



Quarterly Investor Presentation

Fourth Quarter and Fiscal Year 2022

Safe Harbor Statement and Non-GAAP and Forecast Information

This presentation includes “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 onsemi, including financial guidance for the first fiscal quarter of 2023, and our future target model, growth assumptions for certain end markets, and statements regarding our new share repurchase program. Forward-looking statements are often characterized by the use of words such as “believes,” “estimates,” “expects,” “projects,” “may,” “will,” “intends,” “plans,” “anticipates,” “should” or similar expressions, 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. Certain factors that could affect our future results or events are described under Part I, Item 1A “Risk Factors” in our 2021 Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on February 14, 2022 (our “2021 Form 10-K”) and Part II, Item IA “Risk Factors” in each of our Quarterly Reports on Form 10-Q filed with the SEC for the quarters ended April 1, 2022, July 1, 2022, and September 30, 2022, and from time-to-time in our other SEC reports (including in our 2022 Form 10-K). Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information, except as may be required by law. Investing in our securities involves a high degree of risk and uncertainty, and you should carefully consider the trends, risks, and uncertainties described in this presentation, our 2021 Form 10-K 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. Our earnings release and this presentation include certain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most directly comparable measures under GAAP are included in our earnings release, which is posted separately on our website in the “Investor Relations” section. See also the Appendix to this presentation for GAAP to Non-GAAP Reconciliation. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

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**



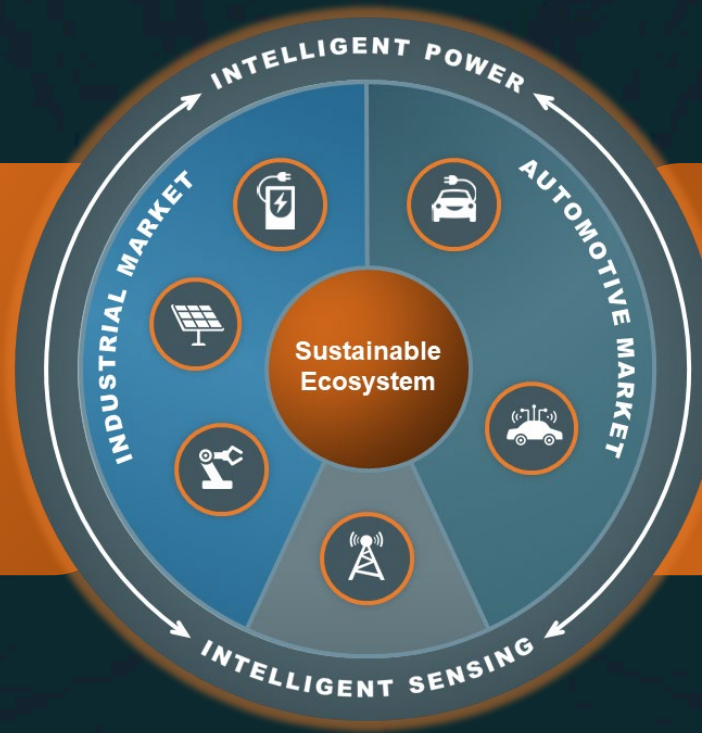
Disciplined execution to drive **sustainable results**

The **onsemi** Customer Promise

We add intelligence through integration to create value-based solutions

We drive disruptive technologies to empower a strong, sustainable ecosystem

**INTELLIGENT
POWER SOLUTIONS**
enable customers to exceed
range targets with lower
weight, and reduce system cost
through unparalleled efficiency



**INTELLIGENT
SENSING SOLUTIONS**
offer the proprietary
features customers require
to meet their most
demanding use cases

onsemi's Intelligent Power and Sensing solutions give customers the power of the "AND" while delivering the most advanced features to achieve optimal results



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

Intelligent Power and Sensing are a Winning Combination

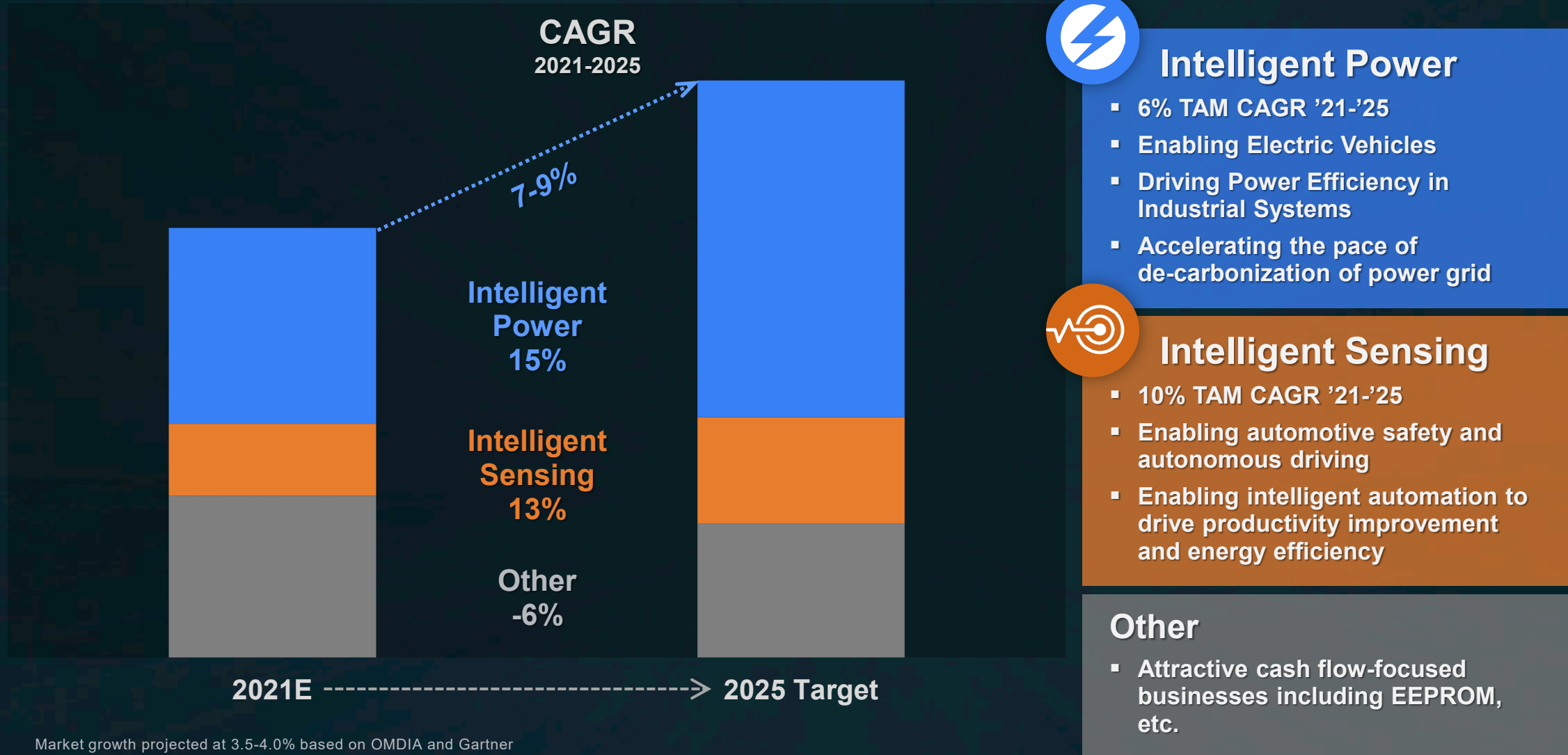


Customers value **innovation** and differentiation to develop a **sustainable ecosystem**



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

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 logic, MCU, Optocouplers, EEPROMs, small signal products, Zener diodes, etc.

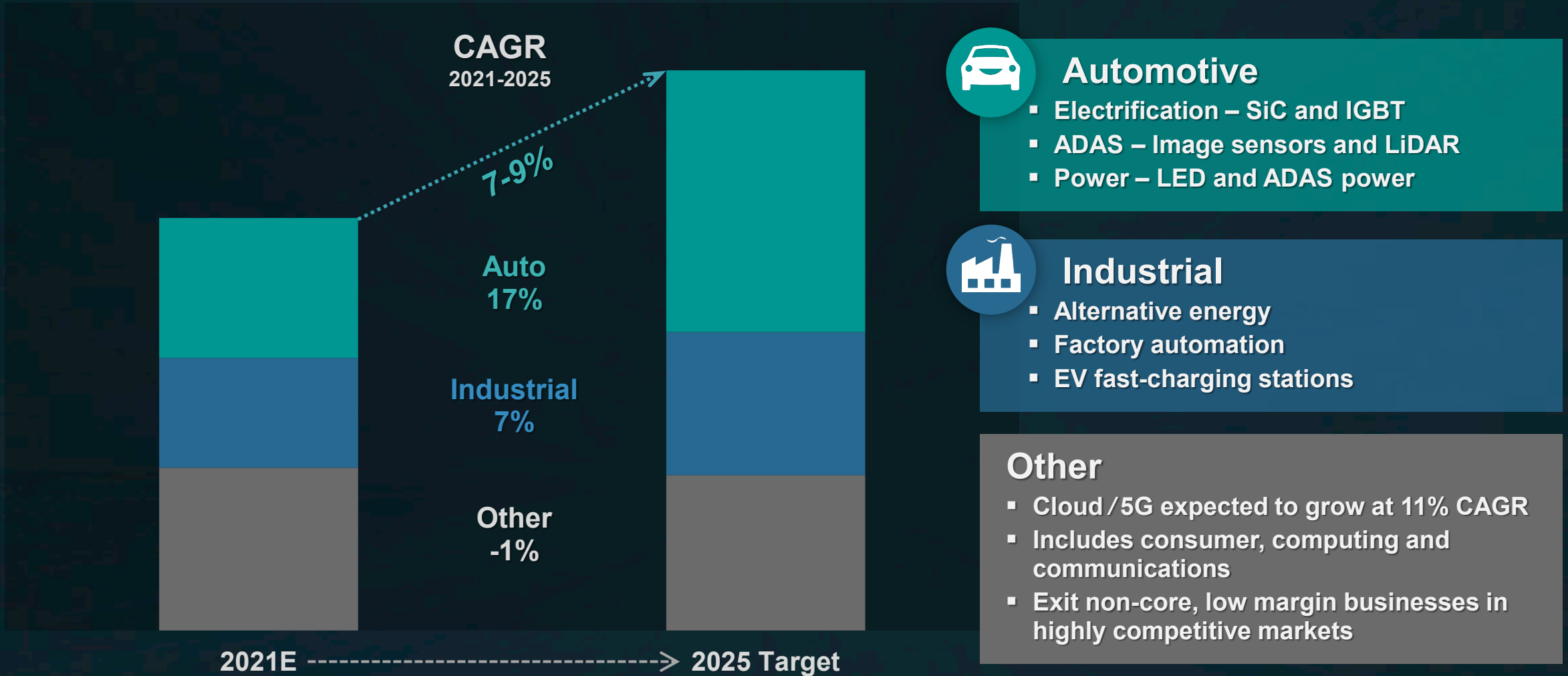
Sources:

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

Automotive and Industrial Markets to Fuel Growth



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

onsemi's SiC Leadership

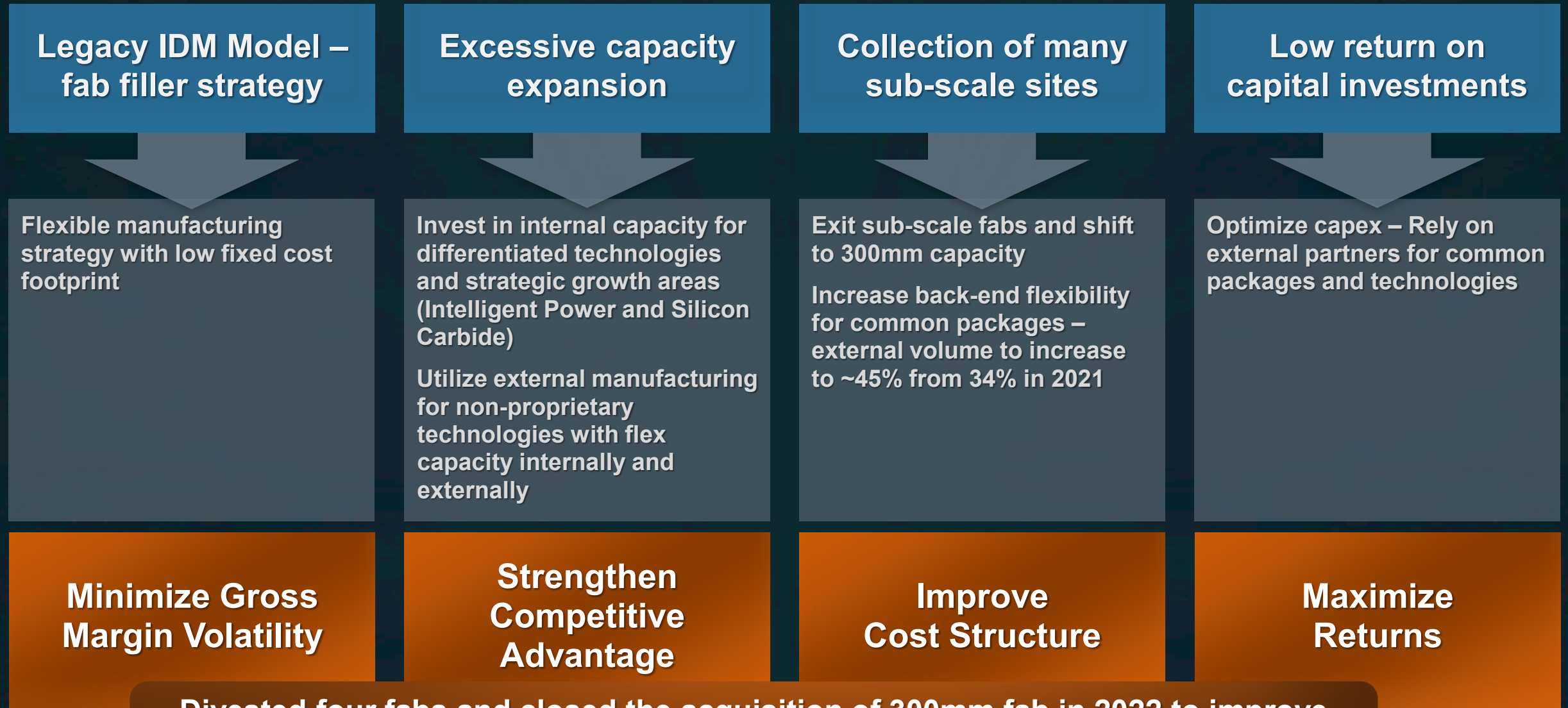
Fueling high-growth megatrends for a sustainable ecosystem



- **SiC end-to-end capabilities** provide unmatched supply assurance
- **Differentiated technology**
 - **SiC technology** – Highest efficiency and *longer-range* from cell and trench structure
 - **Package technology** – High power density for the most efficient interconnect and *direct cooling*
- **Leading Portfolio**
 - Broad range of **Power and Sensing solutions**
- **Wins with global leaders** such as VW, Mercedes Benz, Jaguar Land Rover, NIO

onsemi is uniquely positioned to win in Silicon Carbide

Shifting to Fab-Liter Manufacturing



Divested four fabs and closed the acquisition of 300mm fab in 2022 to improve long-term cost structure

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

- GTAT expansion
- Expansion in die capacity
- Grow competitive advantage in modules

Power and Packaging

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

onsemi Announces \$3 Billion Share Repurchase Program

Long-Term Target of Returning 50% of Free Cash Flow to Shareholders

PHOENIX – Feb. 6, 2023 – onsemi (the “Company”) (Nasdaq: ON) announced that its Board of Directors has approved a new share repurchase program with authorization to **repurchase up to \$3 billion of shares** of the company’s common stock through December 31, 2025. “We are **committed to a balanced capital allocation strategy to drive long-term value** for our shareholders. With the confidence we have in our **strategy to invest for long-term profitable growth**, the Board of Directors and leadership team are pleased to announce a new \$3 billion share repurchase authorization. Driven by a **three-fold increase in free cash flow generation** since the start of our transformation journey, we have increased flexibility with a **repurchase authorization twice that of the previous authorization**, which expired on December 31, 2022,” said Thad Trent, Executive Vice President and CFO of onsemi.



Third consecutive year on **Most Sustainable Company** in the semiconductor industry in 2022 World Finance awards

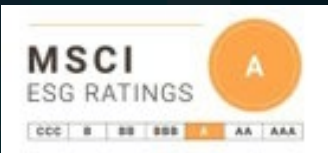


One of 4 semiconductor companies included in the **electronics and semiconductor industry** in 2022 for **seven consecutive years**



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

onsemi
commits to
NET ZERO
by 2040



In 2022, onsemi maintained its **ESG "A"** rating from MSCI

Member of **Dow Jones Sustainability Indices**

Fifth consecutive years in Dow Jones Sustainability Index



Second consecutive year, **ranked #52** among **100 best ESG Companies** by Investor's Business Daily for 2022



Recognized as **"Prime"** in 2022 (top 20% of semiconductor companies)

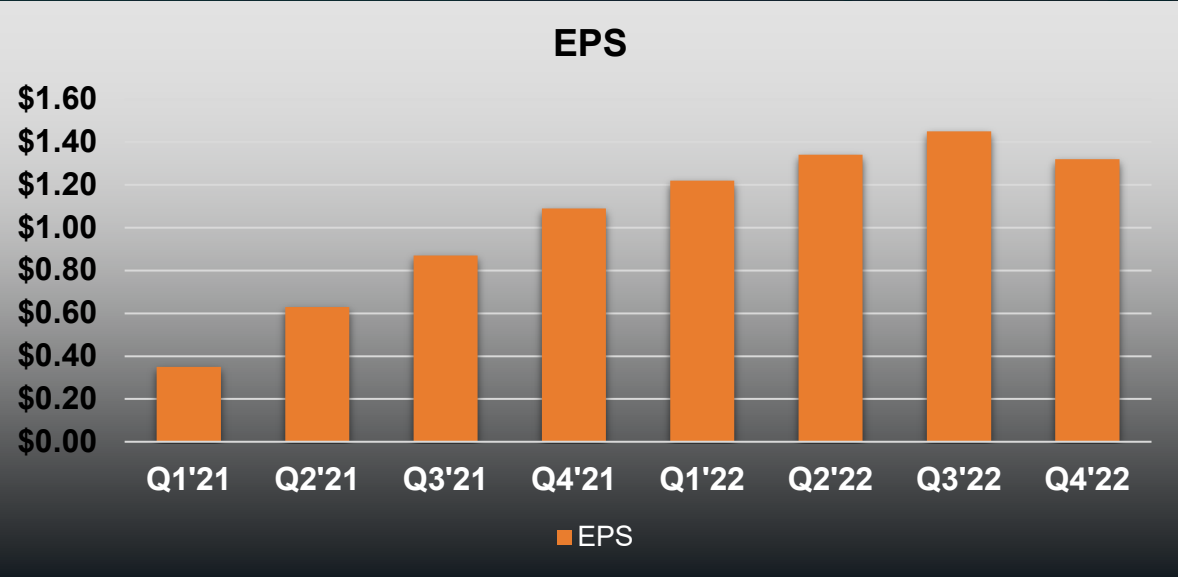
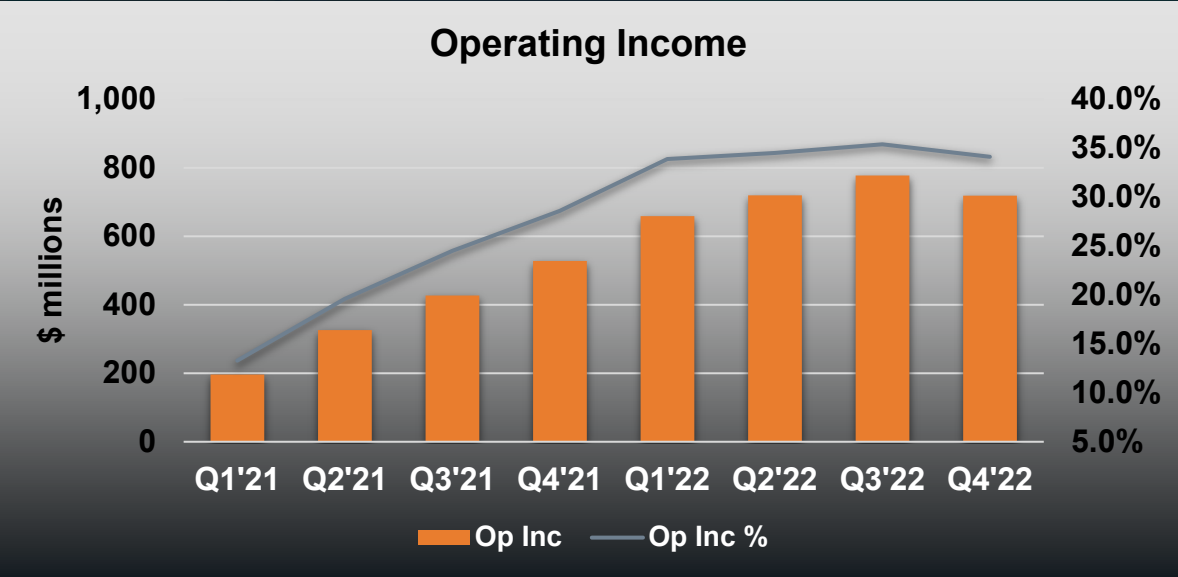
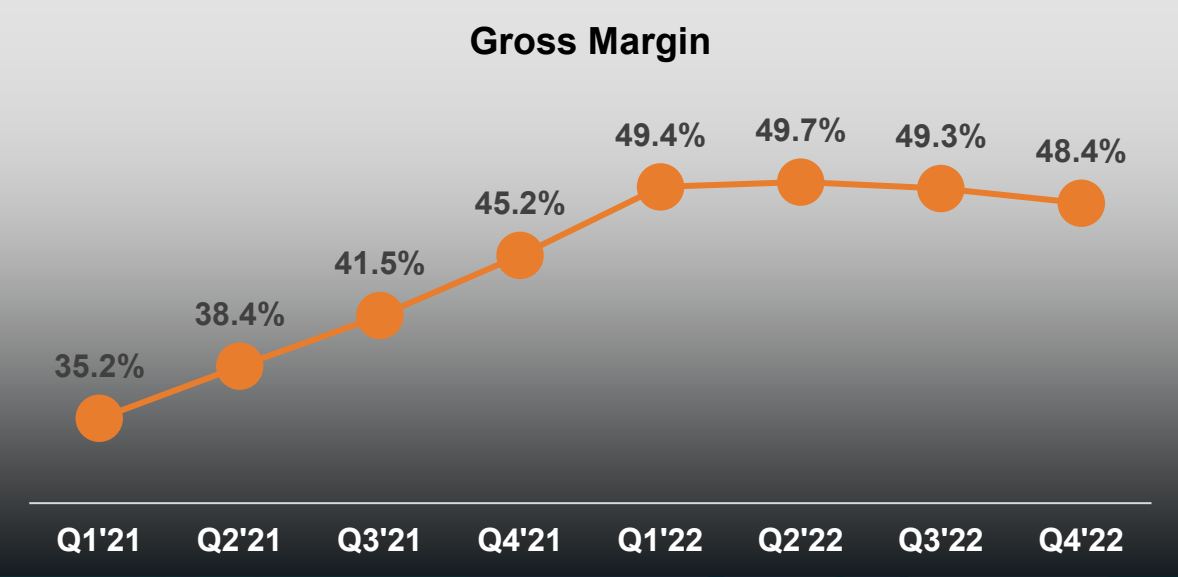
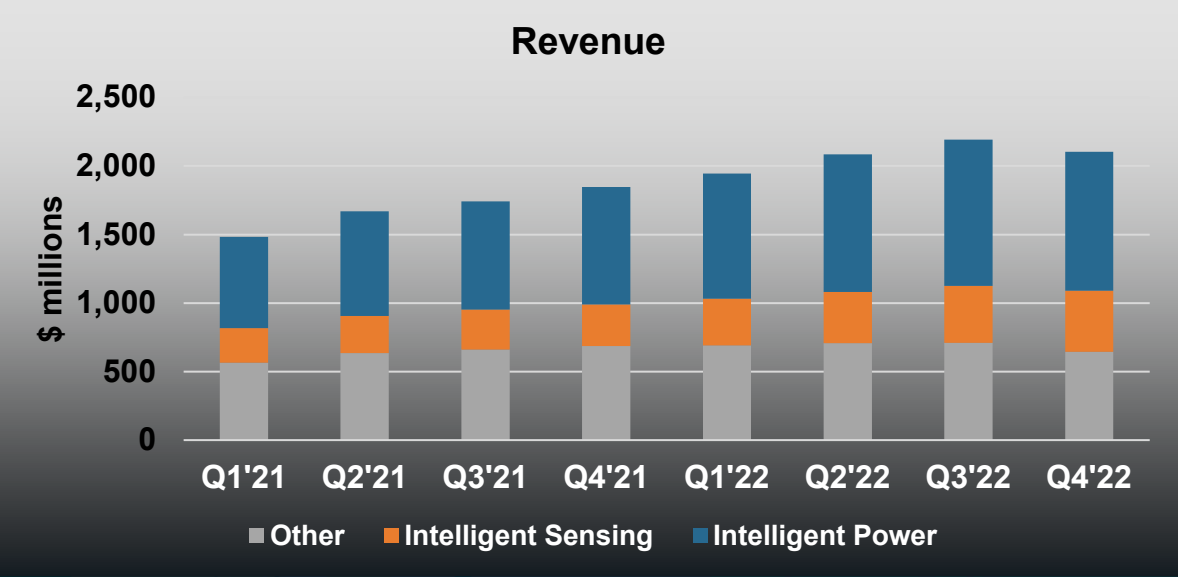


Ranked #41 among Barron's 100 **Most Sustainable Companies** in the U.S. for 2022

Financial Results

Q4'22

Non-GAAP Financial Highlights

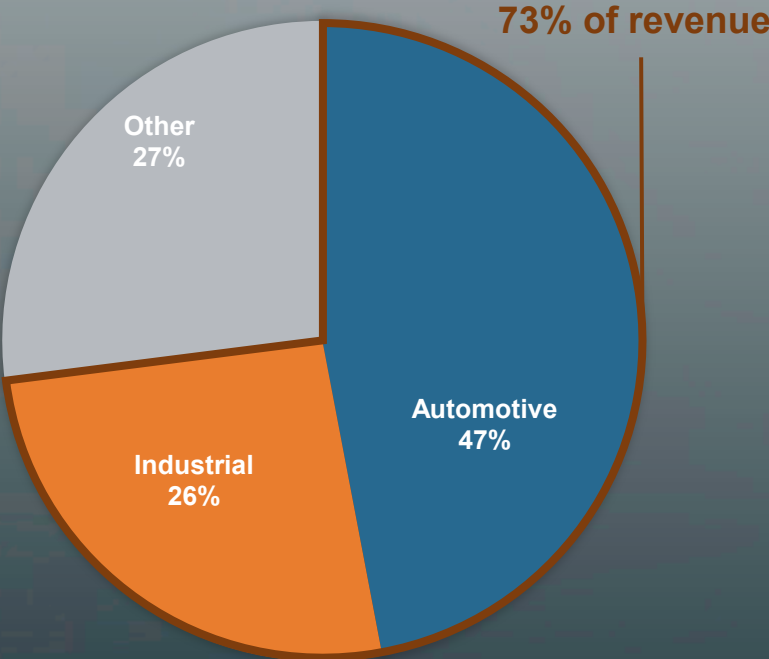


Our earnings release and this presentation include certain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most directly comparable measures under GAAP are included in our earnings release, which is posted separately on our website in the "Investor Relations" section. See Appendix for GAAP to Non-GAAP Reconciliation

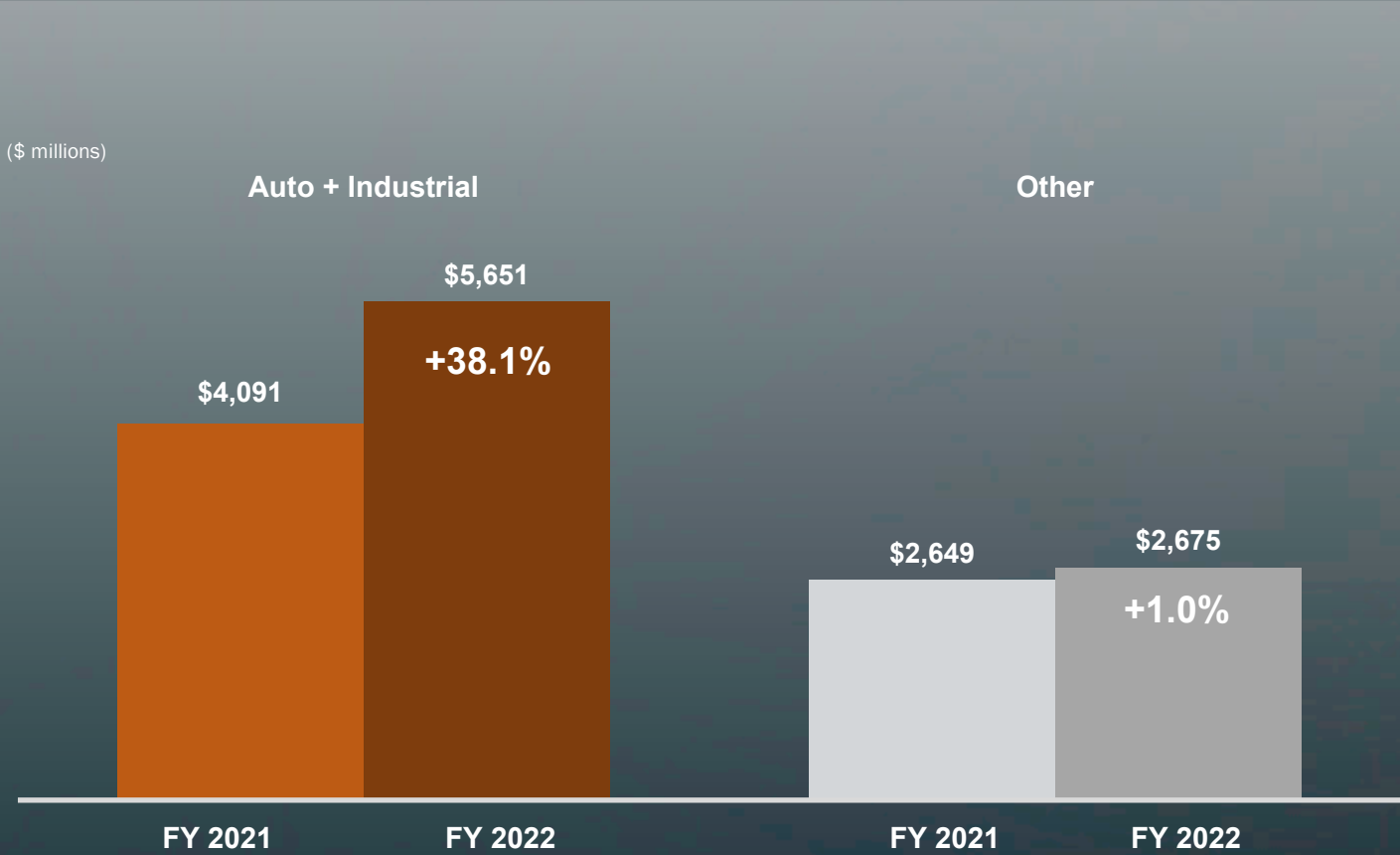


Revenue by End-Market

Q4'22 Revenue



YoY Revenue* Growth



Focus on Automotive and Industrial driving revenue growth

*Amounts may not total due to rounding of individual amounts.
 Industrial includes Medical, Military, Aerospace
 Other includes Communications, Computing, Consumer

Non-GAAP Financial Performance

	2019 Actual	2020 Actual	2021 Actual	Q1'22 Actual	Q2'22 Actual	Q3'22 Actual	Q4'22 Actual	2022 Actual	Q1'23 Guide	2025 Target	
Revenue (\$ millions)	5,517.9	5,255.0	6,739.8	1,945.0	2,085.0	2,192.6	2,103.6	8,326.6	1,870 to 1,970	7-9% CAGR	<ul style="list-style-type: none"> Record 2022 revenue, up 24% year-over-year Record fourth quarter automotive revenue of \$989 million grew 54% year-over-year
Gross Margin	36.1%	32.7%	40.4%	49.4%	49.7%	49.3%	48.4%	49.2%	45.7% to 47.7%	48%-50%	<ul style="list-style-type: none"> 2022 Gross margin achieved long term target model
Operating Expenses (\$ millions)	1,214.6	1,179.3	1,241.5	302.8	317.7	304.3	300.4	1,225.2	298 to 313	17%	<ul style="list-style-type: none"> Tight spend management contributes to 14.7% OpEx in 2022. Expect OpEx to continue to trend below long-term model for 2023
Operating Margin	14.1%	10.2%	21.9%	33.9%	34.5%	35.4%	34.1%	34.5%	---	31%-33%	<ul style="list-style-type: none"> Record operating margin in 2022: 1,200+ bps year-over-year Non-GAAP operating income grew four times faster than revenue
Capex (\$ millions)	534.6	383.6	444.6	173.8	218.1	271.1	342.0	1,005.0	340 to 380	9%	<ul style="list-style-type: none"> Enabling 300mm and SiC capabilities 5x expansion of SiC substrate capacity year-over-year in 2022
LTM Free Cash Flow	2.9%	9.5%	19.8%	20.8%	17.3%	21.0%	19.6%	19.6%	---	20-25%	<ul style="list-style-type: none"> Record FCF in 2022 ~ 20% of Revenue
Earnings per Share	\$1.49	\$0.85	\$2.95	\$1.22	\$1.34	\$1.45	\$1.32	\$5.33	\$1.02 to \$1.14	---	<ul style="list-style-type: none"> Record annual EPS in 2022

Our earnings release and this presentation include certain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most directly comparable measures under GAAP are included in our earnings release, which is posted separately on our website in the "Investor Relations" section. See Appendix for GAAP to Non-GAAP Reconciliation

Q1'23 Guidance

	GAAP	Special Items **	Non-GAAP***
Revenue	\$1,870 to \$1,970 million	---	\$1,870 to \$1,970 million
Gross Margin	45.6% to 47.6%	0.1%	45.7% to 47.7%
Operating Expenses	\$316 to \$331 million	\$18 million	\$298 to \$313 million
Other Income and Expense (including interest expense), net	\$21 to \$25 million	---	\$21 to \$25 million
Diluted Earnings Per Share	\$0.99 to \$1.11	\$0.03	\$1.02 to \$1.14
Diluted Share Count *	449 million	8 million	441 million

Notes to Q1'23 Guidance

* Diluted shares outstanding can vary as a result of, among other things, the actual exercise of options or vesting of restricted stock units, the incremental dilutive shares from the Company's convertible senior subordinated notes, and the repurchase or the issuance of stock or convertible notes or the sale of treasury shares. In periods when the quarterly average stock price per share exceeds \$20.72 for the 1.625% Notes and \$52.97 for the 0% Notes, the non-GAAP diluted share count and non-GAAP net income per share include the anti-dilutive impact of the Company's hedge transactions issued concurrently with the 1.625% Notes and the 0% Notes, respectively. At an average stock price per share between \$20.72 and \$30.70 for the 1.625% Notes and \$52.97 and \$74.34 for the 0% Notes, the hedging activity offsets the potentially dilutive effect of the 1.625% Notes and 0% Notes, respectively. In periods when the quarterly average stock price exceeds \$30.70 for the 1.625% Notes, and \$74.34 for the 0% Notes, the dilutive impact of the warrants issued concurrently with such notes are included in the diluted shares outstanding GAAP and non-GAAP diluted share counts and are based on either the Company's previous quarter's average stock price or the stock price as of the last day of the previous quarter, whichever is higher.

** Special items may include: amortization of acquisition-related intangibles; expensing of appraised inventory fair market value step-up; purchased in-process research and development expenses; restructuring, asset impairments and other, net; goodwill impairment charges; gains and losses on debt prepayment; non-cash interest expense; actuarial (gains) losses on pension plans and other pension benefits; and certain other special items, as necessary. 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 or probable significance 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 in accordance with GAAP. For this reason, we use a projected range of the aggregate amount of special items in order to calculate our projected non-GAAP operating expense outlook.

*** We believe these non-GAAP measures provide important supplemental information to investors. We use these measures, together with GAAP measures, for internal managerial purposes and as a means to evaluate period-to-period comparisons. However, we do not, and you should not, rely on non-GAAP financial measures alone as measures of our performance. We believe that non-GAAP financial measures reflect an additional way of viewing aspects of our operations that, when taken together with GAAP results and the reconciliations to corresponding GAAP financial measures that we also provide in our releases, provide a more complete understanding of factors and trends affecting our business. Because non-GAAP financial measures are not standardized, it may not be possible to compare these financial measures with other companies' non-GAAP financial measures, even if they have similar names.

Appendix: GAAP to Non-GAAP Reconciliation

\$ in Millions, except share count and EPS	FY2019	FY2020	FY2021	Q1'22	Q2'22	Q3'22	Q4'22	FY2021
Reconciliation of GAAP to Non-GAAP Net Income Attributable to ON Semiconductor Corporation:								
GAAP net income (loss) attributable to ON Semiconductor	\$ 211.7	\$ 234.2	\$ 1,009.6	\$ 530.2	\$ 455.8	\$ 311.9	\$ 604.3	\$ 1,902.2
a) Amortization of acquisition-related intangible assets	115.2	120.3	99.0	21.3	21.9	21.9	17.7	82.8
b) Restructuring, asset impairments and other, net	28.7	65.2	71.4	(13.0)	(1.7)	40.3	(7.7)	17.9
c) Goodwill and intangible asset impairment	1.6	1.3	2.9	-	115.0	271.8	-	386.8
d) Third party acquisition and divestiture-related costs	11.3	1.0	11.9	3.0	0.2	2.3	7.4	12.9
e) Non-recurring facility costs	-	-	5.5	-	-	-	-	-
f) Loss on debt refinancing and prepayment	6.2	-	29.0	-	7.3	-	(0.2)	7.1
g) Actuarial gains (losses) on pension plans and other pension benefits	15.6	4.0	(16.7)	-	-	-	(22.0)	(22.0)
h) Non-cash interest on convertible notes	37.8	38.2	24.7	-	-	-	-	-
i) Gain on divestiture of a business	-	-	(10.2)	-	(1.9)	(0.2)	(64.9)	(67.0)
j) Adjustment of income taxes	3.7	(112.3)	58.4	(3.0)	(7.3)	(24.9)	49.4	14.3
k) Impact of business wind down	-	-	-	-	-	16.3	(3.6)	12.7
l) Litigation settlement	169.5	-	-	-	-	-	-	-
m) Amortization of fair market value step-up of inventory	19.6	-	-	-	-	-	-	-
n) Indemnification gain	(7.8)	-	-	-	-	-	-	-
Non-GAAP Net Income Attributable to ON Semiconductor Corporation	\$ 613.1	\$ 351.9	\$ 1,285.5	\$ 538.5	\$ 589.3	\$ 639.4	\$ 580.4	\$ 2,347.7
Reconciliation of GAAP to Non-GAAP Diluted Shares Outstanding:								
GAAP diluted shares outstanding	\$ 416.0	\$ 418.8	\$ 443.8	\$ 448.9	\$ 447.0	\$ 448.7	\$ 447.9	\$ 448.2
Less: dilutive shares attributable to convertible notes	(3.2)	(5.5)	(8.6)	(6.9)	(5.4)	(7.9)	(8.0)	(7.0)
Non-GAAP Diluted Shares Outstanding	\$ 412.8	\$ 413.3	\$ 435.2	\$ 442.0	\$ 441.6	\$ 440.8	\$ 439.9	\$ 441.2
Non-GAAP Diluted Earnings Per Share:								
Non-GAAP net income for diluted earnings per share	\$ 613.1	\$ 351.9	\$ 1,285.5	\$ 539.0	\$ 589.8	\$ 639.9	\$ 580.8	\$ 2,349.6
Non-GAAP diluted shares outstanding	412.8	413.3	435.2	442.0	441.6	440.8	439.9	441.2
Non-GAAP Diluted Earnings Per Share	\$ 1.49	\$ 0.85	\$ 2.95	\$ 1.22	\$ 1.34	\$ 1.45	\$ 1.32	\$ 5.33

Appendix: GAAP to Non-GAAP Reconciliation

\$ in Millions, except share count and EPS	FY 2019	FY 2020	FY2021	Q1'22	Q2'22	Q3'22	Q4'22	FY2022
Reconciliation of GAAP to Non-GAAP Gross Margin:								
GAAP Gross Margin	35.8%	32.7%	40.3%	49.4%	49.7%	48.3%	48.5%	49.0%
a) Impact of business wind down	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	-0.2%	0.2%
b) Amortization of acquisition-related intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
c) Non-recurring facility costs	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
d) Amortization of fair market value step-up of inventory	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-GAAP Gross Margin	36.1%	32.7%	40.4%	49.4%	49.7%	49.3%	48.4%	49.2%
Reconciliation of GAAP to Non-GAAP Operating Expenses:								
GAAP Operating Expenses	\$ 1,540.9	\$ 1,367.1	\$ 1,426.7	\$ 314.1	\$ 453.1	\$ 633.8	\$ 316.2	\$ 1,717.2
a) Amortization of acquisition-related intangible assets	(115.2)	(120.3)	(99.0)	(21.3)	(21.9)	(21.9)	(16.1)	(81.2)
b) Restructuring, asset impairments and other, net	(28.7)	(65.2)	(71.4)	13.0	1.7	(40.3)	7.7	(17.9)
c) Goodwill and intangible asset impairment	(1.6)	(1.3)	(2.9)	-	(115.0)	(271.8)	-	(386.8)
d) Third party acquisition and divestiture-related costs	(11.3)	(1.0)	(11.9)	(3.0)	(0.2)	(2.3)	(7.4)	(12.9)
e) Impact of business wind down	-	-	-	-	-	6.8	-	6.8
f) Litigation settlement	(169.5)	-	-	-	-	-	-	-
Non-GAAP Operating Expenses	\$ 1,214.6	\$ 1,179.3	\$ 1,241.5	\$ 302.8	\$ 317.7	\$ 304.3	\$ 300.4	\$ 1,225.2
Reconciliation of GAAP to Non-GAAP Operating Income:								
GAAP Operating Income	\$ 432.7	\$ 348.7	\$ 1,287.6	\$ 647.2	\$ 584.0	\$ 424.5	\$ 704.3	\$ 2,360.0
a) Amortization of acquisition-related intangible assets	115.2	120.3	99.0	21.3	21.9	21.9	17.7	82.8
b) Restructuring, asset impairments and other, net	28.7	65.2	71.4	(13.0)	(1.7)	40.3	(7.7)	17.9
c) Goodwill and intangible asset impairment	1.6	1.3	2.9	-	115.0	271.8	-	386.8
d) Third party acquisition- and divestiture-related costs	11.3	1.0	11.9	3.0	0.2	2.3	7.4	12.9
e) Non-recurring facility costs	-	-	5.5	-	-	-	-	-
f) Impact of business wind down	-	-	-	-	-	16.3	(3.6)	12.7
g) Amortization of fair market value step-up of inventory	19.6	-	-	-	-	-	-	-
h) Litigation settlement	169.5	-	-	-	-	-	-	-
Non-GAAP Operating Income	\$ 778.6	\$ 536.5	\$ 1,478.3	\$ 658.5	\$ 719.4	\$ 777.1	\$ 718.1	\$ 2,873.1
Reconciliation of GAAP to Non-GAAP Operating Margin								
GAAP Operating Margin	7.8%	6.6%	19.1%	33.3%	28.0%	19.4%	33.5%	28.3%
a) Amortization of acquisition-related intangible assets	2.1%	2.3%	1.5%	1.1%	1.1%	1.0%	0.8%	1.0%
b) Restructuring, asset impairments and other, net	0.5%	1.2%	1.1%	-0.7%	-0.1%	1.8%	-0.4%	0.2%
c) Goodwill and intangible asset impairment	0.0%	0.0%	0.0%	0.0%	5.5%	12.4%	0.0%	4.6%
d) Third party acquisition and divestiture-related costs	0.2%	0.0%	0.2%	0.2%	0.0%	0.1%	0.4%	0.2%
e) Non-recurring facility costs	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
f) Impact of business wind down	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	-0.2%	0.2%
g) Amortization of fair market value step-up of inventory	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
h) Litigation settlement	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Non-GAAP Operating Margin	14.1%	10.2%	21.9%	33.9%	34.5%	35.4%	34.1%	34.5%
LTM Free Cash Flow								
LTM Revenue	\$ 5,517.9	\$ 5,255.0	\$ 6,739.9	\$ 7,203.2	\$ 7,618.2	\$ 8,068.6	\$ 8,326.2	\$ 8,326.2
LTM Cash Flow Margin	2.9%	9.5%	19.8%	20.8%	17.3%	21.0%	19.6%	19.6%

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