Enabling a Sustainable Ecosystem

2021 Analyst Day
August 5, 2021 / New York City

Follow Us @onsemi
Safe Harbor Statement

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 any of these trends, risks, or uncertainties actually occurs or continues, our business, financial condition, or operating results could be materially adversely affected, the trading prices of our securities could decline, and you could lose all or part of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

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.
Governments are asking

Employees are demanding

Companies are investing

Shareholders are requiring
Governments are asking, Employees are demanding, Companies are investing, Shareholders are requiring. It’s just the right thing to do!
Greenhouse Gas Emission Trend

Global Greenhouse Gas Emissions by Economic Sector

- Transportation: 14%
- Agriculture, Forestry and Other Land Use: 21%
- Industry: 24%
- Buildings: 6%
- Electricity and Heat Production: 25%
- Other Energy: 10%

Source: IPCC (2014)
Global Greenhouse Gas Emissions by Economic Sector

- Industrial: 52%
- Automotive: 14%

Industrial and Automotive account for 66% of all Global Greenhouse Gas emissions.

Source: IPCC (2014)
Sustainability drives a common theme across all markets.
Sensing is Everywhere

Industrial automation driving output efficiency
Automotive OEMs increasing the pace of adoption of autonomy features – L2+

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
Innovative companies with disruptive technologies and strong ecosystems will win

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 for automotive and industrial acceleration of electrification and automation

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

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

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

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

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 are a Winning Combination.
Intelligent Power 6% 2021-2025 TAM CAGR

Intelligent Sensing 10% 2021-2025 TAM CAGR

Sources: OMDIA – Power Discrete and Module Market Tracker – Preliminary – 2020, Jul ’21
OMDIA – Power IC Market Tracker – Preliminary 2020, May ’21
Intelligent Power
6%
2021 – 2025
TAM CAGR

Intelligent Sensing
10%
2021 – 2025
TAM CAGR

Sources:
OMDIA – Power Discrete & Module Market Tracker – Preliminary – 2020, Jul’21
OMDIA – Power IC Market Tracker – Preliminary 2020, May ’21
Use 2021-24 CAGR as growth rate for 2025 Power IC in Power
Intelligent Power

$64B

2021 – 2025
TAM CAGR

5%

OMDIA – Power Discrete & Module Market Tracker – Preliminary – Jul ’21
OMDIA – Power IC Market Tracker – Preliminary 2020 – May ’21
Use 2021-24 CAGR as growth rate for 2025 Power IC in Power

Intelligent Sensing

$10B

2021 – 2025
TAM CAGR

10%

OMDIA – Power Discrete & Module Market Tracker – Preliminary – Jul ’21
OMDIA – Power IC Market Tracker – Preliminary 2020 – May ’21
Use 2021-24 CAGR as growth rate for 2025 Power IC in Power
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.

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.
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 solutions allow 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
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

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

> $300 per platform
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)

- 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

- 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

Sources:
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

QE: Quantum efficiency. A measure of ability to convert photons to electrons
NIR: Near Infra-Red. Scanning, Driver monitoring, Wavelength below what the human eye can detect
Aggressive push towards de-carbonization of power grid

- Coal-generated power contributed 30% of greenhouse gas emission in the past decade.

- Renewable energy contribution quadrupled over the last decade with 50% growth over the next 5 years driven by climate actions.

- Energy storage systems required to bridge daily cycles.

- 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.

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).

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

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

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

- $3,000 – $10,000 per factory

- > $600 per inverter

- $2,000 – $4,000 per charger
Advanced Safety

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

...and going beyond what a human can see
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 cannot fail

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

$200 – $1,000 per L2+ vehicle
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

- **GM**: 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

- **Volkswagen**: > 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
- **Benz**: 50% of Global Deliveries
- **Ford**: 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

Breadth of portfolio will enable fastest content growth

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)
onsemi’s most comprehensive solutions are going to win the content battle.
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
- TOLL
- D2PAK-7L
- PQFN8x8
- SO8FL
- LFPAK
- TO-247-HV
- TO-247-3L

Modules
- F5
- DIP26
- F1
- F2
- APM19
- Q1

Traction Modules
- Single-Sided 6-Pack (IGBT, SiC MOSFET)
- Dual-Side Direct Cooled (IGBT)
- Single-Sided Indirect Cooled (SiC MOSFET)

onsemi offers customers what they need to win
...and you need a scalable solution...

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

$100kW$ to $300kW$ scalable / stackable power solution

…to meet the wide range of OEM vehicle platforms
...and you keep innovating to maintain the power leadership

SiC Technology
- Hex Cell ▼ 16%
- Strip Cell ▼ 25%
- Trench Cell

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
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.
Electric Vehicles

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

> $750 of power content per vehicle

onsemi wins with high efficiency power solutions for extending the driving range
Dual Growth Vectors Fuel Future Growth

Drivetrain
- ICE
- ICE – L0/1: $50
- 48V
- 48V – L2+: $280
- xEV
- xEV – L2+: $750
- xEV – L4/5: $1,600

Advanced Safety
- L0/1
- L2+

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

Source: onsemi internal estimates
Dual Growth Vectors Fuel Future Growth

Electrification and ADAS drive 30x more content for

Source: onsemi internal estimates
drives content in every growth market in the sustainable ecosystem

- > $600 per inverter
- $2,000 – $4,000 per charger
- $200 – $1,000 per L2+ vehicle
- $3,000 – $10,000 per factory
- > $300 per platform
- > $750 per vehicle
- 5G & Cloud Power
- Professional Services
- Advanced Safety
- Electric Vehicles
We will push innovation to create intelligent power and sensing technologies that solve the most challenging customer problems.
Intelligent Sensing
Intelligent Power
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
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.

Intelligent Power
- Enabling Electric Vehicles
- Driving Power Efficiency in Industrial Systems
- Accelerating the pace of de-carbonization of power grid

Intelligent Sensing
- Enabling automotive safety and autonomous driving
- Enabling intelligent automation to drive productivity improvement and energy efficiency

Other
- Attractive cash flow focused businesses including connectivity, EEPROM, etc.
Automotive and Industrial to Fuel Growth

CAGR 2021-2025

- **Auto** 17%
- **Industrial** 7%
- **Other** -1%

- **Automotive**
  - Electrification – SiC and IGBT
  - ADAS – Image sensors and LiDAR
  - Power – LED and ADAS power

- **Industrial**
  - Alternative energy
  - Factory automation
  - EV fast charging stations

- **Other**
  - Cloud /5G expected to grow at 11% CAGR
  - Includes consumer, compute and communications
  - Exit non-core, low margin businesses in highly competitive markets

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

Distribution
- 60%
- Direct
- 40%
- Others
- 35%
- Top 20
- 65%

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

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

2021 E GM: 38.6%
2025 Target GM: 45.0%

GM - Gross Margin
Shifting to Fab-Liter Manufacturing

- **Minimize Gross Margin Volatility**
  - Flexible manufacturing strategy with low fixed cost footprint

- **Strengthen Competitive Advantage**
  - 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

- **Improve Cost Structure**
  - 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

- **Maximize Returns**
  - Optimize capex – Rely on external partners for common packages and technologies
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
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**
- **20-25% Free Cash Flow Margin**
Targeting $2B Free Cash Flow in 2025

- 2021E: ~$1B, ~15% of Revenue
- 2025 Target: ~$2B, 20-25% of Revenue

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
Creating Shareholder Value

New leadership with history of execution and driving transformation

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

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

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

... with a sustainable and climate-responsible focus

Disciplined execution to drive **sustainable results**
onsemi is committed to ESG and Sustainability

- **100+ individual projects** focused on conservation, reduction and recycling in 2020
- **Three consecutive years** in Dow Jones Sustainability Indices
- Recognized as “Prime” in 2021 (top 20% of semiconductor companies)
- **Most Sustainable Company** in the semiconductor industry in 2020 World Finance awards
- **Ranked #10** among Barron’s 100 Most Sustainable Companies in the U.S. for 2021
- **One of 3** semiconductor companies included in the electronics and semiconductor industry in 2021 for 6 consecutive years
- **Top 1%** of 768 companies in the “Manufacture of electronic components and boards industry”
- Second consecutive year, #38 out of 399 U.S.-based companies across 14 industries
- **Corporate ESG Performance Prime**

---

**Environmental Health and Safety**

---

**Member of Dow Jones Sustainability Indices**

---

**World’s Most Ethical Companies**

---

**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

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

Improve Capital Efficiency

Optimize Cost Structures

Expand Gross Margin and Cash Flow

Deliver Shareholder Value