVEMENT¹

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SUMMARY

1

LEADERSHIP IN AUTOMOTIVE

50% market share and growing
Technology and product portfolio leadership
Robust design pipeline
Broadest range of customer and partner relationships
Investing in radar for sensor fusion

2

LEADERSHIP IN INDUSTRIAL IMAGING

#1 market share in several industrial segments
Growing above market with Industry 4.0 and Made in China 2025 drivers
Top to bottom portfolio of products
Robust design win pipeline

3

MARGIN EXPANSION

42% GM by 2020 driven by mix, yield improvement and cost reduction
Strong opex control
Leveraging ON's vast manufacturing scale & logistics networks

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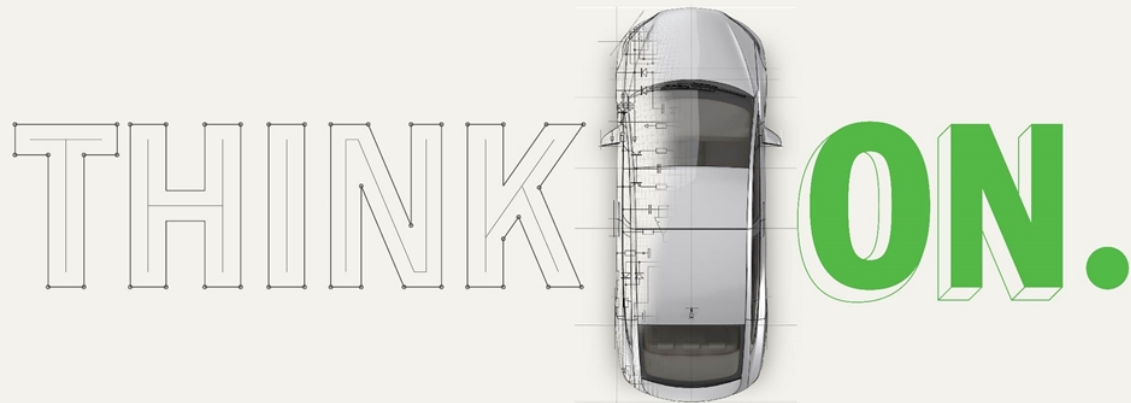


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Financial Analyst Day
Phoenix, Arizona
March 10, 2017



RETHINK ENERGY EFFICIENCY.



Financial Analyst Day | Phoenix, Arizona | March 10, 2017

Agenda

Introduction - Parag Agarwal	8:00-8:05
Strategic Overview - Keith Jackson	8:05-8:35
Q&A	
Analog Solutions Group - Bob Klosterboer	8:50-9:20
Image Sensor Group - Taner Ozcelik	9:20-9:50
Break	
Power Solutions Group - Bill Hall	10:05-10:35
Q&A	
Finance - Bernard Gutmann	10:50-11:20
Q&A	

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Safe Harbor Statement and Non-GAAP and Forecast Information

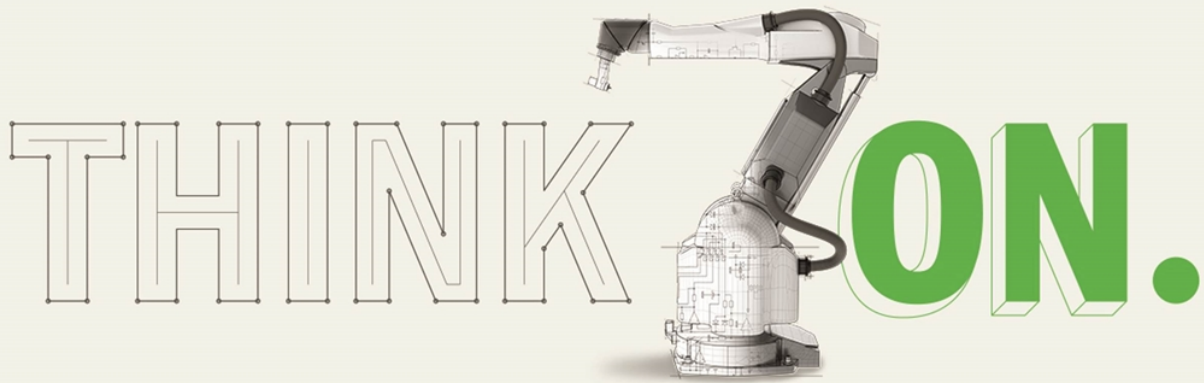
This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are often characterized by the use of words such as "believes," "estimates," "expects," "projects," "may," "will," "intends," "plans," or "anticipates," or by discussions of strategy, plans or intentions. All forward-looking statements in this presentation 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. These factors include, among others: our revenues and operating performance; economic conditions and markets (including current financial conditions); risks related to our ability to meet our expectations regarding revenue growth, margin expansion, free cash flow generation, operational efficiency and the realization of synergies from our acquisition of Fairchild; effects of exchange rate fluctuations; the cyclical and seasonal nature of the semiconductor industry; changes in demand for our products; changes in inventories at our customers and distributors; technological and product development risks; enforcement and protection of our IP rights and related risks; risks related to the security of our information systems and secured network; availability of raw materials, electricity, gas, water and other supply chain uncertainties; our ability to effectively shift production to other facilities when required in order to maintain supply continuity for our customers; variable demand and the aggressive pricing environment for semiconductor products; our ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality for our current products; risks associated with acquisitions and dispositions, including our recent acquisition of Fairchild (including our ability to realize the anticipated benefits of our acquisitions and dispositions); risks that acquisitions or dispositions disrupt our current plans and operations, the risk of unexpected costs, charges or expenses resulting from acquisitions or dispositions and difficulties encountered from integrating and consolidating and timely filing financial information with the SEC for acquired businesses and accurately predicting the future financial performance of acquired businesses); competitor actions, including the adverse impact of competitor product announcements; pricing and gross profit pressures; loss of key customers; order cancellations or reduced bookings; changes in manufacturing yields; control of costs and expenses and realization of cost savings and synergies from restructurings; significant litigation; risks associated with decisions to expend cash reserves for various uses in accordance with our capital allocation policy such as debt prepayment, stock repurchases, or acquisitions rather than to retain such cash for future needs; risks associated with financing and capital markets activities; risks associated with our substantial leverage and restrictive covenants in our debt agreements that may be in place from time to time; risks associated with our worldwide operations, including foreign employment and labor matters associated with unions and collective bargaining arrangements as well as man-made and/or natural disasters affecting our operations and finances / financials; the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally; risks and costs associated with increased and new regulation of corporate governance and disclosure standards; and risks related to new legal requirements and risks involving environmental or other governmental regulation. Additional factors that could affect our future results or events are described in our Annual Report on Form 10-K for the year ended December 31, 2016 and in other filings we make with the SEC. We caution you not to place undue reliance on any forward-looking statements, which are made only as of the date of this presentation. We do not undertake or assume any obligation to update publicly any of these forward-looking statements to reflect actual results, new information or future events, changes in assumptions or changes in other factors affecting forward-looking statements.

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POWER SOLUTIONS GROUP



Bill Hall, Executive Vice President

NEW POWERHOUSE IN POWER SEMICONDUCTORS



KEY TAKEAWAYS

- 1** The new powerhouse in power semiconductors, positioned to gain share and drive strong growth
- 2** Industry leading cost structure and sharp focus on evolutionary & revolutionary cost reductions
- 3** Rapidly expanding portfolio for automotive, industrial and communications markets
- 4** Leading the charge in GaN & SiC and introducing disruptive technologies - eFuse & smart passive sensors (SPS) to address end-system technology challenges



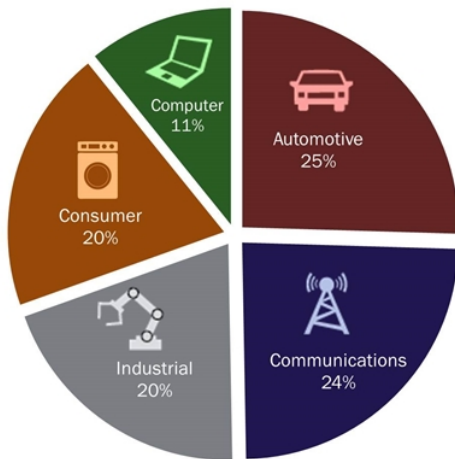
PSG STRATEGIC INTENT AND GOALS

- 1 Market leadership in power semiconductor market**
- 2 Drive growth through disruptive and innovative products and technologies**
- 3 Grow industry leading cost structure through revolutionary margin improvement plans**
- 4 2020 Target Model - Revenue \$2.7B, non-GAAP gross margin 38%**



POWER SOLUTIONS GROUP (PSG)

4Q16 REVENUE BY MARKET



AUTOMOTIVE

Largest end-market - over 7,000 AEC² qualified products



COMMUNICATIONS

#1 supplier of power discretes to the smartphone market



INDUSTRIAL

Stronger presence in industrial market with addition of Fairchild portfolio & customer base

ANNUALIZED 2016¹ REVENUE \$2.5B

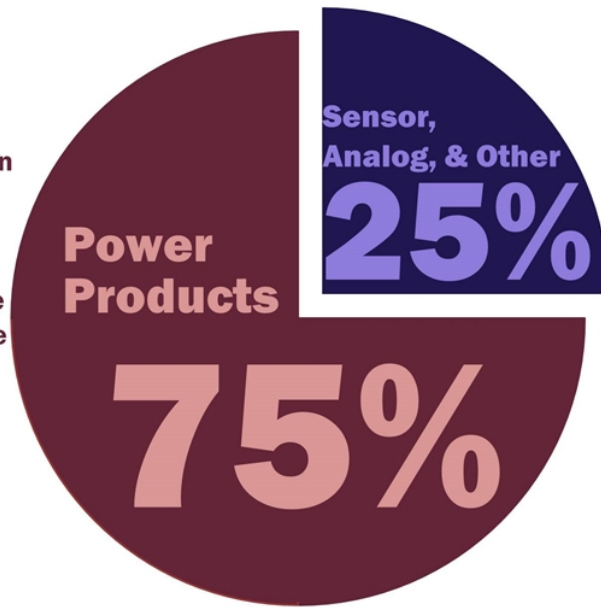
GROSS MARGIN 33%

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POWER SOLUTIONS GROUP

- Linear Regulators
- Opto
- Op-Amps
- LV, MV, HV/SuperJunction MOSFETs
- eFuse
- HV Rectifiers
- Intelligent Power Module
- Power Integrated Module
- IGBTs
- Wide Bandgap
- Automotive Power Modules
- Gate Drivers
- Automotive MOSFETs



- LED Protection
- ESD Protection
- EEPROM
- Small Signal Devices
- Standard Logic
- Smart Passive Sensors



THE NEW POWERHOUSE IN POWER

POWER DISCRETE & MODULES	ON	FAIRCHILD	IFX	Mitsubishi	STM	
	Rectifiers	★		✓	+	★
	Thyristor	✓		✓	✓	★
	LVFET	★		★	+	✓
	MVFET	★		★	+	✓
	HVFET	★		★	+	★
	SSFET	★		✓	+	✓
	Ignition	★		+	+	+
	IGBTs	★		★	+	✓
	BPT	★		★	+	✓
	FET Modules	★		+	★	+
	IPMs	★		✓	★	+
	PIMs	✓		★	★	+
	GaN Hi Voltage	★		★	+	+
	SiC	✓		★	★	✓
Gate Dr	✓		★	★	✓	

★ Leading Capability

✓ Competency

⊕ Building Capability

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IGBTS – NOW A PREMIER IGBT SUPPLIER

	TO-3P	TO-247	TO-247 4L	TO-220	TO-220 FullPak	D2PAK	DPAK
600V	ON	ON IFX	ON	ON IFX	ON IFX	ON IFX	ON IFX
650V	ON	ON IFX	ON IFX	IFX	ON IFX		
1200V	ON	ON IFX		IFX	IFX	ON IFX	ON IFX
1350V	ON	ON					
1500V	ON	ON					
1600V	ON	IFX					

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MOSFETS – SIGNIFICANTLY BROADER COVERAGE

		TO-3P	TO-247	TO-220	D2PAK	DPAK	SO-8	TO-LL	8x8	S08 DFN	S08 LFAK
\$2B	25V					ON IFX	IFX			ON IFX	ON
	30V		IFX	ON IFX	ON IFX	ON IFX	ON IFX	IFX		ON IFX	ON
\$2B TAM	40V		IFX	ON IFX	ON IFX	ON IFX	ON IFX	ON		ON IFX	ON
	60V		IFX	ON IFX	ON IFX	ON IFX	ON IFX	ON IFX		ON IFX	ON
	80V			ON IFX	ON IFX	ON IFX	ON IFX	ON IFX		ON IFX	
	100V		ON IFX	ON IFX	ON IFX	ON IFX	ON IFX	ON IFX		ON IFX	
	150V	ON	ON IFX	ON IFX	ON IFX	ON IFX	ON IFX	ON IFX		ON IFX	
	250V		IFX	ON IFX	ON IFX	ON IFX	ON	IFX		ON IFX	
	600V		ON IFX	ON IFX	ON IFX	ON IFX			ON IFX	IFX	
\$1B TAM	800V		ON IFX	ON IFX	ON IFX	ON IFX					
	900V	ON	IFX	ON IFX	IFX	ON IFX					
	1.5kV	ON	IFX	ON	ON						
	1.7 kV	ON	IFX								

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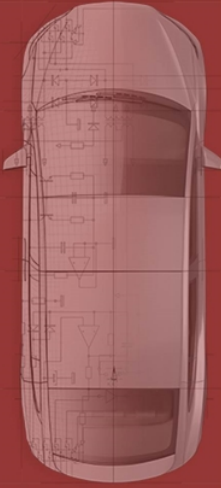


PSG GROWTH OPPORTUNITIES IN STRATEGIC MARKETS

AUTOMOTIVE

25% of revenue

Key Applications
ADAS, HEV/EV, Body
ICE/HEV/EV/Aux/
Charger
Safety, Infotainment



INDUSTRIAL

20% of revenue

Key Applications
Alternative Energy,
Industrial Motor,
Cloud Power, IOT,
Smart Grid



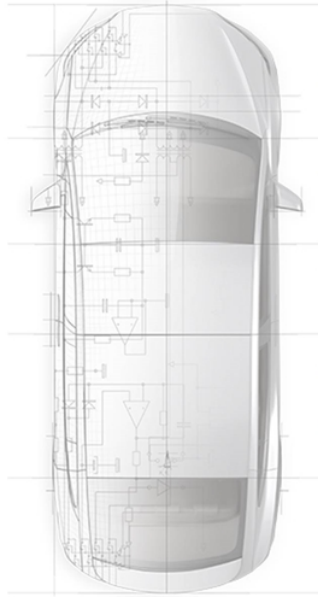
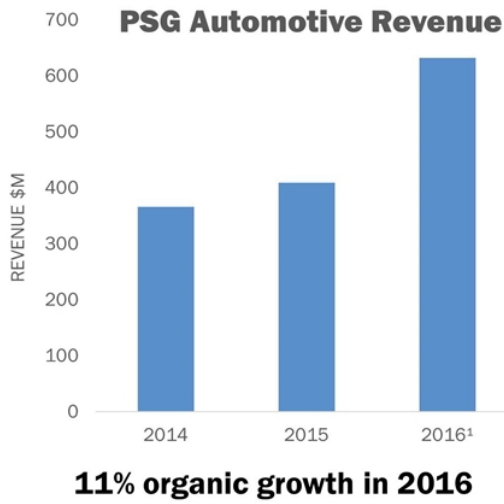
COMMUNICATION

24% of revenue

Key Applications
Smartphone/ Tablet,
Adaptors,
Wireless/Wearables,
Netcom/Datacom



PSG AUTOMOTIVE MARKET



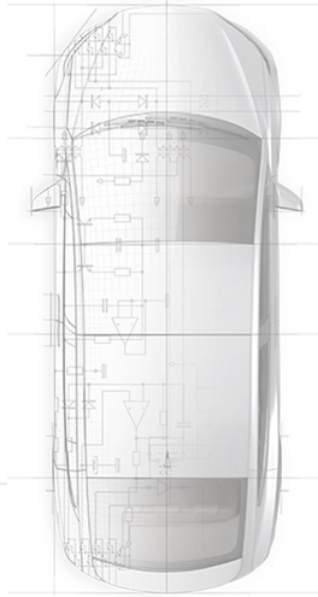
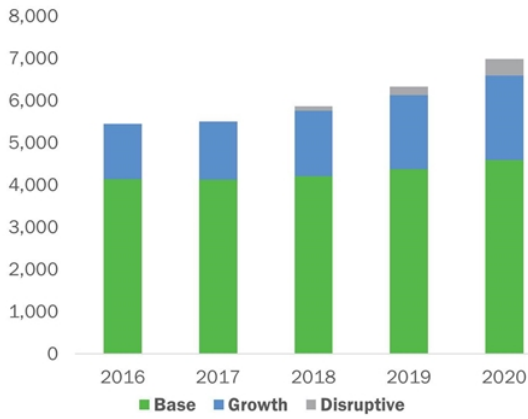
- POWERTRAIN**
HEV, EV, OBC, Aux pumps/motors, Charging Station
- BODY/LIGHTING**
Occupant Detection, Temp Zoning, QC, Body Motors, Matrix Lighting, & Ring Architecture
- SAFETY/ADAS**
Electric Power Steering, Cameras, Intelligent Tires
- INFOTAINMENT**
LCD Clusters, V2V Comm, High Speed Serial Interface

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PSG KEY AUTOMOTIVE GROWTH DRIVERS

PSG Auto TAM (\$m)

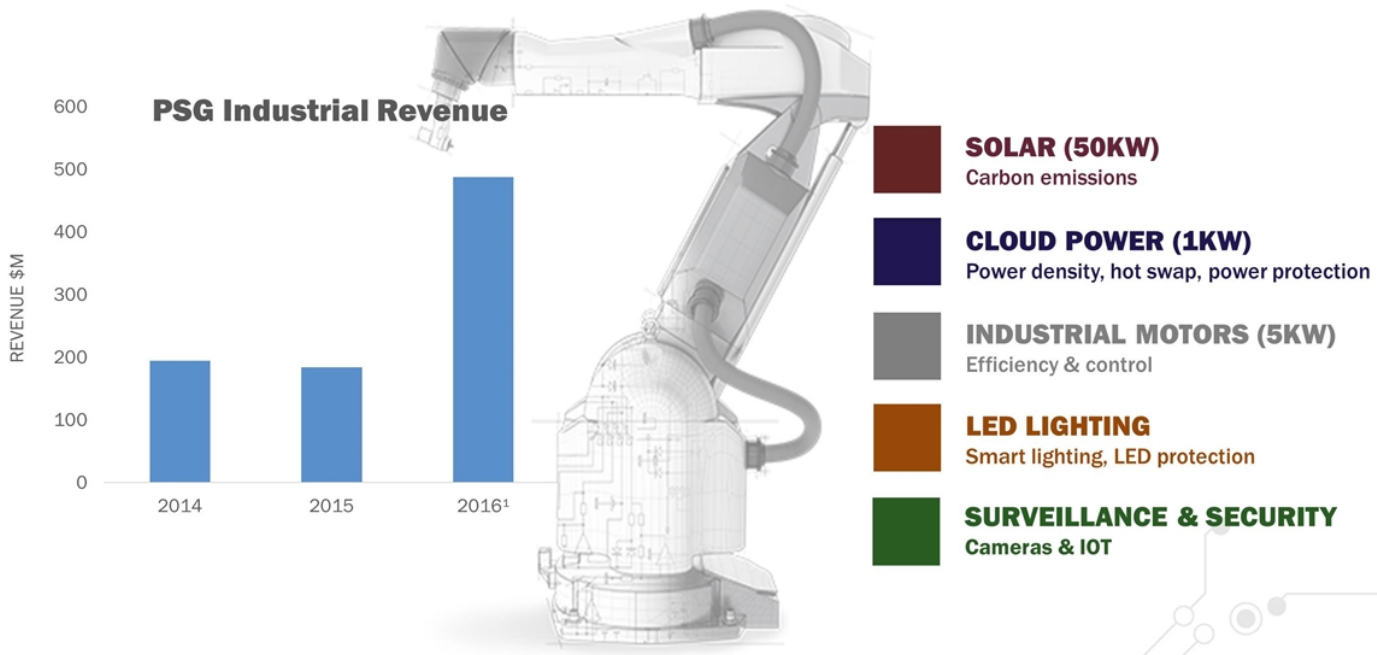


- HEV/EV (25% CAGR)**
 Modules, SJ FET, SiC, GaN, IGBT
- AUTONOMOUS (14% CAGR)**
 Protection, E²PROM, LDO, FET's, FET Modules, SPS*
- 48V (56% CAGR)**
 FET, APM, SiC, GaN, Prec. OA
- RING CABLING ARCHITECTURE (60% CAGR)**
 eFuse*, Modules, Smart Passive Sensors

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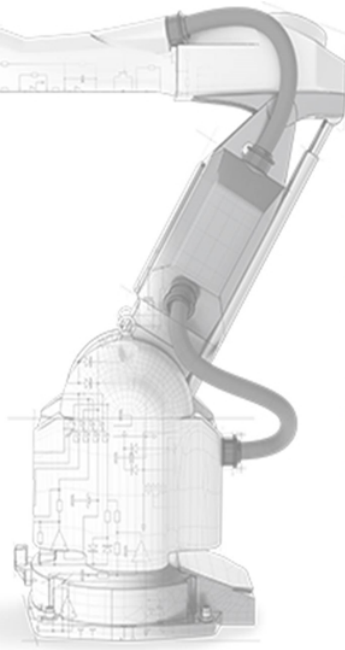
PSG INDUSTRIAL MARKET



¹: FY2016 represents Q4' 16 Annualized values.



PSG KEY INDUSTRIAL GROWTH DRIVERS

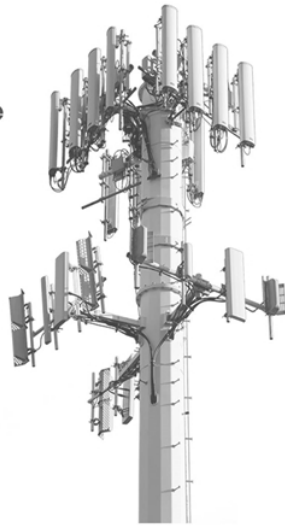


- SOLAR (12% CAGR)**
 PIMs, IGBTs, SiC/GaN, Hi Perf Analog, HV Gate Drivers
- CLOUD POWER (12% CAGR)**
 LV/MV FET, SJ FETs, IGBTs, GaN and SiC, High Performance Analog, eFuse
- INDUSTRIAL MOTOR (9% CAGR)**
 MV / SJ FETs, IGBTs, Power Modules, PIMs, GaN and SiC, E2PROM
- IOT (10% CAGR)**
 Smart Passive Sensors, Hi Perf Analog, E²PROM, LC-ESD

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PSG COMMUNICATIONS MARKET



SMART PHONE
Cameras, biometrics, HSSI, battery life, clean power

WEARABLES
Size, sensing & efficiency/battery life

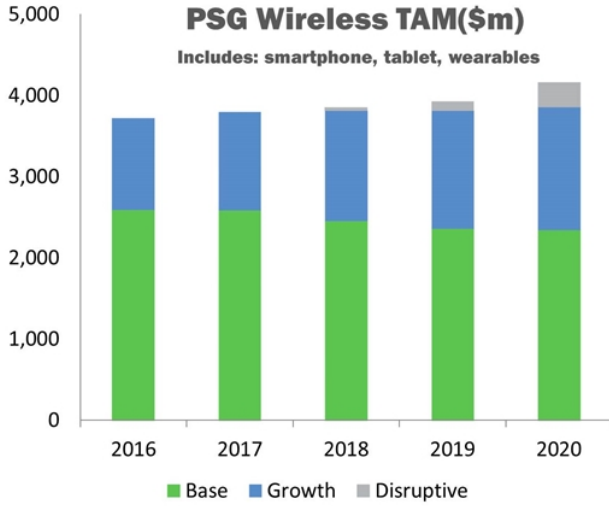
CHARGING
Fast Charging, Wireless Charging, Smaller Form Factor, Efficiency, built in batteries

11% ORGANIC GROWTH IN 2016

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PSG KEY WIRELESS GROWTH DRIVERS

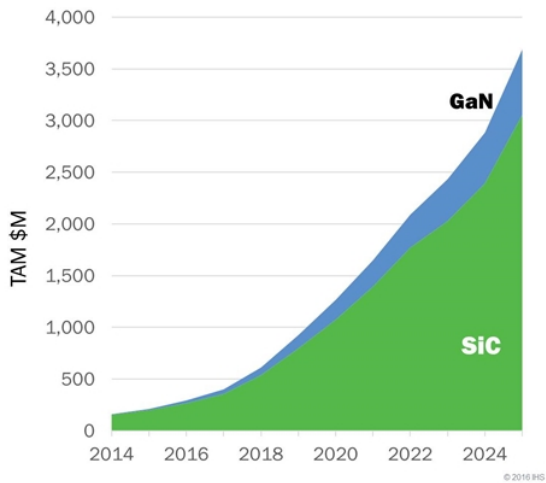


- CAMERA MODULE (11% CAGR)**
 LDO, E²PROM, Translator, LC-ESD
- CHARGING (26% CAGR)**
 LV/MVFETs, SiC/GaN, Schottky Diode, Hi PSRR LDO, E²PROM+Temp, Battery FET
- SMALLER FORM FACTORS**
 CSP & μ Pkg, SiC & GaN, Plasma Die Singulation, Capless LDO

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PSG GaN AND SiC PROGRAMS



Currently producing and sampling all SiC & GaN power technologies



KEY SiC & GaN BENEFITS

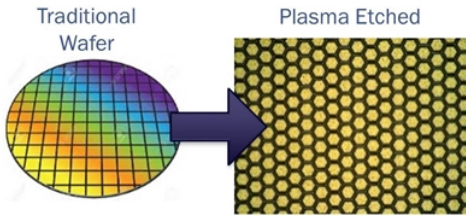
- Power Supplies: smaller form factor
- Automotive EV: no liquid cooling → reduced weight
- Auto On Board Charging: faster charge time
- Solar Energy: higher power efficiency



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REVOLUTIONARY MARGIN IMPROVEMENT PLANS



Plasma Die Singulation

- Irregular shape die
- Narrow scribe streets
- More die per wafer
- Cleaner edge/high quality

REVOLUTIONARY

- High Density Lead Frames
- Rapid Test Metallization
- Bond Pad Over Active Silicon
- Plasma Die Singulation (Etched)

EVOLUTIONARY

- Larger Wafers/Bigger Fabs
- Die Shrinks
- BOM Change
- Test Time Reduction

500 BPS OF GROSS MARGIN IMPROVEMENT¹

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SUMMARY

- 1 PSG NOW A LEADER IN POWER SEMICONDUCTOR MARKET**
- 2 MARGIN EXPANSION THROUGH REVOLUTIONARY TECHNOLOGIES**
- 3 STRONG INVESTMENT IN HV(SJ) FETS, IGBTs, POWER MODULES & WBG TECHNOLOGIES**
- 4 DISRUPTIVE TECHNOLOGIES: MICRO-PACKAGING, EFUSE, & SMART PASSIVE SENSORS**
- 5 STRONG ATTACH RATE WITH OTHER ON SEMI HIGH END PRODUCTS**





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RETHINK ENERGY EFFICIENCY.



Financial Analyst Day | Phoenix, Arizona | March 10, 2017

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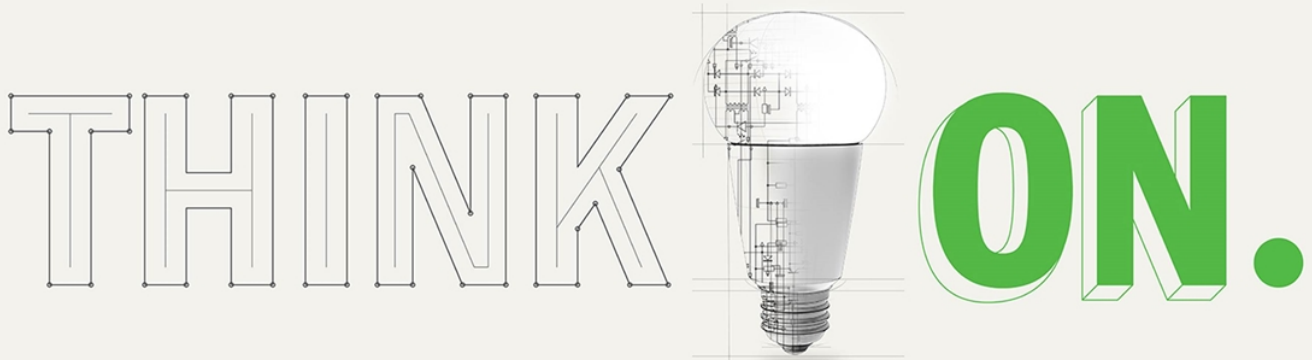
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RETHINK ENERGY EFFICIENCY.



Bernard Gutmann, Chief Financial Officer

DRIVING OPERATING LEVERAGE AND FREE CASH FLOW GROWTH



KEY TAKEAWAYS

1 Target Model for 2020:

40% gross margin, 21% opex intensity,
and 19% operating margin

2 FCF Growth and Margin Expansion

Synergies, operational improvements & operating leverage to drive FCF growth & margin expansion – revenue growth not a prerequisite for margin, EPS & FCF growth

3 Raising Fairchild Synergy Targets

Integration progressing ahead of schedule

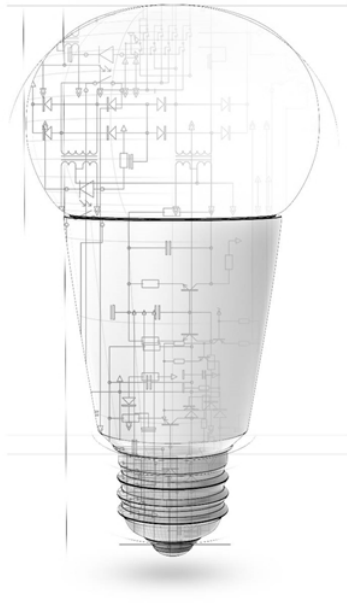
4 Efficient Deployment of Capital

Aggressive deleveraging followed by capital returns

ACCELERATED FCF GROWTH: \$900M¹ BY 2020



AGENDA

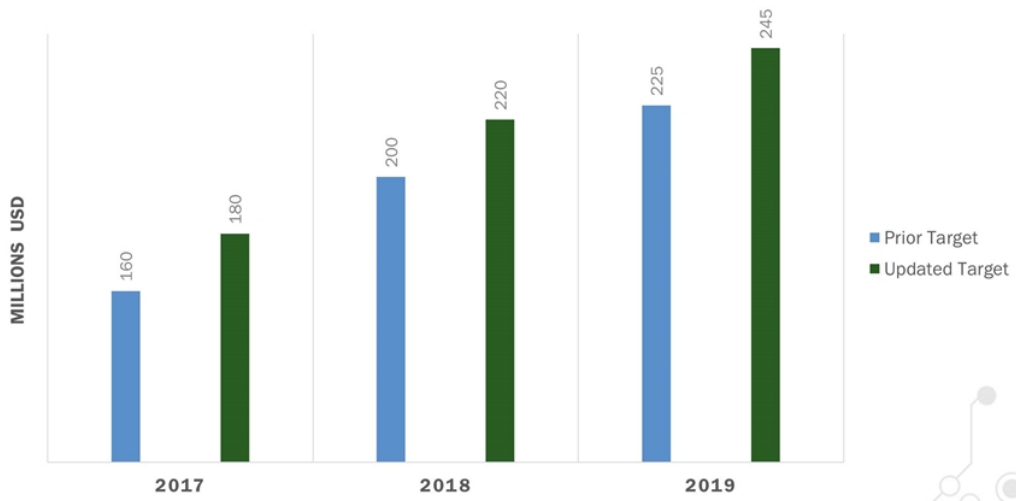


- **Fairchild Synergies Update**
- **Target Financial Model**
- **Path to Target Model**
- **FCF Model**
- **Capital Allocation**



RAISING FAIRCHILD SYNERGIES TARGET

YEAR-END ANNUALIZED SYNERGIES RUN-RATE



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TARGET MODEL 2020

1 REVENUE - \$5.6 BILLION

2 GROSS MARGIN 40%

3 OPERATING EXPENSES 21%

4 OPERATING MARGIN 19%

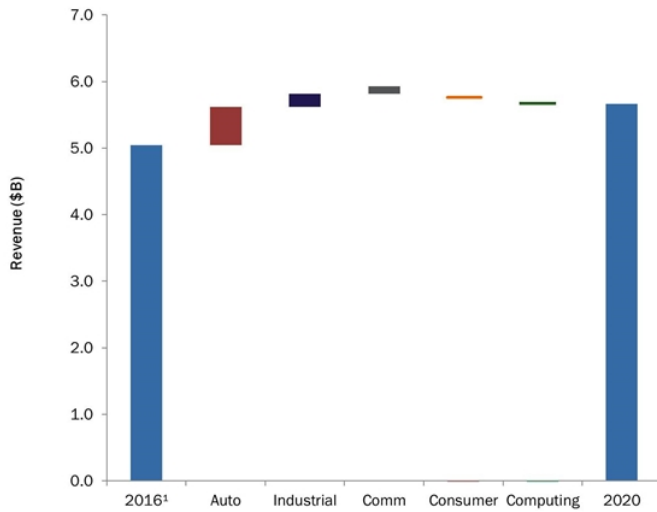
5 PROFIT BEFORE TAX \$950 MILLION

6 CASH TAX RATE 12 PERCENT

7 NON-GAAP EPS OF \$2.00

8 FREE CASH FLOW - \$900 MILLION

PATH TO 2020 TARGET MODEL - REVENUE



AUTOMOTIVE CAGR 7 TO 9%



INDUSTRIALS CAGR 3 TO 5%



COMMUNICATIONS CAGR 2 TO 4%



CONSUMER CAGR -5% TO -7%



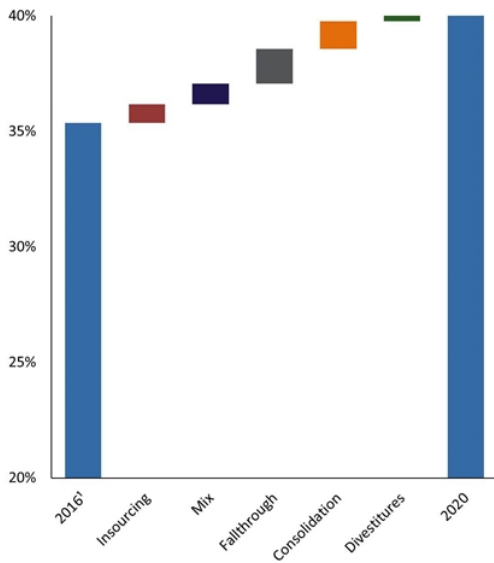
COMPUTING CAGR -6% TO -4%

REVENUE CAGR OF 3%, ASSUMING INDUSTRY CAGR OF 1.5-2%

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PATH TO 2020 TARGET MODEL – GROSS MARGIN



- MANUFACTURING EFFICIENCIES – 80 BPS**
Insourcing of back-end production
- MIX – 90 BPS**
Improving mix of automotive, industrial and communications
- FALLTHROUGH – 150 BPS**
50% fall through on incremental revenue
- MANUFACTURING CONSOLIDATION – 120 BPS**
Front-end manufacturing consolidation
- DIVESTITURES– 40 BPS**
Divestiture of non-core businesses



*: FY2016 represents Q4' 16 Annualized values.

MANUFACTURING CONSOLIDATION

Front End-Manufacturing

- 9 major fabs worldwide – Four 8 inch and five 6 inch
- Transition production to 8 inch network
- Consolidation of 6 inch network
- Potential cost savings of \$60 million annually starting in 2019

Back-end manufacturing

- Most efficient back-end operation in the world
- ~50% of Fairchild back-end production outsourced
- Insourcing on track to begin in late 2017
- Potential cost savings of \$20 million annually

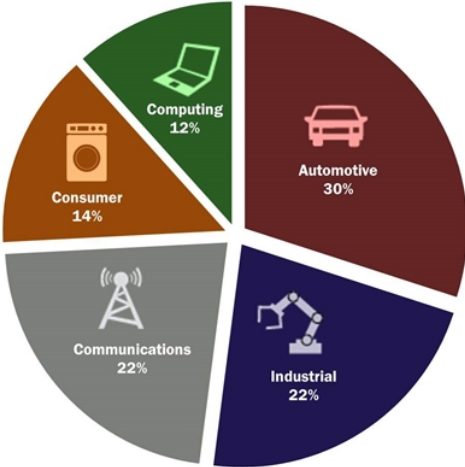
CAPEX. INTENSITY TO REMAIN AT 6-7%

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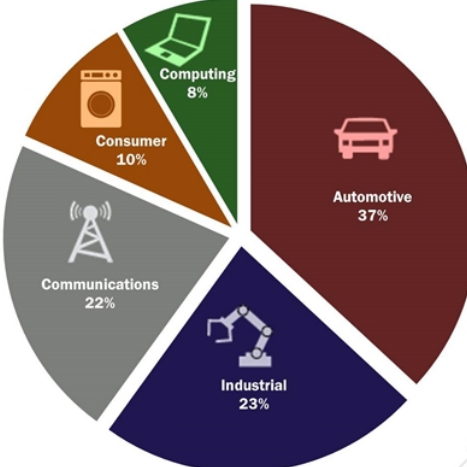


CHANGE IN MIX 2016 TO 2020

4Q16



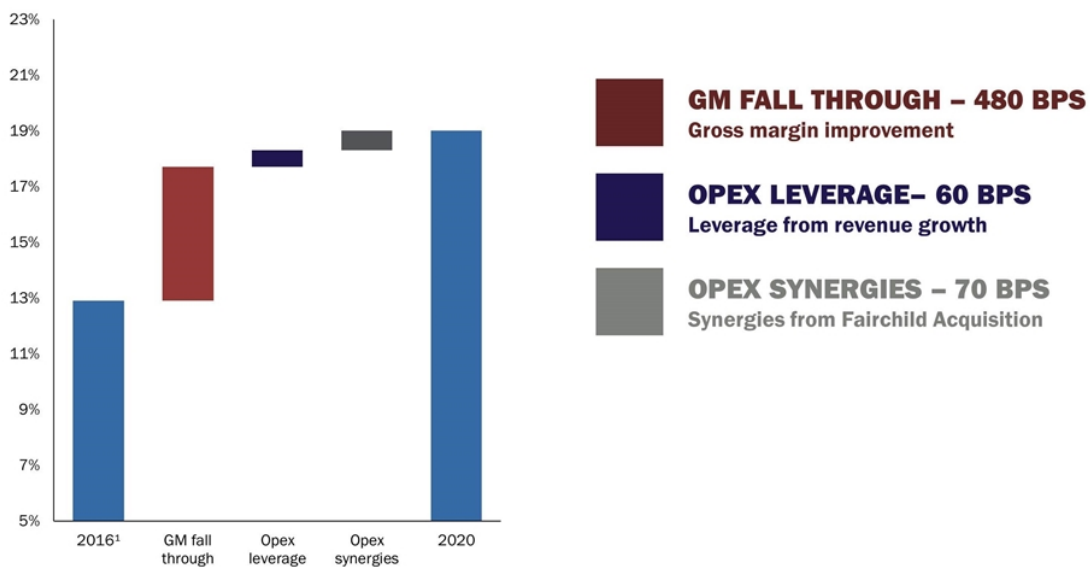
2020



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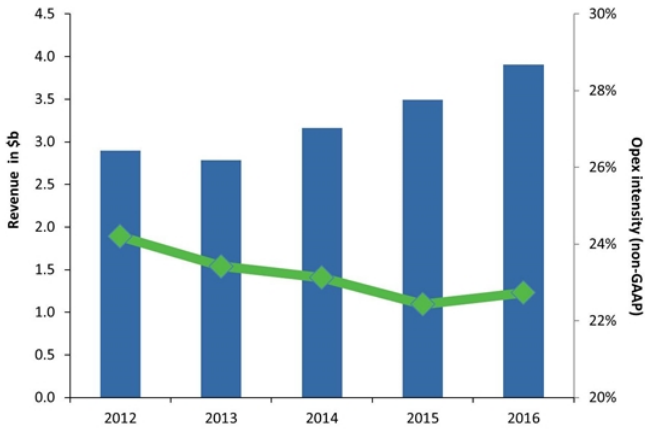
PATH TO 2020 TARGET MODEL – OPERATING MARGIN



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OPERATING EXPENSES



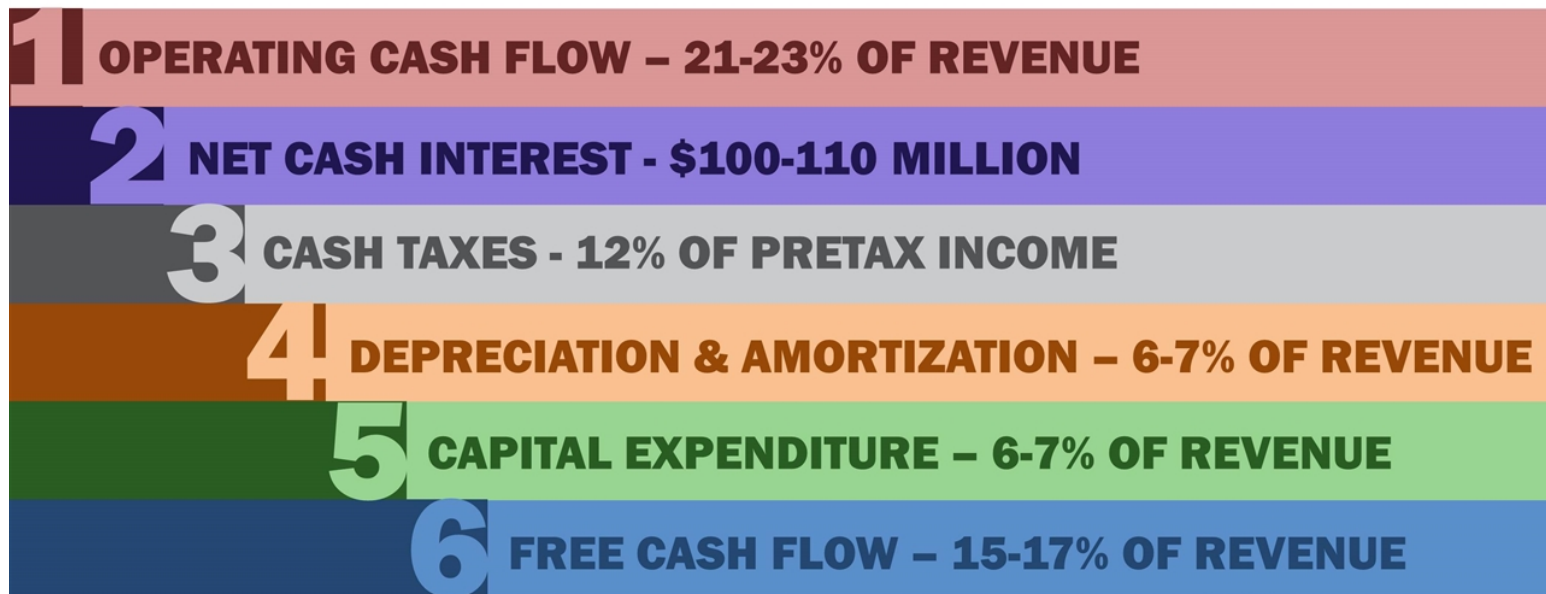
OPEX INTENSITY TO SUBSIDE

-  **SYNERGIES FROM FAIRCHILD**
-  **OPEX TO GROW AT RATE HALF OF REVENUE GROWTH**
-  **STRONG TRACK RECORD OF GENERATING OPEX LEVERAGE**

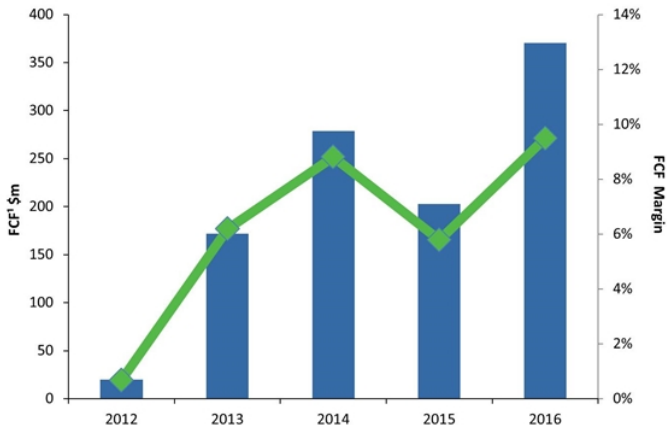
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PATH TO 2020 TARGET MODEL – FCF



ON TRACK TO GENERATE \$900M IN ANNUAL FREE CASH FLOW



KEY CASH FLOW CONTRIBUTORS

-  **SYNERGIES FROM FAIRCHILD**
-  **OPERATING LEVERAGE**
-  **OPERATIONAL IMPROVEMENTS**
-  **DISCIPLINED CAPITAL SPENDING**

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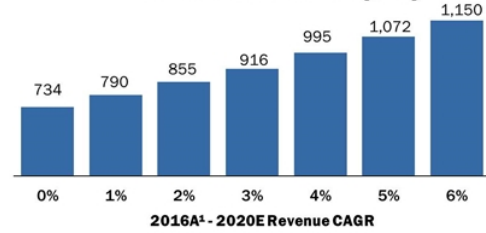


REVENUE SENSITIVITY TO 2020 TARGET MODEL

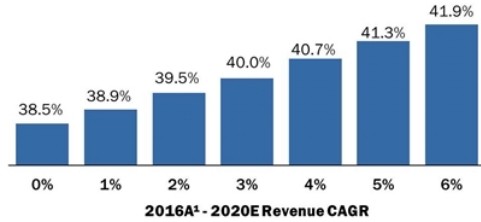
Non-GAAP Earnings / Share



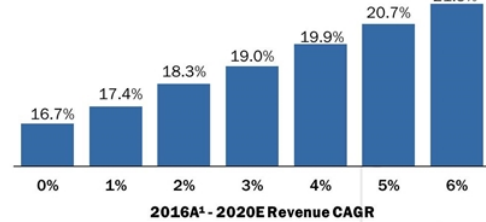
Free Cash Flow (\$m)



Gross Margin



Operating Margin

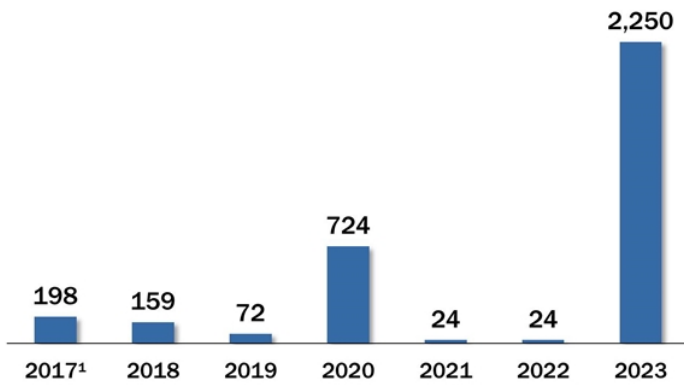


MARGIN, EPS & FCF GROWTH WITHOUT REVENUE GROWTH

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AGGRESSIVE DELEVERAGING



Debt amortization schedule¹

- TARGET NET LEVERAGE RATIO OF 2X BEFORE END OF 2018**
- PROACTIVE AND AGGRESSIVE MANAGEMENT OF INTEREST RATE RISK**
- \$600M UNTAPPED REVOLVER IN PLACE FOR UNEXPECTED CASH NEEDS**
- \$500M OF CASH NEEDED TO OPERATE THE BUSINESS**

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¹: Convert redeemed in 1Q2017. Term loan B & convertible notes at par value

CAPITAL DEPLOYMENT

1 Achieve 2x net leverage before end of 2018	2 80% of FCF cash return to shareholders after achieving 2x leverage
3 Acquisitions will need to return high RoIC	4 Sufficient access to domestic cash

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TAXES

1

Tax Rate

Non-GAAP cash tax of ~10% in 2017, and 11-12% in 2018-20 of non-GAAP pre-tax income

2

Cash Repatriation

\$1.8 billion of offshore cash can be repatriated to the U.S. without incurring U.S. federal cash tax

3

Position on US Tax Reform

Given our substantial US based front-end operations, we supports comprehensive US tax reform that lowers the corporate tax rate, adopts a territorial tax system, and allows the US to compete effectively with countries that have VAT systems

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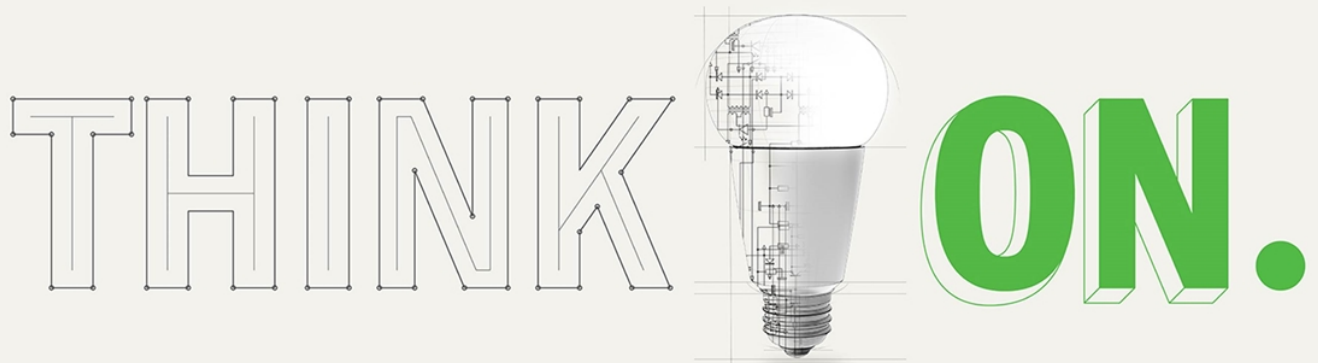


SUMMARY

- 1 STEEP ACCELERATION IN FREE CASH FLOW GENERATION**
- 2 MARGIN EXPANSION THROUGH SYNERGIES AND OPERATIONAL IMPROVEMENTS**
- 3 REVENUE GROWTH NOT A PREREQUISITE FOR MARGIN EXPANSION**
- 4 RAISING FAIRCHILD SYNERGIES TARGET**
- 5 AGGRESSIVE DELEVERAGING FOLLOWED BY CAPITAL RETURNS TO SHAREHOLDERS**



QUESTIONS & ANSWERS



Financial Analyst Day | March 10, 2017

Appendix: Non-GAAP Definitions and Reconciliations

Some data in this presentation includes non-GAAP financial measures. Following is the reconciliations of non-GAAP financial measures used in this presentation to the most directly comparable measures under GAAP.

	Year Ended				
	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Reconciliation of GAAP operating expenses to non-GAAP operating expenses:					
GAAP operating expenses	\$ 1,060.8	\$ 932.1	\$ 850.5	\$ 720.2	\$ 968.2
Special items:					
a) Amortization of acquisition related intangible assets	(104.8)	(135.7)	(68.4)	(33.1)	(44.4)
b) Actuarial gains (losses) on pension plans and other pension benefits	(6.8)	4.2	(8.4)	(2.2)	(8.5)
c) Restructuring, asset impairments and other, net	(33.2)	(9.3)	(30.0)	(33.2)	(165.3)
d) Goodwill and intangible asset impairments	(2.2)	(3.8)	(4.6)	-	(49.5)
e) Third party acquisition related costs	(25.8)	(3.5)	(8.1)	-	-
Total special items	(172.8)	(148.1)	(119.5)	(68.5)	(267.7)
Non-GAAP operating expenses	\$ 888.0	\$ 784.0	\$ 731.0	\$ 651.7	\$ 700.5

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