
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

**February 26, 2015
Date of report (Date of earliest event reported)**

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

Delaware
(State or other jurisdiction
of incorporation)

000-30419
(Commission
File Number)

36-3840979
(I.R.S. Employer
Identification Number)

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

85008
(Zip Code)

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

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

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

Item 7.01. Regulation FD Disclosure.

On February 26, 2015, ON Semiconductor Corporation (the “Company”) presented business and financial information to institutional investors, analysts, members of the press and the general public at a publicly available webcast meeting (the “Investor Meeting”). Attached hereto as Exhibit 99.1, and incorporated by reference herein, is the Investor Meeting presentation made by executives of the Company. The presentation includes forward-looking statements and accompanying Risk Factors and can be found at onsemi.com under the Investor Relations tab.

The information under this Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1, is being furnished under Item 7.01 and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liability of that section nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

- (a) Financial Statements of Businesses Acquired
Not applicable.
- (b) Pro Forma Financial Information
Not applicable.
- (c) Shell Company Transactions
Not applicable.
- (d) Exhibits

The following exhibit is furnished with this report:

<u>Exhibit No.</u>	<u>Description</u>
99.1	ON Semiconductor – Investor Meeting Presentation dated February 26, 2015

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ON SEMICONDUCTOR CORPORATION

(Registrant)

Date: February 26, 2015

By: /s/ George H. Cave

George H. Cave

Executive Vice President, General Counsel, Chief Compliance and Ethics
Officer, Chief Risk Officer and Corporate Secretary

ON Semiconductor

Financial Analyst Day

**Scottsdale, AZ
February 26, 2015**

ON Semiconductor®



Safe Harbor Statement and Non-GAAP and Forecast Information

During the course of this conference call, we will make projections or other forward-looking statements regarding future events or the future financial performance of the company. The words “believe,” “estimate,” “anticipate,” “intend,” “expect,” “plan,” “should” or similar expressions are intended to identify forward-looking statements. We wish to caution that such statements are subject to risks and uncertainties that could cause actual events or results to differ materially. Important factors relating to our business, including factors that could cause actual results to differ from our forward-looking statements, are described in our Form 10-K, Form 10-Q’s and other filings with the Securities and Exchange Commission. Additional factors are described in our earnings release for the fourth quarter and year ended 2014. Our estimates may change and the company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors, except as required by law.

Some data in this presentation may include non-GAAP financial measures. You can find reconciliations of these non-GAAP financial measures to the most directly comparable measures under GAAP within the following presentation on our website (<http://www.onsemi.com>) in the “Investors” section under the category “Annual & Quarterly Results.”

Forecasts are based on current expectations and are subject to change without notice. This presentation will not be updated to reflect any such changes.



ON Semiconductor

Agenda

- Introduction - Parag Agarwal 8:00-8:05
- Strategic Overview - Keith Jackson 8:05-8:35
- Q&A 8:35-8:50
- Standard Products Group - Bill Hall 8:50-9:10
- System Solutions Group - Mamoon Rashid 9:10-9:30
- Break 9:30-9:45
- Image Sensor Group - Taner Ozcelik 9:45-10:05
- Application Products Group - Bob Klosterboer 10:05-10:25
- Q&A 10:25-10:45
- Finance - Bernard Gutmann 10:45-11:15
- Q&A 11:15-11:50
- Lunch/Golf Outing



ON Semiconductor

Keith Jackson
President & CEO

ON Semiconductor®



ON Semiconductor

***Embarking on a
new phase of growth and
shareholder returns***



ON Semiconductor

Key Takeaways

*Building on a
strong foundation*

Growth

- Above industry over the next 5 years
- Levered to high growth markets, strong product cycles

Strong Leverage

- Significant expansion in margins
- Steep acceleration in EPS

Robust Cash Flow

- Expect ~\$400m in near to mid term
- Potential of greater than \$400m in out years

Efficient Deployment of capital

- Return sizable part of free cash to shareholders

ON Semiconductor

2014 Highlights

- **Stabilized System Solutions Group**
- **Robust growth in core business and target segments**
- **Built market leading imaging portfolio**
- **Expanded margins and posted strong EPS growth**
- **Announced capital return policy and \$1B share repurchase**



ON Semiconductor

Agenda

-  Leveraging past investments
-  Industry leading growth
-  Focus on cash generation and returns

ON Semiconductor

Where We Are Now

- Industry Leading Cost Structure
- Above Industry Revenue Growth
- Increasing Shareholder Returns

- Formidable Scale with ~\$3.5B in revenue¹
- ~1 B Units/Week
- Wide Sales Reach

Scale



- Automotive
- Industrial
- Communications

Favorable End-markets



- High Performance Analog
- Image Sensors
- Standard Products

Broad Product & Technology Portfolio



(1) Based on 4Q14 revenue run rate

ON Semiconductor

Shift in Strategic Priorities

Past Priorities

Invest in establishing scale to be competitive

Acquisitions for scale and market reach

Limited shareholder returns

Aggressive R&D

Current Priorities

Leverage past investments to drive growth and margins

Tuck-in acquisitions for technology

Robust shareholder returns

Streamlined and targeted R&D investments



ON Semiconductor

Thoughts on Acquisitions

Focus on technology driven deals

- Aim is to acquire technologies and leverage scale to grow revenue
- Preference toward small tuck-in deals

Large acquisitions appear challenging

- Loss of revenue due to customer multi-source strategy
- No attractive assets
- Steep valuations

No need to consolidate

- ON Semiconductor has established significant scale to be competitive
- Better return on capital in other opportunities



ON Semiconductor

Sustainable Competitive Advantage



Cost Structure



Industry leading cost structure
Large scale and efficient operations

Logistics and Sales Network



Global sales and distribution presence
Strong relationships with market leaders

Integrated Manufacturing



Leadership in packaging technologies
Control over cost, technology & supply

Broad Product Portfolio



One stop shop for discretes and ICs
48,000 SKUs



ON Semiconductor

Key Growth Drivers



Automotive

Expected 5 year revenue CAGR of 5-9%

Broad engagement with global market leaders

Leadership in high growth areas e.g. LED lighting, image sensors



Smartphones

Expected 5 year revenue CAGR of 7-9%

Rapidly expanding product portfolio

Strong ecosystem relationships



Industrial

Expected revenue CAGR of 5-7%

Focus on growth areas such as motor control, lighting, and energy efficiency

ON revenue growth to exceed that of the semiconductor industry

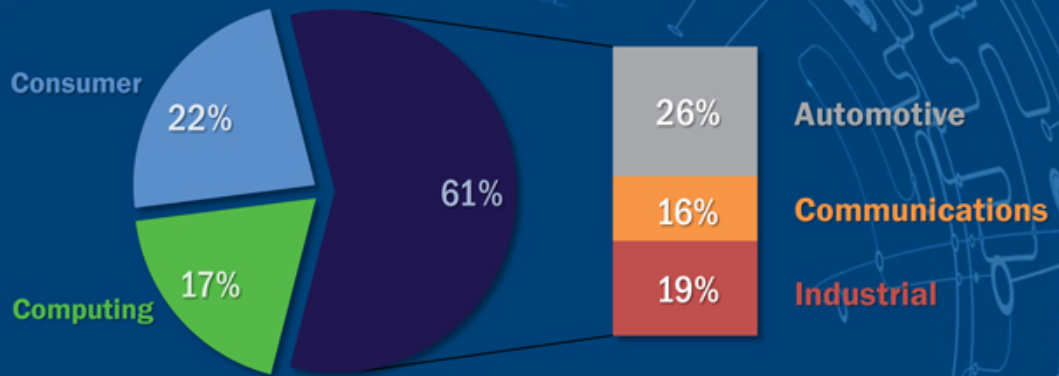
Operating leverage and mix improvement to drive margin expansion and EPS growth



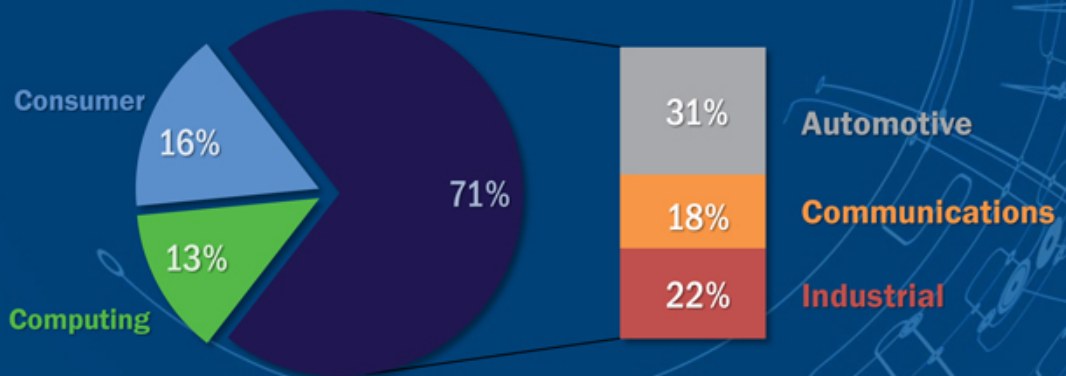
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Change in End-market Mix

2012
\$2,895 M



2014
\$3,162 M



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Automotive – expected revenue CAGR of 5-9%



Body & Interior

- Body computers & gateways
- HVAC
- Door
- Motor control
- Smart-junction box
- Instrument clusters
- Bus protection
- Infotainment
- Active antenna

Lighting

- LED exterior
- LED interior
- HID front lighting
- Advanced front (AFS)
- Motor control

Automotive Content - BOM Opportunity of up to \$250 per Vehicle

- Power Supplies
- In-vehicle Networking
- LIN/CAN
- FlexRay & Ethernet

Active Safety

- Electronic Power Steering
- Park Assist
- Dynamic Braking
- Suspension
- Advanced Driver Assistance

Fuel Economy and Emissions Reduction (Powertrain)

- Engine control
- Transmission
- Ignition
- Sensor interface
- Start - Stop
- 48V/HEV/PHEV
- EV



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Industrial – expected revenue CAGR of 5-7%



Industrial

- Circuit Breakers
- Human-machine Interfaces
- Smart Motor Controllers
- Utility Metering
- Wireless Security & Alarm Systems
- Appliance Control
- Sensor Interfaces
- Factory Automation
- Valve Control

Building Automation

- HVAC Control
- CCTV Control
- Fire Detection & Alarm
- Ventilation
- Security & Access control
- Building Systems Integration
- Energy Management
- Lighting Control
- Smoke Detection

Medical

- Blood Glucose Monitors
- Heart Rate Monitors
- Hearing Aid SOC
- LED Lighting
- Ingestible Diagnostics



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Rapidly Expanding BoM in Mobile

Mobile Content
BoM Opportunity of \$9
(vs \$3.50 in 2009)



Power Management

- Mini-PMIC
- Battery Charger
- DC-DC
- LDOs
- Load Switch
- Temp Sensor
- Supervisory
- OVP/OCP
- Fuel Gauge
- AC-DC for Adapters
- Wireless charging

Battery

- Battery FETs
- Battery Protection IC

Protection

- EMI filters + ESD Protection
- ESD TVS diodes
- ESD TVS Arrays
- Active EMI filters

RF Signal Path

- RF Antenna Tuners
- Integrated Passives
- PA Power Control

Camera and Audio

- Autofocus
- Optical Image Stabilizer
- Audio Amps
- Noise Cancellation DSP

LCD/Lighting

- LED Backlighting
- Ambient Light Sensor
- Proximity Sensor
- Haptics Feedback
- LCD Bias Power
- Flash Drivers


Discrete Building Blocks

- FETs & Transistors
- Logic
- Audio/Video Switches
- Diodes



ON Semiconductor

Capital Return



Generating shareholder value is a key priority for the company

80% of FCF less debt payments to be returned to shareholders

Stock repurchase plan for \$1 billion over a four-year period



Questions & Answers



Standard Products Group

Bill Hall
Executive Vice President



Standard Products Group

***Robust
Industry-leading
Performance***



Standard Products Group

Key Takeaways

Highly profitable and growing business with strong visibility

Industry leading financial performance

Solid share gains - outgrew the market by ~2x in 2014

Investing in high performance products to drive growth



Standard Products Group

“The reports of my demise have been greatly exaggerated.”

Mark Twain

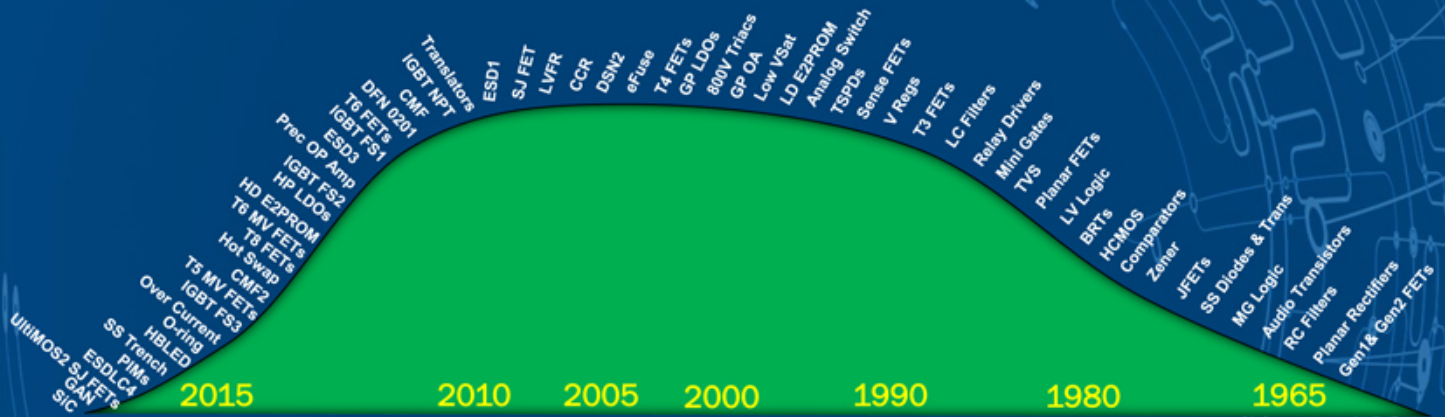


(1) : Non-GAAP measures. Refer to investor section of our website - www.onsemi.com for definitions and adjustments



Standard Products Group

Long product life cycles



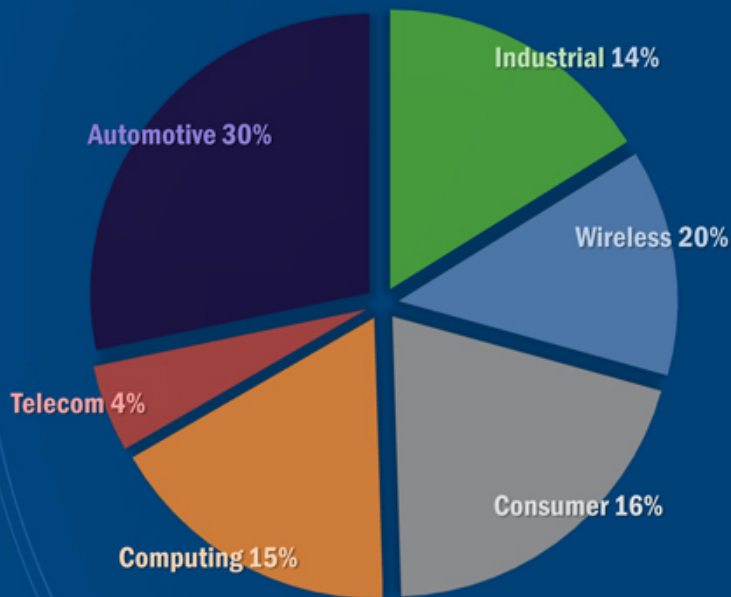
\$1.2 B revenue
20%¹ operating margin in 2014
42 B units shipped, 11,000 core parts
Driving growth in automotive, industrial and wireless

(1) : Non-GAAP measures. Refer to investor section of our website - www.onsemi.com for definitions and adjustments



Standard Products Group

2014 Highlights



Grew revenue by 8% Y/Y vs. competitive group at 4.3%

Gross margin¹ of 35.6%, up 80bps Y/Y

Industry leading operating margin¹ of 20%

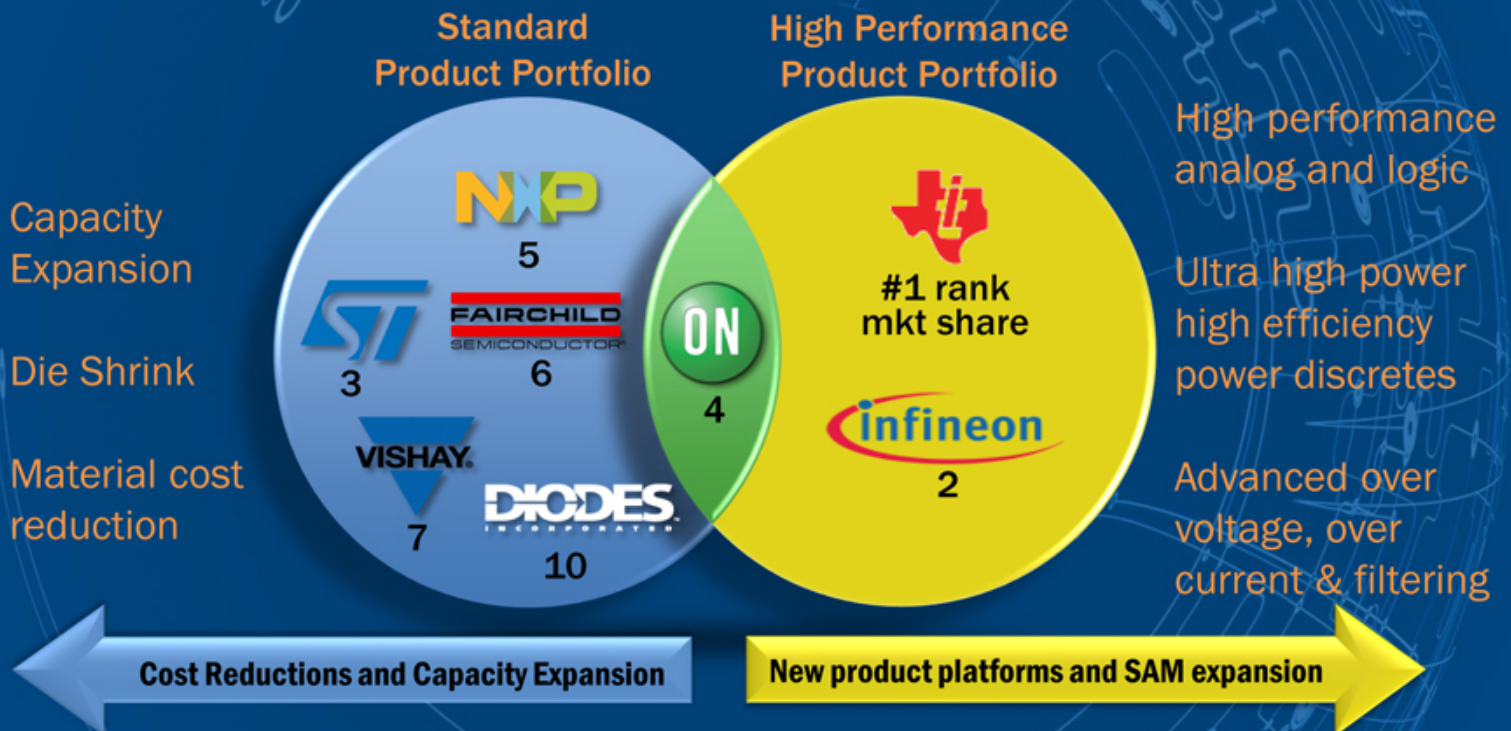
Solid new product introduction across multiple end-markets

(1) : Non-GAAP measures. Refer to investor relations section of our website - www.onsemi.com for definitions and adjustments



Standard Products Group

Market Landscape: Uniquely positioned across standard and high performance portfolios.



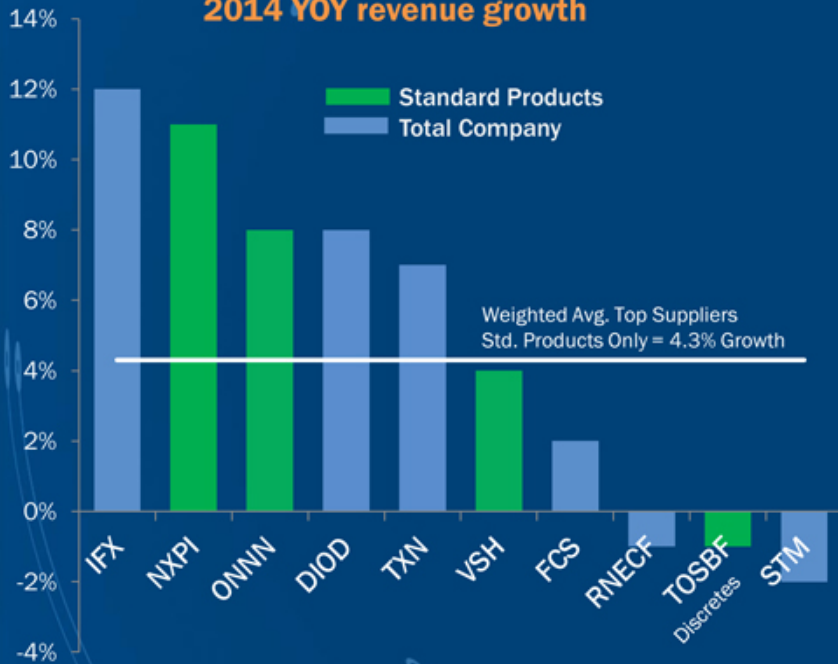
ON Includes SPG + HDD



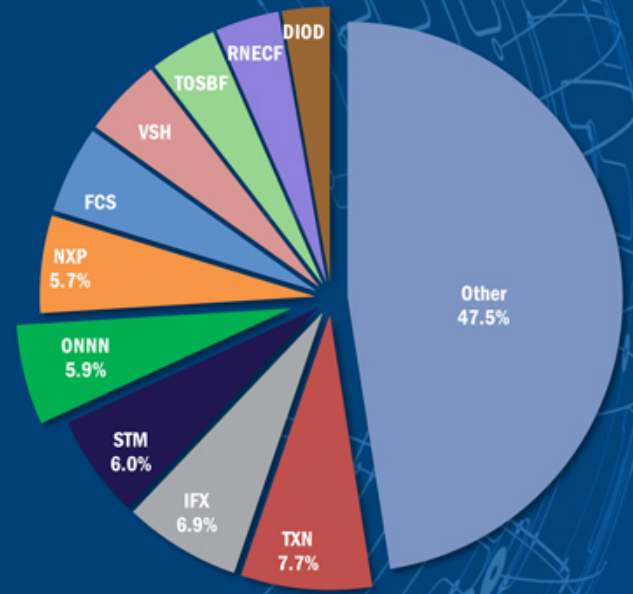
Standard Products Group

Outgrowing the peers

2014 YOY revenue growth



ONNN Standard Products Market Share



Source: Company reports, ON Semiconductor estimates

Source: IHS Competitive Landscape Market Share, Databeans, Web-Foot, Prismark & Paumanok, ON Semiconductor estimates



Standard Products Group

Sustainable and expanding competitive advantage

Standard Products Comp Group

	SPG	NXPI	FCS	VSH	AOSL	DIOD
Rev (\$M)	\$1,210M*	\$1,275M	\$1,146M	\$1,036M	\$327M	\$891M
GPM ¹ %	36%	33%	33%	18.3%	19%	31%
EBIT ¹ %	20%	17%	6%	1%	0%	10%

* Total ONNN Standard Products revenue = \$1,314M

Generating World Class EBIT¹

- 90% in house manufacturing (mostly Asia) with world class cost structure. Volume > 42B units
- Continue to aggressively add & utilize capital. 29% incremental capacity added for current and future demand
- Mix of high margin markets: automotive, protection, IC, & Distribution significantly higher than corporate average
- Focused R&D. Efficient platform execution. 22 major platforms last 2 yrs with 1.3x iteration rate. Automotive & Industrial portfolios share common platforms

Source: Company reports, ON Semiconductor estimates

Data has been adjusted to account for factors such as stock based compensation

(1) : Non-GAAP measures. Refer to investor relations section of our website - www.onsemi.com for definitions and adjustments



Standard Products Group

Growing in high margin markets



Automotive

30% of sales

\$3B SPG SAM @ 9% CAGR¹

Significantly above Corp GPM

>38% rev growth last 2 years

Investing across all divisions



Industrial Power Conversion

14% of sales

\$1B SPG SAM @ 23% CAGR²

Significantly above Corp GPM

Development relationships with Huawei, Schneider, Emerson, Delta, Lenovo.

Investing in all power discrete technologies (FETs, IGBTs, GaN, Gate Drivers, PIMs).



Wireless

20% of sales

\$2B SPG SAM @ 10% CAGR³

Significantly above Corp GPM

>25% rev growth last 2 years at current Top 4 Mfg

Investing in protection, CSP, E²PROM, Low Power LDOs.

1. Strategy Analytics, ON Semiconductor estimates
2. iSupply (Power and AMFT reports), ON Semiconductor estimates
3. iSupply AMFT, ON Semiconductor estimates



Standard Products Group

Automotive growth opportunities

Technology	Trend	SPG Solutions
Sensors	80 Sensors per car today going to 140 by 2020. ①	Precision Op Amps, Hi PSRR LDOs, ESDLC
Imaging	Up to 20 cameras per luxury car in 2020. ADAS. ②	Hi PSRR LDO, Automotive E ² PROM, MV FET
Electric Motors	Up to 120 per luxury car in 2020. PS, seats, mirrors, etc. ③	FS IGBT, High Efficiency FETs, PIMs, Gate Drivers, Precision OA, eFuse
Interface	CAN, LIN, Flexray, USB, HDMI, ENet	ESDLC, TVS, Short to Battery
Lighting	LED Lighting: Advanced Front Systems & Ambience.	LED Drivers, T6 MV FETs, Trench Schottky Rectifiers, LED Shunts

① IEEE Sensor Journal 2013
② Visions System Design Magazine
③ Auto Research Jan 2009

Standard Products Group

Industrial growth opportunities (High Performance Power Conversion)

Technology

Trend

SPG Solutions

High End Power Supply/UPS (Cloud)

5M servers today to over 10M by 2020. Google > 1M. ①

HV/SJ FET, IGBTs, PIMs, GaN, High Efficiency MOSFETs, eFuse, HV LDO, Hot Swap LDO

Alternative Energy (clean, remote, cheap)

Energy use by 2020
WW: (21TKWH → 30TKWH)
China: (4.6 TKWH → 10 TKWH) ②

IGBTs, PIMs, Trench Rectifiers, Gate Drivers, High Efficiency MOSFET, Precision Op Amps

Industrial Motors (automation & efficiency)

300M Industrial Motors growing 10% annually use 28% of the worlds electricity. Power efficient technologies could save the equivalent of 286 nuclear power plants ③

IGBTs, PIMs, High Efficiency MOSFETs, Precision Op Amps

① Data Center Knowledge 2014

② CIA World Fact Book

③ Clean Technica 2011 Electric Motors Use 45% of Global Electricity, Europe Responding (+ Electric Motor Efficiency Infographic)

Standard Products Group

Leading in high-voltage GaN

- Partnership with Transphorm
- Have released to production the only High Voltage (600V) GaN transistor in the market, sampling since 4Q14
- Developing in house substrate capability
- Massive reduction in system size and cost
- Acceleration in customer interest in last 6 months
- Actively working with server, auto, & industrial customers

Standard Products Group

Wireless growth opportunities

Drivers

Trend

SPG Solutions

Speed (accuracy)

802.11ac → ad (1Gbps → 7Gbps)
USB 3.0 → 3.1 (5Gbps → 10Gbps)

High PSRR LDO, ESDLC,
CMF, low cap analog switch

Power (efficiency)

Gen 4 → 6: (2x battery current).
Screen size up 85% since '11.
Charging time & method. ①

UL & LP LDO, Trench Schottky
Diodes, High Ipp TVS, μPkg FET'S

Sensors (precision)

2007 → 2020: (11M → 50B sensors). ②

Precision & current sense Op Amps,
μPkg FETs

Security (safe storage)

40% of US smartphone users
are not protected. More personal
info to be stored. ③

E²PROM

Size

Wearables, travel weight. Battery
increase driving space constraints for
other devices.

GaN, CSP E²PROM, LDOs, FETs,
Mixed Element Arrays, 01005
Package

① Wired Magazine April 2013 Smartphone Screen Sizes Keep On Growing

② SBP Global 9/26/14 A trillion sensors is the equivalent of 150 sensors per human on earth

③ Lifelock 10/22/2013 Lifelock 10/22/2013

Standard Products Group

In Summary

- A growing and highly profitable business

- Industry leader in profitability

- Solid design win pipeline in automotive, industrial and mobile end-markets

- Strong visibility



System Solutions Group

Mamoon Rashid
Senior Vice President

ON Semiconductor®



System Solutions Group

***Positioned for growth
and improved
profitability***



System Solutions Group

Key Takeaways

Restructuring Complete

- SSG is now at cost structure to be accretive at approximately \$140m quarterly revenue
- Business transformed from Japan domestic market supplier to a competitive globally focused business

Focused on Growth

- Focused on high growth end-markets - Automotive and Wireless
- Creating a Motor Control Solution powerhouse
- Expanding foot print outside Japan with 2/3 of revenue now from outside Japan

Profitability

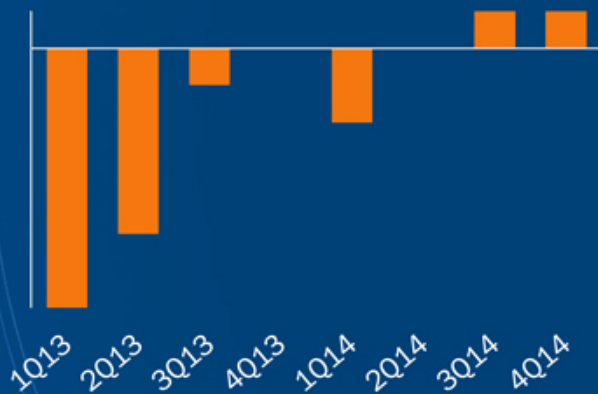
- OpEx down over 40% in vs. two years ago
- Solutions focused portfolio delivers value to customers and margin to our investors
- Strong IP re-use allowing lean OpEx and faster time to market



System Solutions Group

2014 Highlights – Profit growth and key market focus

SSG Non-GAAP EPS (\$) Trend



Strong improvement in profits

- 2014 gross margin¹ 20%, up 390 bps Y/Y
- 2014 operating margin¹ up 990 bps Y/Y

Strong design win traction in smartphones

- Content per phone increased to \$2.10 , compared to \$1.00 in 2012

Accelerating penetration of motor drive solutions

- Industrial, automotive, appliances

(1) : Non-GAAP measures. Refer to investor relations section of our website – www.onsemi.com for definitions and adjustments

System Solutions Group

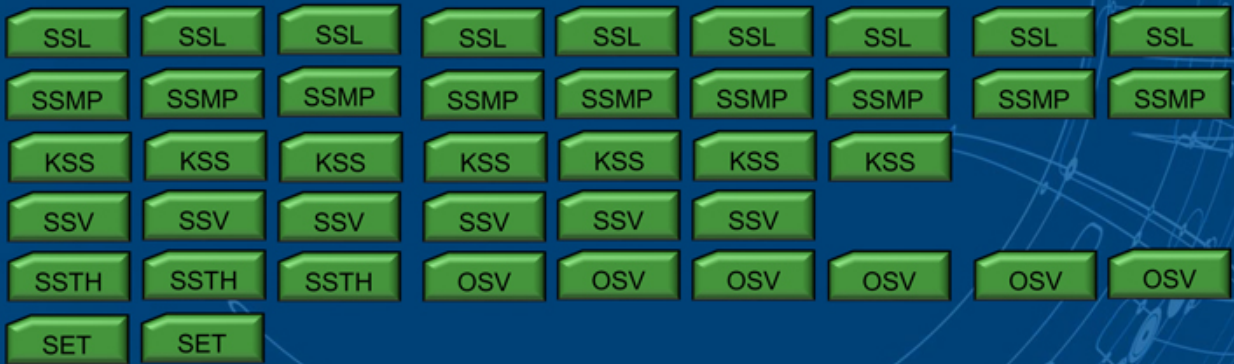
Aggressive restructuring

2011-H1 2011-H2 2012-H1 2012- H2 2013-H1 2013-H2 2014-H1 2014-H2 2015-H1

Wafer
Fabs



Assembly/
Test



Operational
Breakeven

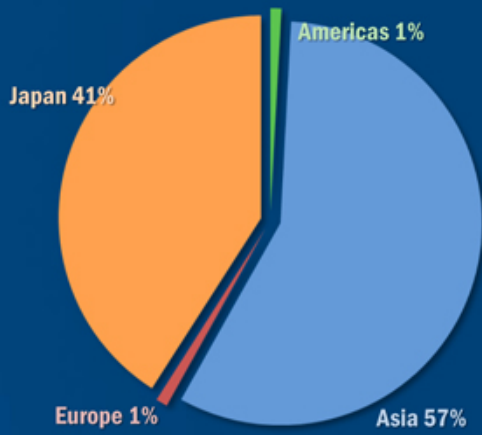
\$340M/qtr \$230M/qtr \$160M/qtr ~\$140M/qtr



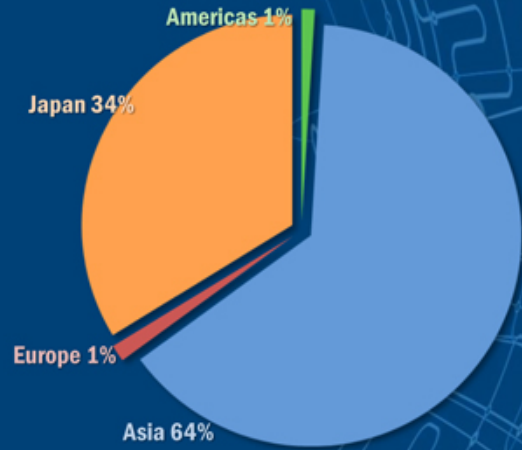
System Solutions Group

Diversifying regional exposure

2012 Revenue Distribution



2014 Revenue Distribution



System Solutions Group

Focused for profitable growth

End Market

Growth Trends

SSG Solutions

Automotive

Growth in # of Motors
High efficiency
Weight reduction

ICs and IPMs

Industrial /
White Goods

BLDC motors
Energy efficiency
Developing economies

ICs and IPMs

Mobile

Longer battery life
Picture Quality
Larger screen sizes

OIS/AF
Battery control



System Solutions Group

Strengthening presence in strategic end-markets

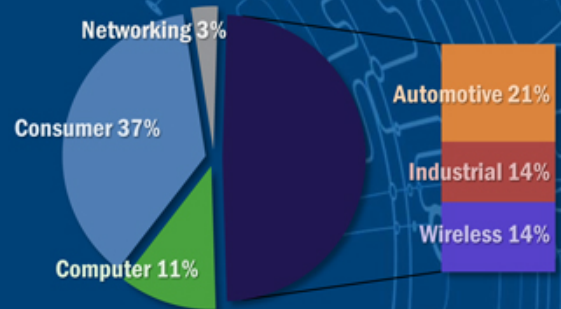
Mobile

- Strong traction on OIS/AF - #1 position
- LiB Battery protection - #1 Position
- Expanded into additional functions not integrated into mobile chipsets

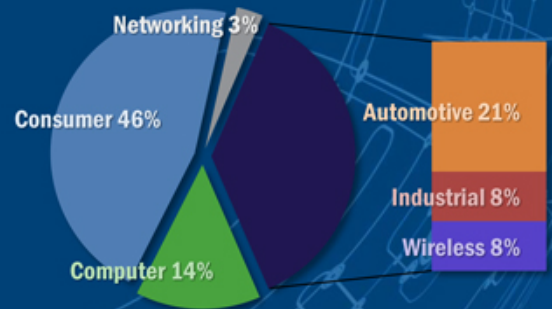
Motor Control

- Center for motor control expertise
- Strong penetration in white goods
- Expanding into Automotive & Industrial

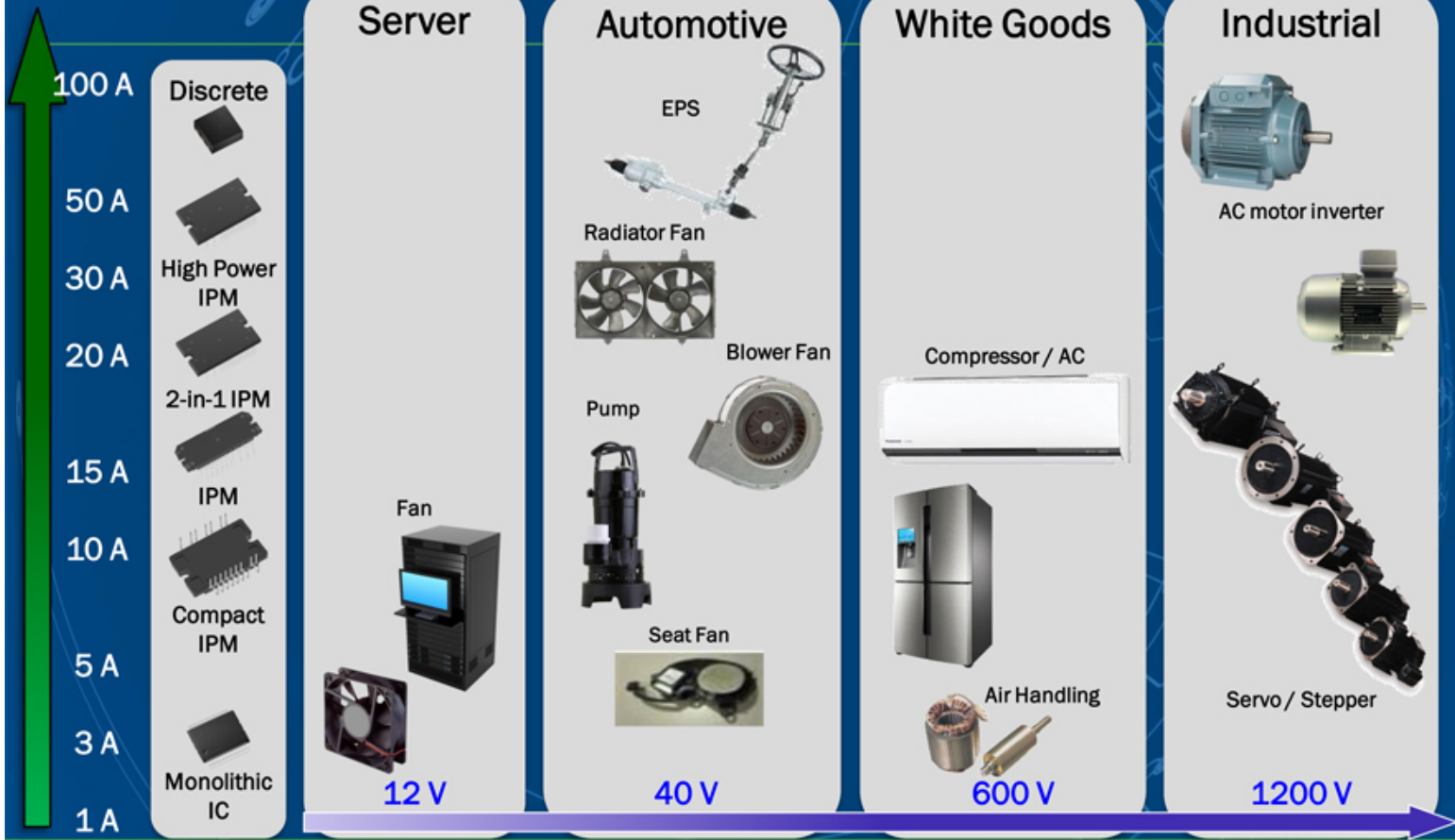
2014 Revenue by End Market



2012 Revenue by End Market



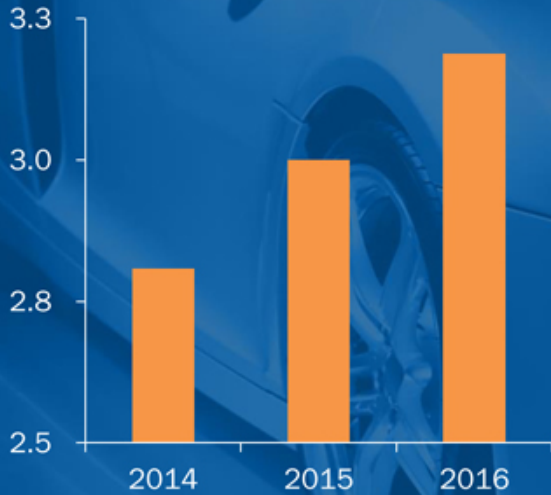
SSG : Comprehensive Motor Control Portfolio



System Solutions Group

Increased traction in automotive

SSG Automotive SAM (\$B)



SSG focus CAGR 15% vs. 5% for the overall market

Significant fan and pump design wins ramping in 2015

Programs with car makers to reduce size/weight of electronic motor controls

#2 in the Igniter market with smallest size and best performance

Source: ON Semiconductor estimates

Automotive Design Wins

Broad based wins in autos



Under Hood

- Radiator Fan
- Oil Pump
- Coolant Pump
- Ignition Control

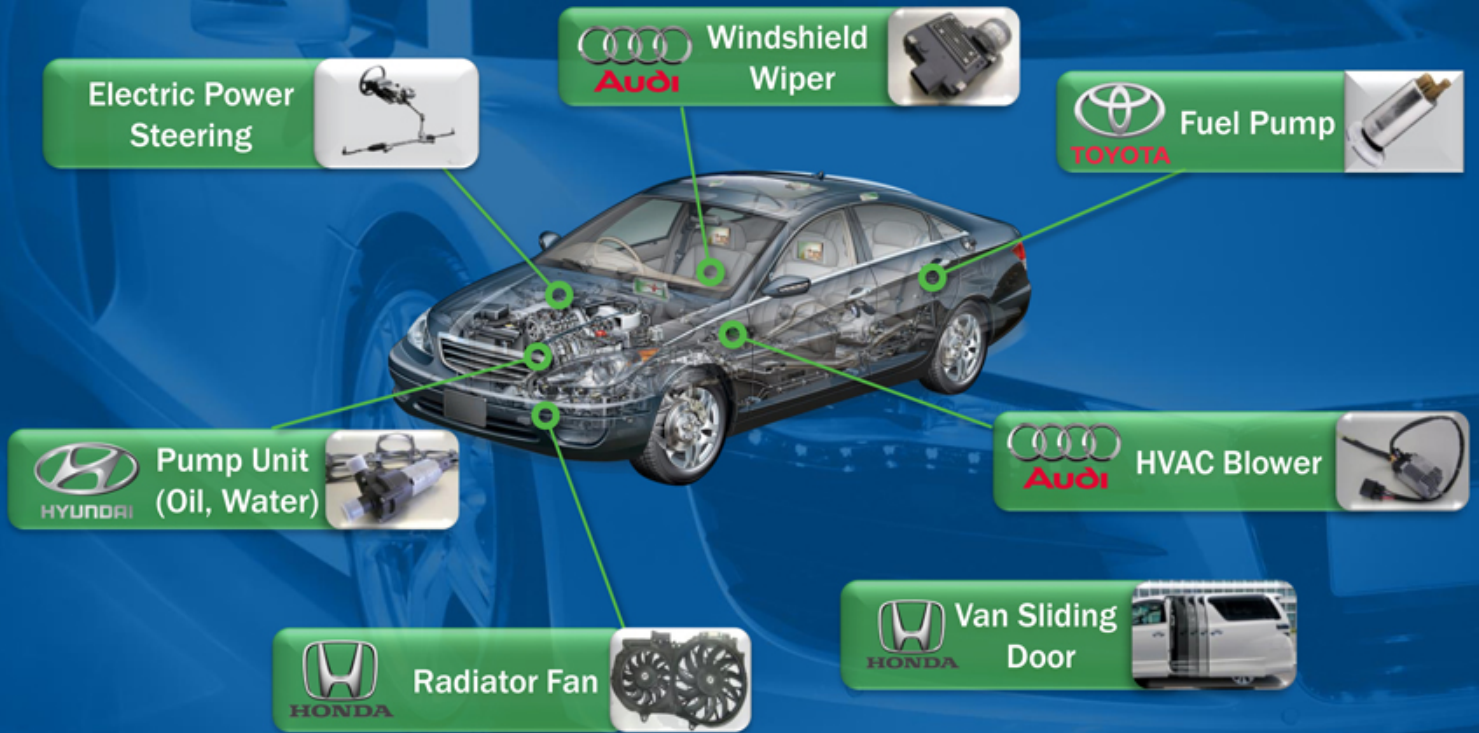
Body

- Wiper Motor Driver
- Infotainment DSP
- Fuel Pump
- Seat Fan



Leveraging Motor Competencies in Autos

Our solution: 50% smaller size & weight



System Solutions Group

Winning in white goods

SSG focus CAGR 19% vs 6% for the overall market

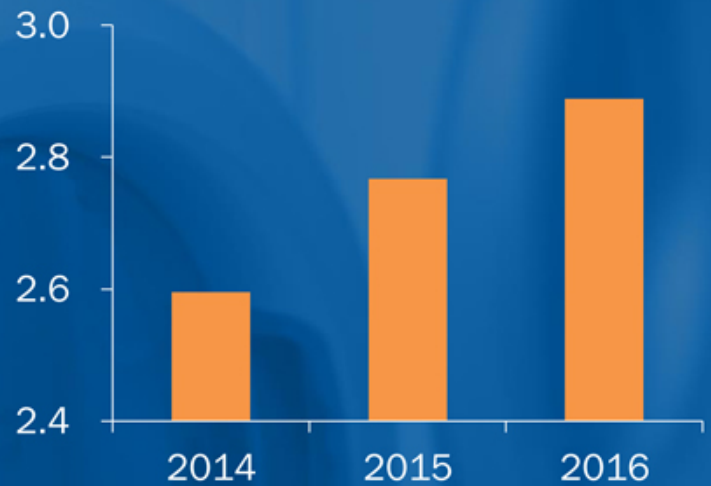
#2 in fan motor driver

#2 in White Goods IPM

Expand motor control solutions to cover 1-100A range

Horizontal expansion into industrial drives with IPMs

SSG White Goods SAM (\$B)



Source: ON Semiconductor estimates

White Goods Design Wins

Expanding presence with global OEMs



Air Conditioning

- AC inverter IPM & IGBT
- Blower Fan
- Control MCU

Refrigerator

- AC inverter IPM
- Blower Fan
- Damper motor
- Ice dispenser

Washers

- Water Pump

Small Appliance

- Control MCU

HITACHI

Panasonic

LG

Nidec
NIDEC MOTOR CORPORATION

FUJITSU

SAMSUNG

Haler

GREE

美的 Midea

Hisense

REGAL

Whirlpool
CORPORATION



System Solutions Group

Continuing momentum in mobile

SSG focus CAGR 22% vs 5% for the overall market

SSG content per phone has increased to ~\$2.10

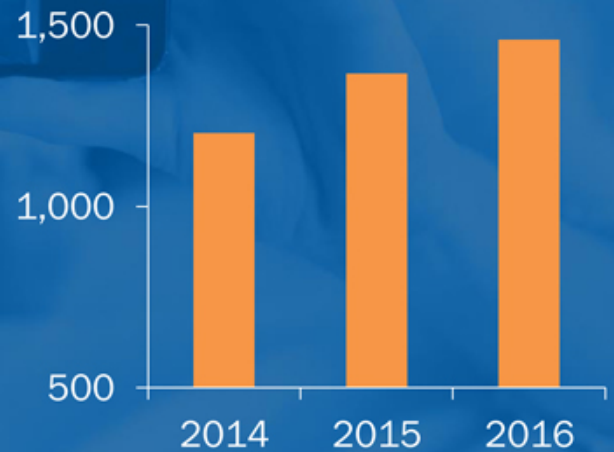
#1 in LiB Battery Protection

#1 in OIS - engaged with all camera module makers

Expanded into additional functions not integrated into mobile chipsets

Strong penetration in China and OEMs focused on emerging markets

SSG Mobile SAM (\$M)



Source: ON Semiconductor estimates

Mobile Design Wins



Display

- Touch Screen Interface
- Backlight Power Supply
- Bias Power Supply

Camera Module

- Auto Focus
- Optical Image Stabilization

Battery

- Protection
- Fuel Gauge



Leveraging IP to drive revenue

Re-use of mixed signal & MCU capabilities providing competitive advantage

Portable & Automotive Audio

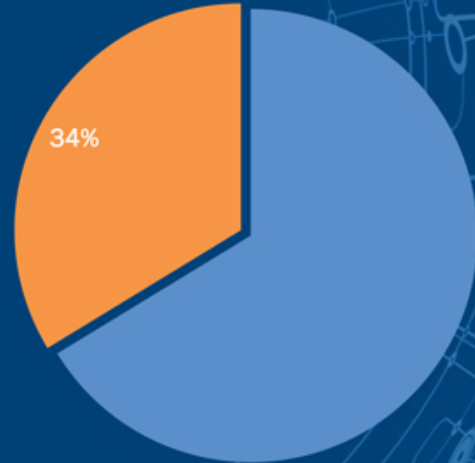
SONY **OLYMPUS**



Dual MCU Pen controller
for 8 - 14" tablets



SSG IP Portfolio Breakout
from ONNN Total



System Solutions Group

In Summary

SSG is now a competitive globally focused business

Positioned for sustainable margin and earnings growth

Robust design pipeline in strategic markets



Intermission

ON Semiconductor®



Image Sensor Group

Taner Ozcelik
Senior Vice President

ON Semiconductor®



ON Semiconductor

***Steep growth in
Automotive and
Industrial***



Image Sensor Group

Key Takeaways

On track to achieve non GAAP EPS accretion target for Aptina

- \$0.08 in 2015, \$0.10 in 2016
- Aptina integration process on track, set to complete by mid 2015

Investing in automotive and industrial to drive growth and expand margins

- #1 market share and expanding technology lead in automotive cameras
- Strong position in security and scanning
- Robust design win pipeline

Unmatched technology, customer relationships, and scale

- Uniquely positioned with leadership in broad range of imaging technologies
- Broadest range of customer relationships in automotive and industrial markets
- ON's manufacturing scale & logistics networks provide significant competitive advantage in focus end-markets



Image Sensor Group

A 40+ Year Legacy of Imaging Expertise

Image Sensor Group (ISG)

ON

2015

2000+ imaging patents
 Combined imaging expertise
 Large sensor portfolio
 Strong focus on supply chain
 ON Semi driven quality excellence

2014/Aug

Inventors of CMOS imaging
 Technology innovators
 Over 2 billion sensors shipped
 Broad applications served
 < VGA to 25 MP sensor range
 World-class development tools

2014/Apr

High-performance CCD/CIS portfolio
 Four decades of imaging expertise
 Leaders in Industrial Imaging
 Sensors from VGA - 28 MP

2011

Strong CIS Global Shutter Portfolio
 Industrial Focus
 Leaders in Machine Vision
 25+ years experience in CIS
 Sensors from 1 MP - 16 MP
 Larger optical formats and pixels

2010

Linear, Light and Proximity Sensors
 Custom solutions and modules
 Vertical market expertise



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Leadership in Key Technology and Systems

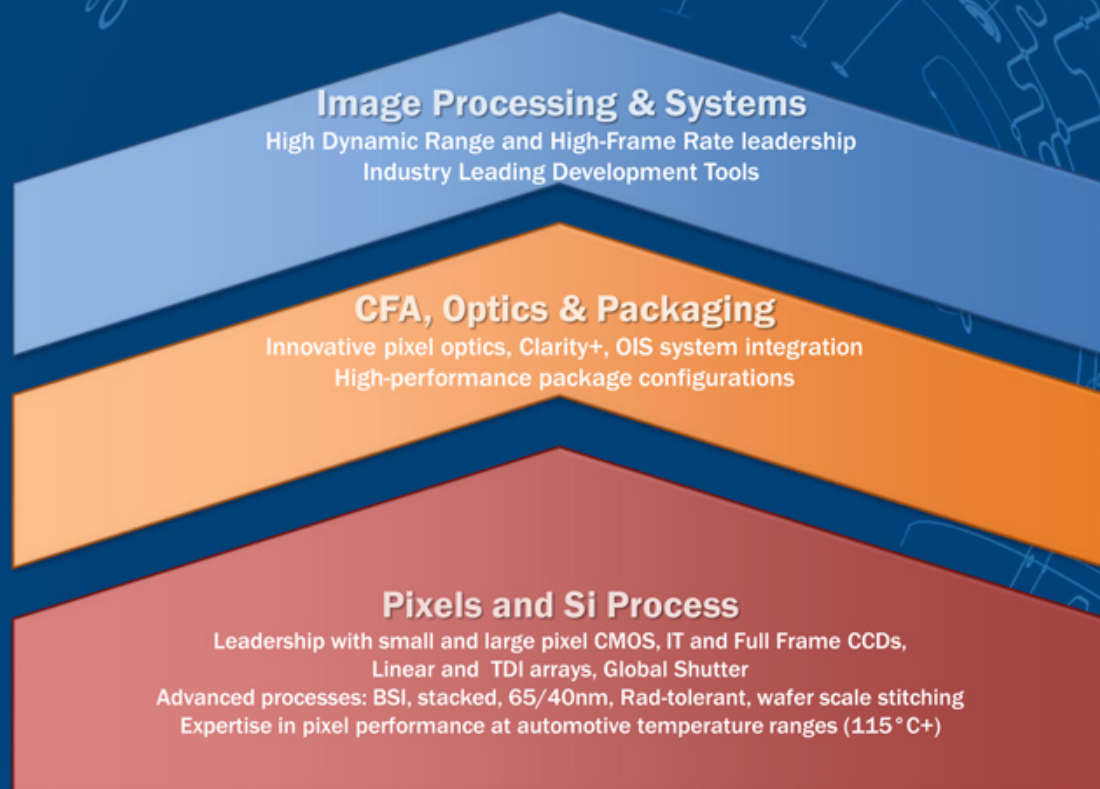


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Key Growth Drivers



Automotive

2014-18 market
CAGR of 28%

Safety, mandates, and
consumer acceptance key
drivers

ONNN market leader with
~45% share, ~70% in
ADAS

Significantly above
corporate gross margin



Industrial

IoT, security, automation
key drivers

Broadest portfolio in the
market

#1 in IP cameras and
scanning

Significantly above
corporate gross margin



Consumer

Highly selective focus on
profitable opportunities

Leverage differentiated
technology to address
niche applications

Source: TSR, IMS, ON Semiconductor estimates



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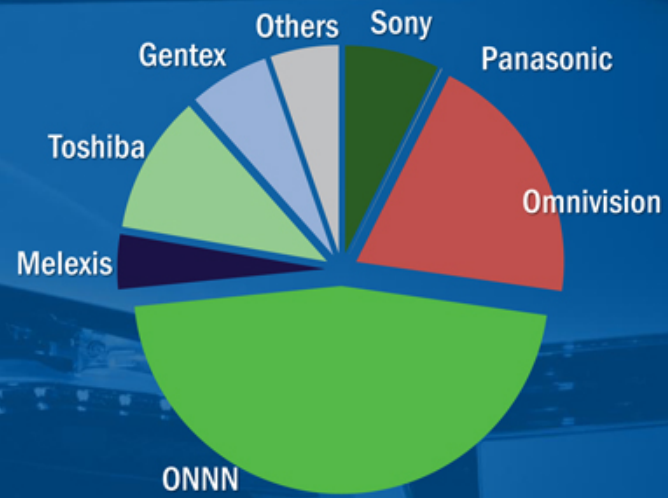
Automotive Image Sensor Market

Automotive CMOS sensor market



2014-18 revenue CAGR of 28%

Auto CMOS sensor market share



#1 position with 46% market share

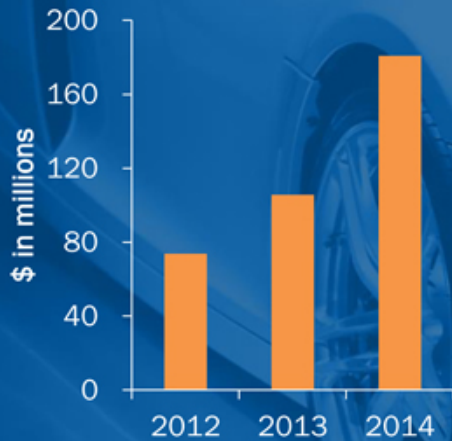
Source: TSR, IMS, ON Semiconductor estimates

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Accelerating momentum in automotive image sensors

Auto image sensors

Revenue up 71%⁽¹⁾ Y/Y in 2014



Technology and market leadership

Strong technology leadership and software capabilities - pioneer in auto image sensors

Safety, Government mandates

Increasing use of image sensors in autos in addition to rear view camera

Autonomous/Intelligent vehicles

Numbers of cameras in cars go up to 20 from 2 - need for automotive to be aware of their environment & context

Partnerships

Deep partnerships with application processor providers in safety critical and viewing applications

(1) Including Aptina and Truesense revenue for periods before close of acquisitions

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Potential for more than 20 image sensors in automotive

• Rear

Backup Camera
Surround View

• Front

Front View
Forward Collision
Warning
Lane Departure Warning
Auto High-beam Control
Traffic Sign Recognition
Pedestrian Detection
Adaptive Cruise Control
Night Vision

• Side

Mirror Replacement
Surround View
Top View
Blind Spot Detection

• In Car

Passenger Monitoring
Drowsy Driver
Instrument Control
DVR
Air Bag

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Leading in automotive technologies

LFM (LED flicker mitigation) Technology

- Leader in LFM technology
- Fast becoming the top priority issue for OEMs driven by LED adoption

Stacked Wafer Technology

- Advanced algorithms and integrations
- Improved pixel performance
- Lower power

SOC and Algorithms

- Full image processing
- LFM
- Perspective correction
- Interfaces & data transfer

Global Shutter

- For In cabin ambient light reduction
- Best in class efficiency

Leading Fabrication Technology

- 200mm and 300mm
- Advanced uLens and CFA
- Back Side Illumination

LFM



LED flicker reduction

- Flicker problem for video viewing and Machine vision
- Unique pixel level implementation



Pixel

- BSI for higher QE and lower cross talk
- Deep Photo diode for better QE and NIR performance

SOC and Algorithms



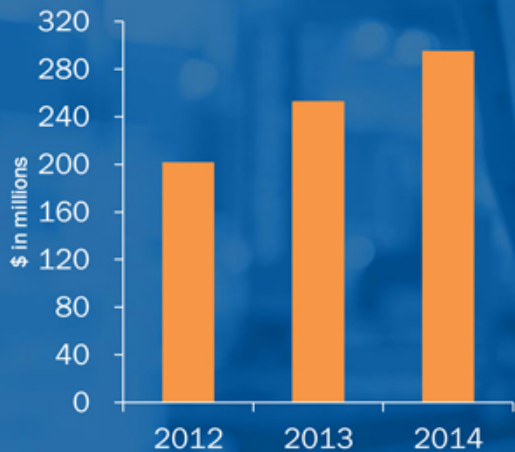
- ISP / SOC processing
- Backup, Surround view, ADAS

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Strong position in industrial image sensors

Industrial Image Sensors

Revenue up 17%⁽¹⁾ Y/Y in 2014



Security

- Strong position in traffic monitoring
- #1 share in IP camera market
- Broadest product portfolio
- Software capabilities
- Proliferation of security cameras
- Increased need for surveillance

Internet of Things (IoT)

- Adding vision and sensing to context aware applications

Industrial Automation

- Industrial Automation
- Machine vision
- Automated quality assurance

(1) Including Aptina and Truesense revenue for periods before close of acquisitions

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Top to Bottom Portfolio in Industrial Imaging



Machine Vision

- Factory automation and inspection
- Robotic vision
- Biometrics



High-End Surveillance

- Aerial Surveillance
- Intelligent Traffic Systems (ITS)
- Mapping



Medical and Scientific

- Digital radiography
- Dental
- Astronomy



Other High Performance

- Space Exploration
- Cinematography
- Custom Sensors

High Performance CMOS/CCD

- High Resolution
- Global Shutter
- Large Pixels
- VITA/PYTHON/LUPA families
- TrueSense CCDs
- #1 in High Speed Image Sensors



Scanning

- Handheld Barcode Reading
- Fixed/POS Barcode Scanners



Mainstream Surveillance

- IP Camera
- CCTV
- DIY/Home



Internet of Things (IoT)

- Smart Home
- Lighting
- White Goods



1D Sensors

- Light & Proximity Sensors Modules
- Currency Verification

Mainstream CMOS

- Aptina CMOS image sensors
- Smaller pixels
- Smaller optical size
- #1 in Barcode Scanners
- #2 in Mainstream Security
- #1 IP Security Camera



Investing in IoT – a Vast Opportunity

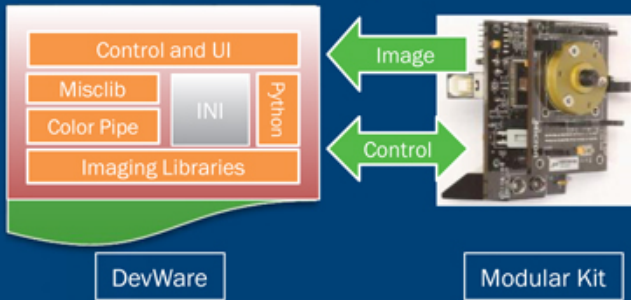
A \$400M Market by 2018



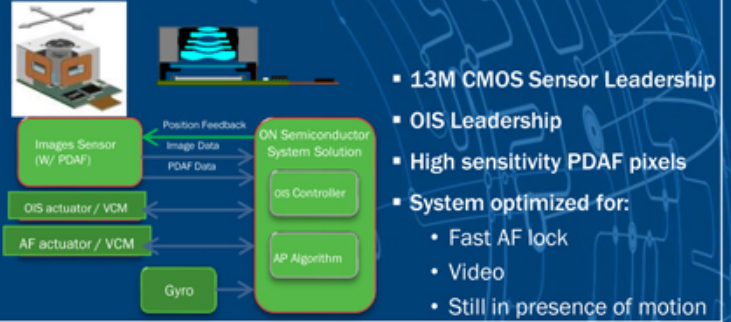
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Imaging System & Software Solutions

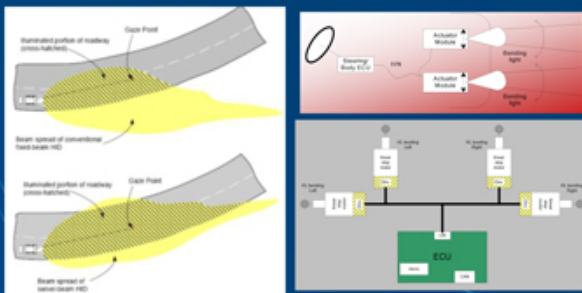
Leading Imaging Development Software



PDAF + OIS – “Hummingbird”



Smart LED Lighting System



IoT Reference Kit – “Matrix”



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Profitability key driver in consumer market

Focus on driving profitability

Align resources and product portfolio to ensure margin expansion

Selectively participate in performance categories

Sports Camera, Highly differentiated high-end mobile devices

Differentiation through image quality and technology

PDAF, Clarity+, HDR, Pixel performance, Low noise, Low light sensitivity

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Aptina Integration update

On track with non GAAP EPS accretion of 8c in 2015 & 10c in 2016

- Synergies and mix to drive profitability

Integration on track

- CFA production ramp in 2Q on target
- IT integration set to complete in 2Q

On track to meet back office and operational synergy plans

- Support functions and supply chain



Image Sensor Group

In Summary

- On track to achieve financial targets

- Investing in automotive and industrial markets to drive growth and profitability

- Market & technology leader in auto image sensors, the fastest growing image sensor market - 2014-18 revenue CAGR of 28%



Application Products Group

Bob Klosterboer
Executive Vice President

ON Semiconductor®



Application Products Group

***Driving growth in
Industrial, Automotive,
and Smartphones***



Application Products Group

Key Takeaways

APG is targeting to grow at twice the market rate

- Strategic resources aligned to ensure success of critical projects in strategic growth markets
- Early engagement with strategic customers to drive steep product ramp

Strong margin expansion going forward

- Operating margin expansion driven by manufacturing efficiencies and highly differentiated products
- Development scale and IP re-use to improve new product efficiencies and margins



Application Products Group

Overview and 2014 highlights



APG Value Proposition:

"We work with our customers to develop world class products which provide high quality, innovative solutions to power and signal management challenges".

2014 Highlights:

Revenue \$ 1.1B
 - Y/Y growth of 7.4% vs. peers at 3.9%

Gross Margin¹ 44.4%, up 120bp Y/Y

Operating Profit¹ of \$145m, up 11.3% Y/Y

(1): Non-GAAP measures. Refer to investor section of our website – www.onsemi.com for definitions and adjustments

Application Products Group

Growth opportunities in established markets



Automotive

37% of sales
Significantly above corporate gross margin

~20% revenue growth
in last 2 years

Investing in LED Lighting,
Smart FETs, Power Supplies
& Communication



Industrial

28% of sales
Significantly above corporate gross margin

13% YoY revenue growth
in 2014

Investing in RF IOT
Connectivity, Sensor Interface
& Digital Medicine



Wireless

10% of sales
Above corporate gross margin

> 60% revenue growth over
the last 2 years

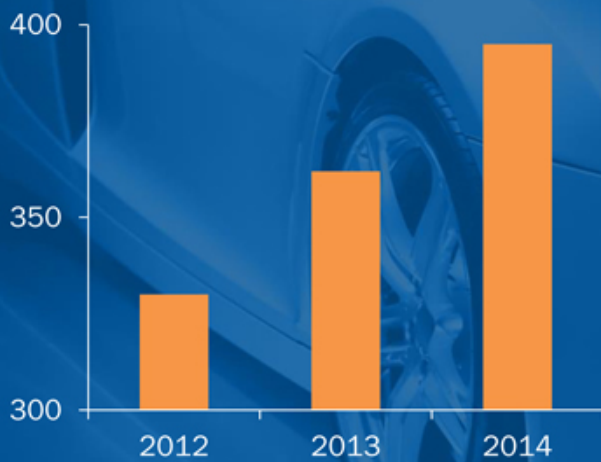
Investing in Wireless
Charging, PMICs, RF Tuning
& Rapid Charging



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Automotive growth opportunities

Automotive revenue (\$M)



Lighting - Advanced front, rear & interior lighting with leading global tier-1s & OEMs

Body & Powertrain: SmartFETs, motor actuation, smart junction boxes

Vehicle electrification: Transition from LDOs to high efficiency SMPS

Networking: LIN/CAN IVN, and Ethernet to address high bandwidth ADAS needs

Automotive

Expanding content and capabilities

Active Safety

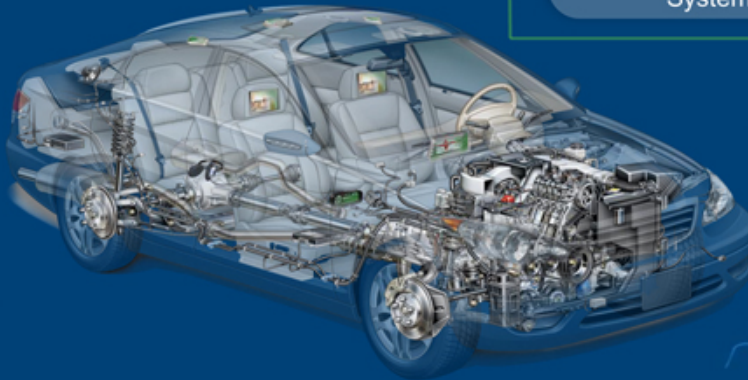
ASIC
Current Sense LDO

Instrument Clusters

LED Backlight
Power Supplies
Smart FETs
System Basis Chips

ADAS

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



Lighting

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

Electrification

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

In-Vehicle Networking

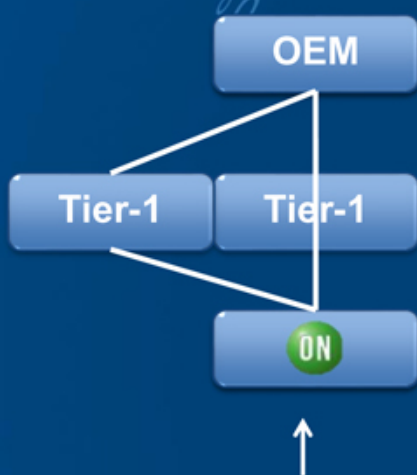
System Basis Chips (SBC)
FlexRay
Ethernet
CAN Partial Network
LIN relay

Powertrain

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



OEM Cooperation For Lighting



Network approach (vs. sequential)

Each party contributes with own core competency and system know-how

Parallel processes → short TTM

Early witnessing or co-defining emerging leading edge technologies

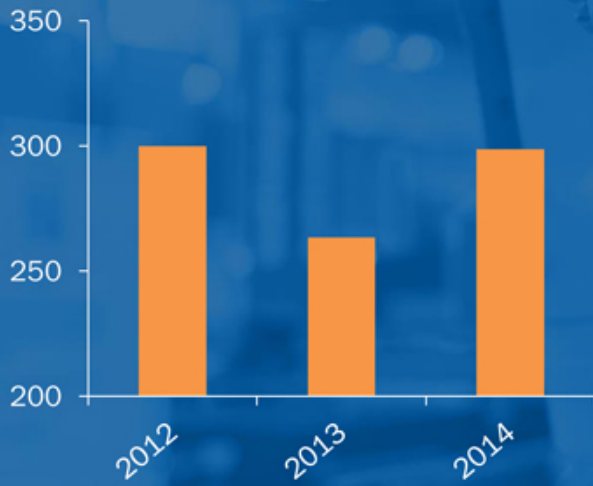
Optimal system solution



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Gaining momentum in industrial

Industrial Revenue (\$M)



Ultra low power ZigBee wireless solutions for home automation, smart energy and smart lighting

Intelligent, networked sensor and LED lighting solutions for smart building controls

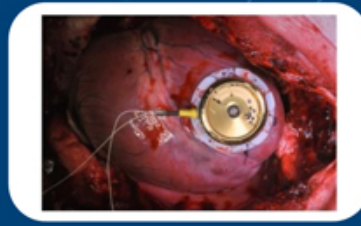
Patient diagnostics and drug delivery for connected mobile healthcare

Industrial IoT



Market Macro Trend Industrial IoT

Trend: The internet of "things" will grow aggressively during 2015 - 2020



Product Positioning

Develop low power, standards based, wired and wireless network solutions that can be marketed directly as well as incorporated into system solutions

- Ultra Low Power 2.4Mhz ZigBee SOC (Orion)
- Narrow band Sub 1Ghz and BLE products under development

Develop system in package solutions that enable wearable and unobtrusive form factors

- 2,5D and 3D Packaging solutions
- Thru silicon Vias

Develop energy harvesting, wireless charging, fast charging and ultra low power conversion devices

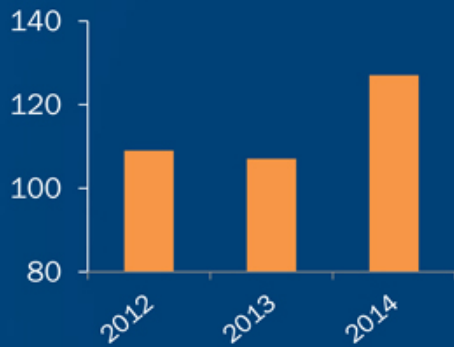
- A4WP Wireless charging platform
- NCP4370 in development to support both the Qualcomm Quick Charge 2.0 and Rapid Charge Standards

Develop IP portfolio that will cross multiple end use markets to enable rapid changes in "hot" markets

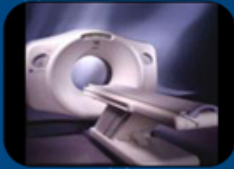
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Medical – Digital Medicine for Connected People

Medical Revenue (\$M)



Medical Imaging



Qualified Discretes

Complete Medical Solution

ASICs & Foundry

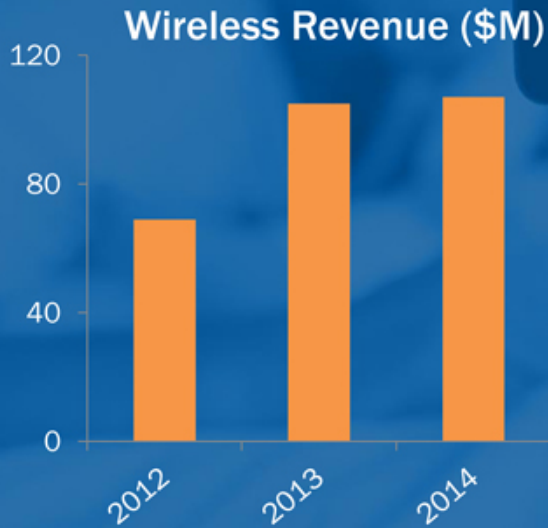
Medical ASSP

3D SiP



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Communications growth opportunities



A4WP wireless charging Rx/Tx power solutions

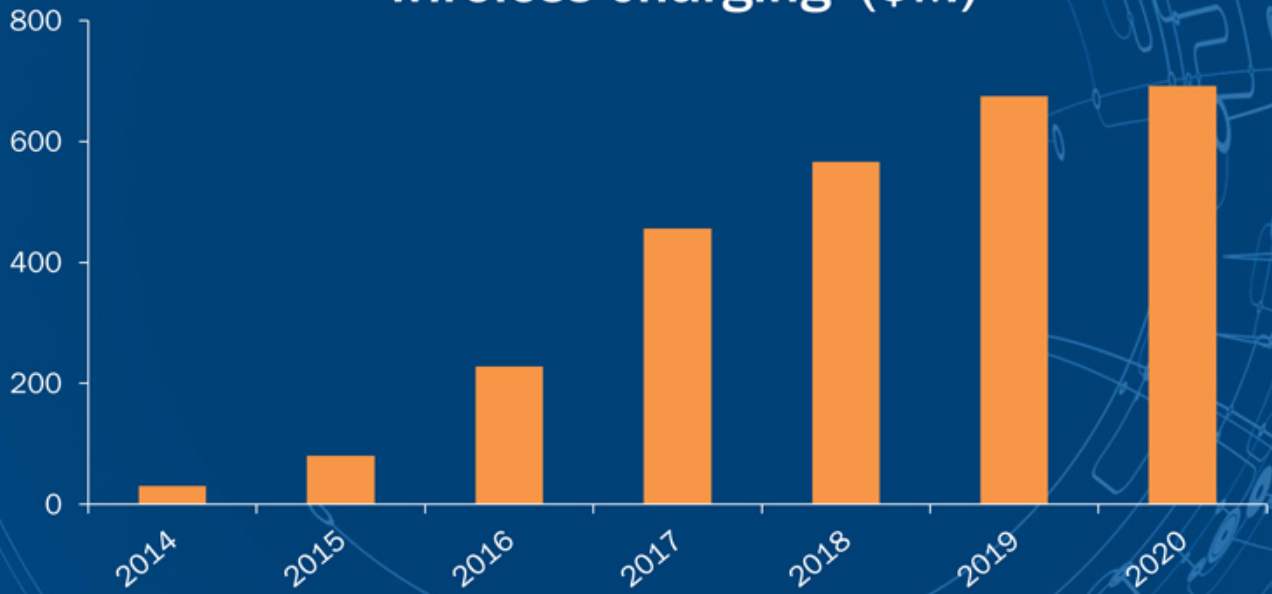
DC-DC PMICs for the AP/graphics processors, baseband chipsets and camera modules

Scalable RF tuning solutions for multimode, multiband 4G LTE-A smartphones

Wireless Charging

First mover in an accelerating market

SAM for loosely coupled wireless charging (\$M)



Source: ON Semiconductor estimates



Wireless Charging

Ecosystem in place to drive steep adoption

*Drivers
in place for
rapid adoption*

Compelling consumer advantages

- Ubiquitous charging :charging of multiple devices on a single universal charging station
- Convenience of built-in solution vs. aftermarket accessories
- Pricing: A4WP brings down pricing to drive adoption by mainstream consumers

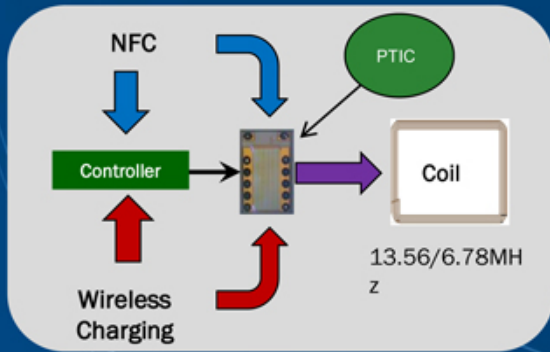
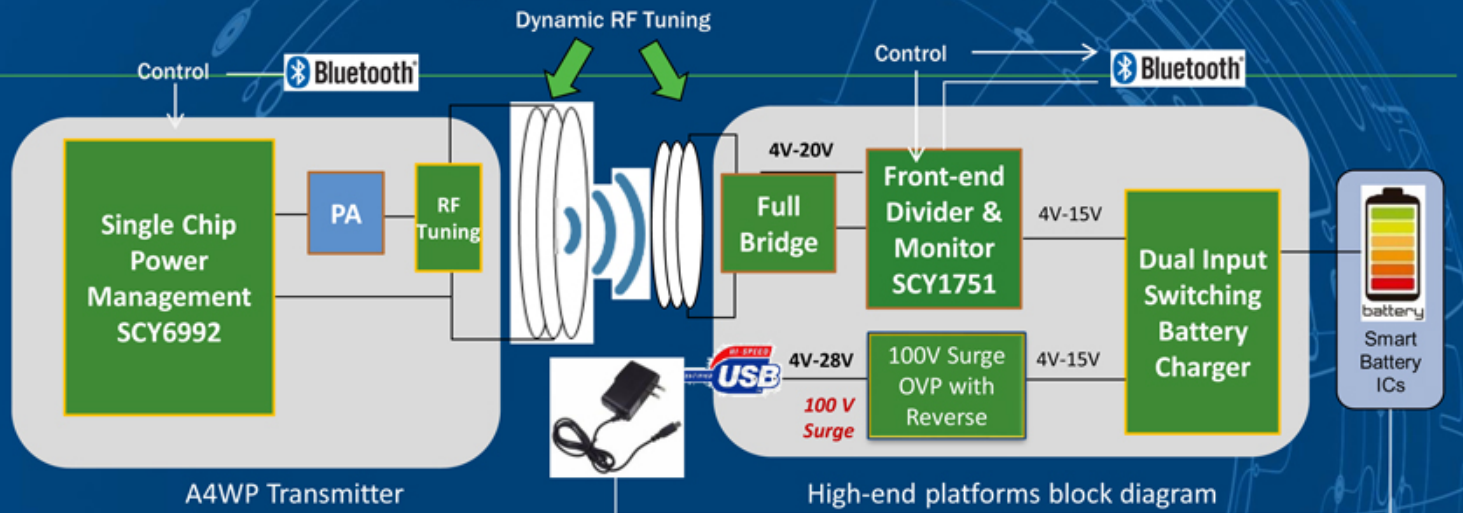
Market leaders introducing flagship products

- Qualcomm's Flagship Snapdragon 810 chipset designed to enable A4WP wireless charging
- Leading OEMs working on devices with A4WP enabled wireless charging capabilities
- ON broadly engaged with multiple chipset providers and OEMs

Critical mass of key stakeholders in place for A4WP

- Carriers, OEMs, Chipset vendors and component providers

Wireless Charging Solutions



Advanced RF capability

ONNN well positioned with market leaders to provide solutions for a broad range of major functions



Transforming Charging Solutions

Enabling Smaller Sized Adapters



Shrink 12 W Size to Existing 5 W Size



Increase Power in Existing 5 W to 12 W

Smarter Chargers



20 V



12 V



9 V

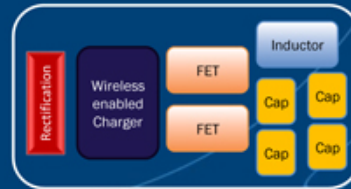
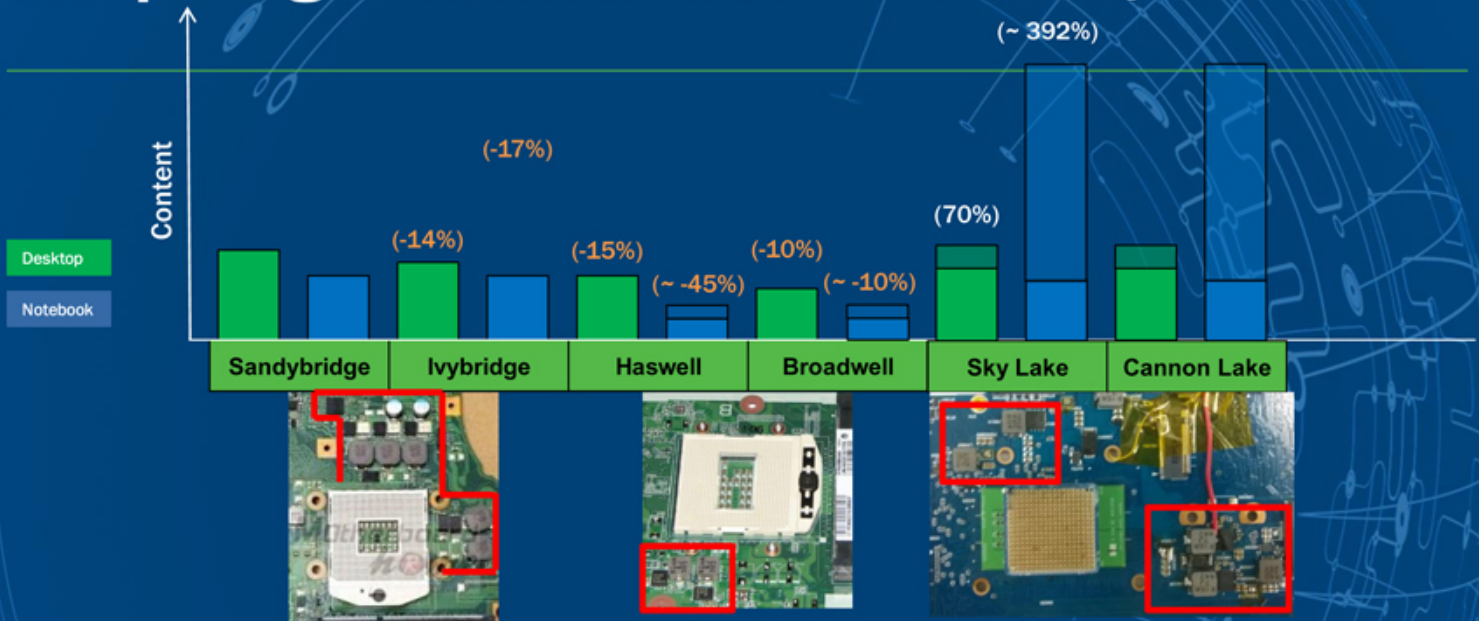


5 V

WLLC
Digital PFC
Sync Rec
GaN Switches



Computing Content Returns – ON is well positioned



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In Summary

- APG is positioned to outgrow the market

- Key wins at market leaders are helping define next generation products

- Targeting significant margin expansion





Business Units Questions & Answers

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ON

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Bernard Gutmann
CFO and EVP

ON Semiconductor®



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***Driving operating
leverage and shareholder
returns***



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Key Takeaways

Acceleration in EPS growth

Margin expansion

- Mix & operating leverage to drive significant margin expansion

Leverage past investments

- Investments in place to drive margin expansion, growth

Robust cash flow

- Expect \$400m annual Free Cash Flow¹ in near to mid term

Efficient deployment of capital

- Sizable part of free cash flow to be returned to shareholders

(1): Free Cash Flow (FCF) is defined as operating cash flow less capital expenditures



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2014 Highlights

- Operating margin¹ up by 210 bps Y/Y to 12.2%
- Gross margin¹ up by 180 bps Y/Y to 35.3%
- EPS¹ growth of 42% Y/Y to \$0.75
- Stabilized System Solutions Group
- Announced capital return policy & \$1B share repurchase
- Acquired Truesense & Aptina to boost imaging portfolio

(1) : Non-GAAP measures. Refer to investor section of our website - www.onsemi.com for definitions and adjustments



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Agenda



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2017 Target Model



Revenue - \$4 Billion



Gross Margin¹ 40%



Operating expenses¹ 21-23%



Operating Margin¹ 17-19%



EPS¹ \$1.40-\$1.60



Free cash flow – 13-16% of revenue



Cash return to shareholders – 80% of FCF²

(1) : Non-GAAP measures

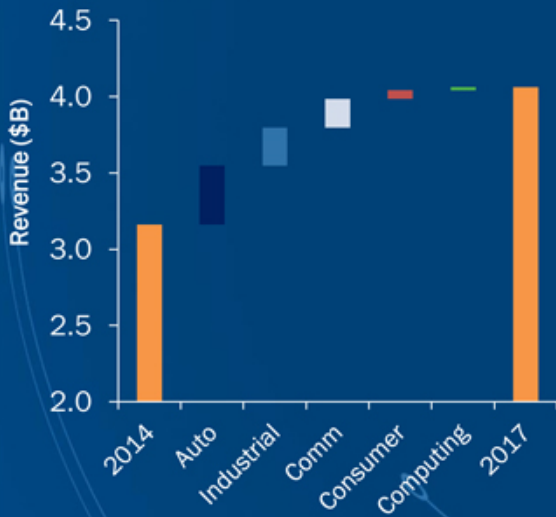
(2) : 80% of free cash flow after debt servicing will likely be returned to shareholders



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Path to 2017 target model - Revenue

Annual revenue growth of 5%¹



Automotive CAGR 7%

Communications CAGR 7.5%

Industrial CAGR 5%

Computing CAGR 3%

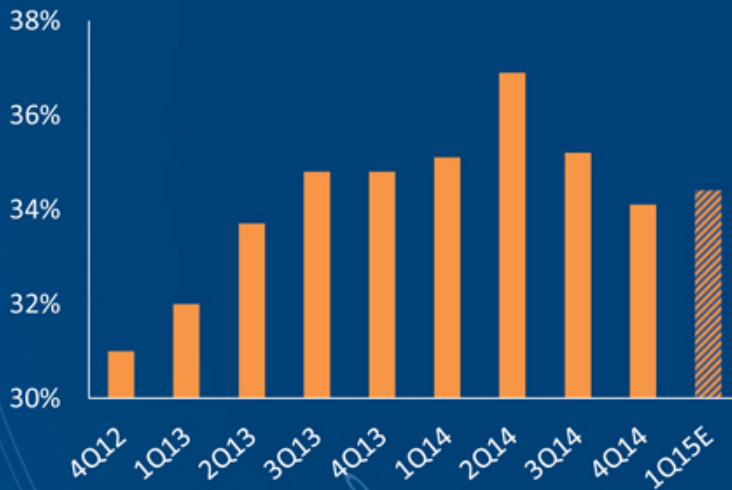
Consumer CAGR 2%

(1) : Organic growth from 4Q14 annualized revenue base

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Steady gross margin improvement

Non-GAAP Gross Margin¹ Trend



Key Gross Margin Drivers

Improving mix of industrial, automotive and smartphones

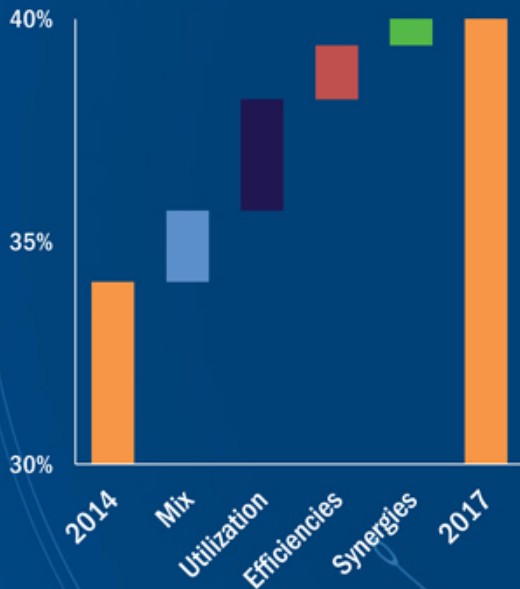
Higher operating leverage

Stabilization of SSG

(1) : Non-GAAP measures. Refer to investor section of our website - www.onsemi.com for definitions and adjustments

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Bridge to target gross margin¹



Mix – 160 bps

Ongoing mix shift towards auto, industrial, and smartphones

Utilization – 250 bps

Expect 50% fall through on incremental revenue

Manufacturing efficiencies – 120 bps

Continued migration from 6 inch to 8 inch wafers
Better capital efficiency

Synergies – 60 bps

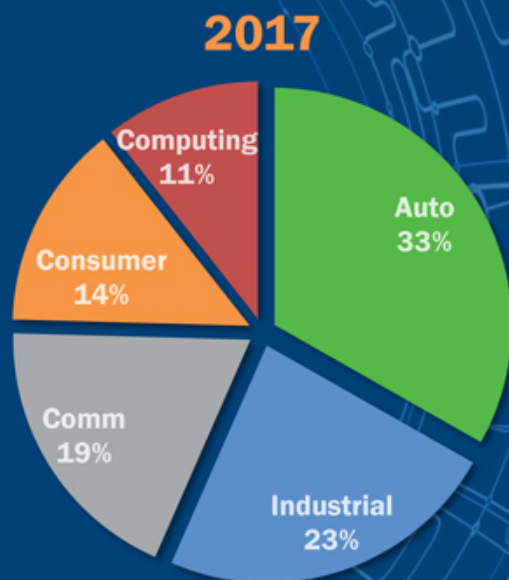
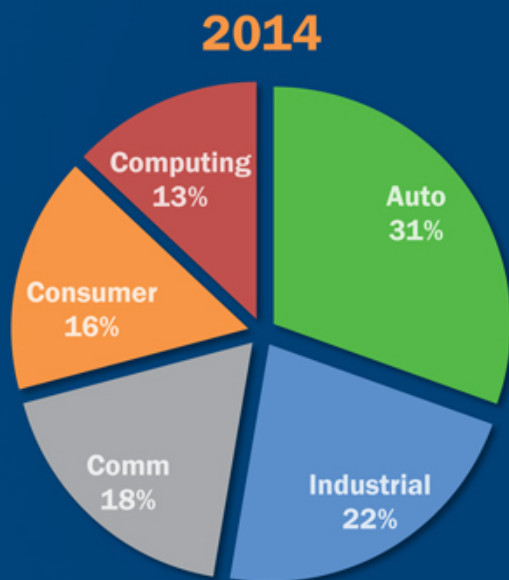
Aptina related synergies

(1) : Non-GAAP measures. Refer to investor section of our website - www.onsemi.com for definitions and adjustments
(2) ASP decline offset by operational improvements



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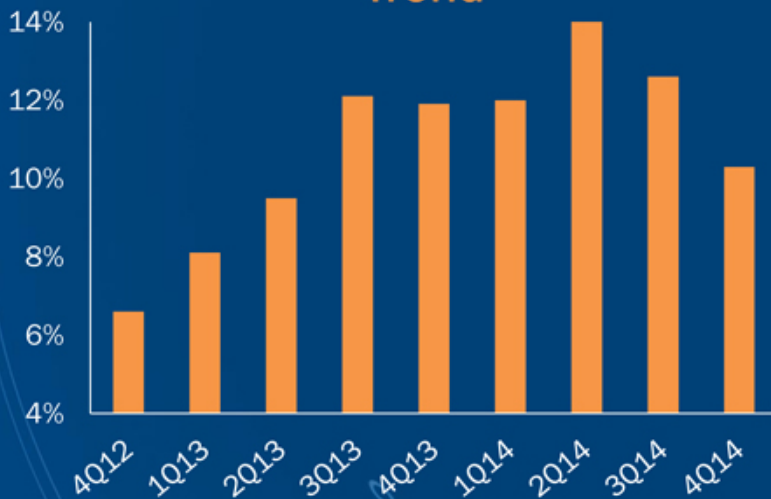
Change in mix 2014 to 2017



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Strong execution driving operating margin¹ expansion

Non-GAAP Operating Margin¹ Trend



Key Operating Margin Drivers

Fall-through from gross margin

Leverage from operating expenses

Stabilization of SSG

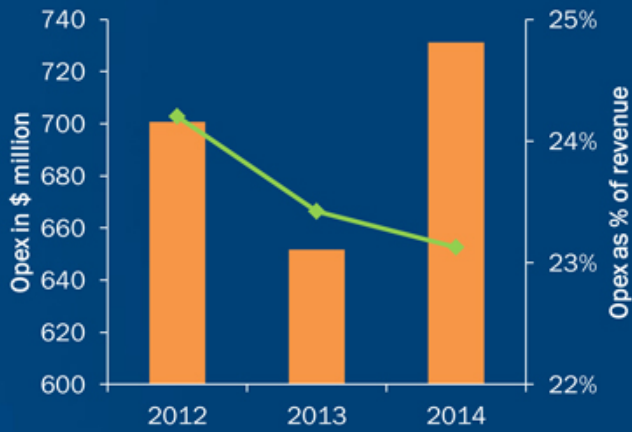
Targeted R&D spending

(1) : Non-GAAP measures. Refer to investor section of our website - www.onsemi.com for definitions and adjustments



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Operating Margin – Opex.¹ discipline, fall-through to drive expansion



Sizeable part of incremental gross profit to transition to operating income

Revenue growth to outpace operating expense growth

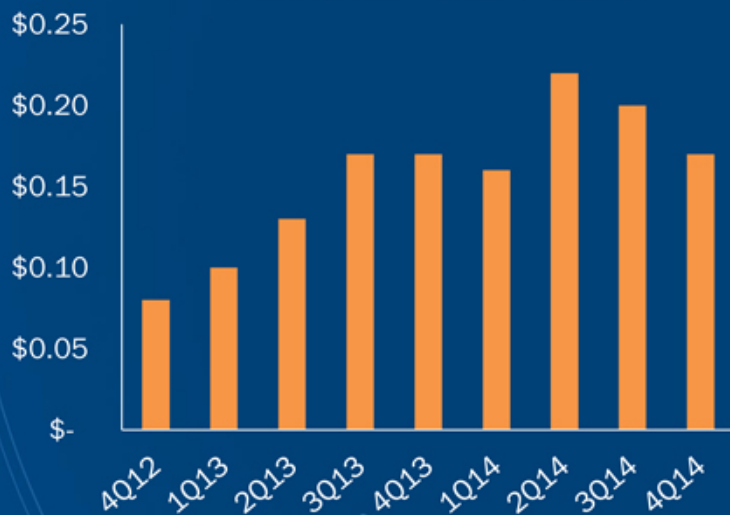
Acquisition synergies to help mitigate inflationary increases in opex.

(1) : Non-GAAP measures. Refer to investor section of our website – www.onsemi.com for definitions and adjustments

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Historic EPS trend

Historic EPS¹ Trend



Key EPS Drivers

Improved operating results

Flat cash taxes

Low interest and other expenses

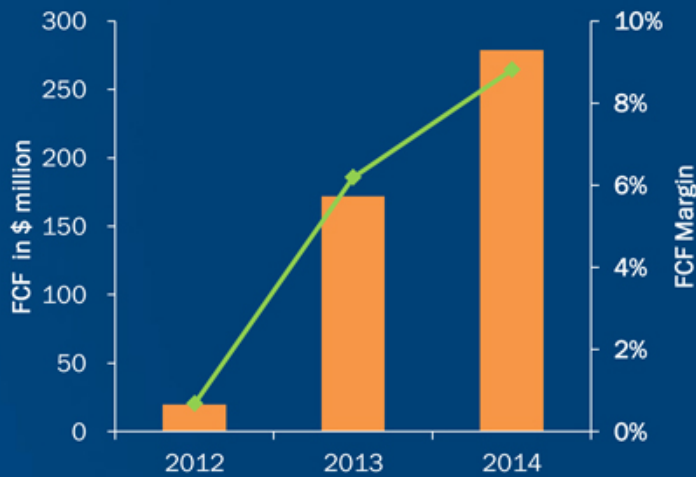
(1) : Non-GAAP measures. Refer to investor section of our website - www.onsemi.com for definitions and adjustments



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On track to generate \$400m in annual free cash flow

Key Cash Flow Contributors



Improved operating results

Disciplined capital spending

Stabilization of SSG



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Cash flow drivers for the target model

- Operating Cash flow - 20-22% of revenue
- Net cash interest - ~\$26-\$30m
- Cash taxes - ~8-10% of pretax income
- Depreciation and amortization - 6-7% of revenue
- Capex - 6-7% of revenue
- FCF - 13-16% of revenue



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Capital expenditure and manufacturing strategy

- No step function rise likely in capital expenditure
- Capacity expansion will be inline with forecasted demand
- Will continue to invest in our integrated manufacturing model
- Expand capacity through innovative partnerships, e.g. Fujitsu
- Industry leading cost structure



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Capital deployment



(1) : 80% of free cash flow remaining after debt servicing will likely be returned to the shareholders subject to required approvals





Group Questions & Answers



ON Semiconductor

Financial Analyst Day
2015

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Additional Information

- For additional information visit the ON Semiconductor corporate website

www.onsemi.com

or

for official filings visit
The SEC website

www.sec.gov ○

