

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 3, 2026

Or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
(Commission File Number) 001-39317



ON SEMICONDUCTOR CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-3840979
(I.R.S. Employer
Identification No.)

5701 N. Pima Road
Scottsdale, AZ 85250
(602) 244-6600

(Address, zip code and telephone number, including area code, of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	ON	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the issuer's common stock outstanding at April 29, 2026 was 391,903,191.

ON SEMICONDUCTOR CORPORATION FORM 10-Q

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(See the glossary of selected terms immediately following this table of contents for definitions of certain abbreviated terms.)

ON SEMICONDUCTOR CORPORATION
FORM 10-Q
GLOSSARY OF SELECTED ABBREVIATED TERMS*

Abbreviated Term	Defined Term
0% Notes	0% Convertible Senior Notes due 2027
0.50% Notes	0.50% Convertible Senior Notes due 2029
3.875% Notes	3.875% Senior Notes due 2028
ADAS	Advanced driver-assistance systems
AI	Artificial Intelligence
Amended and Restated SIP	ON Semiconductor Corporation Amended and Restated Stock Incentive Plan, as amended
ASU	Accounting Standards Update
Commission or SEC	Securities and Exchange Commission
Credit Agreement	Credit agreement, dated as of June 22, 2023, by and among the Company, as borrower, the several lenders party thereto, JP Morgan Chase Bank, N.A., as administrative agent, and certain other parties, providing for the Revolving Credit Facility
EFK	East Fishkill, New York fabrication facility
ESPP	ON Semiconductor Corporation 2000 Employee Stock Purchase Plan, as amended
Exchange Act	Securities Exchange Act of 1934, as amended
IP	Intellectual property
IRS	United States Internal Revenue Service
IT	Information Technology
Revolving Credit Facility	A \$1.5 billion senior revolving credit facility created pursuant to the Credit Agreement
ROU	Right-of-use
RSU	Restricted stock unit
SiC	Silicon carbide
SiC JFET	Silicon Carbide Junction Field-Effect Transistor
Securities Act	Securities Act of 1933, as amended
U.S. or United States	United States of America

* Terms used, but not defined, within the body of the Form 10-Q are defined in this Glossary.

PART I: FINANCIAL INFORMATION

Item 1. Financial Statements (unaudited)

ON SEMICONDUCTOR CORPORATION CONSOLIDATED BALANCE SHEETS (in millions, except share and per share data) (unaudited)

	April 3, 2026	December 31, 2025
Assets		
Cash and cash equivalents	\$ 2,003.6	\$ 2,147.6
Short-term investments	400.0	400.0
Receivables, net	862.8	908.0
Inventories	2,049.2	1,989.6
Assets held-for-sale	40.4	25.0
Other current assets	419.6	352.9
Total current assets	5,775.6	5,823.1
Property, plant and equipment, net	3,035.6	3,369.0
Goodwill	1,679.9	1,679.9
Intangible assets, net	332.2	343.9
Deferred tax assets	933.2	929.1
ROU financing lease assets	—	23.1
Other assets	254.3	356.0
Total assets	\$ 12,010.8	\$ 12,524.1
Liabilities and Stockholders' Equity		
Accounts payable	\$ 486.1	\$ 572.3
Accrued expenses and other current liabilities	698.7	714.9
Current portion of financing lease liabilities	0.5	0.5
Total current liabilities	1,185.3	1,287.7
Long-term debt	2,982.9	2,980.5
Deferred tax liabilities	46.5	41.7
Long-term financing lease liabilities	23.1	23.8
Other long-term liabilities	452.2	498.5
Total liabilities	4,690.0	4,832.2
Commitments and contingencies (Note 10)		
ON Semiconductor Corporation stockholders' equity:		
Common stock (\$0.01 par value, 1,250,000,000 shares authorized, 626,221,307 and 624,962,201 issued, 391,871,484 and 396,740,551 outstanding, respectively)	6.3	6.2
Additional paid-in capital	5,582.5	5,538.6
Accumulated other comprehensive loss	(61.7)	(55.5)
Accumulated earnings	8,208.5	8,241.9
Less: Treasury stock, at cost: 234,349,823 and 228,221,650 shares, respectively	(6,433.9)	(6,057.9)
Total ON Semiconductor Corporation stockholders' equity	7,301.7	7,673.3
Non-controlling interest	19.1	18.6
Total stockholders' equity	7,320.8	7,691.9
Total liabilities and stockholders' equity	\$ 12,010.8	\$ 12,524.1

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(in millions, except per share data)
(unaudited)

	Quarters Ended	
	April 3, 2026	April 4, 2025
Revenue	\$ 1,513.3	\$ 1,445.7
Cost of revenue	930.2	1,151.9
Gross profit	583.1	293.8
Operating expenses:		
Research and development	144.3	164.1
Selling and marketing	63.0	68.3
General and administrative	89.4	84.4
Amortization of intangible assets	10.5	11.4
Restructuring, asset impairments and other, net	329.3	539.3
Total operating expenses	636.5	867.5
Operating loss	(53.4)	(573.7)
Other income (expense), net:		
Interest expense	(12.7)	(18.0)
Interest income	17.7	26.6
Other income	3.8	4.1
Other income (expense), net	8.8	12.7
Loss before income taxes	(44.6)	(561.0)
Income tax benefit	11.7	75.8
Net loss	(32.9)	(485.2)
Less: Net income attributable to non-controlling interest	(0.5)	(0.9)
Net loss attributable to ON Semiconductor Corporation	<u>\$ (33.4)</u>	<u>\$ (486.1)</u>
Net loss per share of common stock attributable to ON Semiconductor Corporation:		
Basic	<u>\$ (0.08)</u>	<u>\$ (1.15)</u>
Diluted	<u>\$ (0.08)</u>	<u>\$ (1.15)</u>
Weighted-average shares of common stock outstanding:		
Basic	<u>394.1</u>	<u>421.3</u>
Diluted	<u>394.1</u>	<u>421.3</u>
Comprehensive loss, net of tax:		
Net loss	<u>\$ (32.9)</u>	<u>\$ (485.2)</u>
Foreign currency translation adjustments	(0.3)	1.4
Effects of cash flow hedges and other adjustments	(5.9)	4.5
Other comprehensive income (loss), net of tax	(6.2)	5.9
Comprehensive loss	(39.1)	(479.3)
Comprehensive income attributable to non-controlling interest	(0.5)	(0.9)
Comprehensive loss attributable to ON Semiconductor Corporation	<u>\$ (39.6)</u>	<u>\$ (480.2)</u>

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions, except share data)
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Earnings	Treasury Stock		Non- Controlling Interest	Total Equity
	Number of shares	At Par Value				Number of shares	At Cost		
Balance at December 31, 2025	624,962,201	\$ 6.2	\$ 5,538.6	\$ (55.5)	\$ 8,241.9	(228,221,650)	\$ (6,057.9)	\$ 18.6	\$ 7,691.9
Shares issued pursuant to the ESPP	145,117	—	6.7	—	—	—	—	—	6.7
RSUs released and stock grant awards issued	1,113,989	0.1	(0.1)	—	—	—	—	—	—
Payment of tax withholding for RSUs	—	—	—	—	—	(418,851)	(27.4)	—	(27.4)
Share-based compensation	—	—	37.3	—	—	—	—	—	37.3
Repurchase of common stock	—	—	—	—	—	(5,709,322)	(348.6)	—	(348.6)
Comprehensive income (loss)	—	—	—	(6.2)	(33.4)	—	—	0.5	(39.1)
Balance at April 3, 2026	626,221,307	\$ 6.3	\$ 5,582.5	\$ (61.7)	\$ 8,208.5	(234,349,823)	\$ (6,433.9)	\$ 19.1	\$ 7,320.8

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Earnings	Treasury Stock		Non- Controlling Interest	Total Equity
	Number of shares	At Par Value				Number of shares	At Cost		
Balance at December 31, 2024	622,655,553	\$ 6.2	\$ 5,372.2	\$ (62.4)	\$ 8,120.9	(199,700,380)	\$ (4,640.5)	\$ 18.1	\$ 8,814.5
Shares issued pursuant to the ESPP	153,378	—	5.3	—	—	—	—	—	5.3
RSUs released and stock grant awards issued	1,309,315	—	—	—	—	—	—	—	—
Partial settlement - 0% Notes	2	—	—	—	—	—	—	—	—
Partial settlement of warrants - 0% Notes	1	—	—	—	—	—	—	—	—
Payment of tax withholding for RSUs	—	—	—	—	—	(472,730)	(22.9)	—	(22.9)
Share-based compensation	—	—	33.9	—	—	—	—	—	33.9
Repurchase of common stock	—	—	—	—	—	(6,078,505)	(302.6)	—	(302.6)
Comprehensive income (loss)	—	—	—	5.9	(486.1)	—	—	0.9	(479.3)
Balance at April 4, 2025	624,118,249	\$ 6.2	\$ 5,411.4	\$ (56.5)	\$ 7,634.8	(206,251,615)	\$ (4,966.0)	\$ 19.0	\$ 8,048.9

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)
(unaudited)

	Quarters Ended	
	April 3, 2026	April 4, 2025
Cash flows from operating activities:		
Net loss	\$ (32.9)	\$ (485.2)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	286.7	168.2
(Gain) loss on sale or disposal of fixed assets	(1.1)	0.2
Amortization of debt discount and issuance costs	2.9	2.9
Share-based compensation	37.3	33.9
Non-cash asset impairment charges	147.0	431.5
Change in deferred tax balances	2.7	(13.7)
Other	(2.2)	1.6
Changes in assets and liabilities (exclusive of acquisitions):		
Receivables	26.2	334.1
Inventories	(59.8)	184.6
Other assets	(38.5)	(36.8)
Accounts payable	(75.9)	1.4
Accrued expenses and other current liabilities	(35.5)	1.3
Other long-term liabilities	(17.8)	(21.7)
Net cash provided by operating activities	239.1	602.3
Cash flows from investing activities:		
Payments for acquisition of property, plant and equipment	(21.9)	(147.6)
Proceeds from sale of property, plant and equipment	1.0	0.2
Purchase of short-term investments	(300.0)	(250.0)
Proceeds from the maturity of short-term investments	300.0	300.0
Payments for acquisition of a business, net of cash acquired	—	(117.5)
Other	4.2	—
Net cash used in investing activities	(16.7)	(214.9)
Cash flows from financing activities:		
Proceeds for the issuance of common stock under the ESPP	6.7	5.3
Payment of tax withholding for RSUs	(26.9)	(22.4)
Repurchase of common stock	(345.7)	(300.1)
Payment of financing lease obligations	(0.1)	(0.4)
Net cash used in financing activities	(366.0)	(317.6)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(0.3)	2.0
Net increase (decrease) in cash, cash equivalents and restricted cash	(143.9)	71.8
Cash, cash equivalents and restricted cash, beginning of period (Note 6)	2,149.0	2,693.4
Cash, cash equivalents and restricted cash, end of period (Note 6)	\$ 2,005.1	\$ 2,765.2

See accompanying notes to consolidated financial statements

ON SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1: Background and Basis of Presentation

ON Semiconductor Corporation ("onsemi," "we," "us," "our," or the "Company"), with its wholly and majority-owned subsidiaries, operates under the onsemi™ brand. The Company is organized into three operating and reportable segments: the Power Solutions Group ("PSG"), the Analog and Mixed-Signal Group ("AMG"), and the Intelligent Sensing Group ("ISG").

The Company's fiscal calendar year begins on January 1 and ends on December 31, with each fiscal quarter containing a thirteen-week accounting period. The quarters ended April 3, 2026 and April 4, 2025 contained 93 days and 94 days, respectively.

The accompanying unaudited financial statements as of and for the quarter ended April 3, 2026 have been prepared following generally accepted accounting principles in the United States of America ("GAAP") for interim financial reporting and the rules and regulations of the SEC for interim reporting. Accordingly, the unaudited financial statements do not include all of the information and footnotes required by GAAP for audited financial statements. The balance sheet as of December 31, 2025 was derived from the Company's audited financial statements but does not include all disclosures required by GAAP for annual financial statements. In management's opinion, the interim information contains all adjustments, which include normal recurring adjustments necessary for a fair statement of the results for the interim periods. The footnote disclosures related to the interim financial information contained herein are also unaudited. Such financial information should be read in conjunction with the consolidated financial statements and related notes thereto for the year ended December 31, 2025, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, which was filed with the SEC on February 9, 2026 (the "2025 Form 10-K"). Certain reclassifications within the Statements of Cash Flows have been made to prior period amounts to conform to current period presentation.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Management evaluates these estimates and judgments on an ongoing basis and bases its estimates on experience, current and expected future conditions, third-party evaluations and various other assumptions that management believes are reasonable under the circumstances. Significant estimates have been used by management in conjunction with the following: (i) calculation of future payouts for customer incentives and amounts subject to allowances and returns; (ii) valuation and obsolescence relating to inventories; (iii) measurement of valuation allowances against deferred tax assets and evaluations of uncertain tax positions; (iv) assumptions used in business combinations and the valuation of assets held-for-sale; and (v) testing for impairment of long-lived assets and goodwill. Actual results may differ from the estimates and assumptions used in the consolidated financial statements.

Note 2: Segments and Revenue**Segments**

The Company is organized into three operating and reportable segments consisting of PSG, AMG and ISG. These segments represent management's view of the business for which separate financial information is available and evaluated regularly by the Chief Operating Decision Maker ("CODM"), which is the Company's Chief Executive Officer. The CODM uses segment gross profit for evaluating product pricing, factory utilization, allocation of capital and the assessment of segment profitability.

ON SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(unaudited)

Revenue and gross profit for the operating and reportable segments were as follows (in millions):

	PSG	AMG	ISG	Total
For the quarter ended April 3, 2026:				
Revenue from external customers	\$ 736.6	\$ 540.4	\$ 236.3	\$ 1,513.3
Cost of revenue	536.2	250.8	143.2	930.2
Segment gross profit	\$ 200.4	\$ 289.6	\$ 93.1	\$ 583.1
For the quarter ended April 4, 2025:				
Revenue from external customers	\$ 645.1	\$ 566.4	\$ 234.2	\$ 1,445.7
Cost of revenue	521.9	265.5	364.5	1,151.9
Segment gross profit (loss)	\$ 123.2	\$ 300.9	\$ (130.3)	\$ 293.8

The Company had one customer, a distributor, whose revenue accounted for approximately 12% and 10% of total revenue for the quarters ended April 3, 2026 and April 4, 2025, respectively, across all reportable segments. No single customer accounted for more than 10% of the Company's accounts receivable balance as of April 3, 2026, and one customer, a distributor, accounted for approximately 10% of the Company's accounts receivable balance as of December 31, 2025.

Revenue for the operating and reportable segments disaggregated into geographic locations based on sales billed from the respective country and sales channel was as follows (in millions):

	Quarter Ended April 3, 2026			
	PSG	AMG	ISG	Total
Geographic Location:				
United Kingdom	\$ 184.7	\$ 118.3	\$ 89.2	\$ 392.2
Hong Kong	185.9	144.1	38.9	368.9
Singapore	193.4	101.9	26.9	322.2
United States	126.0	141.3	29.2	296.5
Other	46.6	34.8	52.1	133.5
Total	\$ 736.6	\$ 540.4	\$ 236.3	\$ 1,513.3
Sales Channel:				
Distributors	\$ 449.3	\$ 257.4	\$ 110.1	\$ 816.8
Direct customers	287.3	283.0	126.2	696.5
Total	\$ 736.6	\$ 540.4	\$ 236.3	\$ 1,513.3

ON SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(unaudited)

	Quarter Ended April 4, 2025			
	PSG	AMG	ISG	Total
Geographic Location:				
United Kingdom	\$ 165.0	\$ 122.5	\$ 80.0	\$ 367.5
Hong Kong	165.1	143.4	61.6	370.1
Singapore	140.4	114.2	19.2	273.8
United States	123.0	142.0	27.6	292.6
Other	51.6	44.3	45.8	141.7
Total	<u>\$ 645.1</u>	<u>\$ 566.4</u>	<u>\$ 234.2</u>	<u>\$ 1,445.7</u>
Sales Channel:				
Distributors	\$ 335.6	\$ 276.1	\$ 97.4	\$ 709.1
Direct customers	309.5	290.3	136.8	736.6
Total	<u>\$ 645.1</u>	<u>\$ 566.4</u>	<u>\$ 234.2</u>	<u>\$ 1,445.7</u>

The Company operates in various geographic locations. Sales to external customers have little correlation to where products are manufactured or the location of the end-customer. It is, therefore, not meaningful to present operating profit by geographical location.

Revenue

The Company's revenue is derived primarily from product sales and to a much lesser extent from product development agreements and non-recurring engineering ("NRE") arrangements. For each of the quarters ended April 3, 2026 and April 4, 2025, revenue recognized from product sales as a percentage of total revenue was approximately 99% and revenue recognized from product development agreements and NRE arrangements was approximately 1%.

Revenue disaggregated by end-markets and product technologies was as follows (in millions):

	Quarters Ended	
	April 3, 2026	April 4, 2025
End-Markets:		
Automotive	\$ 797.3	\$ 761.9
Industrial	417.0	400.0
Other*	299.0	283.8
Total	<u>\$ 1,513.3</u>	<u>\$ 1,445.7</u>
* Other includes the end-markets of computing (including AI data center), consumer, networking, communications, etc.		
Product Technologies:		
Intelligent Power	\$ 772.5	\$ 702.2
Intelligent Sensing	292.4	299.9
Other	448.4	443.6
Total	<u>\$ 1,513.3</u>	<u>\$ 1,445.7</u>

Remaining Performance Obligations

A portion of the Company's orders are firm commitments that are non-cancellable, including certain orders or contracts with a duration of less than one year. Certain of the Company's customer contracts are multi-year agreements that include committed amounts ("Long-term Supply Agreements" or "LTSA's") for which the remaining performance obligations as of April 3, 2026 were approximately \$6.5 billion (excluding the remaining performance obligations for contracts having a duration of one year or less). If products are shipped according to the terms of these contracts, the Company expects to recognize approximately

ON SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(unaudited)

35% of this amount as revenue over the next 12 months. Total revenue estimates are based on negotiated contract prices and demand quantities, and could be influenced by risks and uncertainties, including manufacturing or supply chain constraints, modifications to customer agreements, and regulatory changes, among other factors. The timing, pricing or amounts of products delivered under LTSAs may be modified or canceled in certain circumstances, and the actual revenue recognized for the remaining performance obligations in future periods may significantly differ from current estimates.

Certain LTSAs include non-cancellable capacity payments from the customer, which are generally due within 30 days of the agreement. These payments reserve production availability or are prepayments for the same purpose and are not recognized as revenue until the performance obligations are satisfied. Payments received in advance of the satisfaction of performance obligations are recorded as contract liabilities. The Company fulfilled certain performance obligations and recognized revenue of \$15.4 million and \$24.0 million for each of the quarters ended April 3, 2026 and April 4, 2025, respectively, related to contract liabilities outstanding as of the end of each respective prior year.

Contract Balances

Contract assets and contract liabilities were as follows (in millions):

	As of	
	April 3, 2026	December 31, 2025
Contract assets included in:		
Other current assets	\$ 49.1	\$ 47.4
Contract liabilities included in:		
Accrued expenses and other current liabilities	\$ 41.1	\$ 51.8
Other long-term liabilities	46.6	69.8
Total	<u>\$ 87.7</u>	<u>\$ 121.6</u>

Note 3: Recent Accounting Pronouncements and Other Developments

Pending Adoption

Income Statement (Subtopic 220-40): Reporting Comprehensive Income - Expense Disaggregation Disclosures ("ASU 2024-03")

In November 2024, the FASB issued ASU 2024-03, which requires public business entities to expand disclosures about specific expense categories. The amendments in this ASU require a public entity to disclose, in tabular format, in the notes to the financial statements, specific information about certain costs and expenses. Although the ASU does not change the expense captions an entity presents on the face of the statement of operations, it requires disaggregation of certain expense captions into specified categories. For public business entities, the provisions of ASU 2024-03 are effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. Management is currently evaluating the requirements under this new standard.

Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06")

In September 2025, the FASB issued ASU 2025-06 to modernize the accounting for software costs that are accounted for under Subtopic 350-40, *Intangibles - Goodwill and Other - Internal-Use Software*. The guidance removes all references to project stages throughout ASC 350-40 and clarifies the threshold entities apply to begin capitalizing costs. For public business entities, the provisions of ASU 2025-06 are effective for fiscal years beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted. Management is currently evaluating the requirements under this new standard.

ON SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(unaudited)

Derivatives and Hedging (Topic 815): Hedge Accounting Improvements (ASU "2025-09")

In December 2025, the FASB issued ASU 2025-09 to amend certain aspects of its hedge accounting guidance to better reflect an entity's risk management activities in the financial statements. The guidance expands the hedged risks permitted to be aggregated in a group of individual forecasted transactions and increases the variable price components eligible to be designated as the hedged risk in the forecasted purchase or sale of nonfinancial assets. For public business entities, the provisions of ASU 2025-09 are effective for fiscal years beginning after December 15, 2026. Early adoption is permitted. Management is currently evaluating the requirements under this new standard.

Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities (ASU "2025-10")

In December 2025, the FASB issued ASU 2025-10 to establish the accounting for a government grant received by a business entity, including guidance for (1) a grant related to an asset and (2) a grant related to income. For public business entities, the provisions of ASU 2025-10 are effective for fiscal years beginning after December 15, 2028. Early adoption is permitted. Management is currently evaluating the requirements under this new standard and does not expect the adoption to have a material impact on the Company's results of operations or financial condition.

Note 4: Acquisitions

There have been no material changes to the Company's accounting for its 2025 business combinations since December 31, 2025. The purchase accounting for the acquisition of rights to Vcore power technologies, including associated intellectual property licenses, from Aura Semiconductor, which was considered preliminary as of December 31, 2025, was final as of April 3, 2026, with no changes to the previous purchase price allocation.

Note 5: Restructuring, Asset Impairments and Other, Net

Details of restructuring, asset impairments and other, net were as follows (in millions):

	Restructuring	Asset Impairments	Other	Total
For the quarter ended April 3, 2026:				
2026 Manufacturing Realignment Program	\$ 20.2	\$ 147.0	\$ 162.1	\$ 329.3
Total	\$ 20.2	\$ 147.0	\$ 162.1	\$ 329.3
	Restructuring	Asset Impairments	Other Charges	Total
For the quarter ended April 4, 2025:				
2025 Manufacturing Realignment Program	\$ 60.2	\$ 431.5	\$ 44.9	\$ 536.6
2024 Business Realignment	0.9	—	1.8	2.7
Total	\$ 61.1	\$ 431.5	\$ 46.7	\$ 539.3

A summary of changes in the accrued restructuring balance by program was as follows (in millions):

	As of December 31, 2025	Charges	Usage	As of April 3, 2026
2026 Manufacturing Realignment Program	\$ —	\$ 20.2	\$ (15.6)	\$ 4.6
2025 Manufacturing Realignment Program	2.7	—	(1.9)	0.8
Other	3.3	—	(0.7)	2.6
Total	\$ 6.0	\$ 20.2	\$ (18.2)	\$ 8.0

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The amounts recorded under the 2026 Manufacturing Realignment Program represent new restructuring activities that expand upon the Company's 2025 Manufacturing Realignment Program for actions and decisions taken in 2026.

2026 Manufacturing Realignment Program

During the first quarter of 2026, the Company continued to engage in additional restructuring and cost reduction initiatives under its previously disclosed multi-year manufacturing realignment program to better align manufacturing capacity and capabilities with anticipated long-term needs. These initiatives resulted in a reduction of global workforce, impairments of certain long-lived assets that met the held-for-sale criteria, and certain other charges primarily relating to the accelerated amortization and depreciation of assets for actions taken previously, during the quarter ended April 3, 2026.

Restructuring

Restructuring charges include estimated severance payments and related benefit expenses for employees who were notified of their employment termination or terminated during the period.

In January 2026, as part of the 2026 Manufacturing Realignment Program, the Company initiated a restructuring plan to further reduce its global workforce by approximately 650 employees, and, in connection with such plan, the Company expects to incur total severance and other related benefit expenses of approximately \$24.0 million in 2026. Of this, approximately \$20.2 million was recognized during the quarter ended April 3, 2026, with the remaining amount expected to be recognized during the remainder of 2026.

Of the aggregate expenses relating to these actions, the Company paid approximately \$15.6 million to approximately 550 terminated employees and had approximately \$4.6 million accrued as of April 3, 2026.

Asset Impairment

The Company recorded impairment charges of \$147.0 million during the quarter ended April 3, 2026 related to previous investments in manufacturing equipment at certain manufacturing facilities pursuant to held-for-sale accounting guidance due to the assets no longer being needed to meet anticipated long-term customer demand. Of the \$147.0 million of asset impairment charges, \$82.0 million and \$65.0 million were for assets held in South Korea and the Czech Republic, respectively. During the first quarter of 2026, it was determined that the assets identified by the Company met all criteria to be classified as assets held-for-sale with the expectation that these assets would be disposed of within 12 months from the end of the quarter. The impairment charges were determined as the difference between the carrying value of these long-lived assets and their estimated fair values, less estimated costs to sell such assets. Fair values were determined primarily by using unobservable inputs such as estimated sales prices based on available market prices, underlying equipment condition and market demand for similar equipment, inputs categorized as Level 3 within the fair value hierarchy. The Company utilized a third-party valuation specialist to assist in the determination of assets held-for-sale. Fair value was estimated primarily using market and income approaches, including third-party appraisals where available. Key unobservable inputs included expected sales proceeds, estimated equipment condition, and discount adjustments for certain specialized tooling.

Additional impairment charges for manufacturing equipment may be incurred in future periods pursuant to the timing of meeting the necessary criteria for being classified as held-for-sale.

Other

Other charges of \$162.1 million for the quarter ended April 3, 2026 consisted primarily of accelerated depreciation of leasehold improvements and accelerated amortization of ROU assets that were abandoned in connection with the 2025 and 2026 Manufacturing Realignment Programs. Of the \$162.1 million, \$81.7 million and \$54.8 million related to the accelerated depreciation and amortization of one lease each in the Czech Republic and the United States, respectively. The identified assets were fully depreciated and amortized as of April 3, 2026.

The Company continues to evaluate for potential operating improvements and efficiencies.

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Note 6: Balance Sheet Information and Other Supplemental Disclosures

Goodwill

Goodwill is tested for impairment annually on the first day of the fourth quarter or more frequently if events or changes in circumstances would more likely-than-not reduce the fair value of a reporting unit below its carrying value.

The following table summarizes goodwill by operating and reportable segments (in millions):

	PSG	AMG	ISG	Total
Balances as of December 31, 2025 ⁽¹⁾	\$ 703.9	\$ 851.7	\$ 124.3	\$ 1,679.9
Balances as of April 3, 2026 ⁽¹⁾	\$ 703.9	\$ 851.7	\$ 124.3	\$ 1,679.9

⁽¹⁾ Net of accumulated goodwill impairment losses of \$31.9 million in the PSG reportable segment and \$748.9 million in the AMG reportable segment as of April 3, 2026 and December 31, 2025.

Inventories

Details of inventories were as follows (in millions):

	As of	
	April 3, 2026	December 31, 2025
Inventories:		
Raw materials	\$ 266.5	\$ 263.6
Work in process	1,423.8	1,388.9
Finished goods	358.9	337.1
Total	<u>\$ 2,049.2</u>	<u>\$ 1,989.6</u>

Defined Benefit Plans

The Company recognizes the aggregate amount of all over-funded plans as assets and the aggregate amount of all underfunded plans as liabilities in its financial statements. As of April 3, 2026, the net assets for the over-funded plans totaled \$29.9 million. The total accrued pension liability for underfunded plans was \$56.5 million, of which the current portion of \$0.5 million was classified as Accrued expenses and other current liabilities. As of December 31, 2025, the net funded status for all the plans was a liability of \$26.4 million, of which the current portion of \$1.5 million was classified as Accrued expenses and other current liabilities.

The components of the net periodic pension expense were as follows (in millions):

	Quarters Ended	
	April 3, 2026	April 4, 2025
Service cost	\$ 1.0	\$ 1.1
Interest cost	1.4	1.3
Expected return on plan assets	(1.1)	(1.2)
Curtailment losses	—	1.5
Total	<u>\$ 1.3</u>	<u>\$ 2.7</u>

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Leases

Operating lease arrangements are comprised primarily of real estate and equipment agreements. The components of lease expense (including accelerated amortization related to ROU asset abandonment discussed in Note 5) were as follows (in millions):

	Quarters Ended	
	April 3, 2026	April 4, 2025
Operating lease	\$ 38.8	\$ 17.8
Variable lease	1.8	1.1
Short-term lease	0.4	0.8
Total	<u>\$ 41.0</u>	<u>\$ 19.7</u>

The operating lease liabilities and operating ROU assets recognized in the Consolidated Balance Sheets were as follows (in millions):

	As of	
	April 3, 2026	December 31, 2025
Operating lease liabilities included in:		
Accrued expenses and other current liabilities	\$ 31.2	\$ 33.9
Other long-term liabilities	208.1	214.5
Total	<u>\$ 239.3</u>	<u>\$ 248.4</u>
Operating ROU assets included in:		
Other assets	<u>\$ 167.4</u>	<u>\$ 200.8</u>

As of April 3, 2026, the weighted-average remaining lease terms were 11.1 years and 17.3 years, and the weighted-average discount rates were 5.0% and 5.8%, for operating leases and financing leases, respectively.

Supplemental Disclosure of Cash Flow Information

Certain of the cash and non-cash activities were as follows (in millions):

	Quarters Ended	
	April 3, 2026	April 4, 2025
Non-cash investing activities:		
Capital expenditures in accounts payable and other long-term liabilities	\$ 68.2	\$ 116.0
Operating ROU assets obtained in exchange for lease liabilities	1.3	12.3
Cash paid for:		
Interest expense	\$ 18.6	\$ 23.2
Income taxes	46.6	21.5
Operating lease payments in operating cash flows	11.1	10.8

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The following table shows a reconciliation of the captions in the Consolidated Balance Sheets to the Consolidated Statements of Cash Flows (in millions):

	As of			
	April 3, 2026	December 31, 2025	April 4, 2025	December 31, 2024
Consolidated Balance Sheets:				
Cash and cash equivalents	\$ 2,003.6	\$ 2,147.6	\$ 2,762.5	\$ 2,691.3
Restricted cash (included in other current assets)	1.5	1.4	2.7	2.1
Cash, cash equivalents and restricted cash in Consolidated Statements of Cash Flows	<u>\$ 2,005.1</u>	<u>\$ 2,149.0</u>	<u>\$ 2,765.2</u>	<u>\$ 2,693.4</u>

Note 7: Long-Term Debt

Long-term debt consisted of the following (in millions, with annualized interest rates):

	As of	
	April 3, 2026	December 31, 2025
Revolving Credit Facility due 2028	\$ —	\$ —
0.50% Notes due 2029 ⁽¹⁾	1,500.0	1,500.0
0% Notes due 2027	804.9	804.9
3.875% Notes due 2028 ⁽²⁾	700.0	700.0
Gross long-term debt	<u>3,004.9</u>	<u>3,004.9</u>
Less: Unamortized debt discount ⁽³⁾	(2.2)	(2.5)
Less: Unamortized debt issuance costs ⁽⁴⁾	(19.8)	(21.9)
Net long-term debt	<u>\$ 2,982.9</u>	<u>\$ 2,980.5</u>

⁽¹⁾ Interest is payable on March 1 and September 1 of each year at 0.50% annually.

⁽²⁾ Interest is payable on March 1 and September 1 of each year at 3.875% annually.

⁽³⁾ Unamortized debt discount of \$2.2 million and \$2.5 million for the 3.875% Notes as of April 3, 2026 and December 31, 2025, respectively.

⁽⁴⁾ Unamortized debt issuance costs of \$15.4 million and \$16.5 million for the 0.50% Notes, \$3.7 million and \$4.5 million for the 0% Notes and \$0.7 million and \$0.9 million for the 3.875% Notes, in each case as of April 3, 2026 and December 31, 2025, respectively.

Expected maturities of gross long-term debt as of April 3, 2026 were as follows (in millions):

Period	Expected Maturities
Remainder of 2026	\$ —
2027	804.9
2028	700.0
2029	1,500.0
2030	—
Thereafter	—
Total	<u>\$ 3,004.9</u>

The Company was in compliance with its covenants under all debt agreements as of April 3, 2026, and expects to remain in compliance with all covenants over at least the next 12 months.

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Note 8: Earnings Per Share and Equity
Earnings Per Share

Net income per share of common stock for calculating basic and diluted earnings per share was calculated as follows (in millions, except per share data):

	Quarters Ended	
	April 3, 2026	April 4, 2025
Net loss for diluted earnings per share of common stock	\$ (33.4)	\$ (486.1)
Basic weighted-average shares of common stock outstanding	394.1	421.3
Diluted weighted-average shares of common stock outstanding	394.1	421.3
Net loss per share of common stock attributable to ON Semiconductor Corporation:		
Basic	\$ (0.08)	\$ (1.15)
Diluted	\$ (0.08)	\$ (1.15)

Basic loss per share of common stock is computed by dividing net loss for basic earnings by the weighted-average number of shares of common stock outstanding during the period. To calculate the diluted weighted-average shares of common stock outstanding, the treasury stock method has been applied to calculate the number of incremental shares from the assumed issuance of shares relating to RSUs. The excluded number of anti-dilutive share-based awards was 2.6 million and 1.8 million for the quarters ended April 3, 2026 and April 4, 2025, respectively, as the inclusion would have the effect of decreasing the net loss per common share attributable to the Company.

The dilutive impacts related to the 0.50% Notes and 0% Notes have been calculated using the if-converted method for the quarters ended April 3, 2026 and April 4, 2025. The 0.50% Notes and the 0% Notes are repayable in cash up to the par value and in cash or shares of common stock for the excess over par value. Prior to conversion, the convertible note hedges are not considered for purposes of the earnings per share calculations as their effect would be anti-dilutive. Upon conversion, the convertible note hedges are expected to offset the dilutive effect of the 0.50% Notes and 0% Notes when the stock price is above \$103.87 and \$52.97 per share, respectively.

The dilutive impact of the warrants issued concurrently with the issuance of the 0.50% Notes and 0% Notes with exercise prices of \$156.78 and \$74.34, respectively, has been included in the calculation of diluted weighted-average common shares outstanding, if applicable. The dilutive impact of the warrants has been excluded for the quarters ended April 3, 2026 and April 4, 2025, respectively, as the inclusion would have the effect of decreasing the net loss per common share attributable to the Company.

Equity
Share Repurchase Program

In February 2023, the Board of Directors approved a share repurchase program (the "Share Repurchase Program") under which the Company could repurchase up to an aggregate of \$3.0 billion (exclusive of fees, commissions and other expenses) of the Company's common stock through December 31, 2025. In November 2025, the Board of Directors approved a new Share Repurchase Program (the "New Share Repurchase Program") under which the Company may repurchase up to an aggregate of \$6.0 billion (exclusive of fees, commissions and other expenses) of the Company's common stock through December 31, 2028.

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Activity under the New Share Repurchase Program and the Share Repurchase Program during the quarters ended April 3, 2026 and April 4, 2025, respectively, was as follows (in millions, except per share data):

	Quarters Ended	
	April 3, 2026	April 4, 2025
Number of repurchased shares ⁽¹⁾	5.7	6.1
Aggregate purchase price	\$ 345.6	\$ 300.0
Fees, commissions and excise tax	3.0	2.6
Total	\$ 348.6	\$ 302.6
Weighted-average purchase price per share ⁽²⁾	\$ 60.54	\$ 49.35

⁽¹⁾ None of these shares had been reissued or retired as of April 3, 2026, but may be reissued later.

⁽²⁾ Exclusive of fees, commissions or other expenses.

As of April 3, 2026, the authorized amount remaining under the New Share Repurchase Program was approximately \$5.7 billion.

Shares for Restricted Stock Units Tax Withholding

The amounts remitted for employee withholding taxes during the quarters ended April 3, 2026 and April 4, 2025 were \$27.4 million and \$22.9 million, respectively, for which the Company withheld 0.4 million and 0.5 million shares of common stock, respectively, that were underlying the RSUs that vested. This tax withholding activity is separate from the Share Repurchase Program or the New Share Repurchase Program.

Non-Controlling Interest in Leshan-Phoenix Semiconductor Company Limited ("Leshan")

The results of Leshan have been consolidated in the Company's financial statements. The Leshan non-controlling interest balance was \$19.1 million as of April 3, 2026 after including its \$0.5 million share of earnings for the quarter ended April 3, 2026. As of December 31, 2025, the Leshan non-controlling interest balance was \$18.6 million.

Note 9: Share-Based Compensation

Total share-based compensation expense related to the RSUs, stock grant awards and the ESPP was recorded within the Consolidated Statements of Operations and Comprehensive Income as follows (in millions):

	Quarters Ended	
	April 3, 2026	April 4, 2025
Cost of revenue	\$ 6.4	\$ 6.0
Research and development	7.3	6.3
Selling and marketing	5.1	4.7
General and administrative	18.5	16.9
Share-based compensation expense	37.3	33.9
Income tax benefit	(7.8)	(7.1)
Share-based compensation expense, net of tax	\$ 29.5	\$ 26.8

As of April 3, 2026, the total unrecognized expected share-based compensation expense, net of estimated forfeitures, related to non-vested RSUs with service, performance and market conditions was \$167.5 million, which is expected to be recognized over a weighted-average period of 1.9 years. Upon vesting of RSUs or stock grant awards or completion of a purchase under the ESPP, new shares of common stock are issued. The annualized pre-vesting forfeiture rate for RSUs was estimated to be 8% for each of the quarters ended April 3, 2026 and April 4, 2025.

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Shares Available

As of April 3, 2026 and December 31, 2025, there was an aggregate of 27.7 million and 28.5 million shares of common stock, respectively, available for grant under the Amended and Restated SIP.

Restricted Stock Units

RSUs generally vest ratably over three years for awards with service conditions and over three or five years for awards with performance, service and market conditions, or a combination thereof, and are settled in shares of common stock upon vesting. A summary of the RSU transactions for the quarter ended April 3, 2026 was as follows (in millions, except per share data):

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Non-vested RSUs at December 31, 2025	5.0	\$ 57.99
Granted	0.7	68.74
Achieved	0.1	52.88
Released	(1.1)	67.75
Forfeited	(0.3)	62.10
Non-vested RSUs at April 3, 2026	<u>4.4</u>	56.93

Note 10: Commitments and Contingencies

Environmental Contingencies

The Company has encountered and dealt with a number of environmental issues over time relating to the various locations where it conducts its operations and has incurred certain costs related to clean-up activities and environmental remediation efforts. In certain instances, the Company has been indemnified for such costs, often from third parties who were the prior owners of such facilities. Any costs to the Company in connection with such environmental matters have generally not been, and based on the information available, are not expected to be material.

Financing Contingencies

In the ordinary course of business, the Company provides standby letters of credit or other guarantee instruments to certain parties initiated by either the Company or its subsidiaries, as required for transactions, including, but not limited to, material purchase commitments, agreements to mitigate collection risk, leases, utilities arrangements and/or customs guarantees. The Revolving Credit Facility includes \$25.0 million available for the issuance of letters of credit, of which \$1.6 million was outstanding as of April 3, 2026, which reduced the borrowing capacity under such facility. As of April 3, 2026, the Company also had outstanding guarantees and letters of credit outside of its Revolving Credit Facility totaling \$7.1 million.

As part of obtaining financing in the ordinary course of business, the Company issued guarantees related to certain of its subsidiaries, which totaled \$1.6 million as of April 3, 2026. Based on historical experience and information currently available, the Company believes that it will not be required to make payments under the standby letters of credit or guarantee arrangements for the foreseeable future.

Indemnification Contingencies

The Company is a party to a variety of agreements entered into in the ordinary course of business, including acquisition agreements, pursuant to which it may be obligated to indemnify the other parties for certain liabilities that arise out of or relate to the subject matter of the agreements. Some of the agreements entered into by the Company require it to indemnify the other party against losses due to IP infringement, property damage (including environmental contamination), personal injury, failure to comply with applicable laws, the Company's negligence or willful misconduct or breach of representations and warranties and covenants related to such matters as title to sold assets. In the case of certain acquisition agreements, these agreements may require us to maintain such indemnification provisions for the acquiree's directors, officers and other employees and agents, in certain cases for a number of years following the acquisition.

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While the Company's future obligations under certain agreements may contain limitations on liability for indemnification, other agreements do not contain such limitations and under such agreements it is not possible to predict the maximum potential amount of future payments due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under any of these indemnities have not had a material effect on the Company's business, financial condition, results of operations or cash flows. Additionally, the Company does not believe that any amounts that it may be required to pay under these indemnities in the future will be material to the Company's business, financial position, results of operations, or cash flows.

Legal Matters

The Company is currently involved in a variety of legal matters that arise in the ordinary course of business. Based on information currently available, the Company is not involved in any pending or threatened legal proceedings that it believes could reasonably be expected to have a material adverse effect on its financial condition, results of operations or liquidity. However, the litigation process is inherently uncertain, and the Company cannot guarantee that the outcome of any litigation matter will be favorable to the Company.

Securities Class Action And Derivative Litigation Concerning the Company's SiC Business

On December 13, 2023, a putative class action captioned Hubacek v. On Semiconductor Corp., et al., Case No. 1:23-cv-01429 (D. Del.), was filed by an alleged stockholder of the Company in the U.S. District Court for the District of Delaware against the Company and certain of its officers. This action was transferred to the U.S. District Court for the District of Arizona in March of 2024. The initial complaint asserted claims for alleged violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The initial complaint alleged that the defendants made misleading statements regarding the Company's SiC business. An amended complaint was filed on May 31, 2024. The amended complaint again asserts claims for alleged violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. The plaintiff seeks a ruling that this case may proceed as a class action, and seeks damages, attorneys' fees and costs. The Company filed a motion to dismiss the amended complaint on July 30, 2024. Upon reviewing the Company's motion to dismiss the amended complaint, plaintiff deemed it necessary to further amend their complaint. On September 6, 2024, the plaintiff filed their second amended complaint. The Company filed a motion to dismiss this second amended complaint on October 10, 2024. Full briefing for this motion to dismiss the second amended complaint was completed on December 20, 2024. Oral arguments for this motion to dismiss were heard by the court on June 27, 2025. On July 11, 2025, the court granted the Company's motion to dismiss the plaintiff's second amended complaint without prejudice. On August 11, 2025, the plaintiff filed their third amended complaint. The Company filed a motion to dismiss this third amended complaint on September 25, 2025. Full briefing on this motion to dismiss the third amended complaint was completed on December 10, 2025. The Company believes that it has strong legal defenses to the claims asserted and will vigorously defend itself.

On January 3, 2024, a purported stockholder derivative action captioned Silva v. El-Khoury, et al., Case No. 1:24-cv-00007 (D. Del.), was filed by a purported stockholder of the Company in the U.S. District Court for the District of Delaware. On February 12, 2024, a purported stockholder derivative action captioned Smalley et al. v. El-Khoury et al. Case No. 1:24-cv-00183 (D. Del.), was filed by a purported stockholder of the Company in the U.S. District Court for the District of Delaware. Both aforementioned derivative actions, Silva and Smalley, were voluntarily dismissed without prejudice on April 15, 2024. On February 28, 2024, a purported stockholder derivative action captioned Mumme et al. v. El-Khoury et al. Case No. CV2024-003974 (D. AZ.), was filed by a purported stockholder of the Company in the Superior Court of the State of Arizona in and for the County of Maricopa. On March 15, 2024, a purported stockholder derivative action captioned Chan et al. v. Abe et al. Case No. 2:24-cv-00552 (D. AZ.), was filed by a purported stockholder of the Company in the U.S. District Court for the District of Arizona. On June 16, 2025, a purported stockholder derivative action captioned Balsam-Respler et al. v. El-Khoury et al. Case No. 2:25-cv-001672 (D. AZ.), was filed by a purported stockholder of the Company in the U.S. District Court for the District of Arizona. On September 23, 2025, the U.S. District Court for the District of Arizona consolidated the Balsam-Respler and Chan derivative complaints into a consolidated action entitled In re ON Semiconductor Corporation Stockholder Derivative Litigation, Case No. CV-24-00552 (D.AZ.). The allegations in these derivative complaints are substantially similar to the allegations in the securities class action complaint discussed above. The derivative suits purport to assert claims (1) on behalf of the Company against certain of its officers for contribution under the federal securities laws and (2) against all of the defendants for breach of fiduciary duty, aiding and abetting, unjust enrichment, abuse of control, gross mismanagement, and waste. The plaintiffs seek an award of damages, pre-judgment interest, punitive damages, attorneys' fees, and other costs and expenses related to the litigation. The Company believes that the plaintiffs lack standing to assert claims on the Company's behalf. These pending derivative actions were stayed by agreement, pending the resolution of Hubacek v. On Semiconductor Corp.

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Intellectual Property Matters

The Company faces risk of exposure from claims of infringement of the IP rights of others. In the ordinary course of business, the Company receives letters asserting that the Company's products or components breach another party's rights. Such letters may request royalty payments from the Company, that the Company cease and desist using certain IP, and/or request other remedies.

Note 11: Fair Value Measurements

Fair Value of Financial Instruments

The following tier level hierarchy is used to determine fair values of the financial instruments:

- Level 1: based on observable inputs that reflect quoted prices for identical assets or liabilities in active markets.
- Level 2: based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: based on the use of unobservable inputs for the assets and liabilities and other types of analyses.

The carrying values of cash and cash equivalents, which include money market funds and demand and time deposits, approximate fair value because of the short-term maturity of these instruments. Money market funds and demand deposits are classified as Level 1 while time deposits are classified as Level 2 within the fair value hierarchy. The carrying amounts of other current assets, excluding assets held-for-sale, and liabilities, such as accounts receivable and accounts payable, approximate fair value due to the short-term maturity of the amounts, and such amounts are considered Level 2 in the fair value hierarchy.

The Company held \$400.0 million of short-term investments in time deposits as of April 3, 2026 and December 31, 2025.

In connection with the Vcore acquisition in 2025, the Company is required to pay additional cash consideration upon the achievement of specified products and the achievement of certain revenue milestones. The maximum contingent cash consideration to be distributed is \$144.0 million. Contingent consideration is classified as Level 3 within the fair value hierarchy. Key unobservable inputs included the probability of completing future product milestones, the probability of achieving revenue targets, the expected timing of payments, volatility and risk-adjusted discount rates. The contingent liability for revenue milestones was valued using Monte Carlo simulations.

The contingent consideration, which will be settled in cash, has been allocated between accrued expenses and other long-term liabilities based on the expected timing of payments. Accordingly, it will be remeasured at fair value each reporting period, with changes recognized in the Consolidated Statements of Operations. The fair value of the contingent consideration was as follows (in millions):

	As of	
	April 3, 2026	December 31, 2025
Contingent consideration included in:		
Accrued expenses and other current liabilities	\$ 49.9	\$ 48.3
Other long-term liabilities	61.6	61.6
Total	<u>\$ 111.5</u>	<u>\$ 109.9</u>

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Fair Value of Long-Term Debt, including Current Portion

The carrying amounts and fair values of the Company's long-term borrowings were as follows (in millions):

	As of			
	April 3, 2026		December 31, 2025	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Long-term debt, including current portion ⁽¹⁾				
0.50% Notes	\$ 1,484.6	\$ 1,468.9	\$ 1,483.5	\$ 1,424.2
0% Notes	801.2	1,041.5	800.4	965.0
3.875% Notes	697.1	678.5	696.6	684.2

⁽¹⁾ Carrying amounts shown are net of unamortized debt discount, if applicable, and unamortized debt issuance costs.

Fair values of the 0% Notes, 0.50% Notes and 3.875% Notes were estimated based on market prices in active markets (Level 1).

Note 12: Financial Instruments

Foreign Currencies

The following summarizes the notional amounts and related fair values of the Company's foreign currency derivative instruments in U.S. Dollars (in millions):

	Notional or contractual amount	Fair Value of	
		Assets ⁽¹⁾	Liabilities ⁽²⁾
As of April 3, 2026			
Derivative instruments with hedge accounting designation:			
Cash flow hedges	\$ 462.3	\$ 1.3	\$ 10.4
Derivative instruments without hedge accounting designation:			
Currency derivatives	165.3	—	0.2
		\$ 1.3	\$ 10.6
As of December 31, 2025			
Derivative instruments with hedge accounting designation:			
Cash flow hedges	\$ 386.7	\$ 0.3	\$ —
Derivative instruments without hedge accounting designation:			
Currency derivatives	190.5	0.1	—
		\$ 0.4	\$ —

⁽¹⁾ Included in Other current assets.

⁽²⁾ Included in Accrued expenses and other current liabilities.

Cash flow hedges and currency derivatives are measured at fair value using a discounted cash flow model based on observable forward exchange rates and credit-adjusted discount rates, and are classified as Level 2 fair value measurements. Gains and losses on cash flow hedges and currency derivatives were immaterial for the quarters ended April 3, 2026 and April 4, 2025.

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Derivative Instruments with Hedge Accounting Designation

Cash Flow Hedges

The Company maintains a foreign currency cash flow hedging program to reduce the risk that its U.S. dollar net cash outflows from procurement activities will be adversely affected by fluctuations in foreign currency exchange rates. The Company enters into forward contracts (principally Philippine peso, Korean won and Czech koruna) to hedge certain portions of forecasted cash flows denominated in foreign currencies. These contracts generally mature within 18 months and are designated as cash flow hedges for accounting purposes. The Company did not identify any ineffectiveness with respect to the notional amounts of the foreign currency forward contracts effective as of April 3, 2026.

Derivative Instruments without Hedge Accounting Designation

Currency Derivatives

As of April 3, 2026 and December 31, 2025, the Company had net outstanding foreign exchange contracts that hedged existing assets and liabilities associated with transactions on its balance sheet, which were undesignated hedges for accounting purposes. Such contracts were obtained through financial institutions and were scheduled to mature within two months from the time of purchase. Management believes that these financial instruments should not subject the Company to increased risks from foreign exchange movements because gains and losses on these contracts should offset losses and gains on the underlying assets, liabilities and transactions to which they are related.

Convertible Note Hedges

The Company entered into convertible note hedges in connection with the issuance of the 0% Notes and 0.50% Notes. See Note 7: "Long-Term Debt" for more information.

Other

As of April 3, 2026, the Company had no outstanding commodity derivatives, currency swaps, options or equity contracts held at subsidiaries or affiliated companies. The Company does not hedge the value of its equity investments in its subsidiaries or affiliated companies.

The Company is exposed to credit-related losses if its hedge counterparties fail to perform their obligations. As of April 3, 2026, the counterparties to the Company's hedge contracts were held at financial institutions which the Company believes to be highly rated, and no credit-related losses are anticipated.

Note 13: Income Taxes

The Company recognizes interest and penalties accrued related to uncertain tax positions in tax expense in the Consolidated Statements of Operations and Comprehensive Income. The Company maintains a partial valuation allowance on its U.S. state deferred tax assets and a valuation allowance on foreign net operating losses and tax credits that primarily expire in 2025.

The Company is currently under IRS examination for the 2022 and 2023 tax years. Tax years prior to 2022 are generally not subject to examination by the IRS. For state tax returns, the Company is generally not subject to income tax examinations for tax years prior to 2020. With respect to jurisdictions outside the United States, the Company is generally not subject to examination for tax years prior to 2015.

ON SEMICONDUCTOR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued
(unaudited)

Note 14: Changes in Accumulated Other Comprehensive Loss

Amounts comprising accumulated other comprehensive loss and reclassifications were as follows (in millions):

	Currency Translation Adjustments	Effects of Cash Flow Hedges	Total
Balance as of December 31, 2025	\$ (55.5)	\$ —	\$ (55.5)
Other comprehensive loss prior to reclassifications	(0.3)	(5.8)	(6.1)
Amounts reclassified from accumulated other comprehensive loss	—	(0.1)	(0.1)
Net current period other comprehensive loss ⁽¹⁾	(0.3)	(5.9)	(6.2)
Balance as of April 3, 2026	<u>\$ (55.8)</u>	<u>\$ (5.9)</u>	<u>\$ (61.7)</u>

⁽¹⁾ Effects of cash flow hedges were net of tax impact of \$2.1 million for the quarter ended April 3, 2026.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with our audited historical consolidated financial statements, which are included in the 2025 Form 10-K, and our unaudited consolidated financial statements for the fiscal quarter ended April 3, 2026, which are included elsewhere in this Form 10-Q. This Management's Discussion and Analysis of Financial Condition and Results of Operations contains statements that are forward-looking. These statements are based on expectations and assumptions as of the date of this Form 10-Q and are subject to risks, uncertainties and other factors. Actual results could differ materially because of the factors discussed below or elsewhere in this Form 10-Q. See Part II, Item 1A. "Risk Factors" of this Form 10-Q and Part I, Item 1A. "Risk Factors" of the 2025 Form 10-K.

Executive Overview

onsemi Overview

ON Semiconductor Corporation ("onsemi," "we," "us," "our," or the "Company"), with its wholly and majority-owned subsidiaries, operates under the onsemi™ brand. The Company is organized into three operating and reportable segments: the Power Solutions Group ("PSG"), the Analog and Mixed-Signal Group ("AMG"), and the Intelligent Sensing Group ("ISG").

We offer intelligent power and intelligent sensing solutions that drive electrification, energy efficiency, safety, and automation in automotive, industrial, and other end-markets, including AI data center. Our intelligent power technologies enable electrified drivetrain and power management applications in the automotive industry and support efficient fast-charging systems. Our intelligent sensing technologies enable advanced safety applications in automotive through industry-leading performance and reliability.

We believe the evolution of the automotive industry, with advancements in autonomous driving, ADAS, vehicle electrification, and increased electronics content across vehicle platforms, is reshaping the boundaries of transportation. Through sensing integration, we believe our intelligent power solutions achieve increased efficiencies compared to our peers. This integration allows lower temperature operation and reduced cooling requirements while saving costs and minimizing weight. In addition, our power solutions deliver power with less die per module, improving performance efficiency for a given battery or power capacity.

In the industrial market, our intelligent power technologies propel sustainable energy for the highest efficiency solar strings and industrial power. In the medical field, our intelligent power technologies extend the life of personal diagnostic devices, such as continuous glucose monitors. Our intelligent sensing technologies support the next generation industry through automation, allowing for smarter factories and buildings. Our intelligent power and sensing technologies are enabling robotics and humanoids.

In our other end-market, which includes AI data center products, our intelligent power technologies enable energy efficiency in a market in which energy needs are growing at an exponential rate, and AI data center operators are focused on reducing energy consumption. We believe we have one of the most comprehensive portfolios of products and technologies for this market to address the complete power tree, and we are well-positioned to benefit as next-generation AI data center processors and racks enter the market.

Business Strategy Developments

We are focused on increasing profitable revenue through differentiated technologies to address the high-growth megatrends in automotive, industrial and other markets which include AI data centers. We continue to optimize and right-size our manufacturing footprint to align our capacity with our long-term outlook, while focusing on generating efficiencies that result in meaningful gross margin expansion and operating cash flows. We intend to achieve efficiencies in our operating and capital expenditures and invest in research and development initiatives to accelerate growth in high-margin products.

2026 Manufacturing Realignment Program

During the first quarter of 2026, the Company continued to engage in additional restructuring and cost reduction initiatives under its previously disclosed multi-year manufacturing realignment program to better align manufacturing capacity and capabilities with anticipated long-term needs.

We expect to incur total severance costs and related benefit expenses of \$24.0 million related to the termination of approximately 650 employees. Of this, approximately \$20.2 million was recognized during the quarter ended April 3, 2026.

Additionally, we recorded non-cash impairment charges of \$147.0 million during the quarter ended April 3, 2026 related to previous investments in manufacturing equipment at certain manufacturing facilities pursuant to held-for-sale accounting guidance. Other charges of \$162.1 million for the quarter ended April 3, 2026 consisted primarily of accelerated depreciation of leasehold improvements and accelerated amortization of ROU assets that were abandoned in connection with the 2025 and 2026 Manufacturing Realignment Programs. The total of the aforementioned costs was included within Restructuring, Asset Impairments and Other, Net in the Consolidated Statement of Operations.

For additional information, see Note 5: "Restructuring, Asset Impairments and Other, Net" in the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Share Repurchases

During the quarter ended April 3, 2026, we repurchased approximately 5.7 million shares of common stock for an aggregate purchase price of \$348.6 million. For additional information, see Note 8: "Earnings Per Share and Equity" in the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Results of Operations

Quarter Ended April 3, 2026 compared to the Quarter Ended April 4, 2025

The following table summarizes certain information relating to our operating results that has been derived from our unaudited consolidated financial statements (in millions):

	Quarters Ended		Dollar Change
	April 3, 2026	April 4, 2025	
Revenue	\$ 1,513.3	\$ 1,445.7	\$ 67.6
Cost of revenue	930.2	1,151.9	(221.7)
Gross profit	583.1	293.8	289.3
Operating expenses:			
Research and development	144.3	164.1	(19.8)
Selling and marketing	63.0	68.3	(5.3)
General and administrative	89.4	84.4	5.0
Amortization of intangible assets	10.5	11.4	(0.9)
Restructuring, asset impairments and other, net	329.3	539.3	(210.0)
Total operating expenses	636.5	867.5	(231.0)
Operating loss	(53.4)	(573.7)	520.3
Other income (expense), net:			
Interest expense	(12.7)	(18.0)	5.3
Interest income	17.7	26.6	(8.9)
Other income	3.8	4.1	(0.3)
Other income (expense), net	8.8	12.7	(3.9)
Loss before income taxes	(44.6)	(561.0)	516.4
Income tax benefit	11.7	75.8	(64.1)
Net loss	(32.9)	(485.2)	452.3
Less: Net income attributable to non-controlling interest	(0.5)	(0.9)	0.4
Net loss attributable to ON Semiconductor Corporation	<u>\$ (33.4)</u>	<u>\$ (486.1)</u>	<u>\$ 452.7</u>

The following table summarizes certain information relating to our segment results (in millions):

	Quarter Ended April 3, 2026	As a % of Total	Quarter Ended April 4, 2025	As a % of Total	Dollar Change
Revenue:					
PSG	\$ 736.6	48.7 %	\$ 645.1	44.6 %	\$ 91.5
AMG	540.4	35.7 %	566.4	39.2 %	(26.0)
ISG	236.3	15.6 %	234.2	16.2 %	2.1
Total	<u>\$ 1,513.3</u>	<u>100.0 %</u>	<u>\$ 1,445.7</u>	<u>100.0 %</u>	<u>\$ 67.6</u>
Cost of revenue:					
PSG	\$ 536.2	57.6 %	\$ 521.9	45.3 %	\$ 14.3
AMG	250.8	27.0 %	265.5	23.1 %	(14.7)
ISG	143.2	15.4 %	364.5	31.6 %	(221.3)
Total	<u>\$ 930.2</u>	<u>100.0 %</u>	<u>\$ 1,151.9</u>	<u>100.0 %</u>	<u>\$ (221.7)</u>
Gross profit: ⁽¹⁾					
PSG	\$ 200.4	27.2 %	\$ 123.2	19.1 %	\$ 77.2
AMG	289.6	53.6 %	300.9	53.1 %	(11.3)
ISG	93.1	39.4 %	(130.3)	(55.6)%	223.4
Total	<u>\$ 583.1</u>	<u>38.5 %</u>	<u>\$ 293.8</u>	<u>20.3 %</u>	<u>\$ 289.3</u>

⁽¹⁾ Gross profit margin as a percentage of respective segment revenue balances.

Revenue

Revenue was \$1,513.3 million and \$1,445.7 million for the quarters ended April 3, 2026 and April 4, 2025, respectively, representing an increase of \$67.6 million, or approximately 5%, year over year due to increased demand across all end-markets. We had one customer, a distributor, whose revenue accounted for approximately 12% and 10% of our total revenue for the quarters ended April 3, 2026 and April 4, 2025, respectively, across all reportable segments.

Revenue from PSG

Revenue from PSG increased by \$91.5 million, or approximately 14%, for the quarter ended April 3, 2026 compared to the quarter ended April 4, 2025 due to increased demand. This was driven by an increase in revenue of \$53.1 million, \$31.0 million, and \$7.4 million in the automotive, other, and industrial end-markets, respectively.

Revenue from AMG

Revenue from AMG decreased by \$26.0 million, or approximately 5%, for the quarter ended April 3, 2026 compared to the quarter ended April 4, 2025 attributable to lower demand in certain end-markets. This was driven by a decrease in revenue of \$16.3 million and \$14.7 million in the automotive and other end-markets, respectively, which was partially offset by an increase of \$5.0 million within the industrial end-market.

Revenue from ISG

Revenue from ISG increased by \$2.1 million, or approximately 1%, for the quarter ended April 3, 2026 compared to the quarter ended April 4, 2025 due to increased demand. This was driven by an increase in revenue of \$4.6 million in the industrial end-market, which was partially offset by a decrease in revenue of \$1.4 million and \$1.1 million in the automotive and other end-markets.

Revenue by Geographic Location

Revenue by geographic location, based on sales billed from the respective country or region, was as follows (dollars in millions):

	Quarter Ended April 3, 2026	As a % of Total Revenue ⁽¹⁾	Quarter Ended April 4, 2025	As a % of Total Revenue ⁽¹⁾
United Kingdom	\$ 392.2	25.9 %	\$ 367.5	25.4 %
Hong Kong	368.9	24.4 %	370.1	25.6 %
Singapore	322.2	21.3 %	273.8	18.9 %
United States	296.5	19.6 %	292.6	20.2 %
Other	133.5	8.8 %	141.7	9.8 %
Total revenue	<u>\$ 1,513.3</u>		<u>\$ 1,445.7</u>	

⁽¹⁾ Certain amounts may not total due to rounding of individual amounts.

Gross Profit and Gross Margin

Gross profit increased by \$289.3 million, or approximately 98%, to \$583.1 million for the quarter ended April 3, 2026 compared to \$293.8 million for the quarter ended April 4, 2025 primarily due to the absence of \$237.7 million of excess and obsolete inventory charges and a \$43.9 million write-off of consumables and manufacturing supplies recognized during the quarter ended April 4, 2025, which did not reoccur in 2026.

Our gross margin increased by 18.2 percentage points from 20.3% for the quarter ended April 4, 2025 to 38.5% for the quarter ended April 3, 2026. The increase was primarily driven by the absence of prior-year excess and obsolete inventory charges and consumables write-off, slightly improved manufacturing utilization and favorable mix within certain business segments, partially offset by lower volumes in select end-markets.

PSG gross profit increased by \$77.2 million, primarily driven by higher revenue across all end-markets and improved absorption resulting from higher manufacturing utilization. PSG gross margin increased by 8.1 percentage points to 27.2% from 19.1%, primarily due to the absence of a \$43.9 million write-off of consumables and manufacturing supplies charges during the quarter ended April 4, 2025, as well as improved utilization and operating leverage on higher volumes during the quarter ended April 3, 2026.

AMG gross profit decreased by \$11.3 million, primarily driven by the decline in demand within the automotive and other end-markets. AMG gross margin increased by 0.5 percentage points to 53.6% from 53.1%, primarily due to product mix, including a higher proportion of higher-margin offerings, which partially offset the impact of lower overall volume.

ISG gross profit increased by \$223.4 million and gross margin increased to 39.4% from (55.6)%, primarily due to the absence of \$232.2 million of excess and obsolete inventory charges recognized during the quarter ended April 4, 2025, which did not reoccur during the quarter ended April 3, 2026.

Operating Expenses

Research and development expenses were \$144.3 million for the quarter ended April 3, 2026, as compared to \$164.1 million for the quarter ended April 4, 2025, representing a decrease of \$19.8 million, or approximately 12%. The decrease was primarily attributable to a decrease in production material costs and other variable expenses.

Selling and marketing expenses were \$63.0 million for the quarter ended April 3, 2026, as compared to \$68.3 million for the quarter ended April 4, 2025, representing a decrease of \$5.3 million, or approximately 8%. The decrease was primarily attributable to lower payroll-related expenses and reduced commission costs.

General and administrative expenses were \$89.4 million for the quarter ended April 3, 2026, as compared to \$84.4 million for the quarter ended April 4, 2025, representing an increase of \$5.0 million, or approximately 6%. The increase was primarily attributable to higher payroll-related expenses, including increased investments in corporate and operational support functions.

Other Operating Expenses

Amortization of Intangible Assets

Amortization of intangible assets was \$10.5 million for the quarter ended April 3, 2026, as compared to \$11.4 million for the quarter ended April 4, 2025, representing a decrease of \$0.9 million, or approximately 8%.

Restructuring, Asset Impairments and Other, Net

Restructuring, asset impairments and other, net was \$329.3 million for the quarter ended April 3, 2026, as compared to \$539.3 million for the quarter ended April 4, 2025. Charges incurred for the quarter ended April 3, 2026 relate to restructuring actions during the period. See Note 5: "Restructuring, Asset Impairments and Other, Net" in the notes to our unaudited consolidated financial statements included elsewhere in this Form 10-Q for additional information.

Interest Expense

Interest expense decreased by \$5.3 million to \$12.7 million during the quarter ended April 3, 2026, as compared to \$18.0 million during the quarter ended April 4, 2025, due to the repayment of the Revolving Credit Facility on December 31, 2025. Our average gross long-term debt for the quarter ended April 3, 2026 was \$3,004.9 million at a weighted-average interest rate of 1.7%, as compared to \$3,379.9 million at a weighted-average interest rate of 2.1% for the quarter ended April 4, 2025.

Interest Income

Interest income decreased by \$8.9 million, or approximately 33%, to \$17.7 million during the quarter ended April 3, 2026 compared to \$26.6 million during the quarter ended April 4, 2025. The decrease was primarily attributable to lower interest rates earned on cash equivalents and short-term investments, as well as lower average cash and investment balances during the period.

Other Income (Expense)

During the quarter ended April 3, 2026, other income was \$3.8 million compared to other expense of \$4.1 million during the quarter ended April 4, 2025.

Income Tax Benefit

We recorded an income tax benefit of \$11.7 million and \$75.8 million for the quarters ended April 3, 2026 and April 4, 2025, respectively, representing effective tax rates of 26.2% and 13.5%, respectively. The higher effective tax rate in 2026 was due to the impact of discrete benefits recognized during the quarter.

For additional information, see Note 13: "Income Taxes" in the notes to the unaudited consolidated financial statements included elsewhere in this Form 10-Q.

Liquidity and Capital Resources

Overview

Our principal sources of liquidity are cash on hand, short-term investments, cash generated from operations, available borrowings under our Revolving Credit Facility as well as new debt and/or equity issuances. In the near term, we expect to fund our cash requirements by utilizing any or a combination of these principal sources. Our cash and cash equivalents and short-term investments were approximately \$2.4 billion as of April 3, 2026, and the Revolving Credit Facility has approximately \$1.5 billion available for future borrowings.

We require cash to: (i) fund our operating expenses, working capital requirements, outlays for strategic acquisitions and investments; (ii) service our debt, including principal and interest; (iii) incur capital expenditures; and (iv) repurchase our common stock. During the ordinary course of business, we evaluate our cash requirements and, if necessary, adjust our expenditures to reflect the current market conditions and our projected sales and demand. Future capital expenditures may be impacted by events and transactions that are not currently forecasted.

We believe that our cash on hand, cash generated from our operations and the amounts available under the Revolving Credit Facility are adequate to meet our working capital requirements and other business needs for at least the next 12 months and thereafter for the foreseeable future.

Operating Activities

Our cash flows from operating activities were \$239.1 million and \$602.3 million for the quarters ended April 3, 2026 and April 4, 2025, respectively. The decrease in operating cash flows by \$363.2 millions was primarily driven by unfavorable changes in working capital, including the timing of cash receipts and payments.

Net loss for the quarter ended April 3, 2026 improved compared to the prior-year period, primarily due to lower non-cash asset impairment and restructuring-related charges, partially offset by accelerated depreciation and amortization expense for ROU assets and related improvements that were abandoned in connection with the 2025 and 2026 Manufacturing Realignment Programs. However, these improvements in earnings did not directly translate to higher operating cash flows, as working capital requirements had a more significant impact on cash generation during the period.

Our ability to generate positive operating cash flows depends on, among other factors, the achievement of revenue targets, management of manufacturing and operating costs and effective management of working capital. The timing of collections from customers, payments to suppliers and inventory management also significantly influences our operating cash flows.

Investing Activities

Our cash flows used in investing activities were \$16.7 million and \$214.9 million for the quarters ended April 3, 2026 and April 4, 2025, respectively. The decrease of \$198.2 million was primarily attributable to a decrease in capital expenditures and a decrease in the payments for acquisition of a business during the quarter ended April 3, 2026. Our capital expenditures as a percentage of revenue were approximately 1%, and we expect capital expenditures of approximately 5% of revenue for the year ended December 31, 2026.

Financing Activities

Our cash flows used in financing activities were \$366.0 million and \$317.6 million for the quarters ended April 3, 2026 and April 4, 2025, respectively. The increase of \$48.4 million was primarily attributable to increased share repurchases during the quarter ended April 3, 2026.

Our 0% Notes will mature on May 1, 2027 unless earlier repurchased or redeemed by the Company or converted pursuant to their terms. We expect to continue our New Share Repurchase Program subject to market conditions, the price of our shares and other factors (including liquidity needs). However, the New Share Repurchase Program may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

Key Factors Potentially Affecting Liquidity

We believe that the key factors that could adversely affect our internal and external sources of cash include, among other considerations:

- changes in demand for our products, competitive pricing pressures, supply chain constraints, effective management of our manufacturing capacity, our ability to achieve further reductions in operating expenses, our ability to make progress on the achievement of our business strategy and sustainability goals, the impact of our restructuring programs on our production and cost efficiency, and our ability to make the research and development expenditures required to remain competitive in our business; and
- the debt and equity capital markets could impact our ability to obtain needed financing on acceptable terms or to respond to business opportunities and developments as they arise, including interest rate fluctuations, macroeconomic conditions, sudden reductions in the general availability of lending from banks or the related increase in cost to obtain bank financing and our ability to maintain compliance with covenants under our debt agreements in effect from time to time.

Debt Guarantees and Related Covenants

As of April 3, 2026, we were in compliance with the indentures relating to our 0% Notes, 0.50% Notes and 3.875% Notes and with covenants included in the Credit Agreement. The 0% Notes, 0.50% Notes and 3.875% Notes are senior to the existing and future subordinated indebtedness of onsemi and its guarantor subsidiaries, rank equally in right of payment to all of our existing and future senior debt and, as unsecured obligations, are subordinated to all of our existing and future secured debt to the extent of the assets securing such debt.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 3: "Recent Accounting Pronouncements and Other Developments" in the notes to the unaudited consolidated financial statements included elsewhere in this Form 10-Q and our 2025 Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in market risk from the information presented in Part II, Item 7A. "Quantitative and Qualitative Disclosures About Market Risk" in the 2025 Form 10-K.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the required time periods and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

We also carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the fiscal quarter ended April 3, 2026.

There have been no changes to our internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) that occurred during the fiscal quarter ended April 3, 2026 which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

Item 1. Legal Proceedings

See Note 10: "Commitments and Contingencies" under the heading "Legal Matters" in the notes to the consolidated unaudited financial statements included elsewhere in this Form 10-Q for additional information on our legal proceedings and related matters. See also Part I, Item 1 "Business - Government Regulation" of the 2025 Form 10-K for information on certain environmental matters.

Item 1A. Risk Factors

Our business, financial condition and results of operations are subject to a number of trends, risks and uncertainties. We review and, where applicable, update our risk factors each quarter. There have been no material changes from the risk factors disclosed in Part I, Item 1A of the 2025 Form 10-K.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements," as that term is defined in Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements, other than statements of historical facts, included or incorporated in this Form 10-Q could be deemed forward-looking statements, particularly statements about our plans, strategies and prospects under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations." 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 Form 10-Q 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.

Important factors that could cause our actual results to differ materially from those anticipated in the forward-looking statements are described under Part I, Item 1A "Risk Factors" in the 2025 Form 10-K, in this Form 10-Q and from time to time in our other SEC reports. Readers are cautioned not to place undue reliance on forward-looking statements. We assume no obligation to update such information, which speaks only as of the date made, 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 the aforementioned reports and subsequent reports filed with or furnished to the SEC before making any investment decision with respect to our securities. The risk factors described herein and in our 2025 Form 10-K are not all of the risks we may face. Other risks not presently known to us or that we currently believe are immaterial may materially affect our business. If any of the 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.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table provides information regarding repurchases of our common stock during the quarter ended April 3, 2026:

Period ⁽¹⁾	Total Number of Shares Purchased	Average Price Paid per Share (\$)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar value of Shares that May Yet be Purchased Under the Plans or Programs (in millions) (\$)
January 1, 2026 - January 30, 2026	2,507,876	\$ 61.04	2,507,876	\$ 5,847.0
January 31, 2026 - February 27, 2026	752,240	62.45	752,240	5,800.0
February 28, 2026 - April 3, 2026	2,449,206	59.47	2,449,206	5,654.4
Total	5,709,322	\$ 60.55	5,709,322	

⁽¹⁾ These time periods represent our fiscal month start and end dates for the first quarter of 2026.

Shares withheld to satisfy statutory tax withholding requirements related to the vesting of share-based awards are not issued or considered repurchases of our common stock under our New Share Repurchase Program and, therefore, are excluded from the table above.

New Share Repurchase Program

In November 2025, the Board of Directors approved a new Share Repurchase Program (the "New Share Repurchase Program") under which the Company may repurchase up to an aggregate of \$6.0 billion of the Company's common stock (exclusive of fees, commissions and other expenses). Under the New Share Repurchase Program, which does not require the Company to purchase any minimum amount of common stock or at all, the Company may repurchase shares from January 1, 2026 through December 31, 2028. The New Share Repurchase Program may be modified, suspended or terminated by the Board of Directors at any time without prior notice.

We repurchased 5.7 million shares of the Company's common stock under the New Share Repurchase Program during the quarter ended April 3, 2026. As of April 3, 2026, the authorized amount remaining under the New Share Repurchase Program was approximately \$5.7 billion.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Insider Trading Arrangements

During the quarter ended April 3, 2026, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as those terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits**EXHIBIT INDEX**

Exhibit No.	Exhibit Description*
10.1	<u>Form of Annual Restricted Stock Unit Award Agreement under the ON Semiconductor Corporation Amended and Restated Stock Incentive Plan (2026 form agreement)</u> ¹¹⁰²¹
10.2	<u>Form of Annual Performance-Based Restricted Stock Unit Award Agreement under the ON Semiconductor Corporation Amended and Restated Stock Incentive Plan (2026 form agreement)</u> ¹¹⁰²¹
31.1	<u>Certification by CEO pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002</u> ¹¹¹
31.2	<u>Certification by CFO pursuant to Rule 13(a)-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of Sarbanes-Oxley Act of 2002</u> ¹¹¹
32	<u>Certification by CEO and CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u> ¹¹²
101.INS	XBRL Instance Document ⁽¹⁾
101.SCH	XBRL Taxonomy Extension Schema Document ⁽¹⁾
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document ⁽¹⁾
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document ⁽¹⁾
101.LAB	XBRL Taxonomy Extension Label Linkbase Document ⁽¹⁾
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document ⁽¹⁾
104	Cover Page Interactive Data File - the cover page XBRL tags are embedded within the Inline XBRL document.

* Reports filed under the Exchange Act (Form 10-K, Form 10-Q and Form 8-K) are filed under File No. 000-30419 and File No. 001-39317.

⁽¹⁾ Filed herewith.

⁽²⁾ Furnished herewith.

⁽³⁾ Management contract or compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ON SEMICONDUCTOR CORPORATION
(Registrant)

Date: May 4, 2026

By: /s/ THAD TRENT

Thad Trent

Executive Vice President and Chief Financial Officer

(Principal Financial and Accounting Officer and officer duly authorized to sign this report)



NOTICE OF GRANT OF RESTRICTED STOCK UNITS

Congratulations! You have been granted an Award of Restricted Stock Units (the “**Units**” or the “**Award**”) by **onsemi** under the Amended and Restated Stock Incentive Plan (as it may be amended and in effect from time to time, the “**Plan**”) as follows:

GRANTEE NAME:

EMPLOYEE ID:

NUMBER OF UNITS GRANTED:

Each Unit represents the right to receive one share of common stock of the Company and any Related Credits, provided that you remain employed with or continue providing services to the Company and its affiliates through the applicable vesting date below and subject to all the other terms and conditions of this Notice of Grant of Restricted Stock Units (this “**Notice**”), the restricted stock unit award agreement attached as Exhibit A (the “**Award Agreement**”), any other exhibits or appendices to this Notice or the Award Agreement, and the Plan (together, the “**Award Documents**”). All capitalized terms used but not defined in this Notice have the meanings ascribed to them in the Plan or the Award Agreement.

GRANT NUMBER:

GRANT DATE:

VESTING DATES:

You will not receive any shares of common stock upon vesting unless and until the criteria set forth in this Notice and the Award Agreement, including satisfaction of all Tax Obligations, are satisfied. Please confirm your acceptance of this Award by signing below or, in the case of a Notice provided to you in electronic format, by following the instructions below:

[INSTRUCTIONS OMITTED]

By your acceptance of this Award:

- you acknowledge receiving and reviewing the Award Documents, including this Notice, the Award Agreement and the Plan, and related documentation;
- you agree that this Award is granted under, and governed by the terms and conditions, of the Award Documents, and you agree to be bound by all such terms and conditions;
- you agree to accept as binding, conclusive and final all decisions or interpretations of the Plan administrator or its delegatee; and
- **you consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Award Agreement for the purposes of implementing, administering and managing your participation in the Plan.**

You do not have to accept the Award. If you wish to decline your Award, you should promptly notify Stock Administration of your decision at [CONTACT EMAIL OMITTED]. If you do not provide

such notification by the last day of the calendar month prior to the first Vesting Date, you will be deemed to have accepted your Award on the terms and conditions set forth in these Award Documents.

This Notice will be interpreted and administered under the laws of the State of Delaware (without giving effect to its conflict of laws principles) and upon acceptance will be deemed to have been executed and delivered as of the Grant Date.

GRANTEE

Name:

ON SEMICONDUCTOR CORPORATION

By: _____

Name: _____

Title:

EXHIBIT A
RESTRICTED STOCK UNIT AWARD AGREEMENT

1. Grant of Units.

1.1. ON Semiconductor Corporation, a Delaware corporation (the “**Company**”), hereby grants to the grantee (the “**Grantee**”) named in the Notice of Grant of Restricted Stock Units (the “**Notice**”) an award of restricted stock units (the “**Units**” or the “**Award**”), as set forth in the Notice and subject to the terms and conditions in this Restricted Stock Unit Award Agreement (this “**Award Agreement**”), the ON Semiconductor Corporation Amended and Restated Stock Incentive Plan (as it may be amended and in effect from time to time, the “**Plan**”), and, if applicable, the Appendix described in Section 22 (collectively, the “**Award Documents**”). All capitalized terms used but not defined in this Award Agreement have the meaning set forth in the Plan or the Notice unless a contrary meaning is set forth in the Grantee’s employment agreement or comparable agreement with the Company or one of its Affiliates (as amended and in effect from time to time, the “**Employment Agreement**”).

1.2. Each Unit represents the right to receive one share of common stock of the Company (“**Stock**”), subject to Section 6, on the applicable Vesting Date (as defined below) if and to the extent that the vesting conditions of the Award Documents have been satisfied. Unless and until the Units vest, the Grantee will have no right to receive any shares of Stock (or any other payment or right) in connection with such Units. Prior to the actual distribution of shares of Stock in settlement of any vested Units, if applicable, this Award represents an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

1.3. While any portion of this Award is outstanding, from the Grant Date through the date any shares of Stock are issued in settlement of this Award, the Grantee will be credited with (i) the amount of any cash dividends and (ii) any Stock, securities or other property to which the Grantee would have been entitled had the Grantee been a record holder of one share of Stock for each Unit that the Grantee holds as of the applicable payment date (collectively, the “**Related Credits**”). All such Related Credits will be credited notionally to a dividend equivalent account established for the Grantee, effective as of the applicable payment date, but will not accrue interest or other earnings. The Related Credits will vest and pay out or be forfeited at the same time and on the same terms as the Units to which they relate.

2. Company Obligations. Subject to this Section 2 and Section 3, the vesting of Units on each scheduled vesting date set forth in the Notice (each, a “**Vesting Date**”) is subject to the Grantee’s continuous service as an employee, consultant or other service provider from the grant date set forth in Notice (the “**Grant Date**”) to the applicable Vesting Date (the “**Service Condition**”).

3. Termination of Employment or Services. Unless otherwise provided in any Employment Agreement then in effect between the Grantee and the Company or one of its Affiliates, if the Grantee’s employment or service relationship with the Company and its Affiliates terminates for any reason (regardless of who initiates the termination or whether the termination is with or without Cause), any unvested Units will be canceled and forfeited automatically as of the date of the Grantee’s termination of employment or service.

4. Time and Form of Payment. Subject to the provisions of the Award Documents, upon vesting, the Company will deliver to the Grantee the same number of whole shares of Stock as the number of vested Units, rounded to the nearest whole share (without payment for any fractional share, and any vested Related Credits. Subject to Section 20, the Company will deliver

the Stock and vested Related Credits to the Grantee within 15 days after the applicable Vesting Date.

5. Nontransferability. Prior to vesting, the Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, either voluntarily or involuntarily, other than by will or by the laws of descent and distribution, except as otherwise provided under Article 12 of the Plan.

6. Adjustments. In the event of a stock dividend or in the event the Stock is changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation or other similar corporate change, the Award will be adjusted by the Committee in its discretion in accordance with, and to the extent provided in, Section 5.3 of the Plan.

7. Delivery of Shares. No shares of Stock will be delivered under this Award Agreement until: (i) the Units vest in accordance with the terms and conditions of the Award Documents; (ii) approval of any governmental authority required in connection with this Award Agreement, or the issuance of shares of Stock thereunder, has been received by the Company; (iii) if required by the Committee, the Grantee has delivered to the Company documentation (in form and content acceptable to the Company in its sole and absolute discretion) to assist the Company in concluding that the issuance to the Grantee of any shares of Stock under this Award Agreement would not violate the Securities Act of 1933, as amended (the “**Securities Act**”), or any other applicable federal, state or local securities or other laws or regulations; (iv) the Grantee has complied with Section 13 below, in order for the proper provision for required tax withholdings to be made; and (v) the Grantee has executed and returned the Notice to the Company (which, in the case of a Notice provided to the Grantee in electronic format, requires that the Grantee click the “ACCEPT” or “SUBMIT” button).

8. Securities Act. The Company will not be required to deliver any shares of Stock upon the vesting of Units if, in the opinion of counsel for the Company, such issuance would violate the Securities Act or any other applicable federal, state or local securities laws or regulations.

9. No Voting and Other Stockholder Rights. The Grantee will have no voting rights or any other rights as a stockholder of the Company (such as rights to any cash dividends or distributions) with respect to the Units before the Company issues shares of Stock to the Grantee in settlement of vested Units except for the accrual of any Related Credits in accordance with Section 1.3.

10. Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted under the Award Documents must be given in writing and will be deemed effectively given (except to the extent that this Award Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Grantee by the Company or an Affiliate, or upon deposit in the U.S. Post Office or foreign postal service, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the current address on file with the Company or at such other address as such party may designate in writing from time to time to the other party.

10.1 Description of Electronic Delivery. The Award Documents and all other documents related to participation in the Plan (which may include the Plan, the Notice, this Award Agreement, any prospectus delivered pursuant to the Plan or applicable law and any reports of the

Company provided generally to the Company's stockholders) may be delivered to the Grantee electronically. In addition, the Grantee may deliver electronically the Notice and this Award Agreement to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

10.2 Consent to Electronic Delivery. The Grantee acknowledges that the Grantee has read Section 10.1 and consents to the electronic delivery of the Award Documents as described in Section 10.1. The Grantee acknowledges that the Grantee may receive from the Company a paper copy of any documents delivered electronically at no cost to the Grantee by contacting the Company by telephone, in writing, or by email.

11. Administration. The Notice and this Award Agreement are subject to the terms and conditions of the Plan and will be administered by the Committee in accordance with the terms and provisions of the Plan in all respects. The Committee has the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the Committee with respect to the Plan and this Award Agreement will be final and binding upon the Grantee and the Company. In the event of any conflict between the terms and conditions of this Award Agreement and the Plan, the provisions of the Plan will control.

12. Continuation of Employment or Services. This Award Agreement does not, and should not be construed to, confer upon the Grantee any right to continue employment with, or to provide services to, the Company and its Affiliates and does not limit the right of the Company, in its sole and absolute discretion, to terminate the Grantee's employment or services at any time and for any reason.

13. Responsibility for Taxes and Withholdings.

13.1 Liability for Tax Obligations. The Grantee acknowledges that, regardless of any action the Company or the Grantee's employer (the "**Employer**") takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee (the "**Tax Obligations**"), the ultimate liability for all Tax Obligations is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer: (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Award, including the grant of the Award, the vesting of Units, the conversion of the Units into shares of Stock or the receipt of an equivalent cash payment, the subsequent sale of any shares of Stock acquired at vesting and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Units to reduce or eliminate the Grantee's liability for Tax Obligations or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction.

13.2 Satisfaction of Tax Obligations. Prior to any relevant taxable or tax-withholding event, as applicable, the Grantee must pay, or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy, all Tax Obligations. In this regard, pursuant to Article 16 of the Plan, if permissible under local law and subject to any restrictions provided by the Committee prior to the vesting of the Units, the Grantee hereby authorizes the

Company or the Employer, or their respective agents, to withhold all applicable Tax Obligations in shares of Stock to be issued upon vesting and settlement of the Units. Alternatively, or in addition, subject to any restrictions provided by the Committee prior to the vesting of the Units, the Grantee authorizes the Company and/or the Employer, or their respective agents, to satisfy the obligations with regard to all Tax Obligations by one or a combination of the following: (i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; (ii) withholding from proceeds of the sale of shares of Stock acquired upon vesting/settlement of the Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization); (iii) personal check or other cash equivalent acceptable to the Company; or (iv) any other means as determined appropriate by the Company or the Committee.

13.3 Withholding Amounts. Depending on the withholding method, the Company may withhold or account for Tax Obligations by considering applicable minimum statutory withholding amounts or such greater amounts not to exceed the maximum statutory rate necessary, in the applicable jurisdiction, to satisfy federal, state and local withholding tax requirements (but only if withholding at a rate greater than the minimum statutory rate will not result in adverse financial or accounting consequences for the Company). In the event that the Company withholds an amount for Tax Obligations that exceeds the maximum withholding amount under applicable law, the Grantee will receive a refund of such over-withheld amount in cash and will have no entitlement to an equivalent amount in Stock.

13.4 Consequences of Failure to Satisfy Tax Obligations. The Grantee understands and agrees that the Grantee must pay to the Company or to the Employer any amount of Tax Obligations that cannot be satisfied by the means described in Section 13.2. The Company may refuse to issue or deliver shares of Stock or pay any other amounts due to the Grantee under the Award Documents if the Grantee fails to fully satisfy the Tax Obligations.

14. Amendments. The Notice and this Award Agreement may not be amended or modified so as to materially adversely affect the Grantee's rights except (i) by a written agreement executed by the Company and the Grantee or (ii) as otherwise provided in the Plan.

15. Integrated Agreement. The Award Documents constitute the entire understanding and agreement of the Grantee and the Company with respect to the Award and supersede any prior agreements, understandings, restrictions, representations or warranties between the Grantee and the Company with respect to such subject matter. To the extent contemplated in the Award Documents, the provisions of the Award Documents will survive any vesting and settlement of the Award and will remain in full force and effect.

16. Severability. If one or more of the provisions of the Notice and this Award Agreement is held to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired by such holding and the invalid, illegal or unenforceable provisions will be deemed null and void; however, to the extent permissible by law, any provisions that could be deemed null and void should first be construed, interpreted or revised retroactively to permit the Notice and this Award Agreement to be construed so as to foster the intent of the Award Documents.

17. Governing Law and Venue. The Award Documents will be interpreted and administered under the laws of the State of Delaware. For purposes of litigating any dispute that arises under the Award Documents, the parties hereby submit to and consent to the jurisdiction of the State of Arizona and agree that such litigation will be conducted in the courts of Maricopa County, Arizona, or the federal courts for the United States for the District of Arizona, where this grant is made and/or to be performed.

18. Grantee Representations. The Grantee represents that he or she has read and is familiar with the provisions of the Award Documents and accepts the Award subject to all such terms and conditions. The Notice and this Agreement will be deemed to have been accepted and signed by the Grantee and the Company as of the Grant Date upon the Grantee's online acceptance or deemed acceptance as set forth in the Notice or otherwise agreed in writing by the Grantee.

19. Counterparts. The Notice and this Agreement may be executed (or, as provided in Section 18, accepted and signed) in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

20. Section 409A Compliance. The Company intends and believes, but does not and cannot warrant or guaranty, that the payments due pursuant to this Award comply with, or are exempt from, the requirements of Section 409A of the Code and each provision of the Award Documents will be interpreted, to the extent possible, consistent with that intent and belief. For any payments due pursuant to this Award that the Company determines must comply with Section 409A, (i) the provisions of Section 18.3 of the Plan will apply, including any payment delays that may be required to comply with Section 409A, and (ii) each payment under these Award Documents will be treated as a separate payment. As provided in the Plan, the Company reserves the right to amend the Award or the Award Documents to ensure any payments pursuant to this Award comply with, or are exempt from, Section 409A. Notwithstanding the foregoing, the Grantee remains solely responsible for any adverse tax consequences that may be imposed upon the Grantee by Section 409A and nothing in the Award Document provides a basis for any person to take any action against the Company or any of its Subsidiaries or affiliates based on matters covered by Section 409A, including the tax treatment of any amounts payable or paid under the Award Documents.

21. Confidentiality; Reaffirmation of Restrictive Covenants; Violation.

21.1 Confidentiality of Agreement. The Grantee acknowledges and agrees that the terms of this Award are considered proprietary information of the Company. The Grantee agrees to maintain the confidentiality of these matters to the fullest extent permitted by law and not to disclose them to any third party other than the Grantee's spouse or legal, financial or tax advisors provided, in each case, that the recipient agrees to maintain confidentiality as required by this Section 21.1.

21.2 Exceptions. There are limited exceptions to the above confidentiality requirement if the Grantee is providing information to government agencies, including but not limited to the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration (or its state equivalent) and the Securities and Exchange Commission. The Award Documents do not limit the Grantee's ability to communicate with any government agencies regarding matters within their jurisdiction or otherwise participate in any investigation or proceeding that may be conducted by any government agency, including providing documents or other information, without notice, to the government agencies. Nothing in this Award Agreement will prevent the Grantee from disclosing confidential information or trade secrets that: (i) is made: (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In the event that the Grantee files a lawsuit alleging retaliation by the Company for reporting a suspected violation of law, the Grantee may disclose confidential information or trade secrets related to the suspected violation of law or alleged retaliation to the Grantee's attorney and use the confidential information or trade secrets in the court proceeding if the Grantee or the Grantee's attorney: (x) files any document containing

confidential information or trade secrets under seal; and (y) does not disclose the confidential information or trade secrets, except pursuant to court order. The Company provides this notice in compliance with applicable law including, among others, the Defend Trade Secrets Act of 2016.

21.3 Reaffirmation of Restrictive Covenants. By accepting this Award, the Grantee reaffirms the Grantee's obligation to comply with any confidentiality, non-competition, non-solicitation, non-disclosure, confidential information and similar restrictive covenant provisions set forth in the Grantee's Employment Agreement or any other agreement to which the Grantee and the Company or any Affiliate are parties (such provisions, the "**Restrictive Covenants**").

21.4 Violation. If the Grantee violates the confidentiality provisions of this Section 21 or any Restrictive Covenants, the Company, without waiving any other remedy available, may revoke this Award without further obligation or liability, and the Grantee may be subject to disciplinary action, up to and including the Company's termination of the Grantee's employment or service relationship.

22. Appendix. Notwithstanding any provisions in the Award Documents, the grant of the Units will be subject to any special terms and conditions set forth in any appendix (or any appendices) to this Award Agreement for the Grantee's country (the "**Appendix**"), which constitutes part of this Award Agreement. Moreover, if the Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

23. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Further, the Award, any shares issued in settlement of vested Units, any Related Credits, and any other amounts realized under the Award Documents are subject to the Company's compensation recovery policies (and related Company practices) as in effect from time to time, including any policies adopted in response to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, and similar or related laws, rules, regulations and listing requirements. In addition to the Company's compensation recovery policies, and notwithstanding anything in the Plan or any Employment Agreement to the contrary, the Company may require the Grantee to forfeit all or a portion of any unvested Units, any shares of Stock delivered pursuant to, and any other amounts realized under, the Award Documents if: (i) the Grantee's employment is terminated for Cause; or (ii) the Committee, in its sole and absolute discretion, determines that the Grantee engaged in serious misconduct that results or might reasonably be expected to result in financial or reputational harm to the Company. The Grantee agrees to fully cooperate with the Company in assuring compliance with the provisions of this Section 23 and such compensation recovery policies and the provisions of applicable law, including, but not limited to, promptly returning any compensation subject to recovery by the Company pursuant to the provisions of this Section 23, such policies and applicable law.

24. Data Privacy. *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Award Agreement by and among, as applicable, the Employer and the Company and its Affiliates for the exclusive purpose of implementing, administering and*

managing the Grantee's participation in the Plan. The Grantee understands that the Company and the Employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number, passport number, or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan ("Data").

The Grantee understands that Data may be transferred to such stock plan service provider (or providers) as may be selected by the Company which is (or are) assisting in the implementation, administration and management of the Plan and awards granted under it. The Grantee understands that these recipients of Data may be located in the United States, or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee hereby authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan and awards granted thereunder to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan.

The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents given in this Section 24, in any case without cost, by contacting the Grantee's local human resources representative in writing. The Grantee understands, however, that refusing or withdrawing such consent may affect the Grantee's ability to participate in the Plan and the Grantee's continued eligibility for this Award or eligibility to be granted any other awards under the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the local human resources representative.



NOTICE OF GRANT OF PERFORMANCE-BASED RESTRICTED STOCK UNITS

Congratulations! You have been granted an Award of Performance-Based Restricted Stock Units (the “**Units**” or the “**Award**”) by **onsemi** under the Amended and Restated Stock Incentive Plan (as it may be amended and in effect from time to time, the “**Plan**”) as follows:

GRANTEE NAME:

EMPLOYEE ID:

TARGET NUMBER OF UNITS GRANTED:

The number of Units granted above represents the target number of Units that may be earned under this Award (the “**Target Units**”). Each Unit represents the right to receive one share of common stock of the Company, provided that you remained employed with or continue providing services to the Company or its Affiliates through the applicable vesting dates below and subject to all the other terms and conditions of this Notice of Grant of Performance-Based Restricted Stock Units (this “**Notice**”), the performance-based restricted stock unit award agreement attached as Exhibit A (the “**Award Agreement**”), any other exhibits or appendices to this Notice or the Award Agreement, and the Plan (together, the “**Award Documents**”). All capitalized terms used but not defined in this Notice have the meanings ascribed to them in the Plan or the Award Agreement.

GRANT NUMBER:

GRANT DATE:

VESTING DATES for Earned Units:

Tranche 1 – first business day after the later of:
 (a) the filing of the 10-K for the fiscal year ended December 31, [YEAR 1] or
 (b) the First Determination Date (as defined below)

Tranche 2 – first business day after the Second Determination Date (as defined below)

Tranche 3 – first business day after the Third Determination Date (as defined below)

PERFORMANCE PERIOD:

PERFORMANCE CRITERIA:

The Performance Criteria applicable to your Award are detailed below.

Payout on this Award may range between 0% (if performance does not exceed Threshold levels on any Goals in Step 1) and a maximum of []% of the Target Units (assuming we meet or exceed stretch levels on all Goals in Step 1 and the maximum TSR Adjustment is achieved for each of the three TSR Performance Periods in Step 2), subject to all other terms and conditions of the Award Documents.

Step 1 – Calculate Achievement on Financial and Strategic Goals

Type [Financial or Strategic]	Goal	Weighting (% of Target Units)	Stretch Level (150% Financial/ 200% Strategic)	Target Level (100%)	Threshold Level (0%)

Step 1 Calculation Principles. The achievement of each Goal, measured over the Performance Period, will be calculated separately according to the chart above and as follows:

- If the Target for the Goal is met, 100% of the related Target Units will be earned;
- For performance at or below Threshold, none of the related Target Units will be earned;
- For performance meeting or exceeding the Stretch level, 150% (for Financial Goals) or 200% (for Strategic Goals) of the related Target Units will be earned;
- For performance between Threshold and Target or between Target and Stretch, the number of related Target Units earned will be determined by straight line linear interpolation.

Following the end of the Performance Period, the Committee will review and certify our degree of achievement of each Goal as described under “[Step 3 – Certification by Committee](#)” below.

Units calculated as earned under this Step 1 for each of the Goals will be divided into three equal tranches (“**Tranches**”). For the Strategic Goal, the number of Units calculated as earned in each Tranche under this Step 1 will vest and settle in shares of Stock as described under “Vesting Dates” above. For Financial Goals, the Units calculated as earned in each of the three Tranches under this Step 1 (“**Step 1 Financial Units**”) will be subject to further adjustment under Step 2 before vesting and settlement occurs as described under “Vesting Dates” above.

Step 2 – TSR Adjustment to Step 1 Results for Financial Goals

Relative TSR	TSR Adjustment (applied to Step 1 Financial Units in that Tranche)
Equal to or greater than 75th percentile	150% (fixed)
Greater than 50th <u>but</u> less than 75th percentile	% determined by straight line linear interpolation
At least 25th but no greater than 50th percentile	100% (fixed)
Less than 25th percentile	50% (fixed)

Step 2 Calculation for Financial Goals – TSR Adjustment on a Tranche-by-Tranche Basis. As a second step adjustment to the payout of any Units related to Financial Goals, each of the three Tranches of any Step 1 Financial Units will be further adjusted by our TSR relative to that of a defined group of peers for the one-, two- or three-year period beginning on January 1, [YEAR 1] and ending on the December 31 of the year immediately preceding the Vesting Date for that Tranche (each, a “**TSR Adjustment**”).

Specifically, for Tranche 1, the TSR Adjustment will be based on our Relative TSR over the Performance Period; for Tranche 2, the TSR Adjustment will be based on our Relative TSR from January 1, [YEAR 1] to December 31, [YEAR 2]; and for Tranche 3, the TSR Adjustment will be based on our Relative TSR from January 1, [YEAR 1] to December 31, [YEAR 3] (each, a “**TSR Performance Period**”).

As detailed in the table above, the TSR Adjustment is a fixed percentage if our Relative TSR for a given TSR Performance Period is equal or greater than the 75th percentile (150%), less than the 25th percentile (50%), or at least at the 25th percentile but no greater than the 50th percentile (100%). However, if our Relative TSR falls between the 50th and 75th percentile, the TSR Adjustment will be determined based on straight-line linear interpolation.

Once certified by the Committee as described below, the TSR Adjustment applicable to a given Tranche will be multiplied by number of Step 1 Financial Units in that Tranche, if any, to determine the number of Earned Units related to Financial Goals for that Tranche.

Step 3 – Certification by Committee

Prior to any payout under this Award, the Committee will certify the degree to which each performance criterion has been achieved, as follows (each, a “**Determination**”):

- for each Goal and the TSR Adjustment to any Step 1 Financial Units in Tranche 1, no later than the date on which the Company files its Annual Report on Form 10-K for fiscal [YEAR 1] with the SEC (the date on which such determination is made, the “**First Determination Date**”);
- for the TSR Adjustment to any Step 1 Financial Units in Tranche 2, no later than the date on which the Company files its Annual Report on Form 10-K for fiscal [YEAR 2] with the SEC (the date on which such determination is made, the “**Second Determination Date**”); and
- for the TSR Adjustment to any Step 1 Financial Units in Tranche 3, no later than the date on which the Company files its Annual Report on Form 10-K for fiscal [YEAR 3] with the SEC (the date on which such determination is made, the “**Third Determination Date**”).

If no Determination is required for either Tranche 2 or 3, the applicable Determination Date will be the date on which the Company files its Annual Report on Form 10-K for the last year in the TSR Performance Period for that Tranche.

Any Units that are not earned under the relevant Performance Criteria will be forfeited automatically as of the applicable Determination Date.

Definitions. For purposes of this Award, the following definitions apply:

[GOAL-SPECIFIC DEFINITIONS OMITTED]

“**Earned Units**” means (a) for Units associated with Strategic Goals, the number of Units earned based on performance under Step 1 and (b) for Units associated with Financial Goals, the Step 1 Financial Units as further adjusted under Step 2; in all cases, as certified by the Committee and subject to continued employment requirements and all other terms and conditions of the Award Documents.

“**Relative TSR**” means the Company’s Total Stockholder Return (“**TSR**”) as compared to the TSR of the group of companies listed on Exhibit B (the “**TSR Companies**”). TSR for the Company and the TSR Companies will be calculated by adding any dividends paid by the Company (or such other companies) to the change in value of the Stock (or the TSR Companies’ common stock) as between the Beginning Stock Price and Ending Stock Price for the relevant period. The “**Beginning Stock Price**” will be the average closing price of the Stock (or the common stock of the TSR Companies) for the fiscal quarter ending on the day immediately preceding the start of the applicable TSR Performance Period. The “**Ending Stock Price**” will be the average closing price of the Stock (or the common stock of the TSR Companies) for the fiscal quarter ending on the last day of the applicable TSR Performance Period, provided that, in the event that a Change in Control is consummated prior to the end of one or more TSR Performance Periods: (a) following which the Stock is no longer listed for trading on NASDAQ or another U.S. national securities trading exchange and (b) in connection with a merger, acquisition or other transaction from which the fair value of a share is determinable as of the effective time of such Change in Control, then the “Ending Stock Price” will be based on the value of a share of Stock under the applicable transaction agreement relating to such Change in Control.

You will not receive any shares of common stock upon vesting unless and until the criteria set forth in this Notice and the Award Agreement, including satisfaction of all Tax Obligations, are satisfied. Please confirm your acceptance of this Award by signing below or, in the case of a Notice provided to you in electronic format, by following the instructions below:

[INSTRUCTIONS OMITTED]

By your acceptance of this Award:

- you acknowledge receiving and reviewing the Award Documents, including this Notice, the Award Agreement and the Plan, and related documentation;
- you agree that this Award is granted under, and governed by the terms and conditions, of the Award Documents, and you agree to be bound by all such terms and conditions;
- you agree to accept as binding, conclusive and final all decisions or interpretations of the Plan administrator or its delegatee; and
- **you consent to the collection, use and transfer, in electronic or other form, of your personal data as described in the Award Agreement for the purposes of implementing, administering and managing your participation in the Plan.**

You do not have to accept the Award. If you wish to decline your Award, you should promptly notify Stock Administration of your decision at [CONTACT EMAIL OMITTED]. If you do not provide such notification by the last day of the calendar month prior to the first Vesting Date, you will be deemed to have accepted your Award on the terms and conditions set forth in these Award Documents.

This Notice will be interpreted and administered under the laws of the State of Delaware (without giving effect to its conflict of laws principles) and upon acceptance will be deemed to have been executed and delivered as of the Grant Date.

GRANTEE

Name:

ON SEMICONDUCTOR CORPORATION

By: _____

Name: _____

Title: _____

EXHIBIT A
PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT

1. Grant of Units.

1.1. ON Semiconductor Corporation, a Delaware corporation (the “**Company**”), hereby grants to the grantee (the “**Grantee**”) named in the Notice of Grant of Performance-Based Restricted Stock Units (the “**Notice**”) an award of performance-based restricted stock units (the “**Units**” or the “**Award**”), as set forth in the Notice and subject to the terms and conditions in the Notice, this Performance-Based Restricted Stock Unit Award Agreement (this “**Award Agreement**”), the ON Semiconductor Corporation Amended and Restated Stock Incentive Plan (as it may be amended and in effect from time to time, the “**Plan**”), and, if applicable, the Appendix described in Section 22 (collectively, the “**Award Documents**”). All capitalized terms used but not defined in this Award Agreement have the meaning set forth in the Plan or the Notice unless a contrary meaning is set forth in the Grantee’s employment agreement or comparable agreement with the Company or one of its Affiliates (as amended and in effect from time to time, the “**Employment Agreement**”).

1.2. The number of Units granted in the Notice represents the target number of Units that may be earned under this Award (the “**Target Units**”). As detailed in the Notice, the number of Units that are ultimately earned under this Award may vary from 0% to the maximum percentage of Target Units stated in the Notice, depending upon the satisfaction of certain performance criteria as specified in the Notice (the “**Performance Criteria**”), which includes the specific performance metrics applicable to the Award (the “**Goals**”). Each Unit represents the right to receive one share of common stock of the Company (“**Stock**”), as may be adjusted in accordance with Section 6, and any Related Credits (as defined in Section 1.3) on the applicable Vesting Date (as defined in Section 2.1) if and to the extent that the applicable vesting conditions have been satisfied. Unless and until the Units vest, the Grantee will have no right to receive any shares of Stock (or any other payment or right) in connection with such Units. Prior to the actual distribution of shares of Stock in settlement of any vested Units, if applicable, this Award represents an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

1.3. While any portion of this Award is outstanding, from the Grant Date through the date any shares of Stock are issued in settlement of this Award, the Grantee will be credited with (i) the amount of any cash dividends and (ii) any Stock, securities or other property to which the Grantee would have been entitled had the Grantee been a record holder of one share of Stock for each Target Unit that the Grantee holds as of the applicable payment date (collectively, the “**Related Credits**”). All such Related Credits will be credited notionally to a dividend equivalent account established for the Grantee, effective as of the applicable payment date, but will not accrue interest or other earnings. The Related Credits will vest and pay out or be forfeited at the same time and on the same terms as the Target Units to which they relate, adjusted, if applicable, to reflect the same percentage applied to determine the number of related Units that were earned and vested.

2. Company Obligations.

2.1 Subject to this Section 2 and Section 3, the vesting of Units on each scheduled vesting date set forth in the Notice (each, a “**Vesting Date**”) is subject to (i) satisfaction of the Performance Criteria, certified by the Committee as described in Section 2.2, and (ii) the Grantee’s continuous service as an employee, consultant or other service provider from the grant date set forth in Notice (the “**Grant Date**”) to the applicable Vesting Date (the “**Service Condition**”).

2.2 The Notice specifies the Performance Criteria applicable to this Award, the period of time over which each Performance Criterion is measured (the “**Performance Period**”), and the methodology for determining how many Units may be earned. Following the end of each Performance Period, the Committee (or, for any Grantee who is not the CEO or another “senior executive” of the Company, as defined in the Committee’s charter, such other officers as may be specified in the Notice) will certify the results and determine the number of Units that vest. If the number of Units vesting based on actual performance is less than the Target Units, then the Units for which that Performance Criterion were not met will be cancelled and forfeited automatically upon such certification.

3. Termination of Employment or Services. Unless otherwise provided in any Employment Agreement then in effect between the Grantee and the Company or one of its Affiliates, if the Grantee’s employment or service relationship with the Company and its Affiliates terminates for any reason (regardless of who initiates the termination or whether the termination is with or without Cause), any unvested Units will be canceled and forfeited automatically as of the date of the Grantee’s termination of employment or service.

4. Time and Form of Payment. Subject to the provisions of the Award Documents, upon vesting, the Company will deliver to the Grantee the same number of whole shares of Stock as the number of vested Units, rounded to the nearest whole share (without payment for any fractional share) and any vested Related Credits. Subject to Section 20, the Company will deliver the Stock and vested Related Credits to the Grantee within 15 days after the applicable Vesting Date.

5. Nontransferability. Prior to vesting, the Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, either voluntarily or involuntarily, other than by will or by the laws of descent and distribution, except as otherwise provided under Article 12 of the Plan.

6. Adjustments. In the event of a stock dividend or in the event the Stock is changed into or exchanged for a different number or class of shares of stock of the Company or of another corporation, whether through reorganization, recapitalization, stock split-up, combination of shares, merger or consolidation or other similar corporate change, the Award will be adjusted by the Committee in its discretion in accordance with, and to the extent provided in, Section 5.3 of the Plan.

7. Delivery of Shares. No shares of Stock will be delivered under this Award Agreement until: (i) the Units vest in accordance with the terms and conditions of the Award Documents; (ii) approval of any governmental authority required in connection with this Award Agreement, or the issuance of shares of Stock thereunder, has been received by the Company; (iii) if required by the Committee, the Grantee has delivered to the Company documentation (in form and content acceptable to the Company in its sole and absolute discretion) to assist the Company in concluding that the issuance to the Grantee of any shares of Stock under this Award Agreement would not violate the Securities Act of 1933, as amended (the “**Securities Act**”), or any other applicable federal, state or local securities or other laws or regulations; (iv) the Grantee has complied with Section 13 below, in order for the proper provision for required tax withholdings to be made; and (v) the Grantee has executed and returned the Notice to the Company (which, in the case of a Notice provided to the Grantee in electronic format, requires that the Grantee click the “ACCEPT” or “SUBMIT” button).

8. Securities Act. The Company will not be required to deliver any shares of Stock upon the vesting of Units if, in the opinion of counsel for the Company, such issuance would

violate the Securities Act or any other applicable federal, state or local securities laws or regulations.

9. No Voting and Other Stockholder Rights. The Grantee will have no voting rights or any other rights as a stockholder of the Company (such as rights to any cash dividends or distributions) with respect to the Units before the Company issues shares of Stock to the Grantee in settlement of vested Units except for the accrual of any Related Credits in accordance with Section 1.3.

10. Delivery of Documents and Notices. Any document relating to participation in the Plan or any notice required or permitted under the Award Documents must be given in writing and will be deemed effectively given (except to the extent that this Award Agreement provides for effectiveness only upon actual receipt of such notice) upon personal delivery, electronic delivery at the e-mail address, if any, provided for the Grantee by the Company or an Affiliate, or upon deposit in the U.S. Post Office or foreign postal service, or with a nationally recognized overnight courier service, with postage and fees prepaid, addressed to the other party at the current address on file with the Company or at such other address as such party may designate in writing from time to time to the other party.

10.1 Description of Electronic Delivery. The Award Documents and all other documents related to participation in the Plan (which may include the Plan, the Notice, this Award Agreement, any prospectus delivered pursuant to the Plan or applicable law and any reports of the Company provided generally to the Company's stockholders) may be delivered to the Grantee electronically. In addition, the Grantee may deliver electronically the Notice and this Award Agreement to the Company or to such third party involved in administering the Plan as the Company may designate from time to time. Such means of electronic delivery may include but do not necessarily include the delivery of a link to a Company intranet or the internet site of a third party involved in administering the Plan, the delivery of the document via e-mail or such other means of electronic delivery specified by the Company.

10.2 Consent to Electronic Delivery. The Grantee acknowledges that the Grantee has read Section 10.1 and consents to the electronic delivery of the Award Documents as described in Section 10.1. The Grantee acknowledges that the Grantee may receive from the Company a paper copy of any documents delivered electronically at no cost to the Grantee by contacting the Company by telephone, in writing, or by email.

11. Administration. The Notice and this Award Agreement are subject to the terms and conditions of the Plan and will be administered by the Committee in accordance with the terms and provisions of the Plan in all respects. The Committee has the sole and complete discretion with respect to all matters reserved to it by the Plan and decisions of the Committee with respect to the Plan and this Award Agreement will be final and binding upon the Grantee and the Company. In the event of any conflict between the terms and conditions of this Award Agreement and the Plan, the provisions of the Plan will control.

12. Continuation of Employment or Services. This Award Agreement does not, and should not be construed to, confer upon the Grantee any right to continue employment with, or to provide services to, the Company and its Affiliates and does not limit the right of the Company, in its sole and absolute discretion, to terminate the Grantee's employment or services at any time and for any reason.

13. Responsibility for Taxes and Withholdings.

13.1 Liability for Tax Obligations. The Grantee acknowledges that, regardless of any action the Company or the Grantee's employer (the "**Employer**") takes with respect to any or all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee (the "**Tax Obligations**"), the ultimate liability for all Tax Obligations is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer: (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Award, including the grant of the Award, the vesting of Units, the conversion of the Units into shares of Stock or the receipt of an equivalent cash payment, the subsequent sale of any shares of Stock acquired at vesting and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the Award or any aspect of the Units to reduce or eliminate the Grantee's liability for Tax Obligations or achieve any particular tax result. Further, if the Grantee has become subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax Obligations in more than one jurisdiction.

13.2 Satisfaction of Tax Obligations. Prior to any relevant taxable or tax-withholding event, as applicable, the Grantee must pay, or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy, all Tax Obligations. In this regard, pursuant to Article 16 of the Plan, if permissible under local law and subject to any restrictions provided by the Committee prior to the vesting of the Units, the Grantee hereby authorizes the Company or the Employer, or their respective agents, to withhold all applicable Tax Obligations in shares of Stock to be issued upon vesting and settlement of the Units. Alternatively, or in addition, subject to any restrictions provided by the Committee prior to the vesting of the Units, the Grantee hereby authorizes the Company and/or the Employer, or their respective agents, to satisfy the obligations with regard to all Tax Obligations by one or a combination of the following: (i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; (ii) withholding from proceeds of the sale of shares of Stock acquired upon vesting/settlement of the Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Grantee's behalf pursuant to this authorization); (iii) personal check or other cash equivalent acceptable to the Company; or (iv) any other means as determined appropriate by the Company or the Committee.

13.3 Withholding Amounts. Depending on the withholding method, the Company may withhold or account for Tax Obligations by considering applicable minimum statutory withholding amounts or such greater amounts not to exceed the maximum statutory rate necessary, in the applicable jurisdiction, to satisfy federal, state and local withholding tax requirements (but only if withholding at a rate greater than the minimum statutory rate will not result in adverse financial or accounting consequences for the Company). In the event that the Company withholds an amount for Tax Obligations that exceeds the maximum withholding amount under applicable law, the Grantee will receive a refund of such over-withheld amount in cash and will have no entitlement to an equivalent amount in Stock.

13.4 Consequences of Failure to Satisfy Tax Obligations. The Grantee understands and agrees that the Grantee must pay to the Company or to the Employer any amount of Tax Obligations that cannot be satisfied by the means described in Section 13.2. The Company may refuse to issue or deliver shares of Stock or pay any other amounts due to the Grantee under the Award Documents if the Grantee fails to fully satisfy the Tax Obligations.

14. Amendments. The Notice and this Award Agreement may not be amended or modified so as to materially adversely affect the Grantee's rights except (i) by a written agreement executed by the Company and the Grantee or (ii) as otherwise provided in the Plan.

15. Integrated Agreement. The Award Documents constitute the entire understanding and agreement of the Grantee and the Company with respect to the Award and supersede any prior agreements, understandings, restrictions, representations or warranties between the Grantee and the Company with respect to such subject matter. To the extent contemplated in the Award Documents, the provisions of the Award Documents will survive any vesting and settlement of the Award and will remain in full force and effect.

16. Severability. If one or more of the provisions of the Notice and this Award Agreement is held to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired by such holding and the invalid, illegal or unenforceable provisions will be deemed null and void; however, to the extent permissible by law, any provisions that could be deemed null and void should first be construed, interpreted or revised retroactively to permit the Notice and this Award Agreement to be construed so as to foster the intent of the Award Documents.

17. Governing Law and Venue. The Award Documents will be interpreted and administered under the laws of the State of Delaware. For purposes of litigating any dispute that arises under the Award Documents, the parties hereby submit to and consent to the jurisdiction of the State of Arizona and agree that such litigation will be conducted in the courts of Maricopa County, Arizona, or the federal courts for the United States for the District of Arizona, where this grant is made and/or to be performed.

18. Grantee Representations. The Grantee represents that he or she has read and is familiar with the provisions of the Award Documents and accepts the Award subject to all such terms and conditions. The Notice and this Agreement will be deemed to have been accepted and signed by the Grantee and the Company as of the Grant Date upon the Grantee's online acceptance or deemed acceptance as set forth in the Notice or otherwise agreed in writing by the Grantee.

19. Counterparts. The Notice and this Agreement may be executed (or, as provided in Section 18, accepted and signed) in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

20. Section 409A Compliance. The Company intends and believes, but does not and cannot warrant or guaranty, that the payments due pursuant to this Award comply with, or are exempt from, the requirements of Section 409A of the Code and each provision of the Award Documents will be interpreted, to the extent possible, consistent with that intent and belief. For any payments due pursuant to this Award that the Company determines must comply with Section 409A, (i) the provisions of Section 18.3 of the Plan will apply, including any payment delays that may be required to comply with Section 409A, and (ii) each payment under these Award Documents will be treated as a separate payment. As provided in the Plan, the Company reserves the right to amend the Award or the Award Documents to ensure any payments pursuant to this Award comply with, or are exempt from, Section 409A. Notwithstanding the foregoing, the Grantee remains solely responsible for any adverse tax consequences that may be imposed upon the Grantee by Section 409A and nothing in the Award Document provides a basis for any person to take any action against the Company or any of its Subsidiaries or affiliates based on matters covered by Section 409A, including the tax treatment of any amounts payable or paid under the Award Documents.

21. Confidentiality; Reaffirmation of Restrictive Covenants; Violation.

21.1 Confidentiality of Agreement. The Grantee acknowledges and agrees that the terms of this Award are considered proprietary information of the Company. The Grantee agrees to maintain the confidentiality of these matters to the fullest extent permitted by law and not to disclose them to any third party other than the Grantee's spouse or legal, financial or tax advisors provided, in each case, that the recipient agrees to maintain confidentiality as required by this Section 21.1.

21.2 Exceptions. There are limited exceptions to the above confidentiality requirement if the Grantee is providing information to government agencies, including but not limited to the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration (or its state equivalent) and the Securities and Exchange Commission. The Award Documents do not limit the Grantee's ability to communicate with any government agencies regarding matters within their jurisdiction or otherwise participate in any investigation or proceeding that may be conducted by any government agency, including providing documents or other information, without notice, to the government agencies. Nothing in this Award Agreement will prevent the Grantee from disclosing confidential information or trade secrets that: (i) is made: (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In the event that the Grantee files a lawsuit alleging retaliation by the Company for reporting a suspected violation of law, the Grantee may disclose confidential information or trade secrets related to the suspected violation of law or alleged retaliation to the Grantee's attorney and use the confidential information or trade secrets in the court proceeding if the Grantee or the Grantee's attorney: (x) files any document containing confidential information or trade secrets under seal; and (y) does not disclose the confidential information or trade secrets, except pursuant to court order. The Company provides this notice in compliance with applicable law including, among others, the Defend Trade Secrets Act of 2016.

21.3 Reaffirmation of Restrictive Covenants. By accepting this Award, the Grantee reaffirms the Grantee's obligation to comply with any confidentiality, non-competition, non-solicitation, non-disclosure, confidential information and similar restrictive covenant provisions set forth in the Grantee's Employment Agreement or any other agreement to which the Grantee and the Company or any Affiliate are parties (such provisions, the "**Restrictive Covenants**").

21.4 Violation. If the Grantee violates the confidentiality provisions of this Section 21 or any Restrictive Covenants, the Company, without waiving any other remedy available, may revoke this Award without further obligation or liability, and the Grantee may be subject to disciplinary action, up to and including the Company's termination of the Grantee's employment or service relationship.

22. Appendix. Notwithstanding any provisions in the Award Documents, the grant of the Units will be subject to any special terms and conditions set forth in any appendix (or any appendices) to this Award Agreement for the Grantee's country (the "**Appendix**"), which constitutes a part of this Award Agreement. Moreover, if the Grantee relocates to one of the countries included in the Appendix, the special terms and conditions for such country will apply to the Grantee, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

23. Imposition of Other Requirements. The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Further, the Award, any shares issued in settlement of vested Units, any Related Credits, and any other amounts realized under the Award Documents are subject to the Company's compensation recovery policies (and related Company practices) as in effect from time to time, including any policies adopted in response to Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as amended, and similar or related laws, rules, regulations and listing requirements. In addition to the Company's compensation recovery policy or policies, and notwithstanding anything in the Plan or any Employment Agreement to the contrary, the Company may require the Grantee to forfeit all or a portion of any unvested Units, any shares of Stock delivered pursuant to, and any other amounts realized under, the Award Documents if: (i) the Grantee's employment is terminated for Cause; or (ii) the Committee, in its sole and absolute discretion, determines that the Grantee engaged in serious misconduct that results or might reasonably be expected to result in financial or reputational harm to the Company. The Grantee agrees to fully cooperate with the Company in assuring compliance with the provisions of this Section 23 and such compensation recovery policies and the provisions of applicable law, including, but not limited to, promptly returning any compensation subject to recovery by the Company pursuant to the provisions of this Section 23, such policies and applicable law.

24. Data Privacy. *The Grantee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Grantee's personal data as described in this Award Agreement by and among, as applicable, the Employer and the Company and its Affiliates for the exclusive purpose of implementing, administering and managing the Grantee's participation in the Plan. The Grantee understands that the Company and the Employer may hold certain personal information about the Grantee, including, but not limited to, the Grantee's name, home address and telephone number, date of birth, social insurance number, passport number, or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or any other entitlement to shares awarded, canceled, vested, unvested or outstanding in the Grantee's favor, for the purpose of implementing, administering and managing the Plan ("Data").*

The Grantee understands that Data may be transferred to such stock plan service provider (or providers) as may be selected by the Company which is (or are) assisting in the implementation, administration and management of the Plan and awards granted under it. The Grantee understands that these recipients of Data may be located in the United States, or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Grantee's country. The Grantee understands that the Grantee may request a list with the names and addresses of any potential recipients of the Data by contacting the Grantee's local human resources representative. The Grantee hereby authorizes the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan and awards granted thereunder to receive, possess, use, retain and transfer the Data, in electronic

or other form, for the sole purpose of implementing, administering and managing the Grantee's participation in the Plan.

The Grantee understands that Data will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the Plan. The Grantee understands that the Grantee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents given in this Section 24, in any case without cost, by contacting the Grantee's local human resources representative in writing. The Grantee understands, however, that refusing or withdrawing such consent may affect the Grantee's ability to participate in the Plan and the Grantee's continued eligibility for this Award or eligibility to be granted any other awards under the Plan. For more information on the consequences of the Grantee's refusal to consent or withdrawal of consent, the Grantee understands that the Grantee may contact the local human resources representative.

Exhibit B
TSR Companies and Calculation Principles

1. Ambarella Inc.
2. ams AG
3. Analog Devices, Inc.
4. Broadcom Inc.
5. Cirrus Logic, Inc.
6. Diodes Incorporated
7. Infineon Technologies AG
8. Knowles Corporation
9. Lattice Semiconductor Corporation
10. Littelfuse, Inc.
11. Macom Technology Solutions Holdings, Inc.
12. Marvell Technology, Inc.
13. Maxlinear Inc.
14. Melexis N.V.
15. Microchip Technology Incorporated
16. MKS Instruments, Inc.
17. Monolithic Power Systems, Inc.
18. Murata Manufacturing Co., Ltd.
19. NXP Semiconductors N.V.
20. Parade Technologies Ltd
21. Power Integrations, Inc.
22. Qorvo, Inc.
23. Realtek Semiconductor Corp.
24. Renesas Electronics Corp.
25. Rohm Co. Ltd.
26. Semtech Corporation
27. Sensata Technologies Holdings PLC
28. Silicon Laboratories Inc.
29. Skyworks Solutions, Inc.
30. STMicroelectronics N.V.
31. Synaptics Incorporated
32. Texas Instruments Incorporated
33. Vishay Intertechnology, Inc.
34. Wolfspeed, Inc.

Unless determined otherwise by the Committee, any company the shares of which are not readily tradable on a national securities market as of the last day of the applicable TSR Performance Period will be removed from the foregoing list for purposes of that TSR Performance Period.

CERTIFICATIONS

I, Hassane El-Khoury, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ON Semiconductor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2026

/s/ HASSANE EL-KHOURY

Hassane El-Khoury

Chief Executive Officer

CERTIFICATIONS

I, Thad Trent, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ON Semiconductor Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2026

/s/ THAD TRENT

Thad Trent

Chief Financial Officer

Certification**Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906
of the Sarbanes-Oxley Act of 2002**

For purposes of Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of ON Semiconductor Corporation, a Delaware corporation (the “Company”), does hereby certify, to such officer’s knowledge, that:

The Quarterly Report on Form 10-Q for the fiscal quarter ended April 3, 2026 (the “Form 10-Q”) of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)) and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 4, 2026

/s/ HASSANE EL-KHOURY

Hassane El-Khoury

President and Chief Executive Officer

Dated: May 4, 2026

/s/ THAD TRENT

Thad Trent

Executive Vice President and
Chief Financial Officer