

Enabling a Sustainable Ecosystem

2021 Analyst Day

August 5, 2021 | New York City

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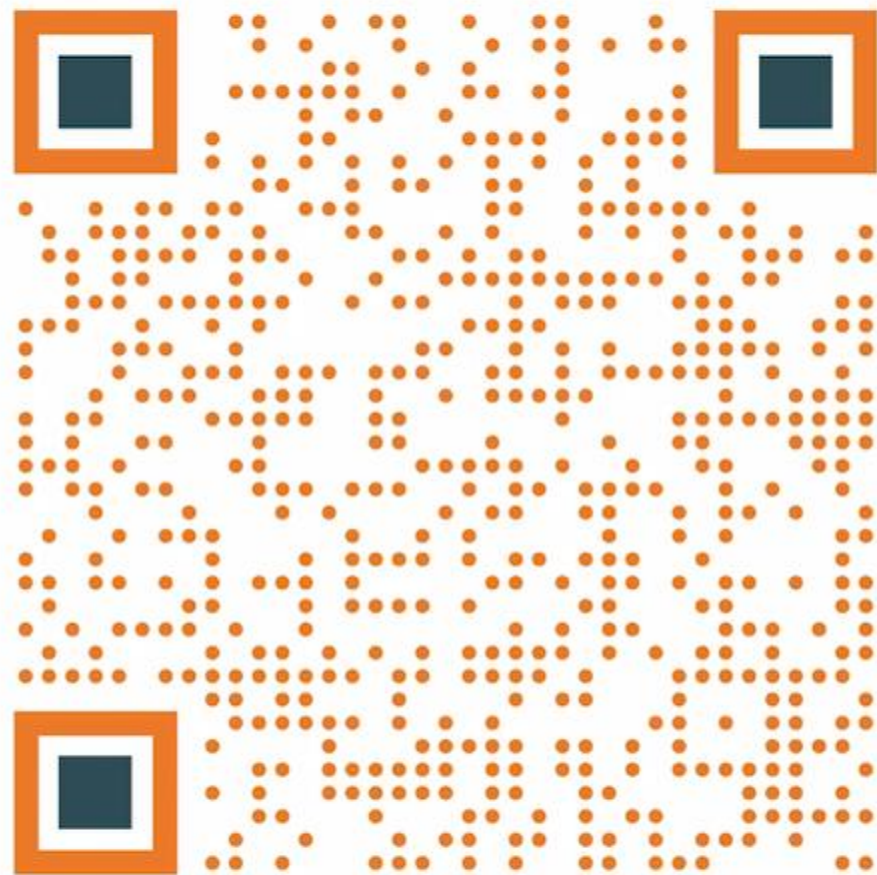
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This presentation contains “forward-looking statements,” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated in this presentation could be deemed forward-looking statements, particularly statements about the future financial performance of ON Semiconductor, including financial guidance for the year ending December 31, 2021. 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. You should carefully consider the trends, risks, and uncertainties described in this presentation, our 2020 Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on February 16, 2021, our Quarterly Report on Form 10-Q for the second quarter of 2021 filed on August 2, 2021 and other reports filed with or furnished to the SEC, before making any investment decision with respect to our securities. If

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This presentation contains historical non-GAAP financial measures, including free cash flow (FCF), non-GAAP earnings per share (EPS), non-GAAP profit before taxes, and ratios based on them. See the Appendix for a description of these financial measures and a reconciliation of all such non-GAAP financial measures to GAAP. This presentation also contains forward-looking non-GAAP financial measures that are adjusted for certain special items. These special items are out of our control and could change significantly from period to period. As a result, we are not able to reasonably estimate and separately present the individual impact of these special items, and we are similarly unable to provide a reconciliation of the non-GAAP measures. The reconciliation that is unavailable would include a forward-looking income statement, balance sheet, and statement of cash flows prepared in accordance with GAAP.

onsemiTM
Intelligent Technology. Better Future.



Scan QR code to learn more

Visa Deepens Global Commitment to Environmental Sustainability with Pledge To Reach Net-zero Emissions by 2040

China's Pledge to Be Carbon Neutral by 2060: What It Means

Governments are asking

BP's new CEO pledges net zero emissions by 2050

Employees are demanding

Biden pledges to slash greenhouse gas emissions in half by 2030

Companies are investing

France sets 2050 carbon-neutral target with new law

UK becomes first major economy to pass net zero emissions law

Shareholders are requiring

Japan pledges to reduce greenhouse-gas emissions to net zero by 2050

United States Steel Corporation Announces Goal to Achieve Carbon Neutrality by 2050

Visa Deepens Global Commitment to Environmental Sustainability with Pledge To Reach Net-zero Emissions by 2040

China's Pledge to Be Carbon Neutral by 2060: What It Means

Denmark

BP's new

Government

ing

ns by 2050

m 2035

UK government brings forward

Production. German car

Facebook and Google announce plans to become carbon

E

It's just the right thing to do!

lash greenhouse self by 2030

France to ban sale of gas

California Cooling Down Cars & Gasoline

France sets 2050 carbon target with new law

C

major economy emissions law

Bar in S

Europe - Ambitious Net-zero target

Share

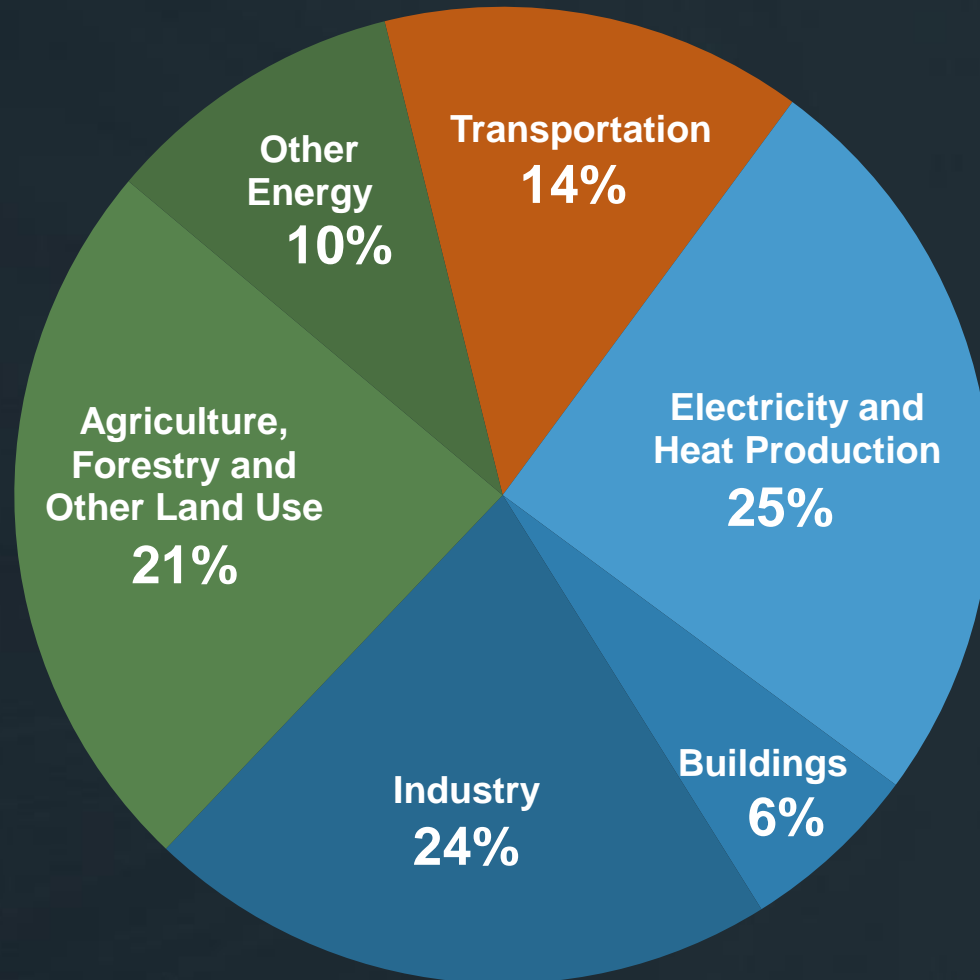
pledges to reduce greenhouse-gas emissions to net zero by 2050

Dutch ban

United States Steel Corporation Announces Goal to Achieve Carbon Neutrality by 2050

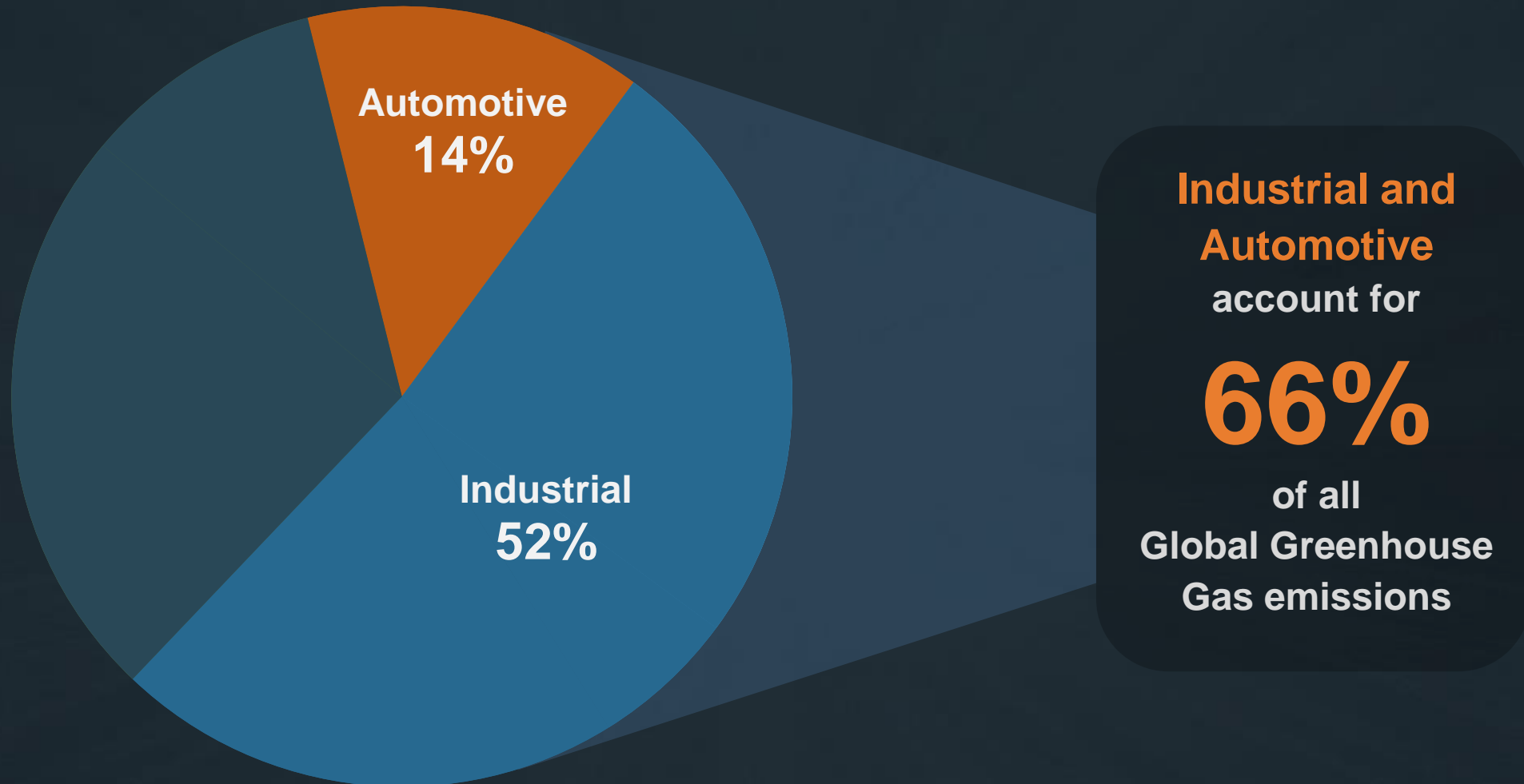
Greenhouse Gas Emission Trend

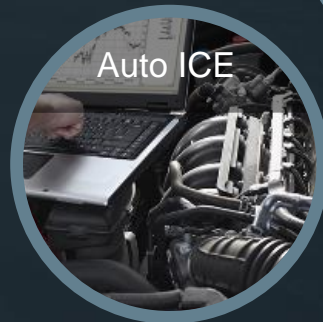
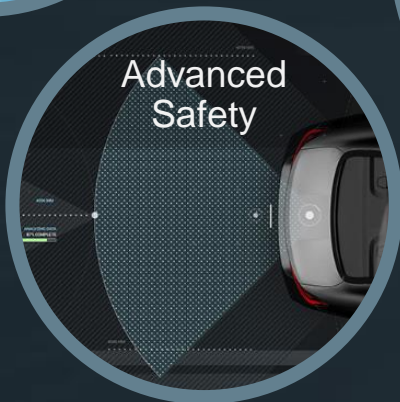
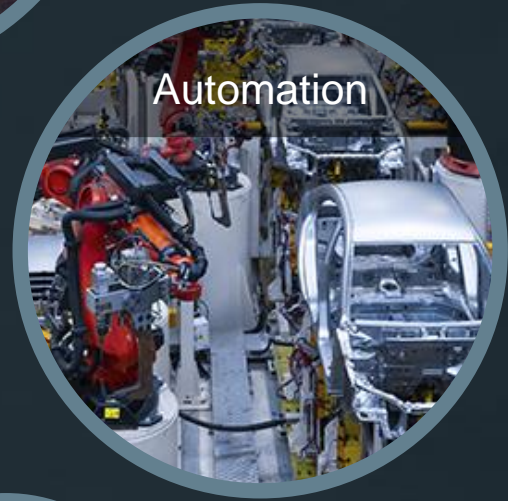
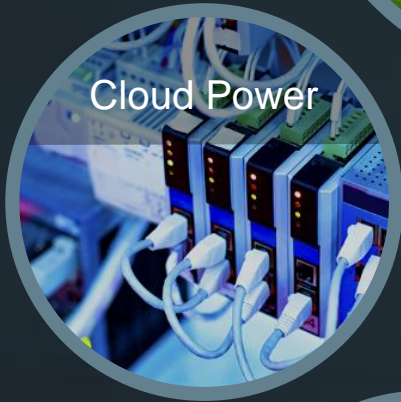
Global Greenhouse Gas Emissions by Economic Sector



Greenhouse Gas Emission Trend

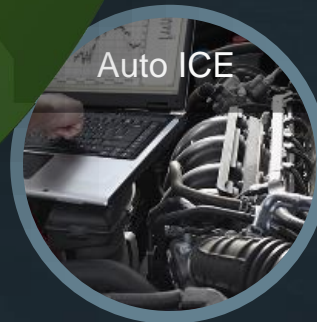
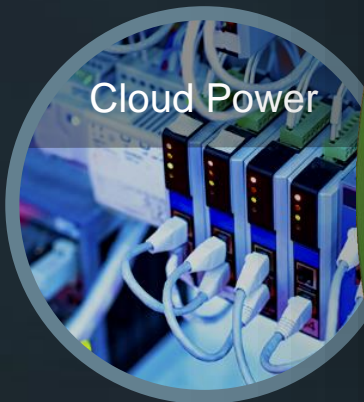
Global Greenhouse Gas Emissions by Economic Sector

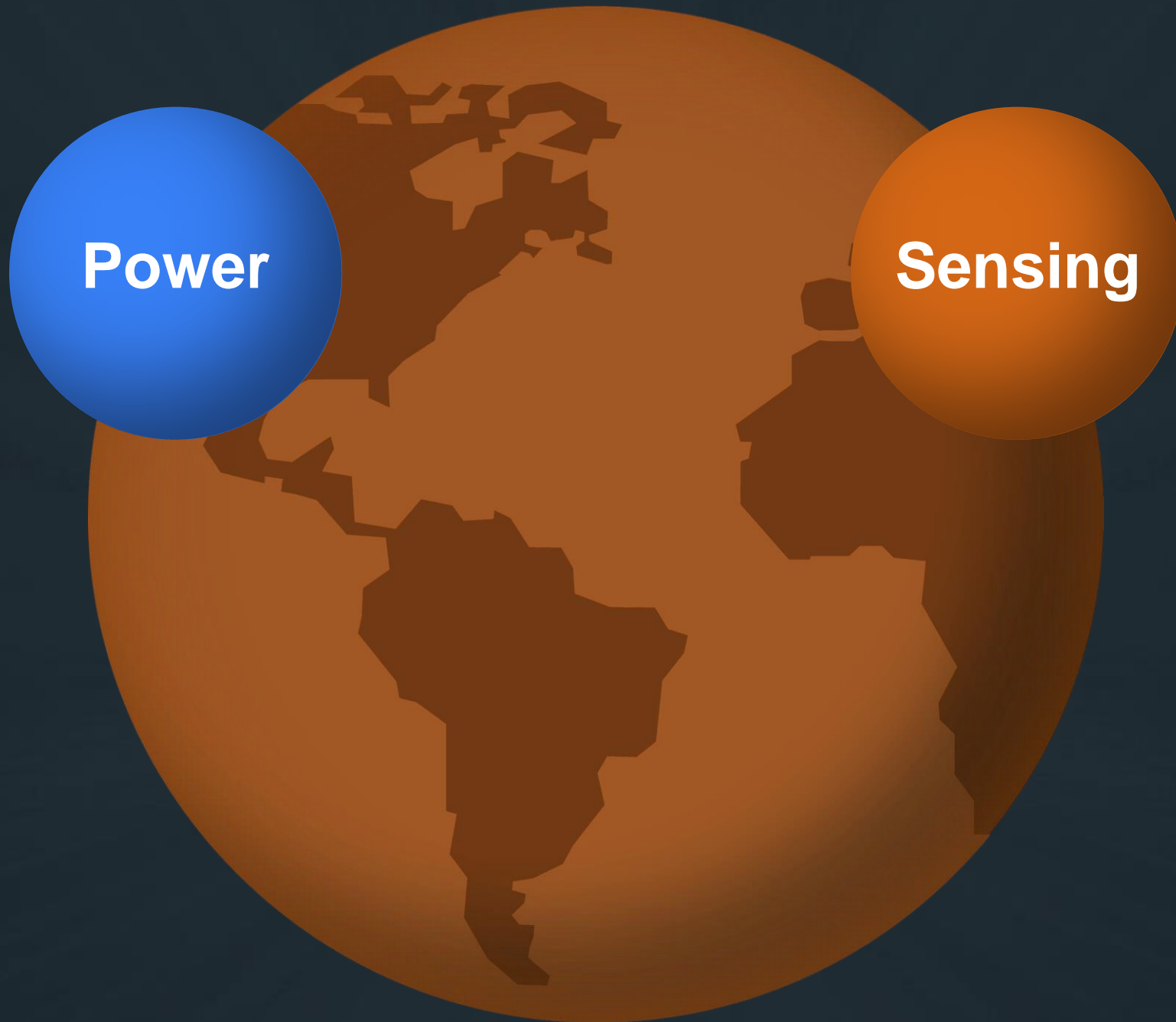






**Sustainability
drives a common theme
across all markets**







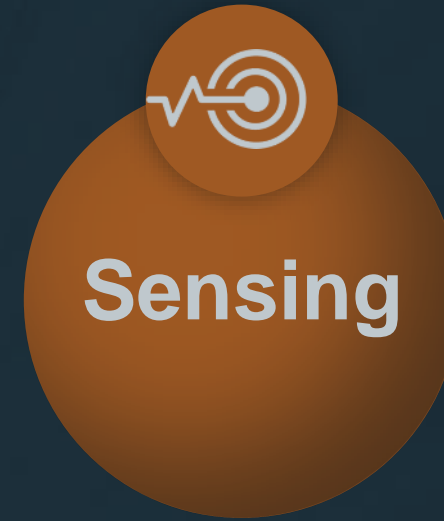
Power

Power is the *New Frontier*

Climate and Sustainability
are main demand drivers for
electrification & ***power efficiency***

Efficient power production, distribution
and consumption will be key

Automotive and Industrial accelerating
electrification and automation



Sensing

Sensing is *Everywhere*

Industrial automation
driving ***output efficiency***

Automotive OEMs increasing
the pace of adoption of
autonomy features – L2+

Power

Sensing

Innovative companies with *disruptive technologies* and *strong ecosystems* will win

Power is
New Frontiers

Sensing is
Everywhere

Climate and Sustainability are main demand drivers for *power* electrification & *power*

Industrial automation output efficiency

Efficient power production, distribution and consumption will be key

Automotive OEMs increasing the pace of adoption of *autonomy features* – L2+

Automotive and Industrial accelerating electrification and automation



Power and **Sensing** go hand-in-hand. Together, they are driving **massive disruption** in industrial and automotive markets



Synergistic goals drive investments in **industrial automation** for all industries including automotive



Customers value **innovation** and differentiation, to develop a **sustainable ecosystem**



Trends in **adjacent markets** present new **opportunities** to **leverage** similar technologies – e.g. Cloud Power



Power and **Sensing** go hand-in-hand. Together they are driving **market disruption** in manufacturing and automotive



Synergistic goals drive investments in **industrial automation** for all industries including automotive

Power and Sensing are a Winning Combination



Customers want **innovation** and differentiation, to develop a **sustainable ecosystem**



Trends in **adjacent markets** present new **opportunities** to **leverage** similar technologies – e.g. Cloud Power



Intelligent

Power

6%

**2021-2025
TAM CAGR**

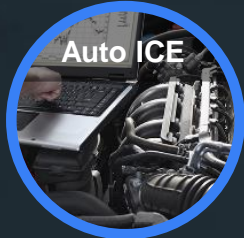
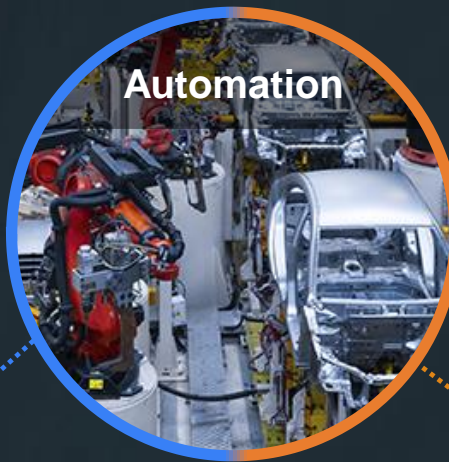
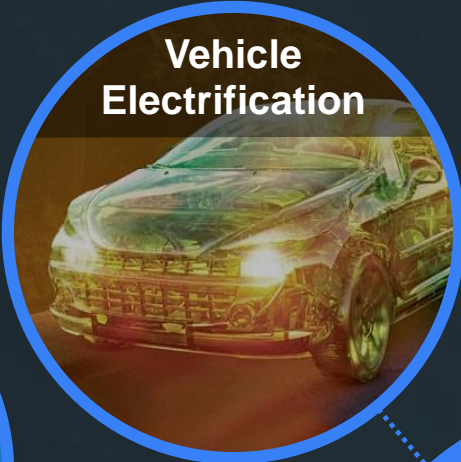


Intelligent

Sensing

10%

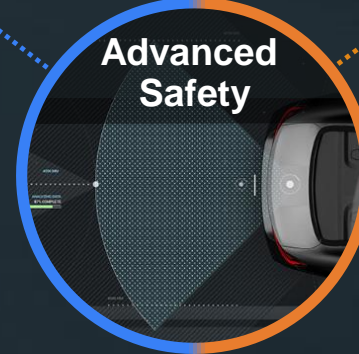
**2021-2025
TAM CAGR**



Intelligent Power
6%
2021 – 2025
TAM CAGR



Intelligent Sensing
10%
2021 – 2025
TAM CAGR





Vehicle Electrification



EV Charging



Automation



Machine Vision



Energy Infrastructure



Auto ICE

Intelligent Power

\$64B

6%

2021 – 2025
TAM CAGR



Medical

Intelligent Sensing

\$10B

10%

2021 – 2025
TAM CAGR



5G Infrastructure



Cloud Power



Automotive Lighting



Advanced Safety



ADAS Lidar



Power tradeoffs impede optimal system performance

Low efficiency power products meet aggressive cost targets ...

... that **reduce** battery-to-drivetrain **conversion efficiency**, resulting in lower range or power...

... offset by additional batteries, which **add weight**



Commercial sensors fail to address required use cases

Night driving, smoke and fog, and distance object detection, to name a few, are features that drive cost to **“maybe” achieve safety**

Slow image sensing reduces factory throughput and **kills efficiency**



onsemi's intelligent power solutions give customers the power of the "AND"

Through sensing integration, **onsemi's** intelligent power solutions achieve the **highest efficiency compared to our peers...**

...to allow lower temperature operation, reducing cooling requirements, **saving cost and minimizing weight**

...delivering the required power with **less die per module** while **achieving higher range** for a given battery capacity

onsemi's intelligent power allows OEMs to exceed range targets with lower weight and reduce system cost through unparalleled efficiency

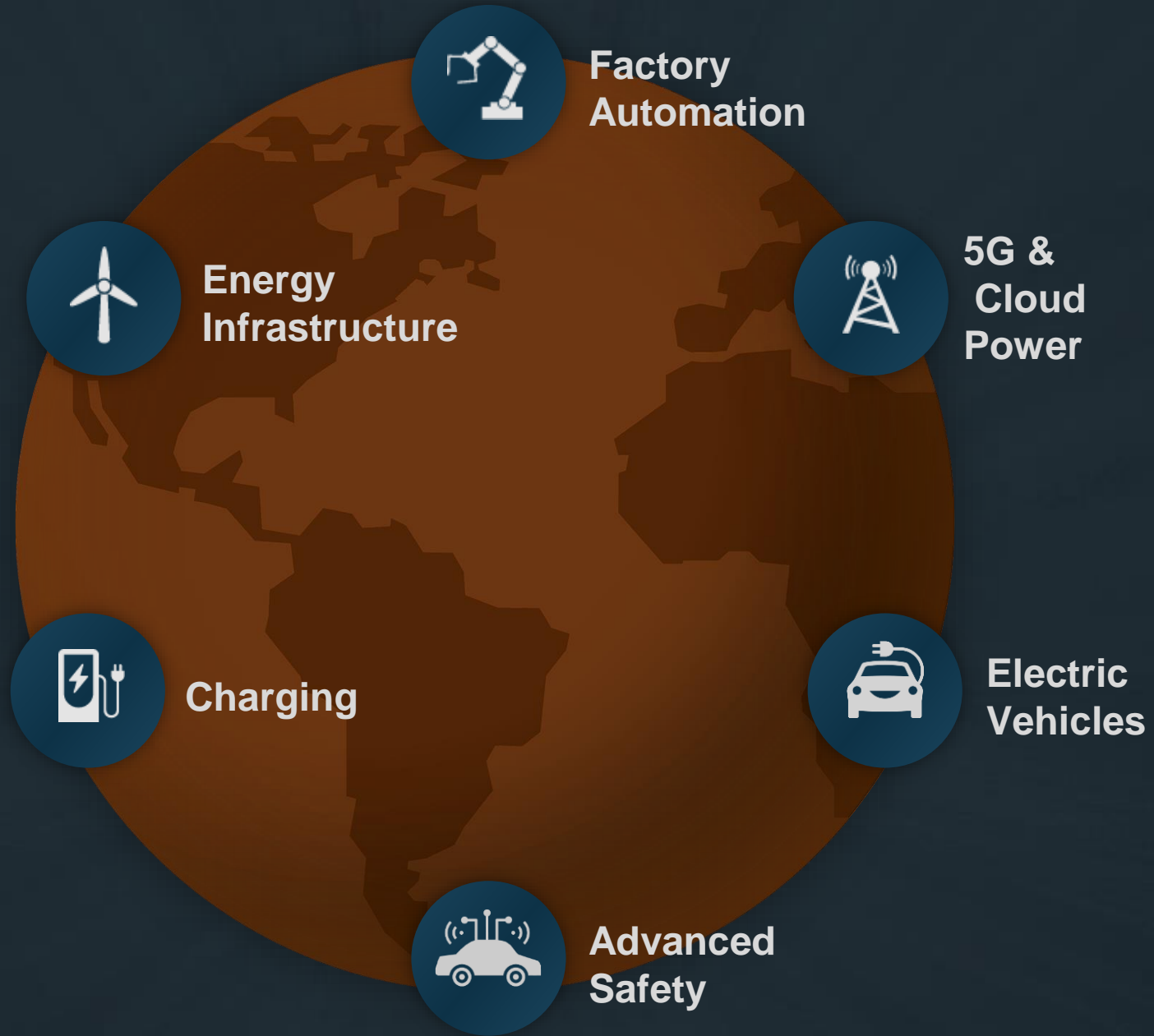


onsemi's intelligent sensing offers the most advanced features to achieve optimal results

Integration drives efficiency by delivering performance in the **smallest footprint...**

...and **reducing system latency** to increase safety and throughput... by providing a proprietary feature set to **solve all use cases**

onsemi's intelligent sensing solutions offer proprietary features in the smallest packages that support all use cases customers require to solve their complex problems





5G & Cloud Power

- Accelerated pace of data center deployments
- Increase in power consumption with every new processor generation and higher physical density
- 5G deployments worldwide



Factory
Automation



5G &
Cloud
Power



Charging



Electric
Vehicles



Advanced
Safety



5G & Cloud Power

- Accelerated pace of data center deployments
- Increase in power consumption with every new processor generation and higher physical densities
- 5G deployments worldwide

onsemi > \$300 per platform

onsemi wins with high efficiency intelligent power solutions to optimize power consumption in cloud and telecom infrastructure



Factory Automation



5G & Cloud Power

Electric Vehicles



Advanced Safety



Factory Automation

- Focus on increasing productivity and throughput
- Ensure quality, safety and efficiency in industrial processes
- Intelligence – autonomous systems to make decisions based on programmed parameters and AI – robots and collaborative robots (cobots)



Factory Automation



Energy Infrastructure



5G & Cloud Power



Energy Infrastructure

- Aggressive push towards de-carbonization of power grid
- Coal-generated power contributed 30% of greenhouse gas emissions
- Renewable energy contribution quadrupled over the last decade with 50% growth expected over the next 5 years driven by climate actions
- Energy storage systems required to bridge daily cycles



Charging



Electric Vehicles



Charging

- Investments by governments, private operators and EV OEMs in charging infrastructure
- Need for fast charging drives power content – targeting a full charge in 20 to 30 minutes



Advanced Safety

Sources:

Emissions – Global Energy & CO2 Status Report 2019 – Analysis – IEA

<https://www.ehn.org/renewable-energy-growing-2640193068.html> - Last 10 yrs data

<https://www.theguardian.com/environment/2019/oct/21/renewable-energy-to-expand-by-50-in-next-five-years-report> - Next 5 yrs data

Global Shutter Enhances Machine Vision...



Leading shutter efficiency
in the smallest package

120fps for Machine Vision
applications

High Quantum Efficiency (QE)
at Near Infra-Red (NIR) light

- Reduces active illumination
power
- Increases range for depth
applications



***Only Global Shutter can detect eyes
blinking in Automotive Safety Systems***



Factory Automation

onsemi wins with high-speed intelligent sensing for robotics, scanning and inspection and the widest intelligent power portfolio across voltages and technologies

\$3,000 – \$10,000 per factory



Energy Infrastructure

onsemi wins with high efficiency intelligent power solutions with both IGBT and SiC for increased power throughput

> \$600 per inverter



Charging

onsemi wins with high efficiency intelligent power solutions with SiC for charging a car in 20-30 minutes

\$2,000 – \$4,000 per charger



Factory
Automation



Advanced Safety



Energy
Infrastructure



5G &
Cloud
Power

- Consumer demand for safety features and government mandates for features such as frontal collision avoidance drives faster adoption
- System must achieve highest safety level (ASIL D) for both Intelligent Power and Sensing
- Unique Automotive use cases require feature integration and intelligent sensing that cannot fail



Electric
Vehicles



Advanced
Safety

State of the Art Functional Safety



- Analyzed **over 4,000 failure modes** to ensure corrective action during failure
- Combined Intelligent Power with our Intelligent Sensing for achieving ASIL D Functional Safety
- Perception and Sensing **cannot fail**
- **More coverage** than the competition

Best-in-Class Vision beyond the human eye – our image sensors are saving lives

Larger market share than all competitors combined

onsemi is saving 9 lives per hour

Long Distance Multiple Object Detection

onsemi's 8MP Automotive Sensor at 185 Meters



Long Distance Multiple Object Detection

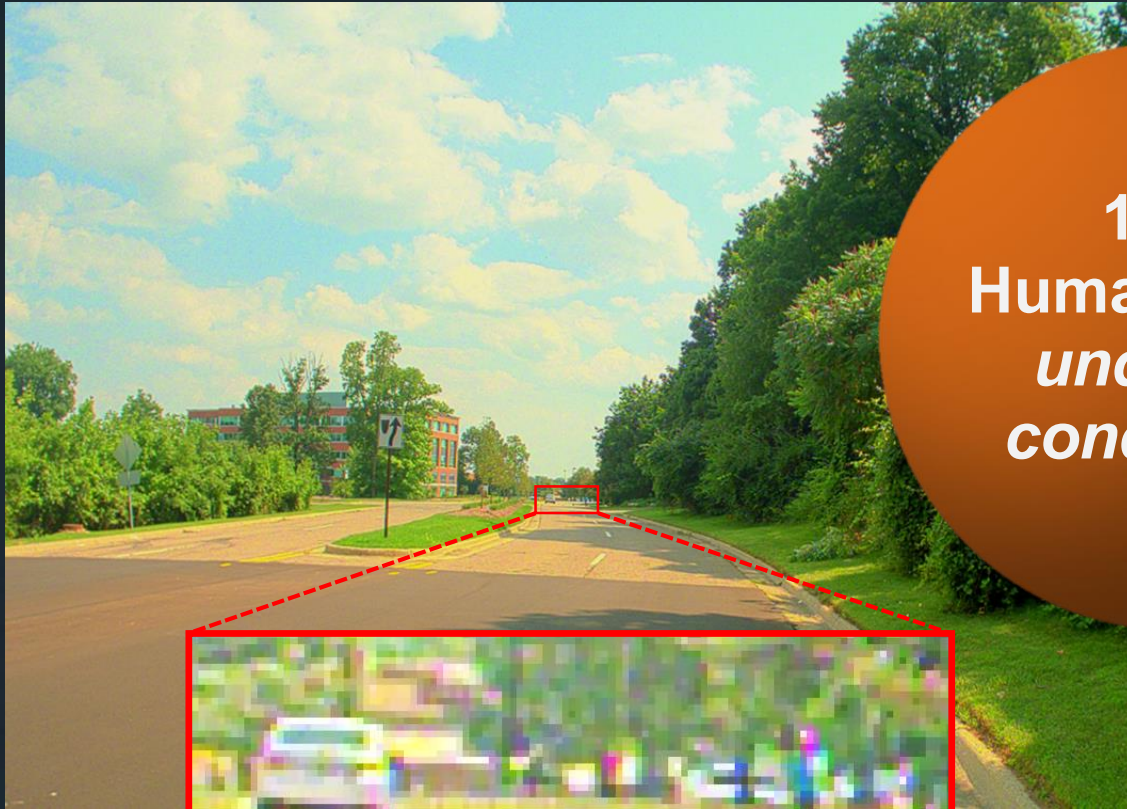
onsemi's 8MP Automotive Sensor at 185 Meters



Long Distance Multiple Object Detection

onsemi's 8MP Automotive Sensor at 185 Meters

100x
Human Eye...
*under all
conditions*



...and going beyond what a human can see



Humans perceive the world in 3 Dimensions
Why should our cars be limited to 2?





Advanced Safety

- Consumer demand for safety features and government mandates for features such as frontal collision avoidance drive faster adoption
- System must achieve highest safety level (ASIL D) for both Intelligent Power and Sensing
- Unique Automotive use cases require feature integration and intelligent sensing that

onsemi \$200 – \$1,000 per L2+

onsemi wins with the highest level of efficiency and functional safety for a total ADAS solution



Factory Automation



5G & Cloud Power



Electric Vehicles



Advanced Safety



Charging



Energy Infrastructure



Electric Vehicles

- Accelerated pace of electrification, due to regulations and consumer acceptance
- Automotive OEMs expanding EV offerings, competing on range and performance

Auto OEMs Accelerating EV Rollout

2025



30 Model Launches
1M Unit Sales

DAIMLER
15-25% of Sales
10+ New Models

HYUNDAI

\$7.4B US Investment
Enhanced Production Facilities
& Smart Mobility Solutions

TOYOTA

15 New Launches

VOLVO

50% of Global Sales

2030



> 70% of Europe, 50% of China and US
€16B investments in hybridization,
e-mobility, & digitalization up to 2025

STELLANTIS

2025: 38% Europe, 31% US
2030: 70% Europe, 35% US

HONDA

40% of Global Sales

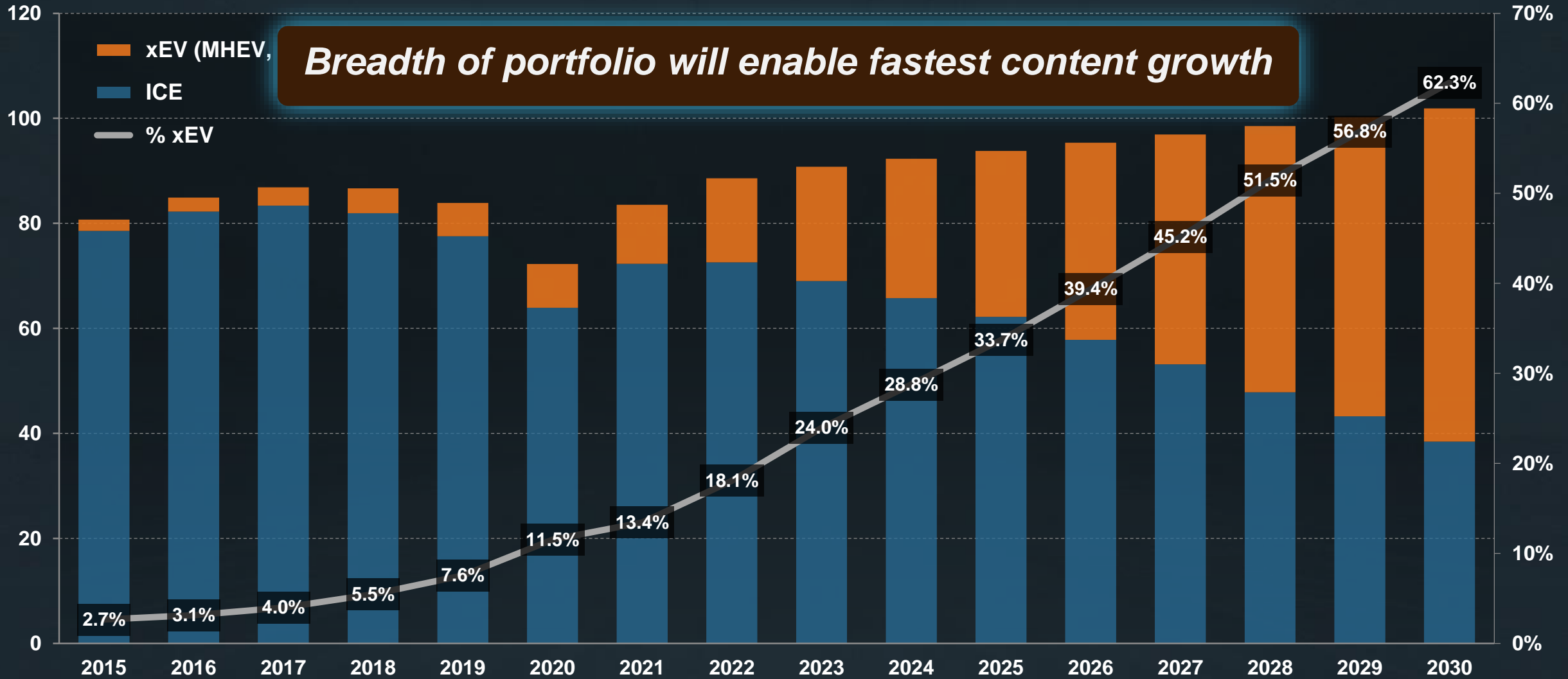


50% of Global Deliveries



100% in Europe, 40%+ globally
\$1B for EV manufacturing center
in Cologne. Planned electrification
spending to be \$30B+

By 2028, xEV will be >50% of vehicle sales



Sources: EV/ IC breakdown: Credit Suisse – Mar 26 2021 – Global Semiconductor Sector – Automotive semis – Powering the EV megatrend – Report
 Sensor: TSR_Automotive_Sensing_System_Market_Analysis_2019_English_b (002)

**ON Board Chargers,
HV Loads Battery Management**

**ADAS, Infotainment, HUD
Doors, Seating, Keyless entry,
Gateway Modules**

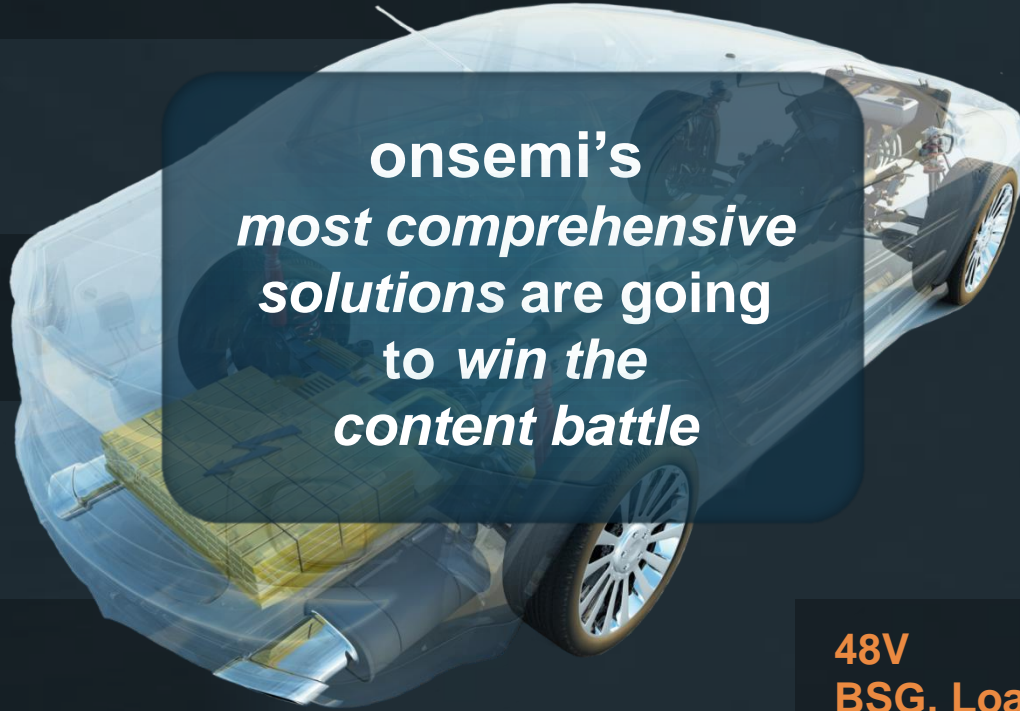
**DC/DC
HV-LV, 48V-12V**

**onsemi's
most comprehensive
solutions are going
to win the
content battle**

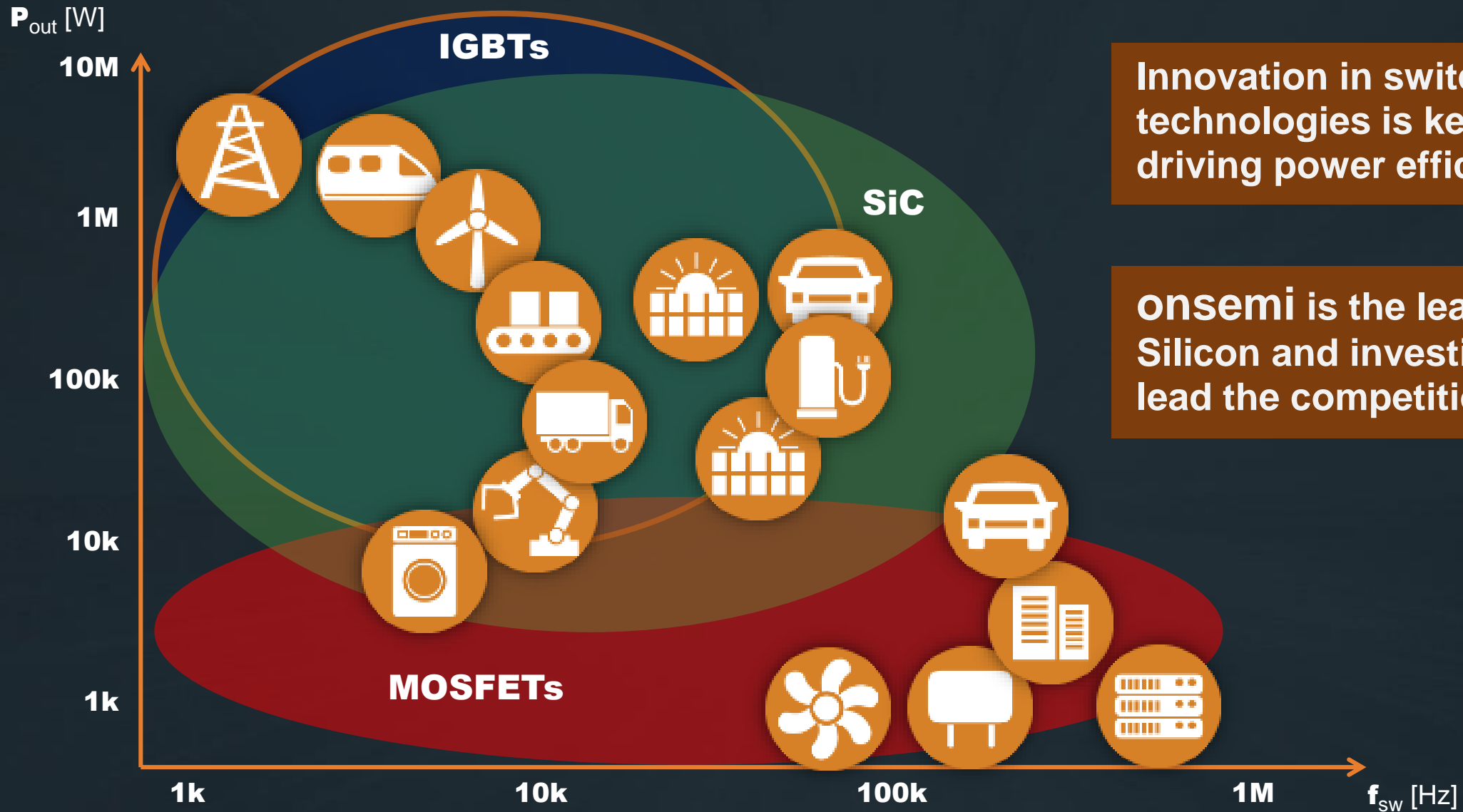
**HV Powertrain
Traction Inverter**

**HV Loads
E-Compressor, Pump**

**48V
BSG, Loads**



Breadth of technology is the foundation to win



Innovation in switching technologies is key to driving power efficiency

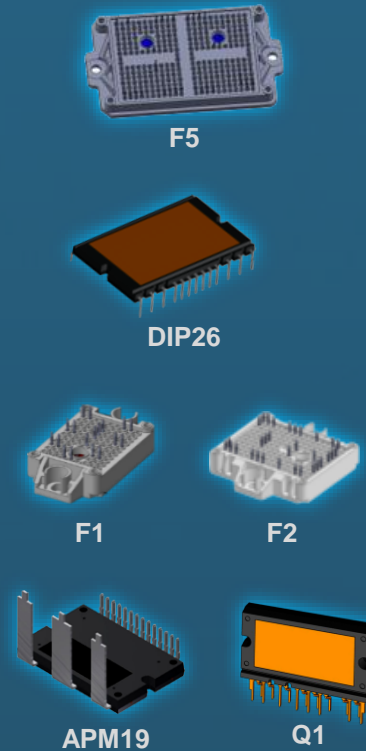
onsemi is the leader in Silicon and investing to lead the competition in SiC

Customers require depth and breadth of solutions...

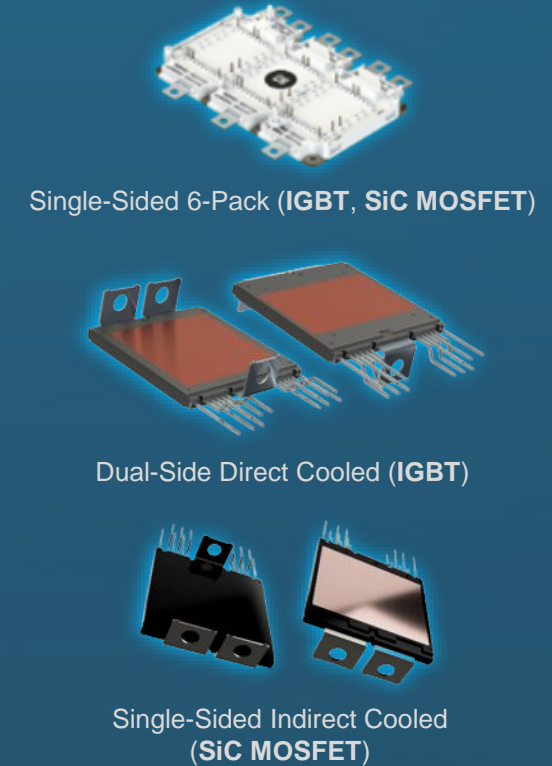
Discretes



Modules



Traction Modules



onsemi offers customers what they need to win

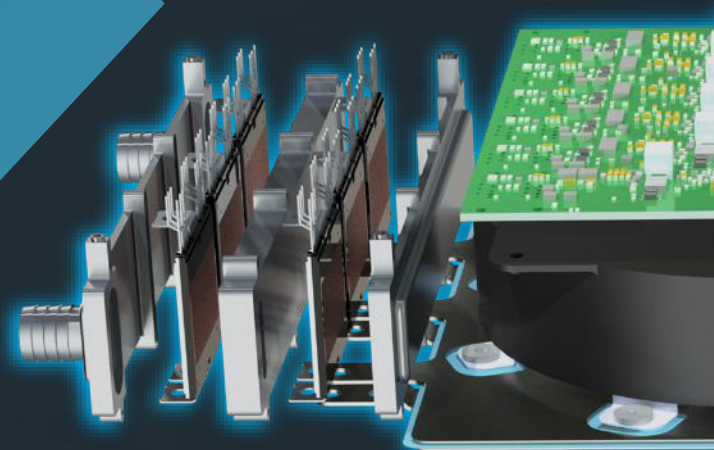
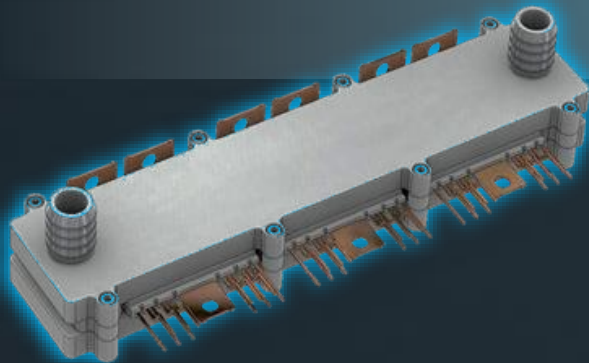
... and you need a scalable solution ...
100kW to 300kW scalable / stackable power solution



Mid-Size Sedan
150kW



Luxury SUV
250kW



... and you need a scalable solution ...
100kW to 300kW scalable / stackable power solution

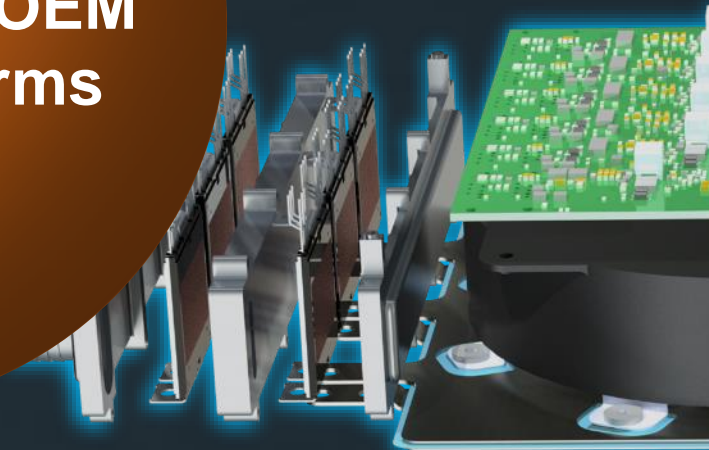
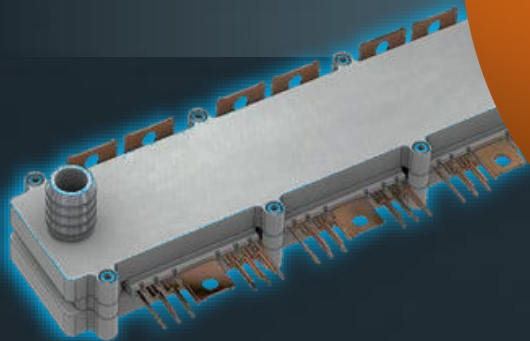


Mid-Size Sedan
150kW



Luxury SUV
250kW

...to meet the
wide range of OEM
vehicle platforms

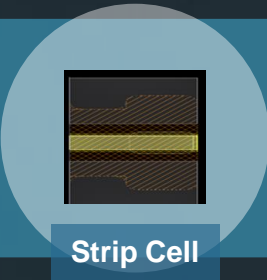


...and you keep innovating to maintain the power leadership

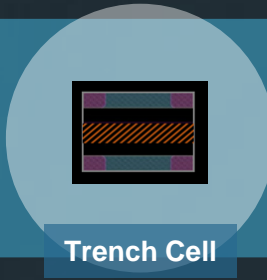
SiC Technology



▼ 16%



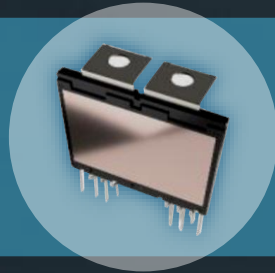
▼ 25%



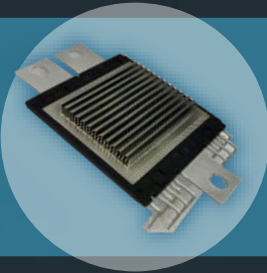
Innovative cell and trench structure

- High efficiency
- Longer range

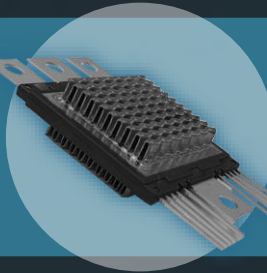
Package Technology



▼ 15%



▼ 20%



Efficient interconnect and direct cooling

- High power density
- Less weight

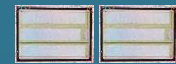
210kW Drive Switch



4 Chips



3 Chips

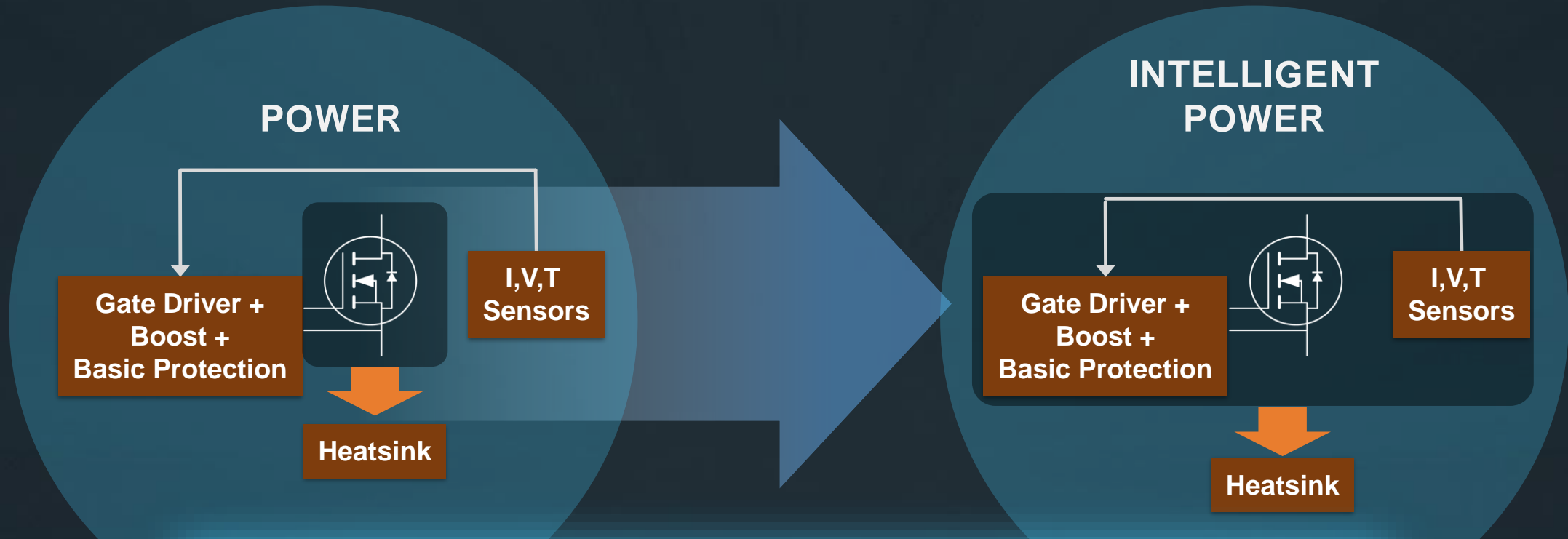


2 Chips

Fewer Chips to deliver same power

- Lower cost

... and you add intelligence through integration to create value



An intelligent module is one that not only senses critical parameters, but also acts intelligently on the data, to protect itself from failure at any operating condition



Factory
Automation



Electric Vehicles

- Accelerated pace of electrification, due to regulations and consumer acceptance
- Automotive OEMs expanding EV offerings, competing on range and performance

onsemi > \$750 of power content

onsemi wins with high efficiency power solutions for extending the driving range

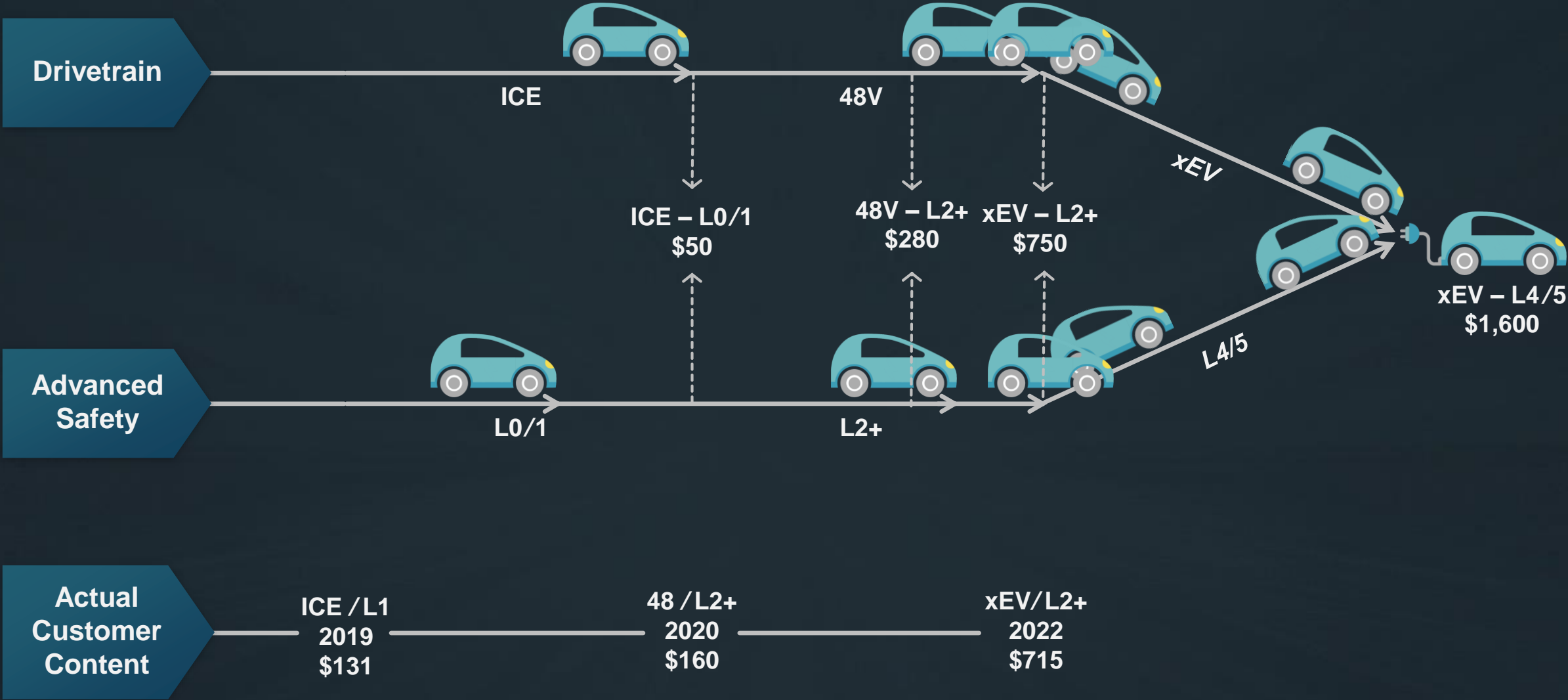


5G &
Cloud
Power

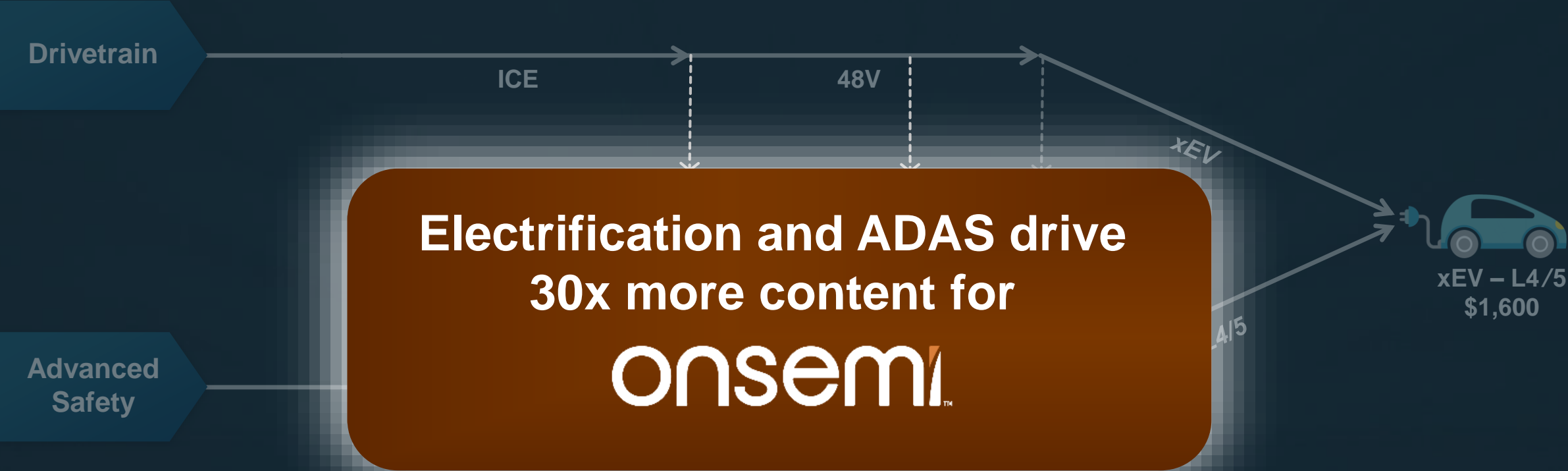


Advanced
Safety

Dual Growth Vectors Fuel Future Growth



Dual Growth Vectors Fuel Future Growth



Actual Customer Content	ICE / L1	48 / L2+	xEV / L2+
	2019	2020	2022
	\$131	\$160	\$715



onsemi Mission

Powering the electrification of the Automotive industry with our **intelligent power technologies** that allow for lighter and longer-range electric vehicles and enable efficient fast-charging systems

Enhancing the Automotive mobility experience with our **intelligent sensing technologies** with imaging and depth sensing that make advanced vehicle safety and automated driving systems possible

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

Propelling the sustainable energy evolution with our **intelligent power technologies** for the highest efficiency solar Strings, Industrial power and storage systems

Enabling Industry 4.0 with our **intelligent sensing technologies** for smarter factories, buildings and homes

onsemi™

*Intelligent
Power*

*Intelligent
Sensing*



Manufacturing



Modules



Integration



Channel

Play to Win

- Focus on high-growth megatrends in Automotive and Industrial and win with **onsemi** intelligent power and sensing
- Double down and don't dabble
- Invest in disruptive innovation to drive higher margin growth

Implement Structural Changes

- Optimize organizational structure to reduce complexities
- Streamline manufacturing to match the strategy and not the other way around
- Attract and retain the best, diverse talent across the board
- Engage and empower employees to make expeditious, data-driven decisions

Capture Value

- Focus on highly differentiated products that enable disruptive innovation
- Optimize manufacturing footprint and leverage expertise
- Eliminate price-to-value discrepancies

Execute

- Leverage new leadership team with history of strong execution
- Drive accountability throughout the organization
- Reward employees for delivering superior results



onsemi
**Winning
Formula**

Creating Shareholder Value



Aligned to **fast-growing secular megatrends** in automotive and industrial end markets



Significant **gross margin expansion** driven by manufacturing consolidation, portfolio optimization and mix



Significant **growth in Free Cash Flow** – disciplined and shareholder-friendly investment policy



New leadership with history of execution and driving **transformation**



Disciplined execution to drive **sustainable results**

Creating Shareholder Value



Aligned to **fast-growing secular megatrends** in automotive and industrial end markets



Significant **gross margin expansion** driven by
Revenue Growth 2x the Semiconductor Industry



Significant **growth in Free Cash Flow** – disciplined and shareholder-friendly investment policy

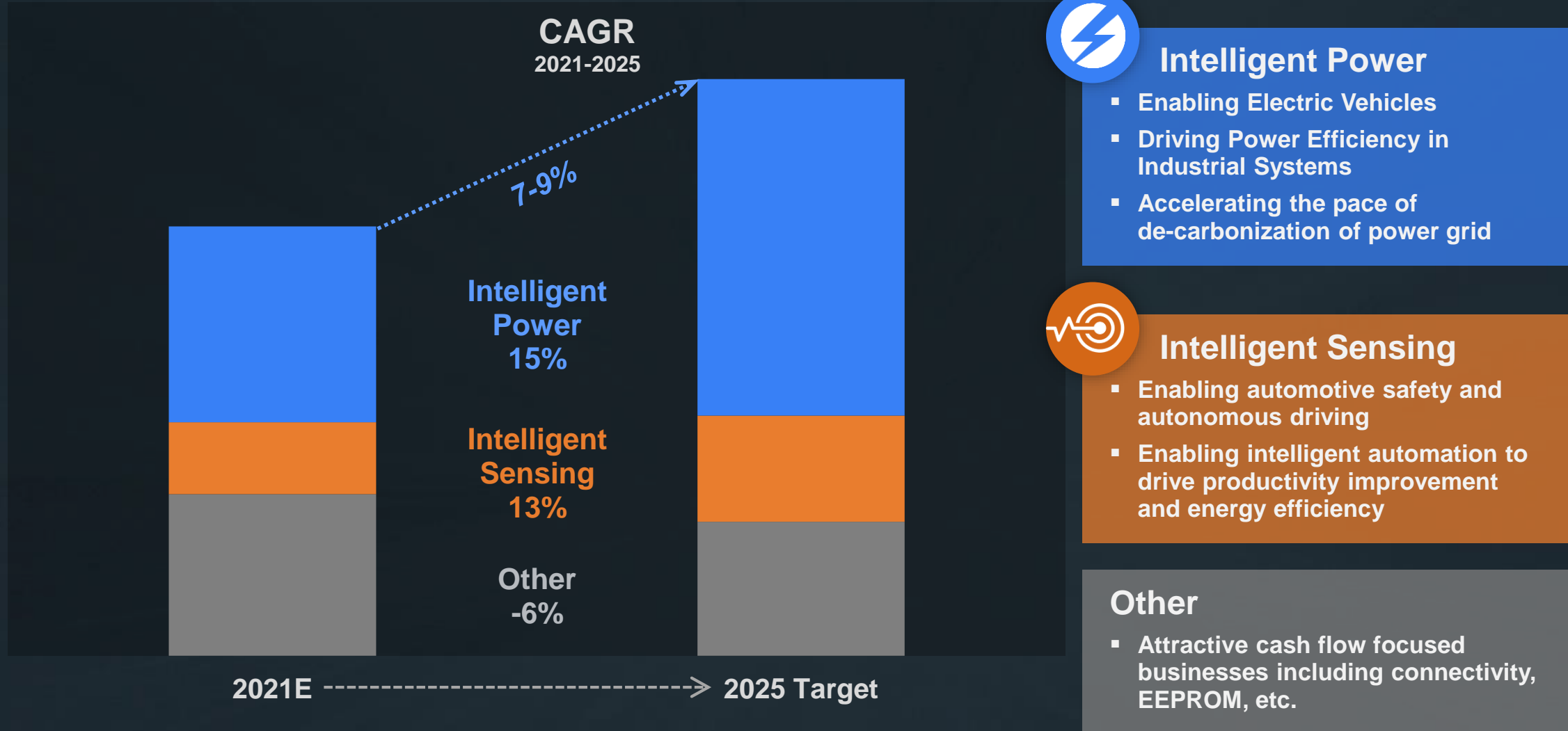


New leadership with history of execution and driving **transformation**



Disciplined execution to drive **sustainable results**

Intelligent Power and Sensing Drive 2X Market Growth



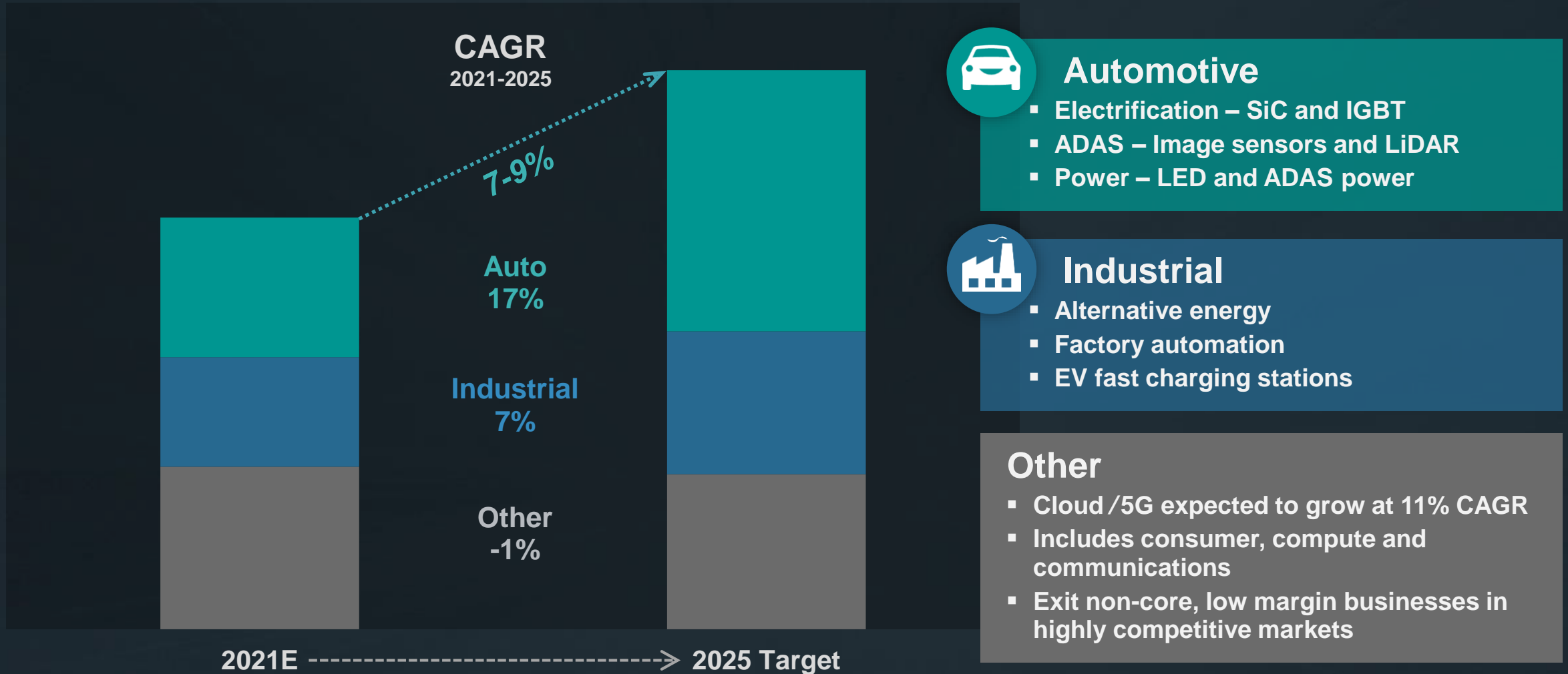
Market growth projected at 3.5-4.0% based on OMDIA and Gartner

Intelligent Power – includes Power discrete, power modules, Analog Power IC

Intelligent Sensing – includes image sensors, LIDAR, Ultrasonic sensor interface, image processors

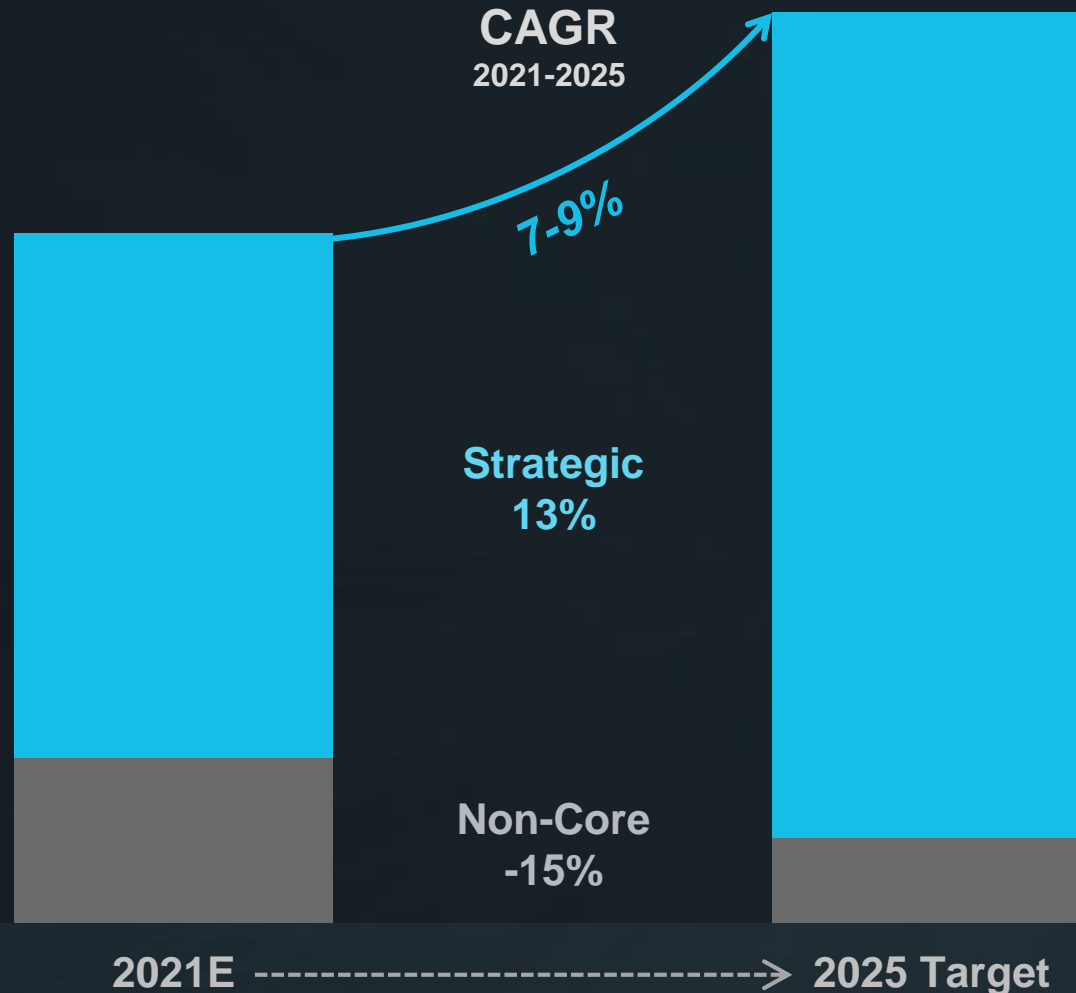
Other – includes connectivity, logic, MCU, Optocouplers, EEPROMs, small signal products, Zener diodes, etc.

Automotive and Industrial to Fuel Growth



Auto and Industrial to Grow to 75% of Revenue from 60% in 2021

Focus on Product Leadership and Exit Non-Core Businesses



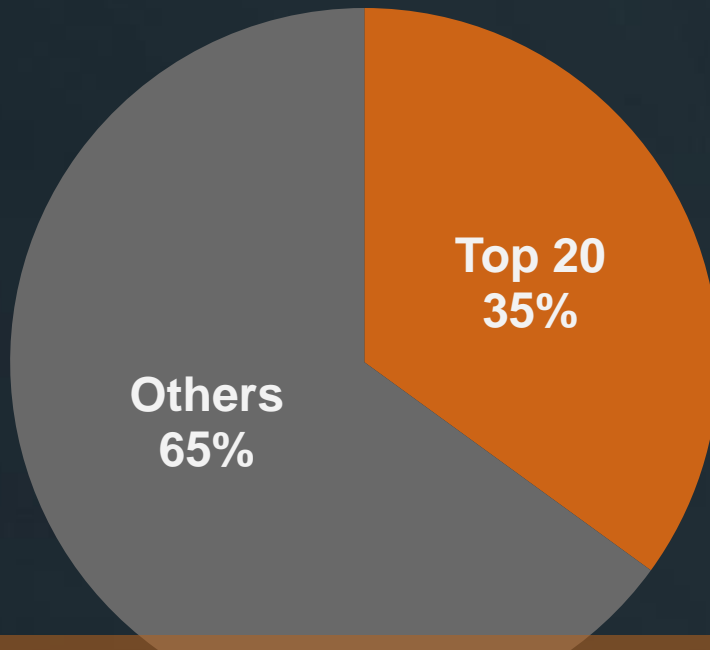
Strategic

- Invest in Product Leadership with 100% of R&D focused on Strategic products
- 13% CAGR drives long-term growth and margin expansion

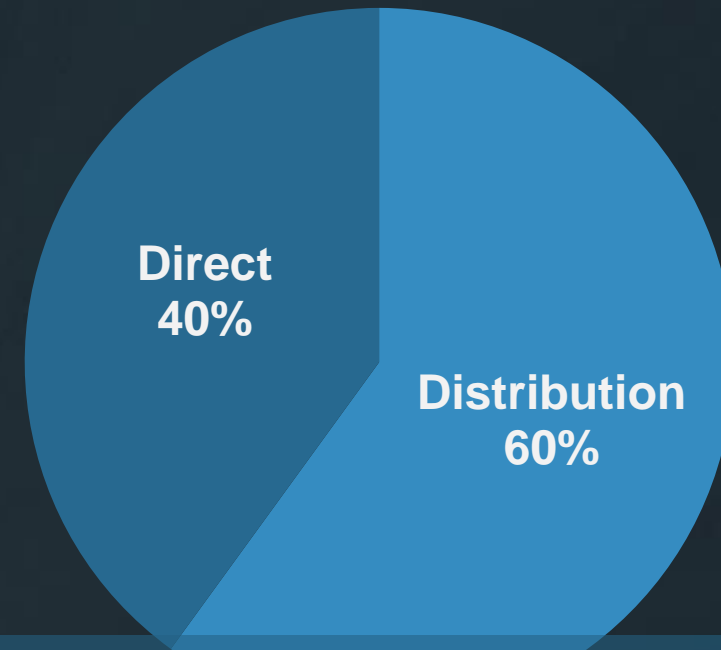
Non-Core

- 50% of Non-Core is Low-margin business in highly competitive markets
- Expect to exit 10-15% of current revenue over the next 2 years causing total company growth to be at market growth in 2022-2023

Highly Diversified Customer Base and Broad Channel Reach



- Highly diversified customer base across all end-markets, products and geographies
- No 10% customer
- Customer roadmap and future technology alignment provide stickiness
- Engaging with strategic customers on long-term agreements provides greater visibility and less volatility



Channel Strength

- Engaged with strategic global and regional distribution partners to drive demand creation
- Highly fragmented base of highly profitable end-customers
- Strengthens presence in Industrial market worldwide





Deep engagement with all market disrupters

Top 20 customers each purchase an average of 24 onsemi product families

Creating Shareholder Value



Aligned to **fast-growing secular megatrends** in automotive and industrial end markets



Significant **gross margin expansion** driven by manufacturing consolidation, portfolio optimization and mix



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Execution Drives 45% Gross Margin

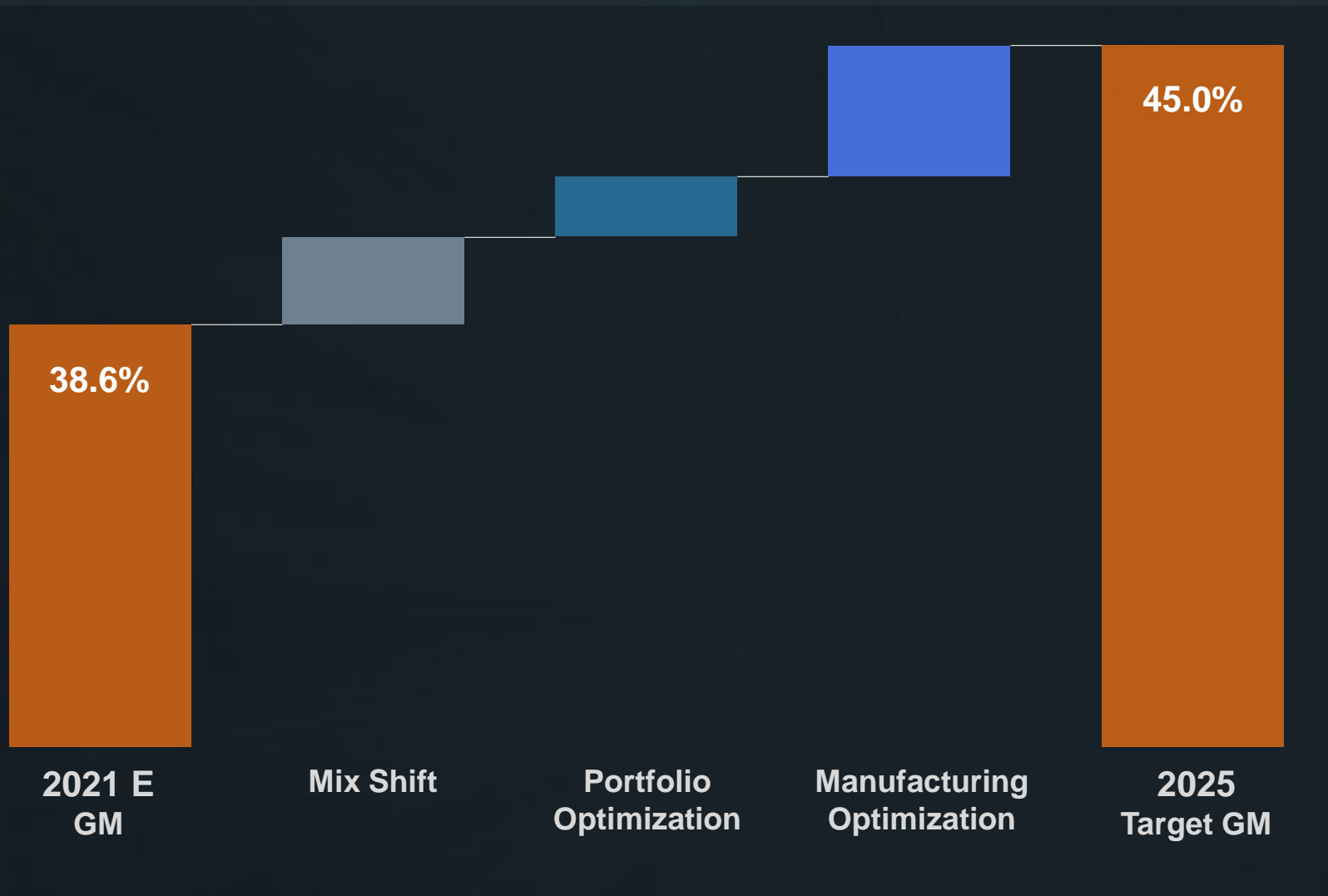


New leadership with history of execution and driving **transformation**



Disciplined execution to drive **sustainable results**

Execution Drives 45% Gross Margin



Mix Shift

- Product leadership drives shift to higher margin automotive and industrial end-markets
- Investing R&D in highly differentiated products at accretive margin

Portfolio Optimization

- Monetize non-core businesses
- Non-Core Exit - 10-15% of revenue by 2022-2023

Manufacturing Optimization

- Consolidate manufacturing footprint to reduce fixed cost footprint and minimize volatility in gross margins
- Invest in efficient 300mm Fab in East Fishkill for improved cost structure
- Manufacturing optimization expected to provide half of gross margin improvement

Shifting to Fab-Lite Manufacturing

Flexible manufacturing strategy with low fixed cost footprint

Invest in internal capacity for differentiated technologies and strategic growth areas (Intelligent Power and Silicon Carbide)

Utilize external manufacturing for non-proprietary technologies with flex capacity internally and externally

Exit sub-scale Fabs and shift to 300mm capacity

Increase back-end flexibility for common packages – external volume to increase to ~45% from 34% in 2021

Optimize capex – Rely on external partners for common packages and technologies

Minimize Gross Margin Volatility

Strengthen Competitive Advantage

Improve Cost Structure

Maximize Returns

Front-end Sites



2021E

2025
Target

Capacity Per Factory



2021E

2025
Target

Total Capacity



2021E

2025
Target

Exit smaller inefficient fabs to reduce fixed cost footprint by \$125-150 million

Consolidate capacity in larger fabs to drive reduction in unit cost

Adopt a flexible manufacturing model with capex investment for differentiated and critical technologies such as Power and SiC

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Significant **growth in Free Cash Flow** – disciplined and shareholder-friendly investment policy



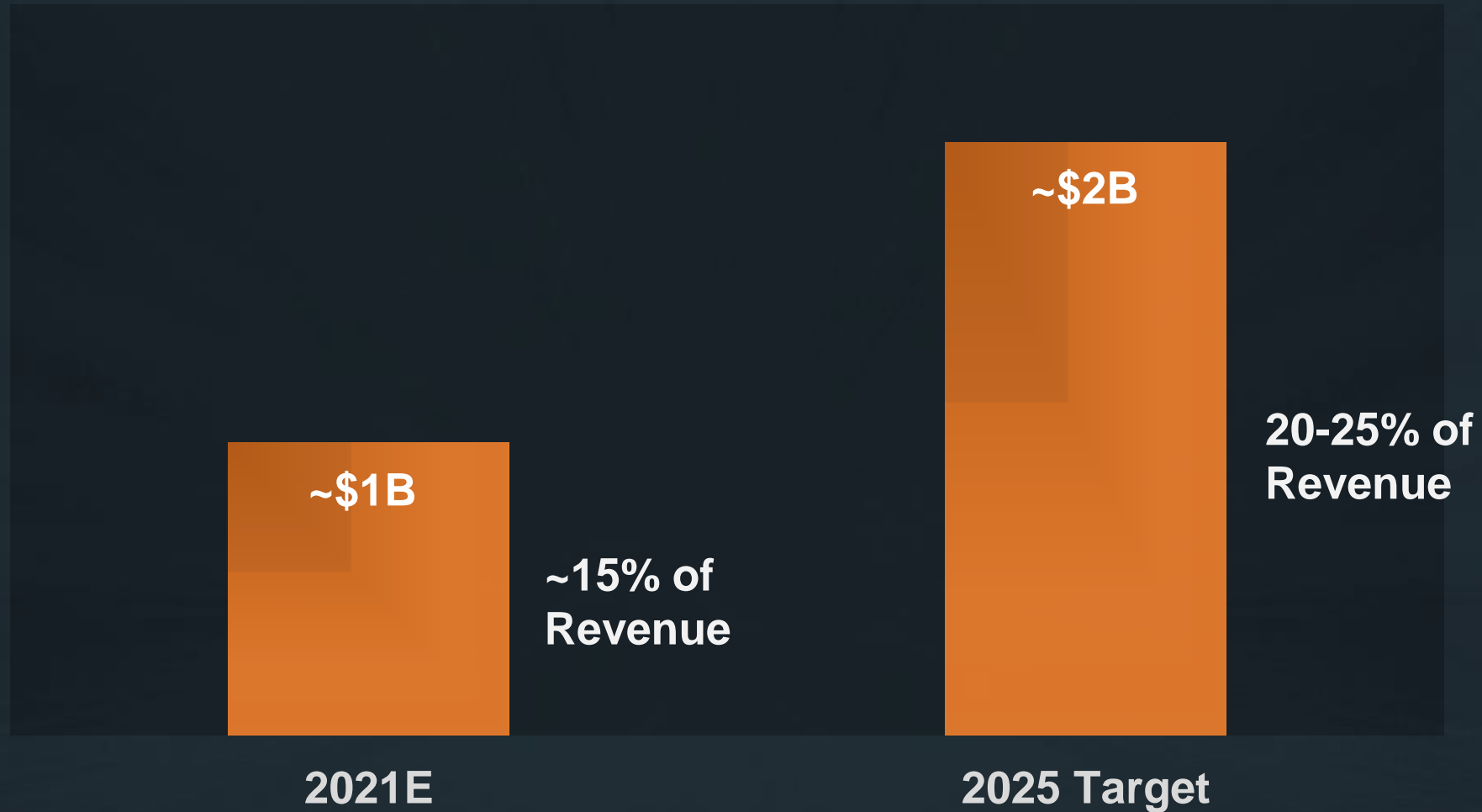
New leadership driving **transformation**

20-25% Free Cash Flow Margin



Disciplined execution to drive **sustainable results**

Targeting \$2B Free Cash Flow in 2025



FCF to increase >2X revenue growth

Capital Expenditures Drive Differentiation & Leadership

Enabling 300mm capabilities at East Fishkill

- 300mm will provide significant cost advantage in front-end costs
- Accelerate fab consolidation process

Silicon Carbide

- Expansion in die capacity
- Grow competitive advantage in modules

Power and Packaging

- Expand capacity for power products
- Invest to expand competitive advantage in packaging

Capital Intensity to be ~12% in Near Term and Moderate to 9% by 2025

Investment and Capital Allocation Strategy

Investment in Organic Growth

- Portfolio expansion for revenue growth and margin expansion – R&D and Capital Expenditure
- RoIC based investment decisions

M&A

- Adjacent and complimentary to core competencies
- Accelerate organic initiatives and developments
- Accretive to the Financial Model

Maintain Flexible Balance Sheet

- Maintain financial flexibility to pursue organic and inorganic growth
- Target net leverage of 1.5-2.0X
- Maintain existing credit ratings of BB+/Ba1

Shareholder Returns

- Return 50% of Free Cash Flow through share repurchases

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New leadership with history of execution and

Operating income growth >2x revenue growth



Disciplined execution to drive **sustainable results**

Driving Sustainable Performance

Focus on Profitable growth – Reduce reliance on revenue to drive margins

Exit volatile and highly-competitive businesses and markets

Long-term Supply Agreements (LTSA) improve visibility for investments and capacity planning

Fab-Liter strategy and manufacturing optimization improves gross margin stability

Tight cost control – operating expense growth to lag revenue growth

Invest R&D for product leadership and high returns

Sustainable Performance Drives Shareholder Value

2025 Target Model

	2021 Estimated	2025 Target	
Revenue	\$6.6B	7-9% CAGR	Grow at 2X the semiconductor industry
Gross Margin	38.6%	45%	Manufacturing consolidating, mix shift, portfolio optimization
Operating Expenses	19.1%	17%	Operating expense growth to significantly lag revenue growth
Operating Margin	19.5%	28%	Operating Income growth >2X revenue growth
CAPEX	8%	9%	Expand 300mm capacity, invest to grow SiC and Power capabilities
Free Cash Flow	~15%	20-25%	~\$2B of Free Cash Flow in 2025

Creating Shareholder Value



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Significant **gross margin expansion** driven by manufacturing consolidation, portfolio optimization and mix



Significant **growth in Free Cash Flow** – disciplined and shareholder-friendly investment policy



New leadership driving transformation

... with a sustainable and climate-responsible focus



Disciplined execution to drive **sustainable results**



Most Sustainable Company in the semiconductor industry in 2020 World Finance awards



One of 3 semiconductor companies included in the **electronics and semiconductor industry** in 2021 for **6 consecutive years**



100+ individual projects focused on conservation, reduction and recycling in 2020

onsemi
is committed to
ESG
and
Sustainability



Top 1% of 768 companies in the "Manufacture of electronic components and boards industry"

Member of **Dow Jones Sustainability Indices**

Three consecutive years in Dow Jones Sustainability Index



Second consecutive year, **#38 out of 399** U.S.-based companies across 14 industries



Recognized as **"Prime"** in 2021 (top 20% of semiconductor companies)



Ranked #10 among Barron's 100 **Most Sustainable Companies** in the U.S. for 2021



**onsemi
commits to
NET ZERO
by 2040**

Play to Win

- Focus on high-growth megatrends in Automotive and Industrial and win with onsemi intelligent power and sensing
- Double down and don't dabble
- Invest in disruptive innovation to drive higher margin growth

Improve Capital Efficiency

Implement Structural Changes

- Optimize organizational structure to reduce complexities
- Streamline manufacturing to match the strategy and
- Attract and retain the best, diverse talent across the board
- Engage and empower employees to make expeditious, data-driven decisions

Optimize Cost Structures

Capture Value

- Focus on highly differentiated products that enable disruptive innovation
- Optimize manufacturing footprint and leverage expertise
- Eliminate price-to-value discrepancies

Expand Gross Margin and Cash Flow

Execute

- Leverage new leadership team with history of strong execution
- Drive accountability throughout the organization
- Reward employees for delivering superior results

Deliver Shareholder Value

onsemi.
Winning Formula