
ON Semiconductor®
FINANCIAL ANALYST DAY
SCOTTSDALE, AZ
March 8, 2019

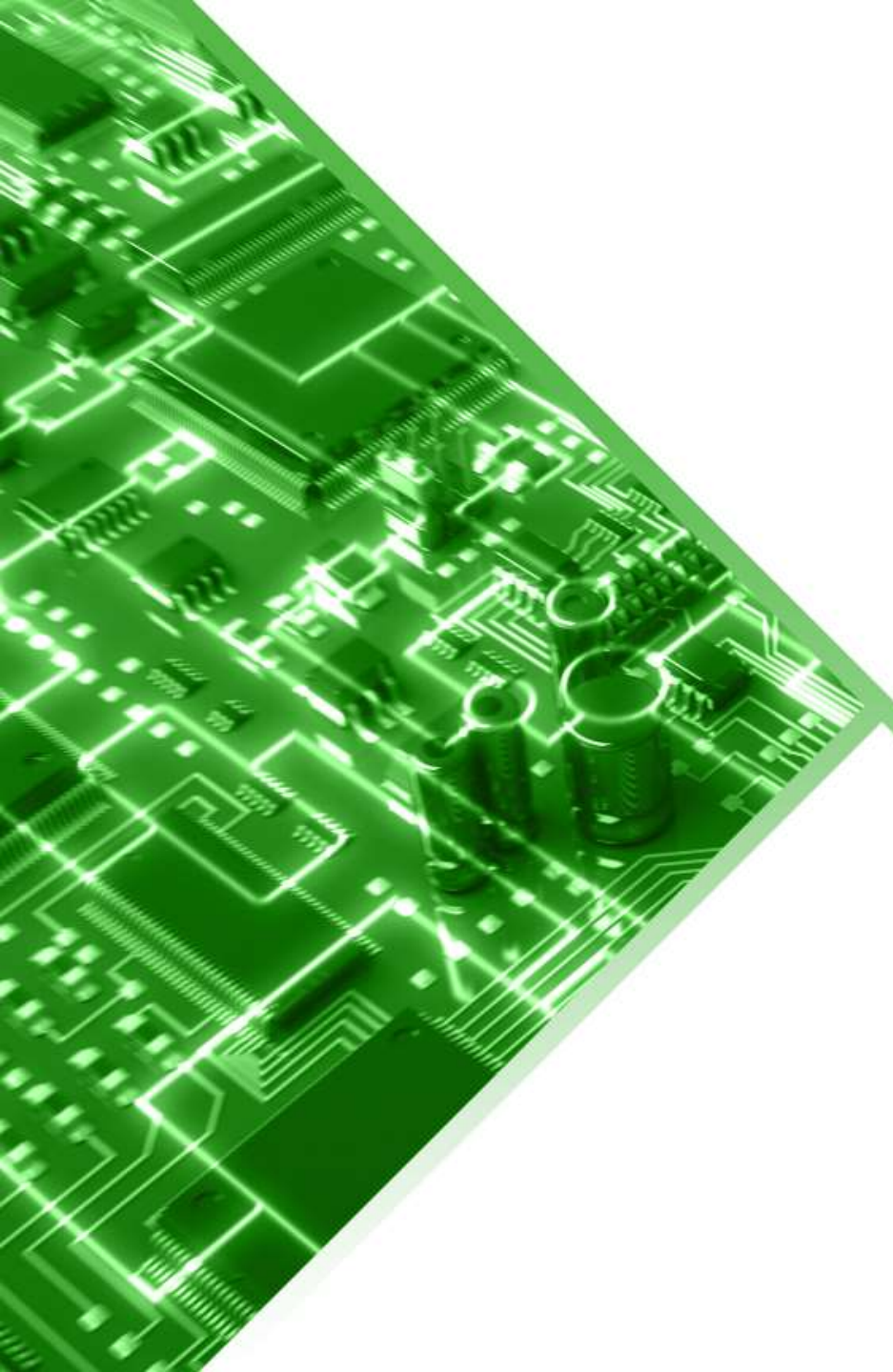
AGENDA

Introduction – Parag Agarwal	8:00-8:05
Strategic Overview – Keith Jackson	8:05-8:30
Q&A	
Markets and Revenue – David Somo	8:40-9:05
Analog Solutions Group – Vince Hopkin	9:05-9:30
Break	
Intelligent Sensing Group – Taner Ozcelik	9:45-10:10
Power Solutions Group – Simon Keeton	10:10-10:35
Business unit Q&A / Break	
Manufacturing Strategy – Bill Schromm	10:55-11:20
Finance – Bernard Gutmann	11:20-11:45
Final Q&A	

SAFE HARBOR STATEMENT AND NON-GAAP AND FORECAST INFORMATION

This presentation contains “forward-looking statements,” as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included or incorporated in this presentation could be deemed forward-looking statements, particularly statements about the future financial performance of ON Semiconductor, including financial guidance for the year ending December 31, 2019. Forward-looking statements are often characterized by the use of words such as “believes,” “estimates,” “expects,” “projects,” “may,” “will,” “intends,” “plans,” or “anticipates” or by discussions of strategy, plans, or intentions. All forward-looking statements in this presentation are made based on our current expectations, forecasts, estimates, and assumptions and involve risks, uncertainties, and other factors that could cause results or events to differ materially from those expressed in the forward-looking statements. These factors include, among other things: our revenue and operating performance; economic conditions and markets (including current financial conditions); risks related to our ability to meet our assumptions regarding outlook for revenue and gross margin as a percentage of revenue; effects of exchange rate fluctuations; the cyclical nature of the semiconductor industry; changes in demand for our products; changes in inventories at our customers and distributors; technological and product development risks; enforcement and protection of our intellectual property rights and related risks; risks related to the security of our information systems and secured network; availability of raw materials, electricity, gas, water, and other supply chain uncertainties; our ability to effectively shift production to other facilities when required in order to maintain supply continuity for our customers; variable demand and the aggressive pricing environment for semiconductor products; our ability to successfully manufacture in increasing volumes on a cost-effective basis and with acceptable quality for our current products; risks associated with our acquisition of Fairchild Semiconductor International, Inc. and with other acquisitions and dispositions, including our ability to realize the anticipated benefits of our acquisitions and dispositions; risks that acquisitions or dispositions may disrupt our current plans and operations, the risk of unexpected costs, charges, or expenses resulting from acquisitions or dispositions and difficulties arising from integrating and consolidating acquired businesses, our timely filing of financial information with the Securities and Exchange Commission (“SEC”) for acquired businesses, and our ability to accurately predict the future financial performance of acquired businesses); competitor actions, including the adverse impact of competitor product announcements; pricing and gross profit pressures; loss of key customers or distributors; order cancellations or reduced bookings; changes in manufacturing yields; control of costs and expenses and realization of cost savings and synergies from restructurings; significant litigation; risks associated with decisions to expend cash reserves for various uses in accordance with our capital allocation policy such as debt prepayment, stock repurchases, or acquisitions rather than to retain such cash for future needs; risks associated with our substantial leverage and restrictive covenants in our debt agreements that may be in place from time to time; risks associated with our worldwide operations, including changes in trade policies, foreign employment and labor matters associated with unions and collective bargaining arrangements, as well as man-made and/or natural disasters affecting our operations or financial results; the threat or occurrence of international armed conflict and terrorist activities both in the United States and internationally; risks of changes in U.S. or international tax rates or legislation, including the impact of the recent U.S. tax legislation; risks and costs associated with increased and new regulation of corporate governance and disclosure standards; risks related to new legal requirements; and risks involving environmental or other governmental regulation. Additional factors that could affect our future results or events are described under Part I, Item 1A “Risk Factors” in our 2018 Annual Report on Form 10-K filed with the SEC on February 20, 2019 (our "2018 Form 10-K") 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, except as may be required by law. You should carefully consider the trends, risks, and uncertainties described in this presentation, our 2018 Form 10-K, and other reports filed with or furnished to the SEC before making any investment decision with respect to our securities. If any of these trends, risks, or uncertainties actually occurs or continues, our business, financial condition, or operating results could be materially adversely affected, the trading prices of our securities could decline, and you could lose all or part of your investment. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by this cautionary statement.

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



THINK ON.

KEITH JACKSON

PRESIDENT AND CEO

KEY TAKEAWAYS

1. ON's structural transformation is accelerating and showing strong results
2. Enabling secular megatrends in automotive, industrial, and cloud power markets
3. Strong competitive moat – highly defensible & highly diversified business model
4. Strong & consistent execution – expanding margins & accelerating FCF

ACCELERATING STRUCTURAL TRANSFORMATION

ON IS ENABLING KEY MEGATRENDS – SECULAR TRENDS DRIVING STRONG GROWTH

- ADAS, EV/HEV, Machine Vision, Robotics, 5G infrastructure, Server Power management, Alternative energy, Energy efficiency in automotive and industrial systems
- Exposed to fastest growing semiconductor end-markets: Automotive, industrial, cloud power

STRONG COMPETITIVE MOAT & HIGHLY DIVERSIFIED BUSINESS MODEL

- Highly differentiated power semiconductor, sensor and analog technologies
- Industry leading cost structure with formidable manufacturing scale
- Largest customer ~5% of revenue, and highly diversified end-market and geographical exposure

STRONG FREE CASH FLOW GROWTH AND SOLID MARGIN EXPANSION

- ~3.5x FCF growth in last five years
- 460 bps of gross margin and 660 bps of operating margin improvement in last five years
- 3.7x increase in non-GAAP EPS in last five years

ENABLING KEY MEGATRENDS

AUTOMOTIVE

Image sensors, Radar and Lidar for ADAS

Silicon Carbide and silicon power semiconductors for EV/HEV

Power management for automotive CPUs

INDUSTRIAL

Image sensors for machine vision and robotics applications

MV and HV MOSFETs, and power modules for improving energy efficiency of industrial systems

Connectivity and power management for Industrial IoT applications

CLOUD POWER

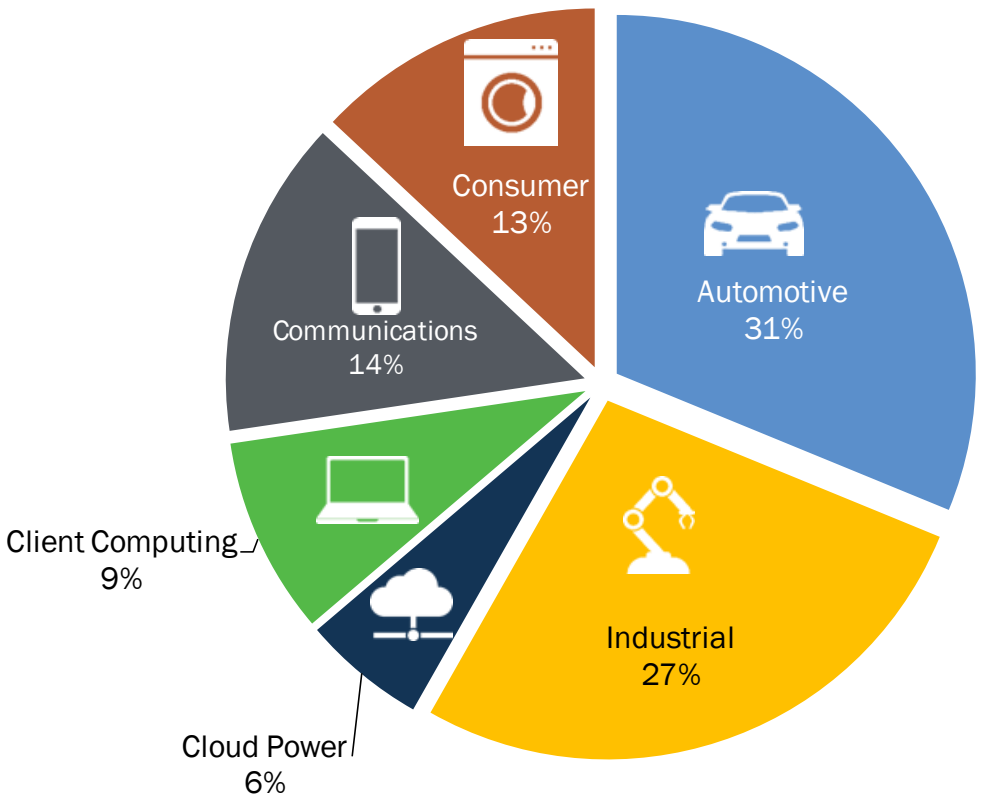
Analog power management for server CPUs for datacenter and enterprise applications

Mid-voltage MOSFETs for 5G infrastructure market

Mid-voltage MOSFETs for power supplies for datacenter applications

EXPOSED TO FASTEST GROWING MARKETS

2018 REVENUE BY MARKET



2018 REVENUE $5.878B | GROSS MARGIN 38.1%

AUTOMOTIVE
Power semiconductors for electrification, sensors for ADAS, LED lighting, analog power management for automotive processors

INDUSTRIAL
Energy efficiency for industrial systems, machine vision, robotics

CLOUD POWER
Server power management, 5G infrastructure

Communications include only smartphone related revenue

STRONG COMPETITIVE MOAT

Leading Technical Capabilities

Power semiconductors, Silicon Carbide, Auto/Industrial image sensors, cloud-power, analog power management

Strong track-record in automotive, industrial and cloud power markets

Long Life Cycle Products

Sticky portfolio with long life cycle products for critical applications

Highly diversified customer base

Broad and Synergistic Portfolio

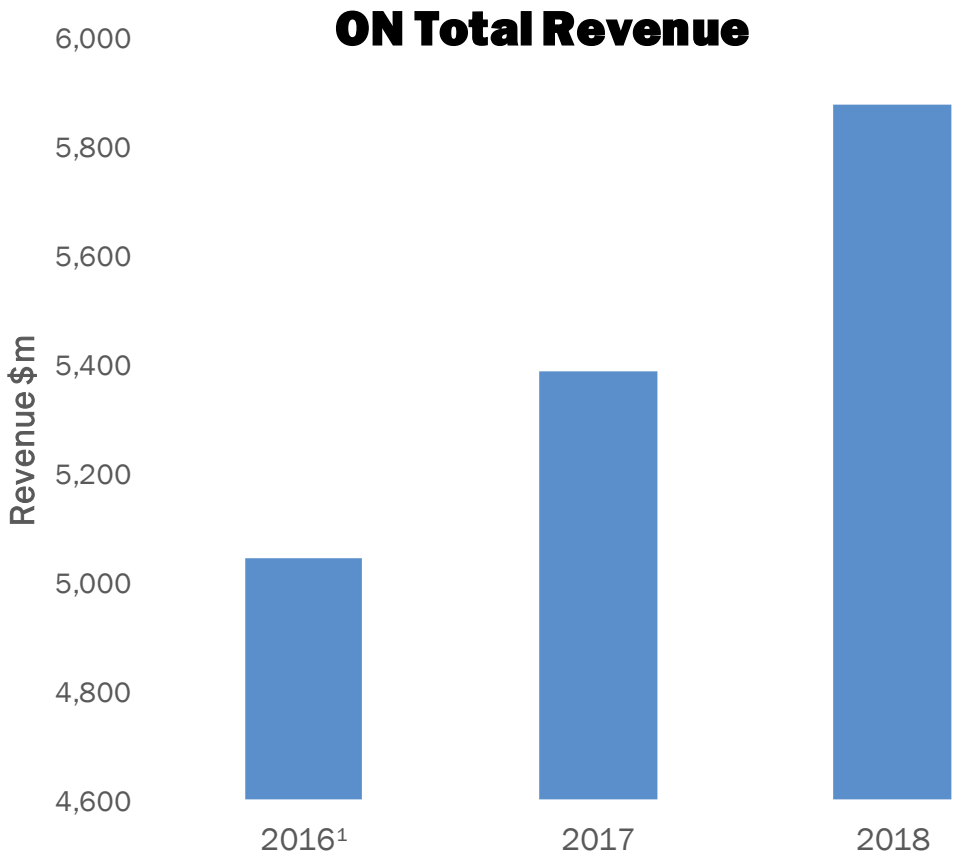
Broad and synergistic product portfolio for power, analog and sensor semiconductors

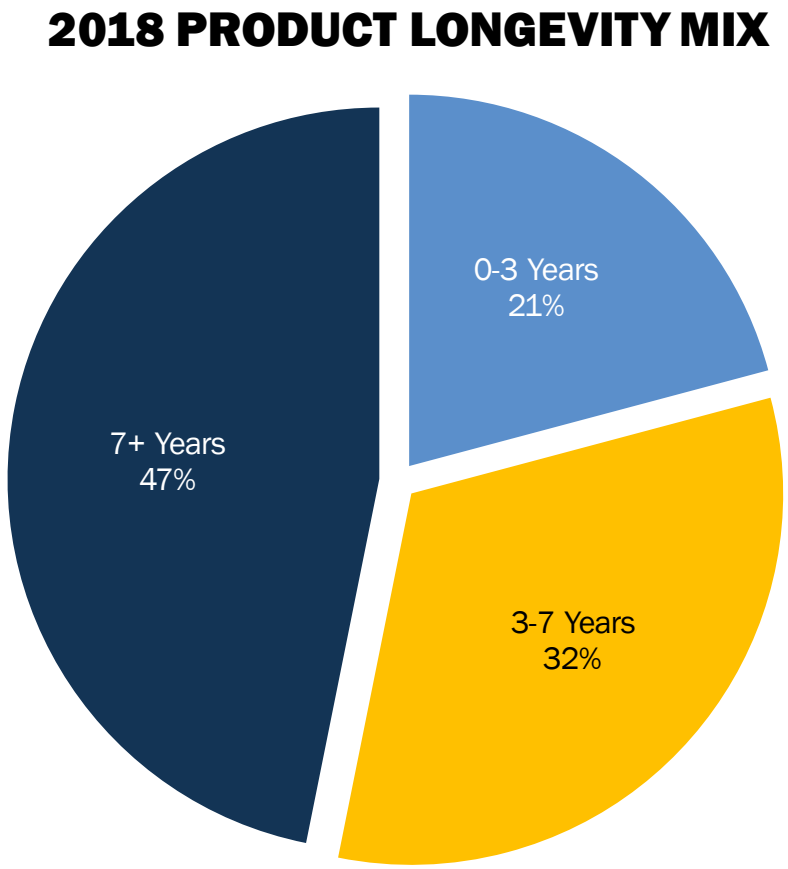
84,000 SKUs

Vast global sales and application engineering network

Formidable manufacturing scale and industry leading cost structure

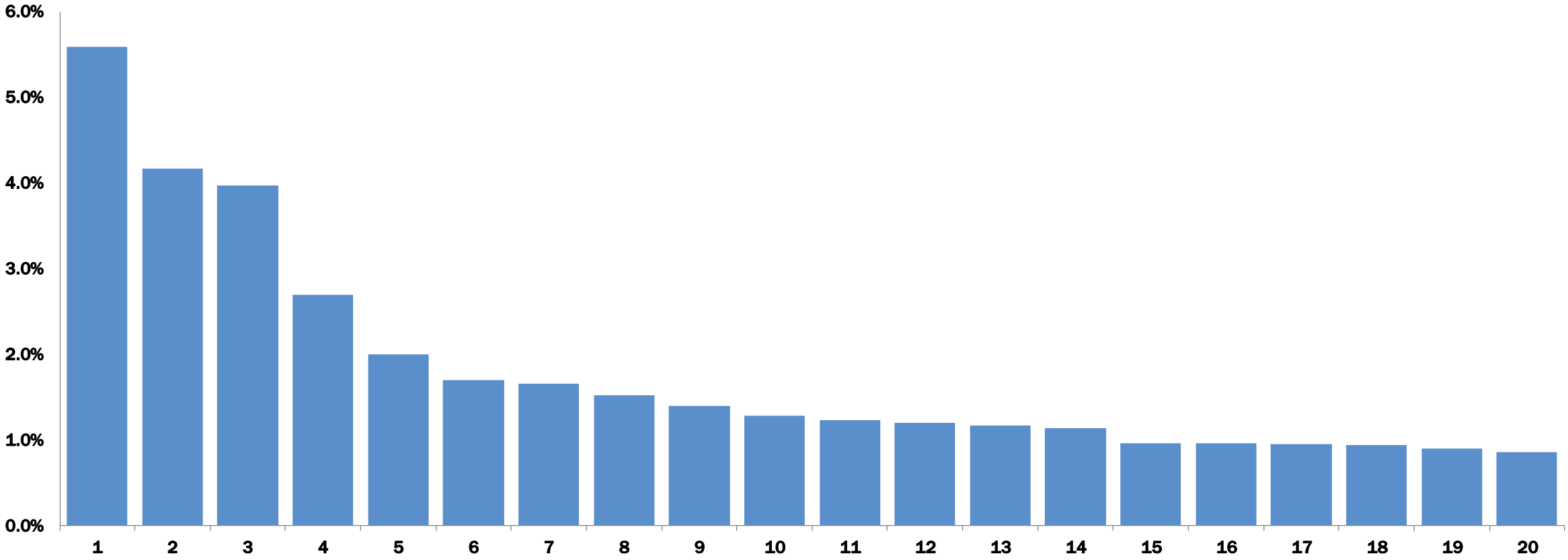
STICKY PRODUCTS WITH STRONG GROWTH





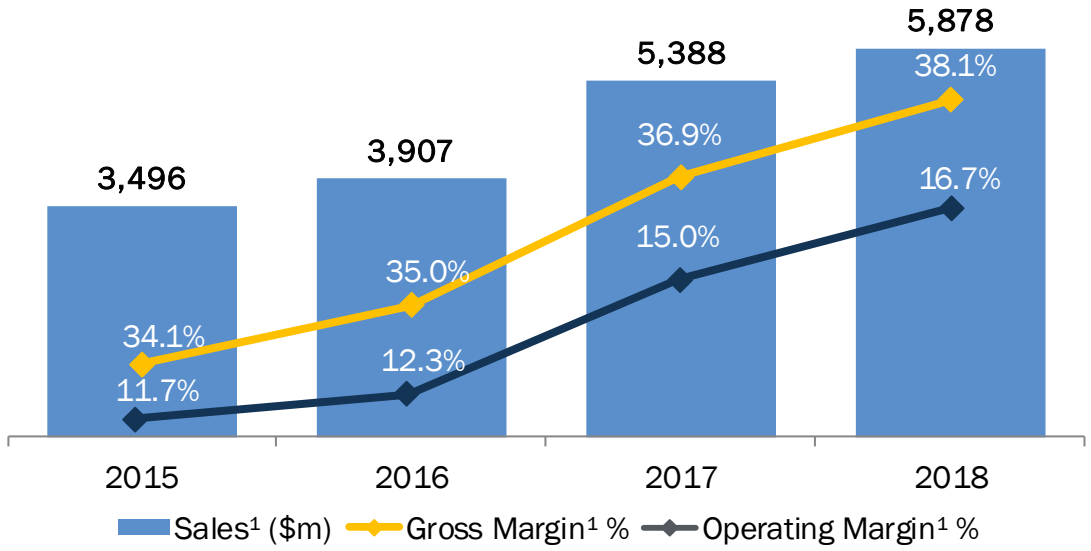
[1]: FY2016 represents Q4' 16 Annualized values.

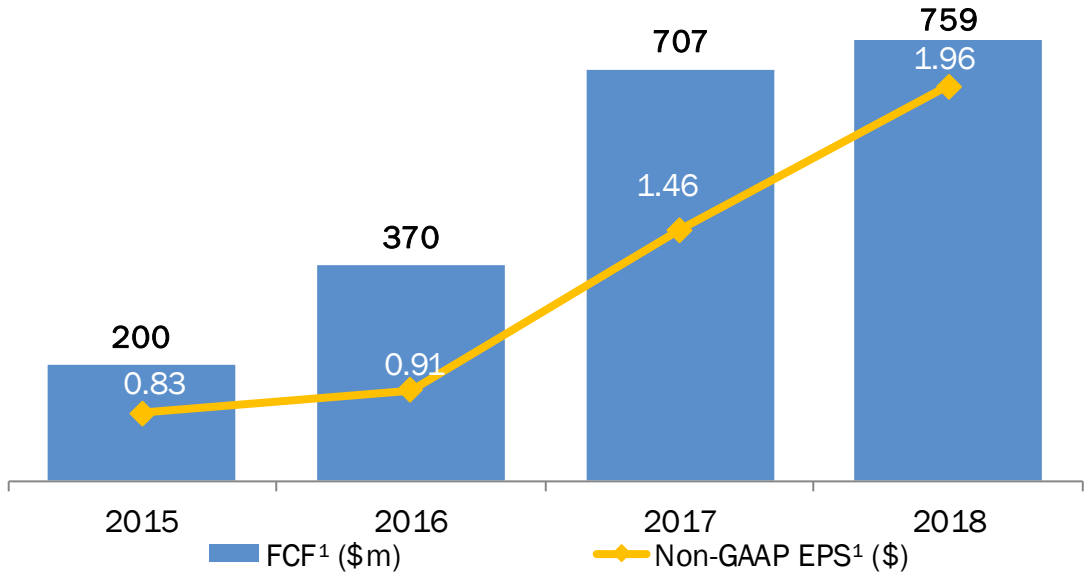
CUSTOMER DIVERSITY



TOP 20 END CUSTOMERS REPRESENT 36% OF 2018 REVENUE

RESULTS SUPPORT ACCELERATING TRANSFORMATION





SOLID MARGIN PERFORMANCE

400 bps non-GAAP gross margin & 500 bps non-GAAP operating margin expansion during 2015-18

IMPRESSIVE EPS & FCF GROWTH

2.3x non-GAAP EPS and 3.8x FCF growth from 2015-18

STRONG OPERATING LEVERAGE

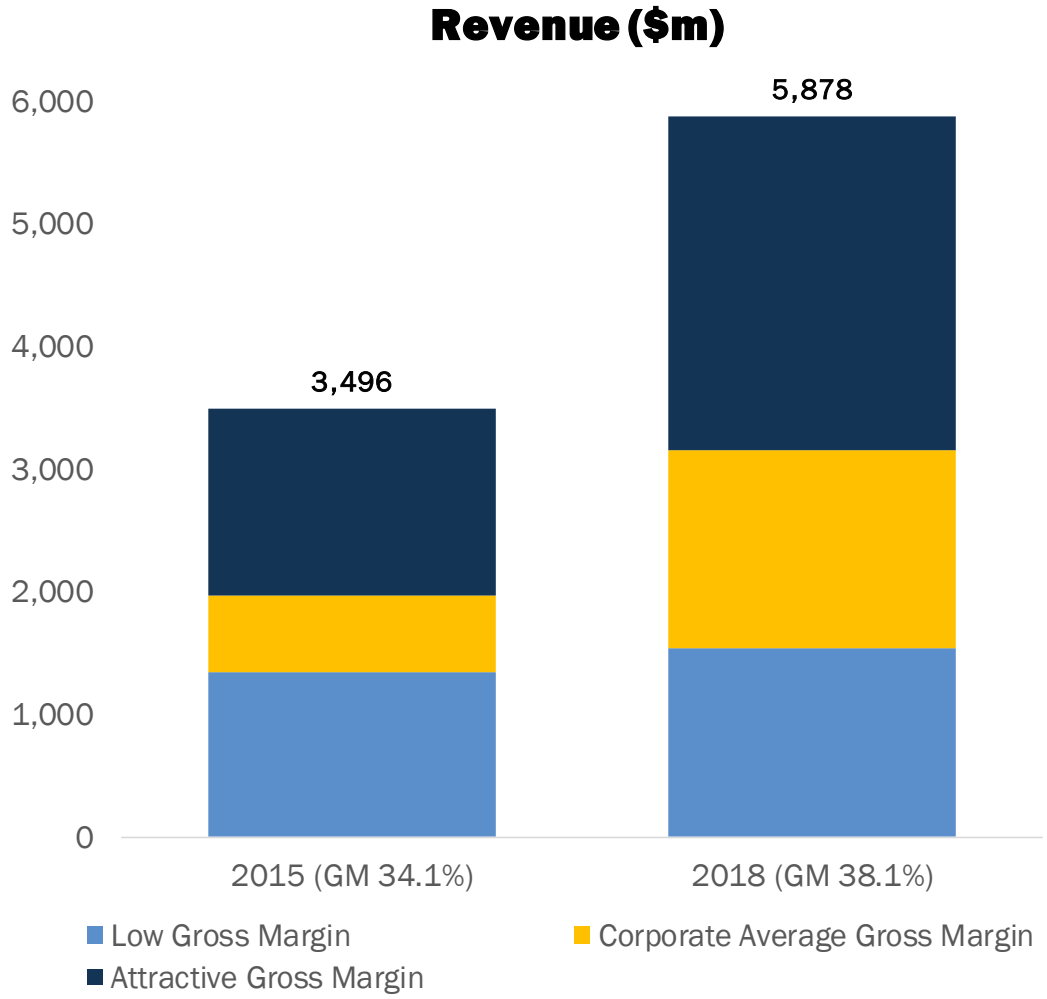
131% growth in non-GAAP operating profit vs. 68% growth in revenue from 2015-18

CONSISTENT EXECUTION

Consistently exceeded consensus non-GAAP EPS estimates

1: See the Appendix for a reconciliation to the most directly comparable GAAP measure

GROWTH DRIVEN BY HIGH VALUE REVENUE



PROVIDING ENABLING TECHNOLOGIES

Enabling EV/HEV, Autonomous driving, ADAS, Machine vision, factory automation, energy efficiency

EMERGENCE AS POWER SEMI LEADER

Emerged as #2 player in power semiconductors and a credible alternative to the market leader

PENETRATING NEW ATTRACTIVE MARKETS

Server power management, 5G infrastructure

STRATEGIC INTENT

Leadership in power, analog and sensor semiconductors for automotive, industrial & cloud power end-markets

Deliver consistent business performance and strong execution

Enable disruption - Drive growth by providing enabling technologies for emerging and disrupting megatrends

Improve margins, capital efficiency, and free cash flow

M&A STRATEGY

Value based approach - Goal is to create value for shareholders

- Transactions need to be accretive to stock price
- Return on investment has to be significantly above cost of capital

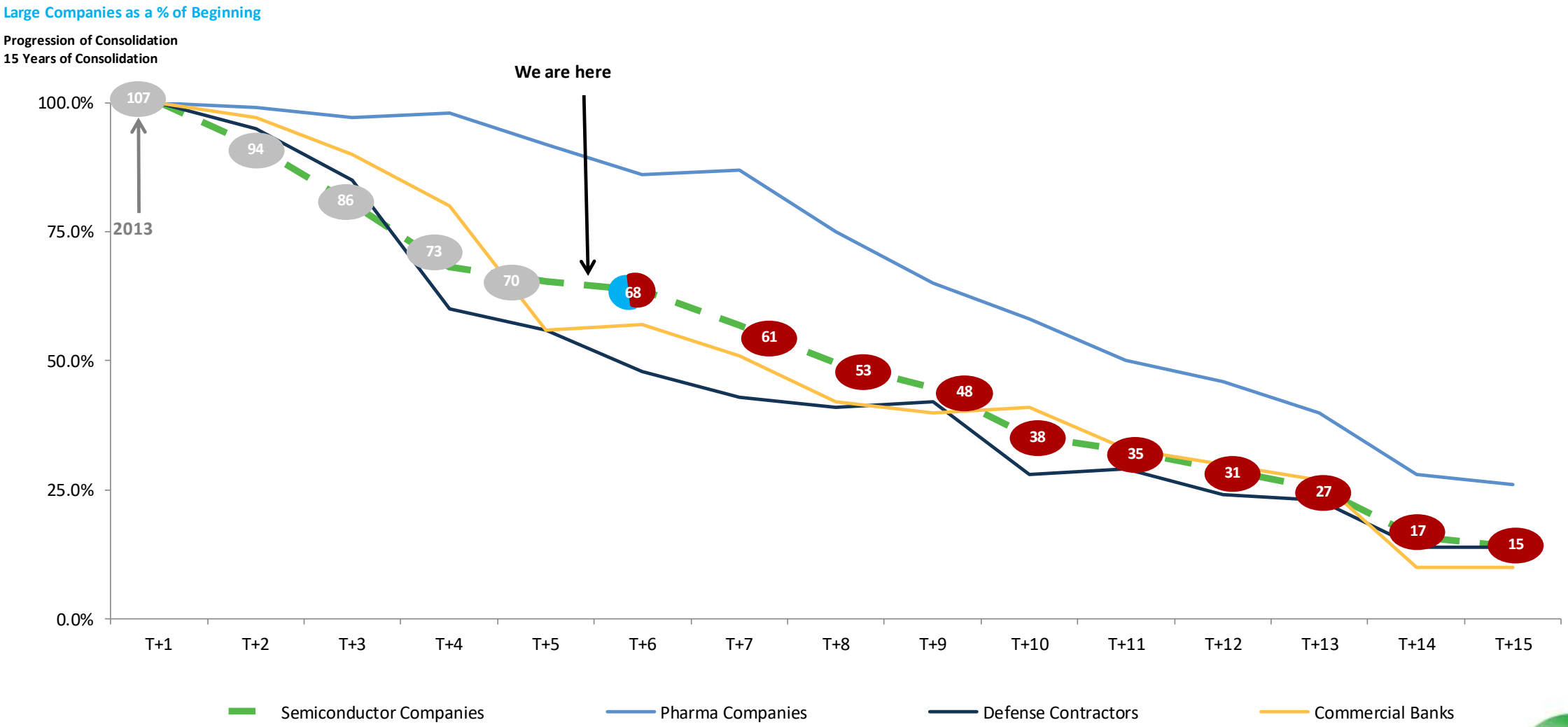
Deals have to make solid strategic sense

- Augment presence in automotive, industrial, and cloud power markets
- Expand scale and synergies to improve cost structure

M&A is critical part of ON's strategy

- Strong competency in M&A
- Significant opportunity to generate shareholder value through synergies as semiconductor industry consolidates

THOUGHTS ON INDUSTRY CONSOLIDATION



Source: Morgan Stanley
Notes: There were 40+ completed acquisitions and 6 new additions of semiconductor companies between 2013 and 2017

SUSTAINABILITY AND ESG

2019 Barron's 100 Most Sustainable Companies

- ON Semiconductor was ranked 59 on the list of 100 Most Sustainable Companies in the U.S. The company was scored on 5 key areas: shareholders, employees, customers, community and planet.

2018 North America Dow Jones Sustainability Index

MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM

- ON Semiconductor was added to the North America Down Jones Sustainability Index as one of four semiconductor companies in 2018.

Founding Member: CSR Board

- ON Semiconductor is a founding member of CSR Board.org. This group of companies, from different industries, is dedicated to being good corporate citizens through making an impact globally with their sustainability and corporate social responsibility programs.

World's Most Ethical Companies®

2019 WORLD'S MOST ETHICAL COMPANIES WWW.ETHISPHERE.COM

- ON Semiconductor has been named among world's most ethical companies for four consecutive years by Ethisphere Institute. ON is one of only three honorees in semiconductor industry category in 2019.

Green Savings

- 137 individual projects focused on energy conservation, waste reduction, chemical recycling, material optimization and water conservation led to the company saving an estimated $7.3 million in 2018.

EcoVadis

2017 CSR Rating ecovadis

- In 2017, ON Semiconductor scored 85/100 in a 3rd party assessment of our environment, labor & human rights, fair business, and sustainable procurement practices. We were ranked in the top 1% of 150 companies in our category.

ESG: Environmental, social, and corporate governance

TARGET MODEL 2022

	2016	2018	2022 MODEL
REVENUE	$3.9 BILLION	$5.9 BILLION	$7.1 BILLION
GROSS MARGIN[1]	35.0%	38.1%	43.0%
OPERATING EXPENSES[1]	22.7%	21.4%	21.0%
OPERATING MARGIN[1]	12.3%	16.7%	22.0%
PROFIT BEFORE TAX[1]	$412 MILLION	$893 MILLION	$1,500 MILLION
CASH TAX RATE	6.7%	6.0%	17.5%
NON-GAAP EPS[1]	$0.91	$1.96	$3.00
FREE CASH FLOW[1]	$370 MILLION	$759 MILLION	$1,200 MILLION

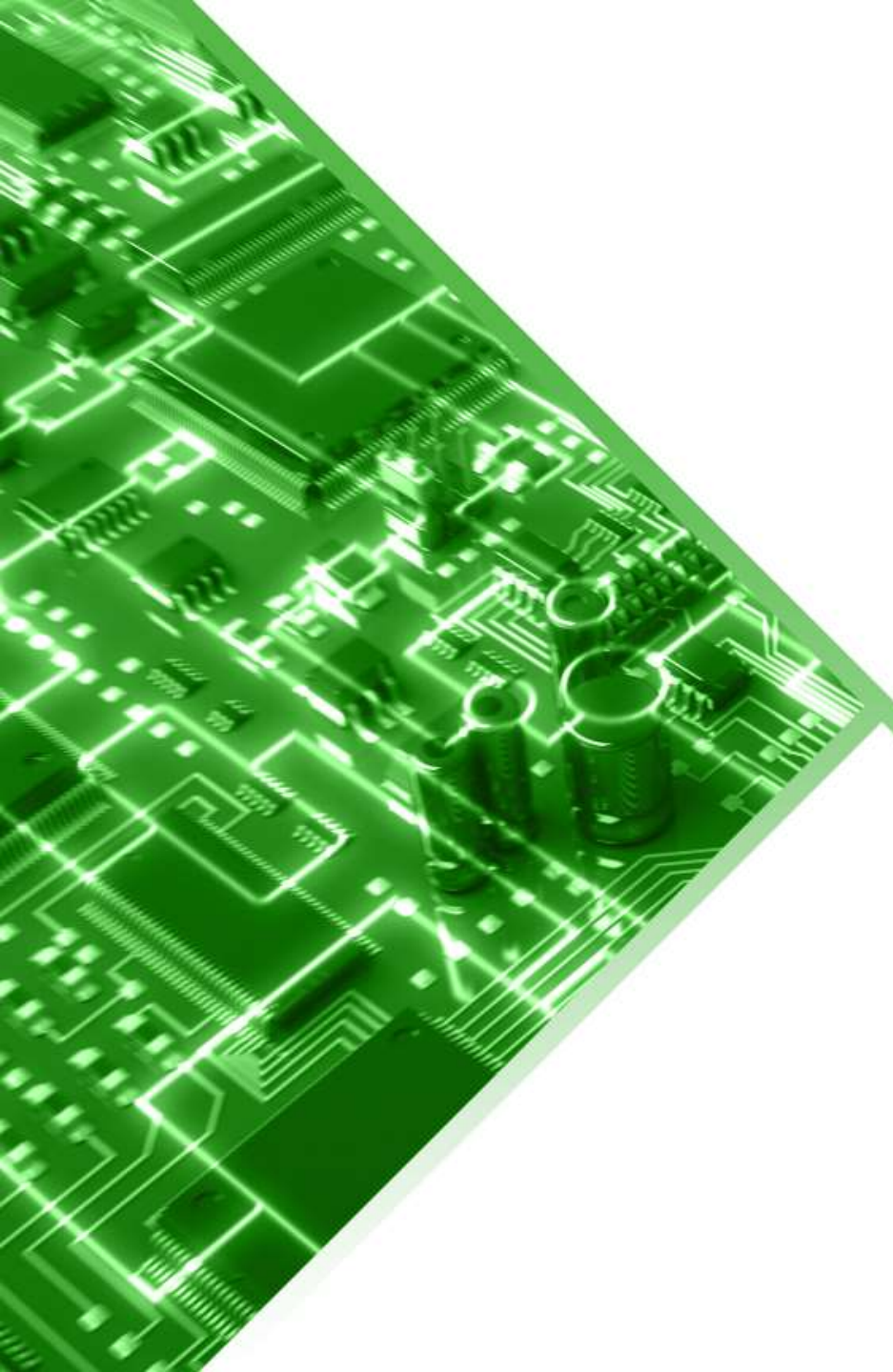
Target model assumes flat share count from 4Q18 adjusted for share repurchases in 1Q19 as disclosed in 2018 10K
1: Non-GAAP financial measure. See the Appendix for a reconciliation to the most directly comparable GAAP measure

SUMMARY

1. Compelling value proposition – Secular growth, highly defensible model, expanding margins & free cash flow
2. Providing enabling technologies driving secular megatrends in automotive, industrial, and cloud power markets
3. Highly defensible business model with strong competitive position & diverse customer base
4. Solid financial performance – expanding margins and accelerating FCF[1]

1: FCF: Free cash flow

Questions & Answers



THINK ON.

DAVID SOMO

SENIOR VICE PRESIDENT
STRATEGY, MARKETING
& SOLUTIONS ENGINEERING

KEY TAKEAWAYS

1. Significant content increases in auto, industrial and cloud power key driver of ON's revenue – approximately 65% of business exposed to these secular drivers
2. Automotive Growth Accelerators – Automated Driving (ADAS & Surround View), Vehicle Electrification and Advanced Lighting Systems
3. Industrial Growth Accelerators – Energy Infrastructure, Industrial Power & Motion Control, Industrial Automation and Industrial IoT (IIoT)
4. Cloud Power Growth Accelerators – Hyperscale Datacenters, 5G infrastructure

KEY MEGATRENDS TO DRIVE STRONG GROWTH

AUTOMOTIVE

Expected 4 year revenue CAGR of 9%

Strong relationships with global tier-1 integrators and OEMs

Providing enabling technologies for EV/HEV, ADAS, Surround View, LED lighting and connectivity

INDUSTRIAL

Expected 4 year revenue CAGR of 6%

Broad presence with leading global industrial OEMs and strong distribution footprint

Providing enabling technologies for improving energy efficiency and industrial automation

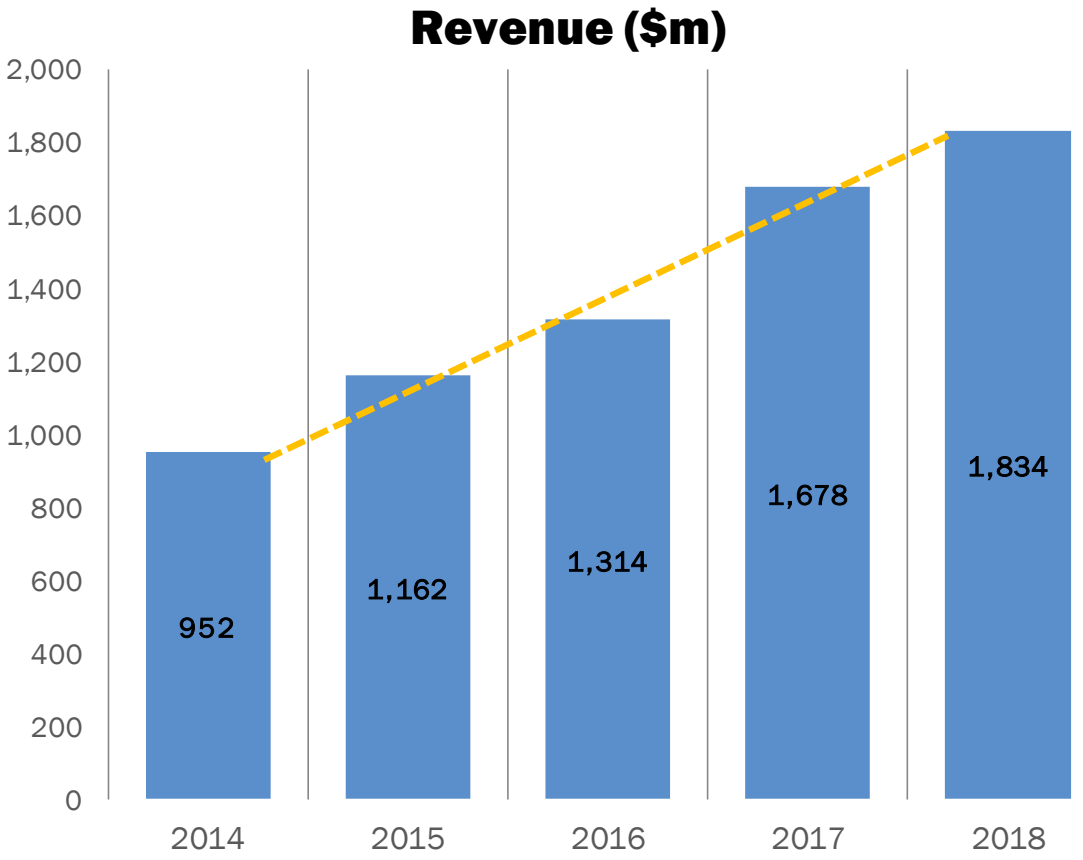
CLOUD POWER

Expected 4 year revenue CAGR of 13%

Leveraging relationships with computing and communications customers to penetrate new markets

Providing enabling power management technologies for servers and 5G infrastructure

AUTOMOTIVE – EXPECTED REVENUE CAGR 9%



ELECTRIC VEHICLES – 42% TAM CAGR FOR 2017-22

Up to $500 in power semiconductor content

LED LIGHTING – 24% TAM CAGR FOR 2017-22

LED Driver, Power Management, Motor Control and In-Vehicle Networking

ADAS & AUTONOMOUS DRIVING – 18% TAM CAGR FOR 2017-22

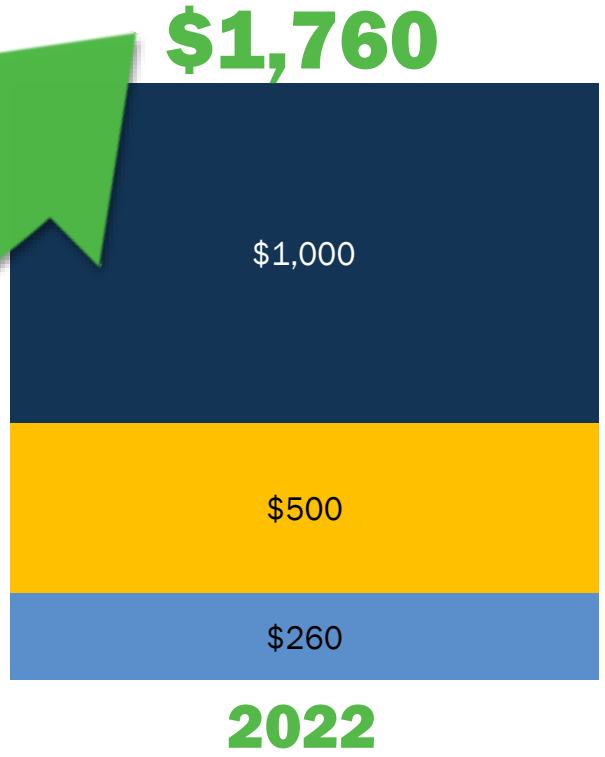
Imaging, Radar, LiDAR, Power Management, Ultrasonic

STEEP RISE IN AUTOMOTIVE ADDRESSABLE CONTENT

LEVEL 2 EV

- Radar Sensors
- Medium Voltage Discrete
- High Voltage Discretes
- Power Modules
- Matrix / Pixel Lighting

LEVEL 4 EV



- Lidar
- Sensor Fusion
- Wide-band Gap
- Laser lighting

Body Convenience & Passive Safety | Electrification | Advanced Safety

EV: Electric vehicle

VEHICLE ELECTRIFICATION

I.C.E.

ON Content
Up to $40

OBC

IGBTs, SiC FETs
PIMs
DC-DC
IVN

HV-48V-12V

MOSFETs
SiC, GaN
Power Modules
DC-DC

PHEV/BEV

Auxiliary Motor Control

IPMs
Motor Drivers
MOSFETs
IVN

Main Drive

IGBTs, SiC FETs
PIMs
DC-DC
IVN

Starter-Generator

MOSFETs
Power Modules
Gate Driver,
Current
Sense

ON Content
Up to $500

OBC: On board charger, PIM: Power integrated module, IVN: In vehicle networking, PHEV: Plug-in hybrid electric vehicle, BEV: Battery electric vehicle

AUTOMATED DRIVING

Level 0

Passive Safety (Seat Belt & Airbags)

ON Content

Up to $10

Level 2

Limited Autonomy (ADAS, Viewing, ACC, LDWS, Auto-Braking)

ON Content

Up to $150

Level 4

High Automation (Self-driving with ability of driver to intervene)

Image Courtesy of Waymo

ON Content

Up to $1,000

Power Management

PMIC , Drivers, DC-DC, LDO, IVN

+

Power

Power MOSFETs, Discretes

+

Sensors & Fusion

Image, Radar , Lidar Ultrasonic, Processing

ADAS: Advanced driver assist system, ACC: Adaptive cruise control, LDWS: Lane departure warning system, LDO: Low dropout regulator

ADVANCED LIGHTING

HID & Incandescent Lamps

ON Content
Up to $3

LED

Image Property of Mercedes Benz

ON Content
Up to $30

Interior and Rear

LED Drivers, Power Management, IVN, Discretes

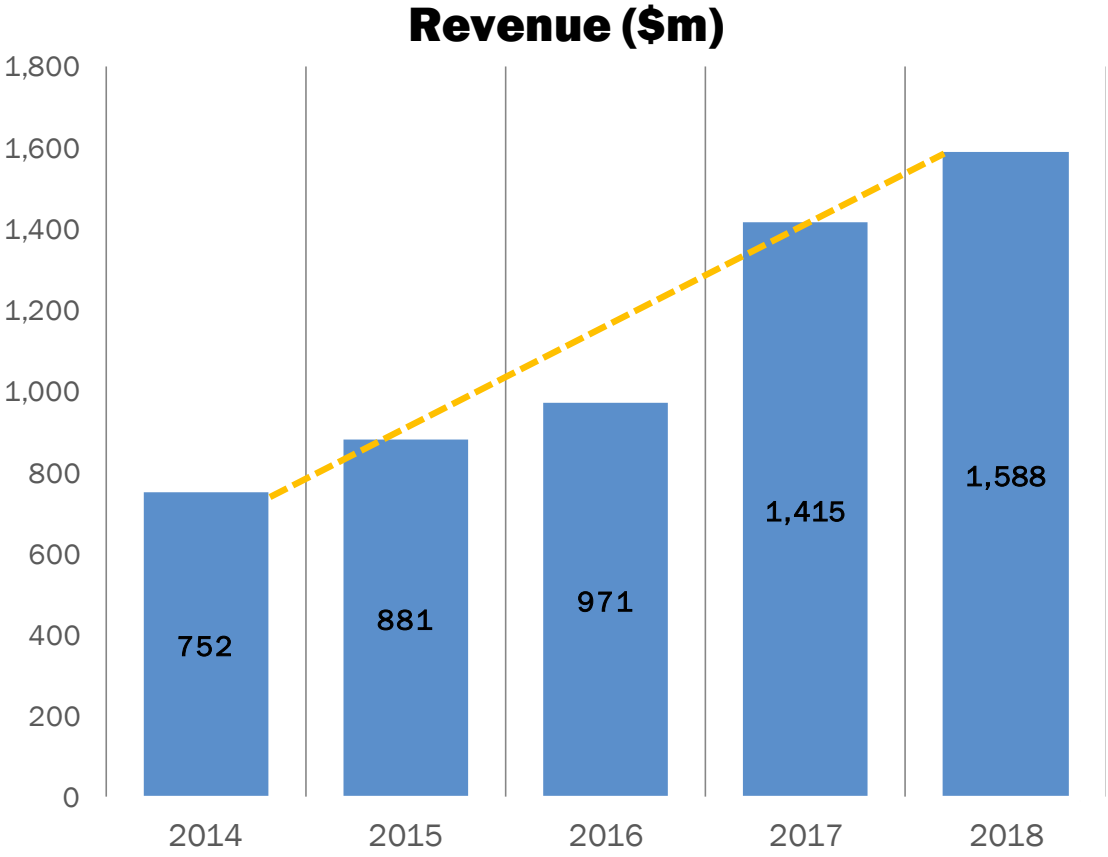
+

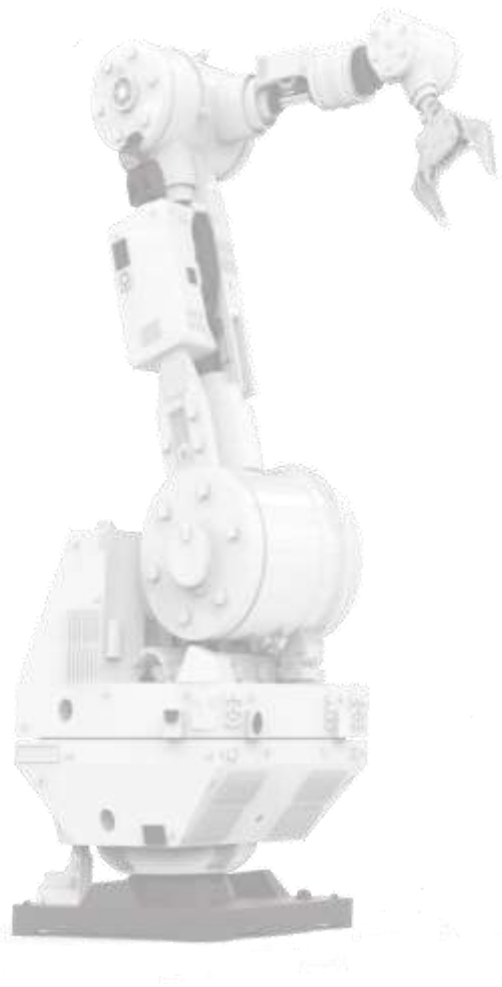
Front

LED, Matrix Beam, Pixel, Laser drivers, Power Management, IVN, Discretes

HID: High intensity discharge

INDUSTRIAL – EXPECTED REVENUE CAGR 6%





ENERGY INFRASTRUCTURE – 19% TAM CAGR FOR 2017-22

Up to $650 content in solar inverter vs. none in coal
Early stage of long-term infrastructure shift

INDUSTRIAL POWER & MOTORS – 5% TAM CAGR FOR 2017-22

Need for power efficiency driving higher content - 6x the MOSFETs in BLDC motor, 6x the IGBTs in Industrial motors

INDUSTRIAL AUTOMATION– 17% TAM CAGR FOR 2017-22

Robotics, machine vision, connectivity, and power

BLDC: Brushless direct current

ENERGY INFRASTRUCTURE

Coal Power Plant

ON Content

$0

Solar Farm

ON Content

$650

Inverter

PIMs
SJ MOSFETs
SiC FETs and Diodes

+

Boost Converter

PIMs
SJ MOSFETs
SiC FETs and Diodes

Gas Pump

ON Content

$0

EV Charging Station

ON Content

$500

DC-DC LLC

SJ MOSFETs
SiC FETs & Diodes

+

Power Factor Correction

IGBTs, SJ MOSFETs
Power Modules
SiC FETs and diodes

INDUSTRIAL POWER AND MOTORS

AC Induction Drive

ON Content
$0

Variable Frequency Drive

ON Content
$40

Power Conversion

IGBTs, SJ MOSFETs
SiC FETs & Diodes
PFC Controllers

+

Power Factor Correction

IGBTs, SJ MOSFETs
Power Modules
SiC FETs and Diodes

+

Motor Inverter

IGBTs, SJ MOSFETs
Power Modules
SiC FETs and Diodes

SJ: Superjunction, FET: Field effect transistor

INDUSTRIAL AUTOMATION

Human Manufacturing

ON Content
$0

Robotic Manufacturing

ON Content
$250

Machine Vision

Image Sensors

+

Motor Drive

MV MOSFETs
Motor Drivers
Power Modules

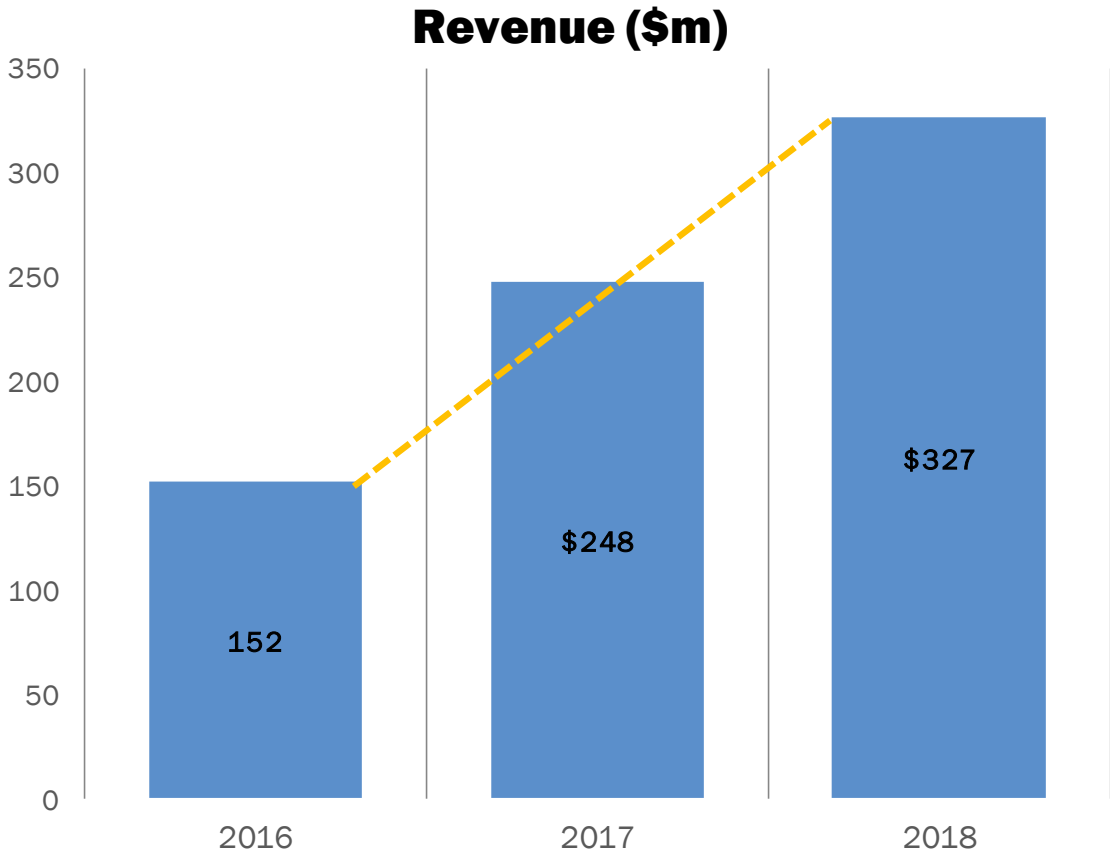
+

Power Conversion

SJ MOSFETs
SiC FETs & Diodes
PFC Controllers
MV MOSFETs

PFC: Power factor correction, MV: Medium voltage

CLOUD POWER – EXPECTED REVENUE CAGR 13%



5G INFRASTRUCTURE – 247% TAM CAGR FOR 2017-22

5x the MOSFET usage in a 5G radio
3-5x the number of base stations as 4G
Analog power management

SERVER – 15% TAM CAGR FOR 2017-22

Increasing rack power every generation requires high performance MV MOSFETs to meet efficiency targets
Analog power management for CPU, accelerators and memory

5G NETWORKS

4G: 2x2 TxRx

ON Content

$9

5G: MMIMO & Beamforming

ON Content

$170

Digital & Auxiliary Power

MV MOSFETs
Power Stages
Point of Load
PMICs

+

Radio Power

IGBTs, SJ MOSFETs
Power Modules
SiC FETs and Diodes

+

AC-DC Power Supply

SJ MOSFETS
SiC FETs & Diodes
PFC Controllers
MV MOSFETs

SERVERS

VR12 Server → VR13 Server → VR14 Server

ON Content
$0 → **ON Content** $45 → **ON Content** $75

Core & Memory Power

VR14 Digital Controller
Smart Power Stage

+

Auxiliary Power

MV MOSFETs
Point of Load
eFuse

+

AC-DC Power Supply

SJ MOSFETS
SiC FETs & Diodes
PFC Controllers

PFC: Power factor correction, SJ: Superjunction

SUMMARY

1. High exposure to key secular growth applications in Automotive, Industrial and Cloud Power drives significant content increase leading to outsized growth
2. Positioned for leadership in automated driving and vehicle electrification with industry's best sensor and power portfolio
3. Comprehensive sensor, power management, motor control and connectivity solutions driving above market growth in Industrial power and IIoT
4. Robust growth in Cloud Power servers and 5G infrastructure with new solutions and significant power content increases

THINK ON.

ANALOG SOLUTIONS GROUP

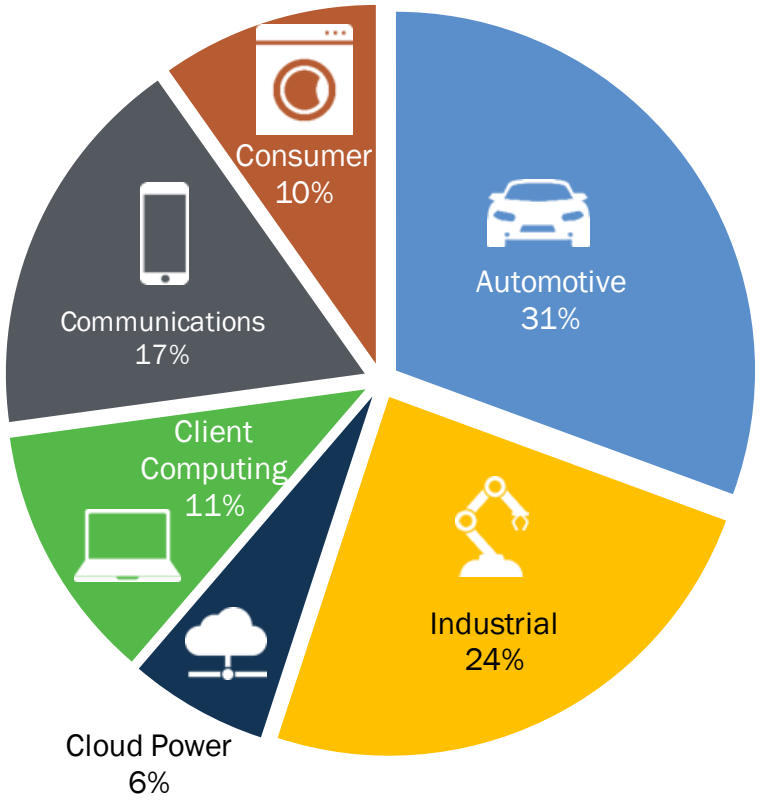
VINCE HOPKIN
EXECUTIVE VICE PRESIDENT

KEY TAKEAWAYS

1. Driving secular growth through content increase in automotive, industrial and cloud power
2. Differentiation through ultra low power consumption, integration and high reliability
3. Leveraging analog power management expertise in auto and cloud markets
4. Margin expansion through portfolio optimization and improving efficiencies

ANALOG SOLUTIONS GROUP (ASG)

2018 REVENUE BY MARKET



2018 REVENUE $2.071B | GROSS MARGIN 42.4%

AUTOMOTIVE
Leader in LED front lighting, sensor interface ICs, ADAS power management

INDUSTRIAL
Leader in power conversion, power safety (ground fault/arc fault protection), and industrial ASIC

CLOUD POWER
Leader in smart power stage for server CPUs

ASG STRATEGIC INTENT

Invest in analog power management for automotive, industrial, and cloud power markets with ultra low-power differentiation

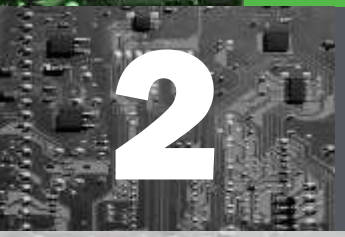
Leverage synergistic portfolios with ON's other business groups to provide a total solution

Expand margins through portfolio optimization and operational improvements

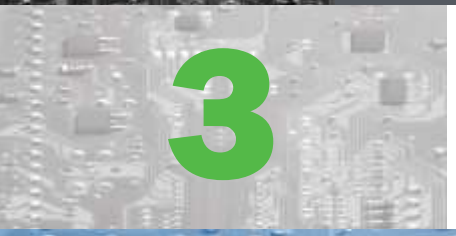
Enable disruption - Drive growth by providing enabling technologies for emerging and disrupting megatrends

ASG STRATEGIC POSITIONING - HOW WE WIN

Participate in product categories in which we have competitive advantage - High volume analog, highly efficient and robust power management



Leverage differentiation in ultra low power consumption, power efficiency, integration, and high reliability



Focus on automotive, industrial and cloud power markets - High natural barriers to market entry, longevity, high percentage of sole-source products, and better margin profile

Leverage our manufacturing capabilities - stable/controllable supply, lower cost, highest quality

GROWTH OPPORTUNITIES IN STRATEGIC MARKETS

AUTOMOTIVE

31% of ASG revenue

TAM (2022) of $30B
2017-22 TAM CAGR of 6.2%

Key Solutions

ADAS Power Solutions
Sensor Interfaces
LED Lighting
Intelligent Power

INDUSTRIAL

24% of ASG revenue

TAM (2022) of $40B
2017-22 TAM CAGR of 7.1%

Key Solutions

Ultra Low Power Wireless Connectivity
Advanced Motor Drivers
Embedded MCUs

CLOUD POWER

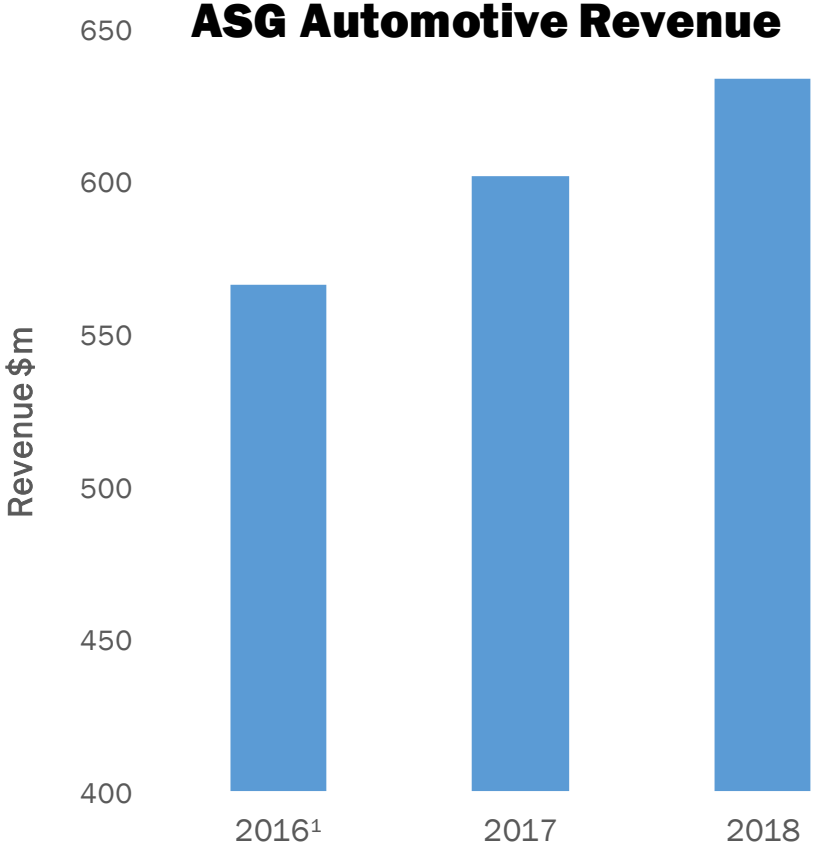
6% of ASG revenue

TAM (2022) of $2.7B
2017-22 TAM CAGR of 16%

Key Solutions

Multi-Phase Power Control
Smart Power Stage
PoL Power Conversion

ASG AUTOMOTIVE BUSINESS



LIGHTING

#1 supplier of LED lighting solutions
Most competitive offerings in the industry

ULTRASONIC SENSOR INTERFACES

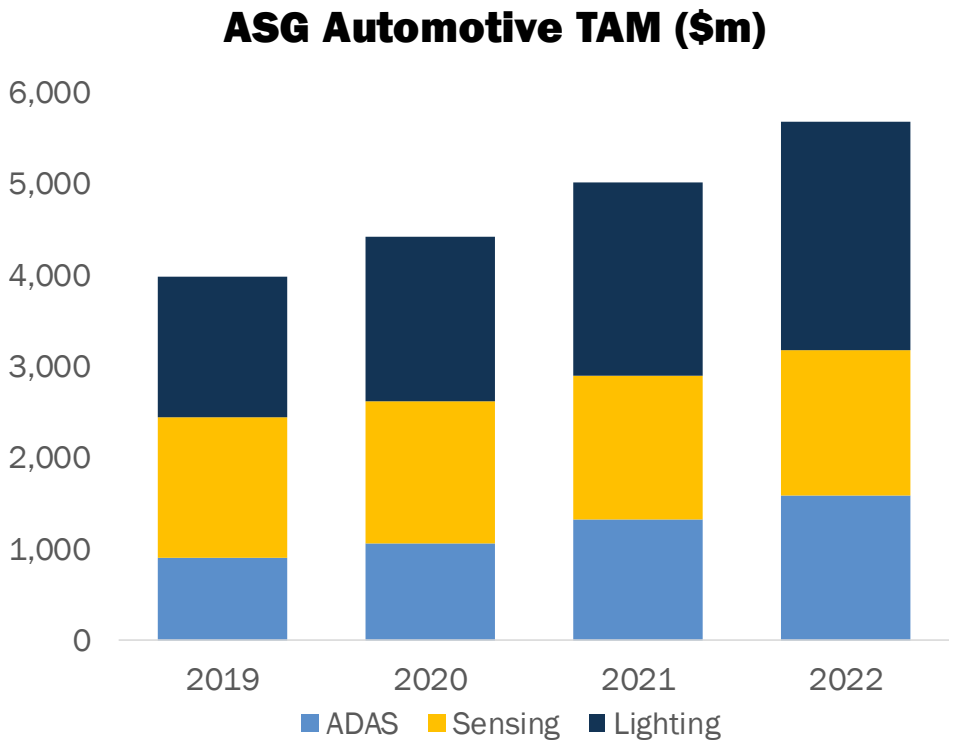
Greater than 20% growth in sensor content/car
Greater than 35% revenue growth 2018/2017

ADAS POWER & AUTONOMOUS DRIVING

Only ASIL certified power management supplier for the two leading ADAS processing platforms

[1]: 2016 represents 04' 16 Annualized values.

ASG KEY AUTOMOTIVE GROWTH DRIVERS



FRONT, INTERIOR AND CONVENIENCE LIGHTING

$25 per car: LED power, adaptive lighting

SAFETY AND DRIVE TRAIN SENSING

$50 per car: signal conditioning, networking, and power management

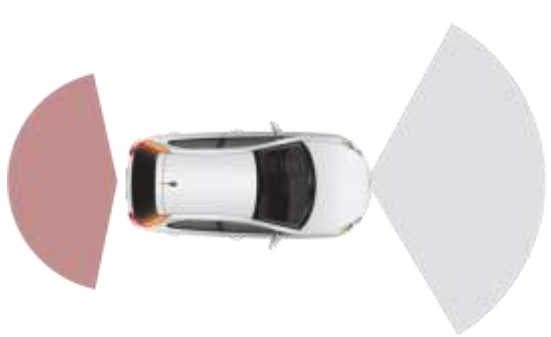
INVESTING IN ADAS POWER

$40 per car: multi-phase ASIL power management and power stage

Source: Strategy Analytics, ON Semiconductor

NEW CONTENT DRIVING GROWTH

Limited Assistance



ASG Content

$50

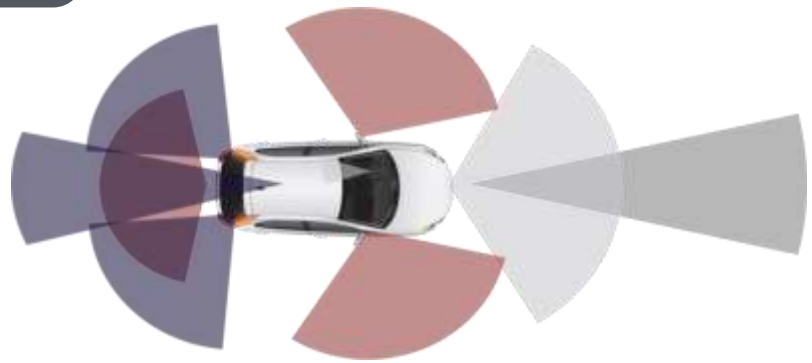
Sensing

Ultrasonic
Pressure
Position

In Vehicle Network

LIN/CAN/FlexRay
SBC
Embedded MCU

Advanced Driver Assistance



ASG Content

$500

Safety, Comfort

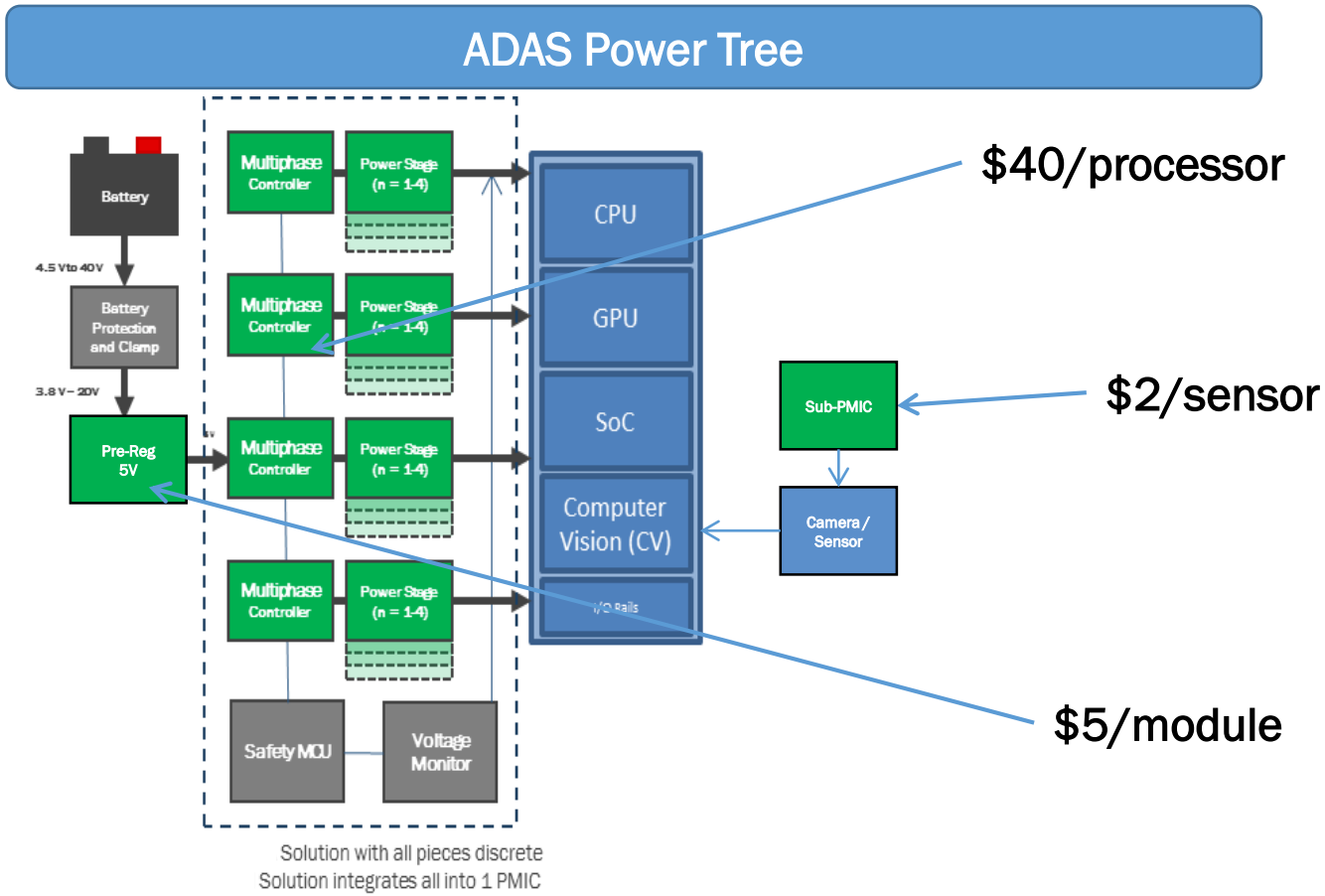
LED lighting
HVAC motor drivers

ADAS Power

Multi-phase Control
Power Stage
PoL

PoL: Point of load, HVAC: Heating, ventilation, and air-conditioning

ADAS POWER MANAGEMENT



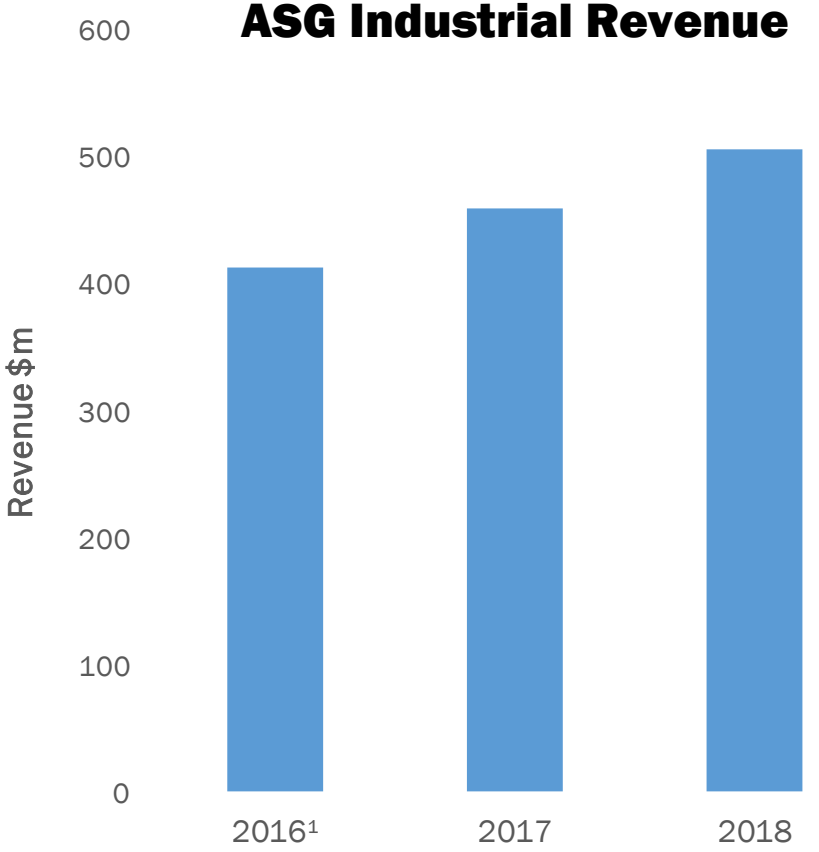
ONLY PROVIDER OF ASIL QUALIFIED MULTI-PHASE POWER SOLUTIONS FOR LEADING ADAS PROCESSORS

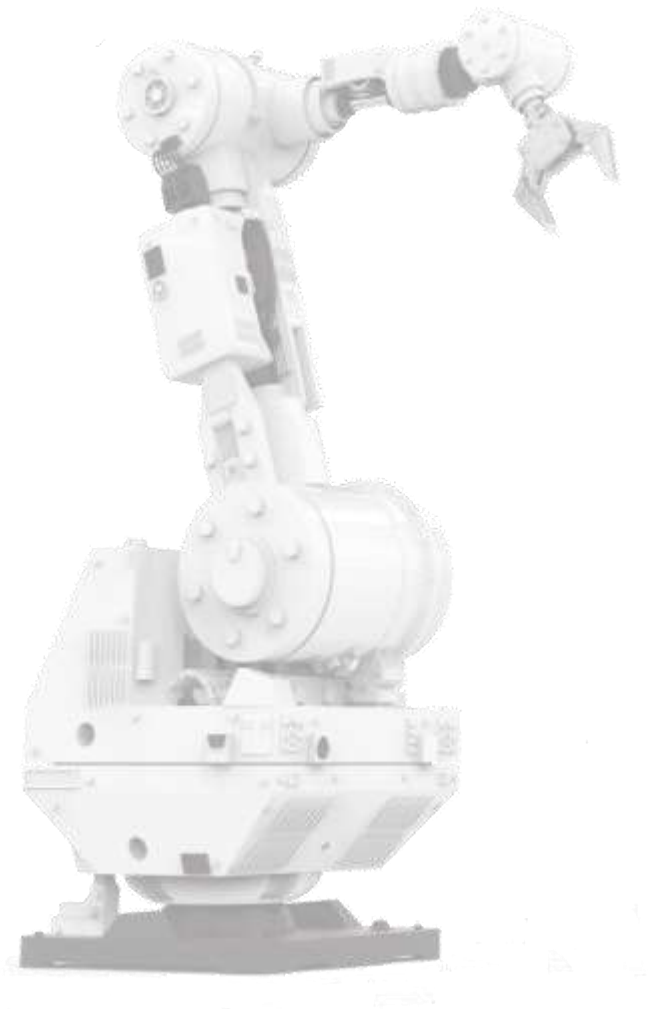
#1 SUPPLIER OF BATTERY CONNECTED POWER CONVERSION SOLUTIONS

ON'S AUTOMOTIVE IMAGE SENSING LEADERSHIP DRIVES OPPORTUNITIES IN ADAS POWER MANAGEMENT

Source: ON Semiconductor

ASG INDUSTRIAL BUSINESS





WORLDS LOWEST POWER BLE

Strong opportunity funnel

Connecting the Personal Area Network

ULTRA LOW POWER CONNECTIVITY

Experiencing strong revenue growth

Multi-protocol software based radio

USB 3.X AND HIGH SPEED INTERFACES

$300M of new SAM

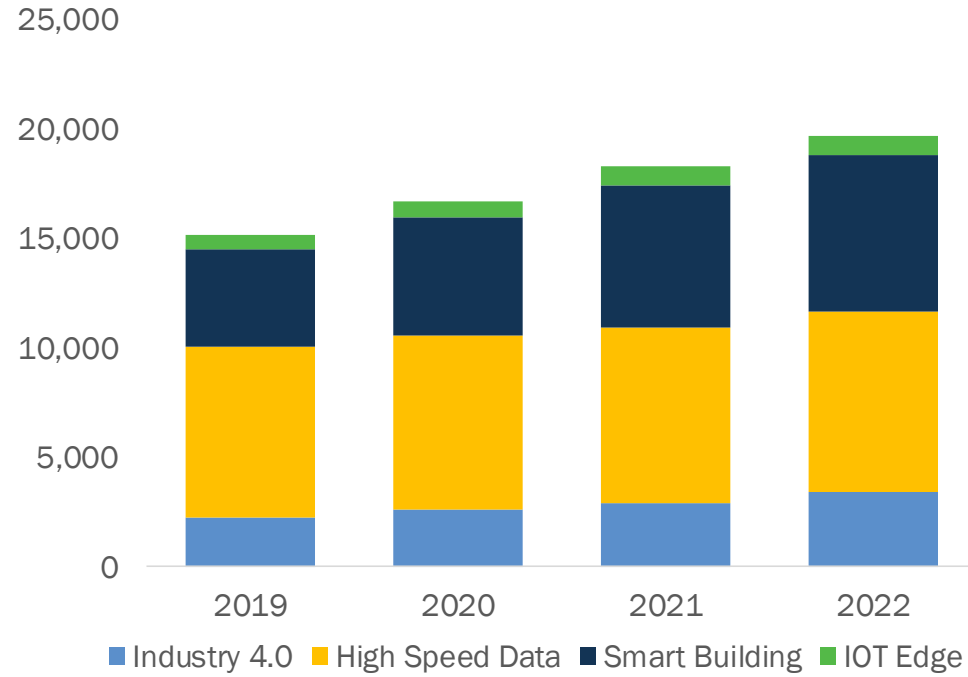
Signal management and conditioning

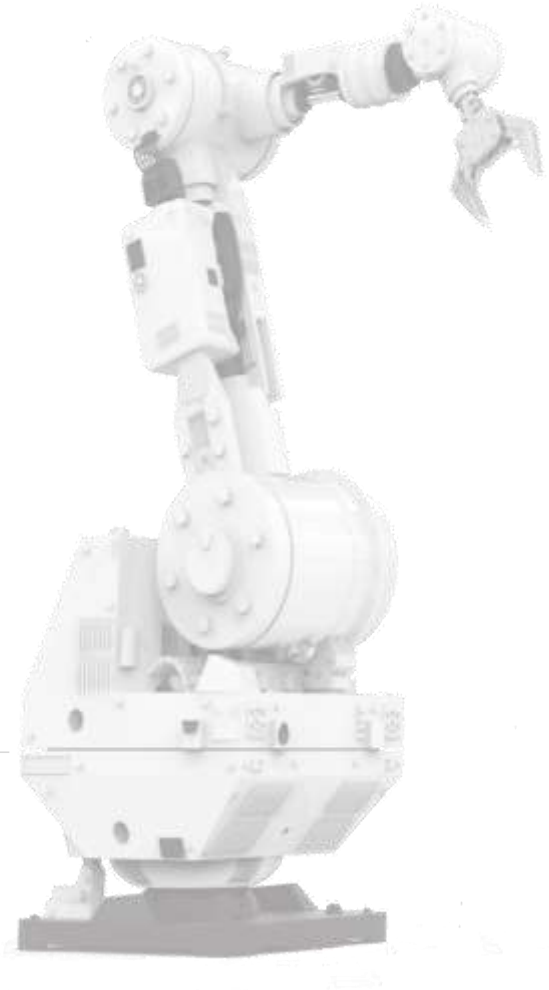
EMBEDDED PROCESSING

Intelligence for power, sensing and industrial automation

[1]: 2016 represents 04' 16 Annualized values.

ASG KEY INDUSTRIAL GROWTH DRIVERS





IOT EDGE CONNECTIVITY

Edge connectivity 2018-22 revenue CAGR of 15%
Rapid Growth in Industrial Connectivity

SMART BUILDING & HOME CONTROL

More than 8% 2018-22 revenue CAGR
Voice control solutions adding more than $250M of new opportunity

HIGH SPEED DATA

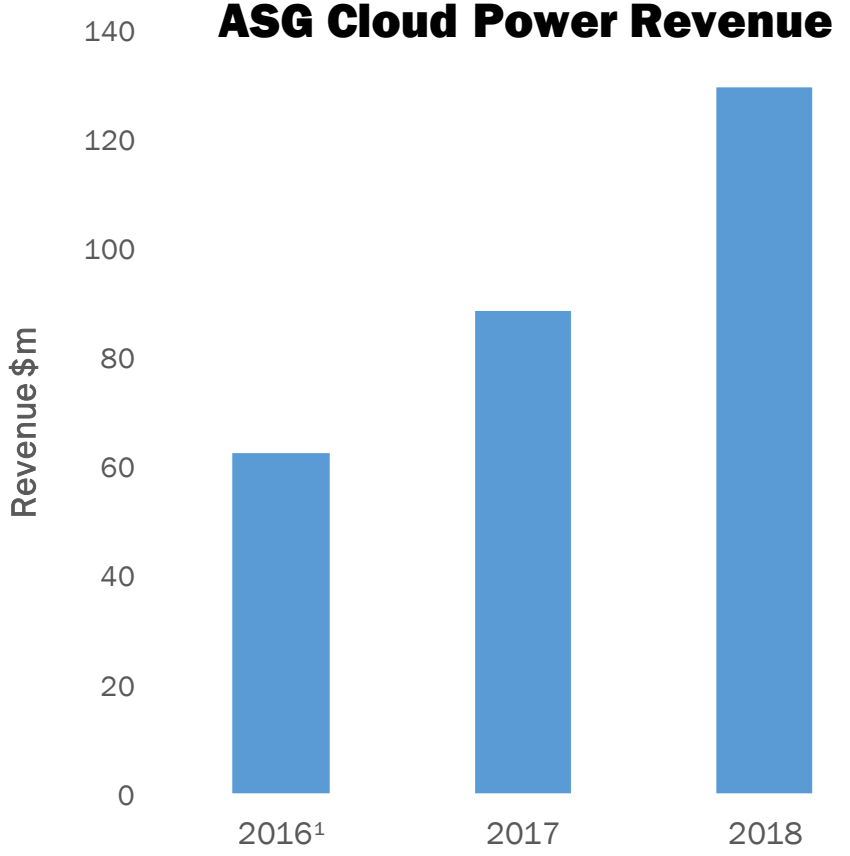
Greater than 30% 2018-22 revenue CAGR
Interface controls solutions of USB type-C

INDUSTRY 4.0

Content Growing more than 30%
Working closely with leading motor and robotics manufacturers on intelligent motion solutions

Source: IHS, ON Semiconductor

ASG CLOUD POWER BUSINESS



MULTI-PHASE POWER CONTROL

$600M of new opportunity in 2019

Greater than $75 per server in 2021

SMART POWER STAGE

The 2nd largest silicon content after processor

Greater than $150 content per AI Accelerator

POINT OF LOAD

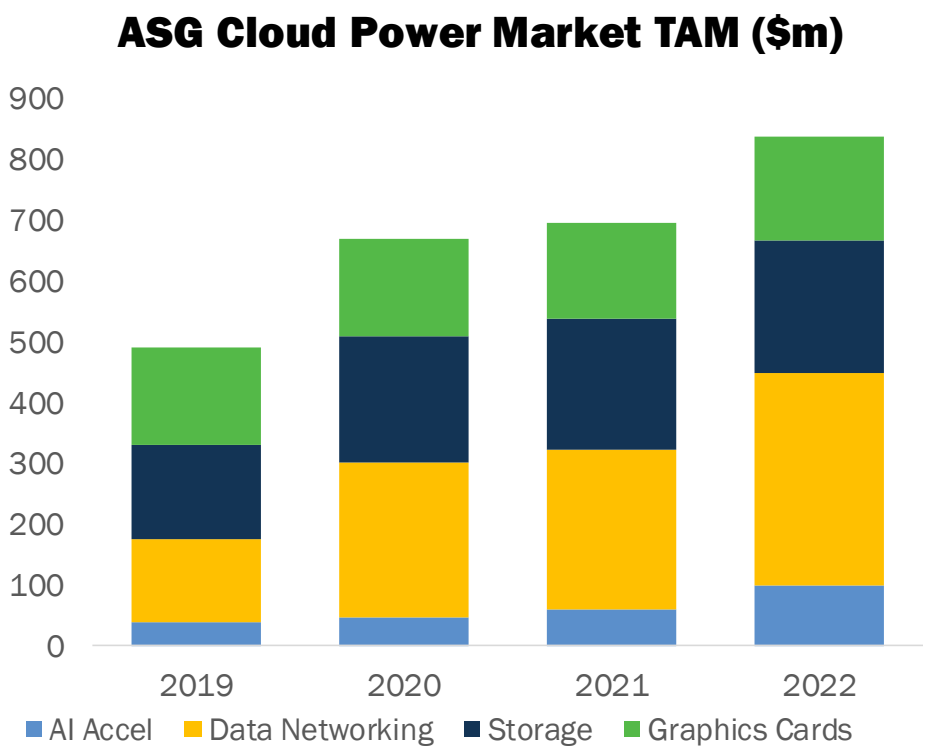
$100 per 5G base station; $20 per server

BACK PLANE POWER CONVERSION

Expansion SAM for 48V solutions

[1]: FY2016 represents Q4' 16 Annualized values.

ASG KEY CLOUD POWER GROWTH DRIVERS



AI ACCELERATORS

Growing more than 115%/year during 2018-22
Smart power stage for high performance GPU's

5G and Data Networking

Growing more than 110%/year during 2018-22
Complete solutions for every power node

LARGE SCALE STORAGE

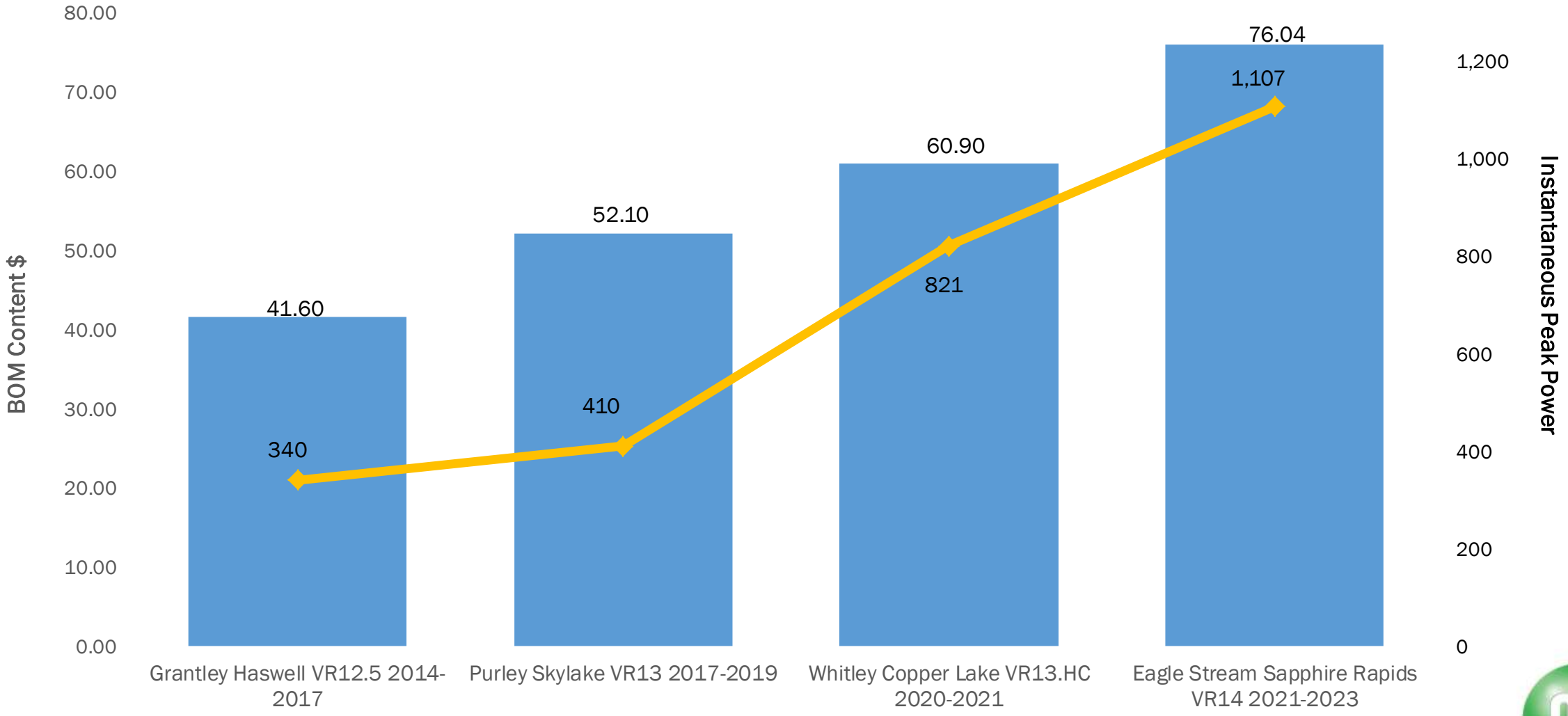
Growing more than 70%/year during 2018-22
Power solutions for network processors and storage devices

HIGH END GRAPHICS CARDS

Growing more than 40%/year during 2018-22
Smart power stage for GPU's

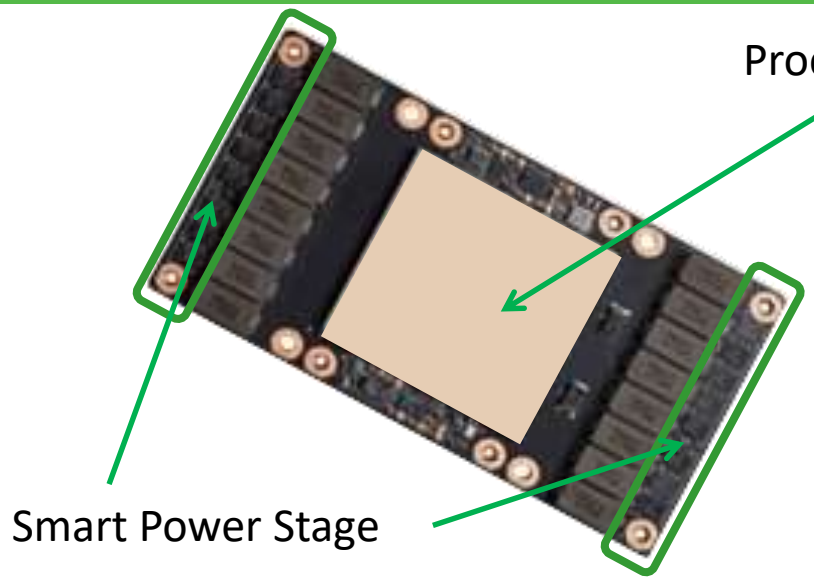
Source: IHS, ON Semiconductor

STEEP GROWTH IN ADDRESSABLE SERVER CONTENT



Sources: Romley PDG, Rev2.1, Jun 2012, Grantley PDG, Rev2.2, Jun 2015, Purley PDG, Rev1.5, Aug 2016, DCG Power Summit, Aug 2016, Intel Meeting, May 2017 ,Intel Power Summit, Q2 2018

SERVER POWER MANAGEMENT DELIVERS SOLID VALUE



Hyper Scale Data Center

After processor, smart power stages are the second largest component of silicon BOM

Number of servers in a typical data center - 3M

PUE (Power Usage Effectiveness) - 1.8

Server Operating Lifetime - 4.5 years

Lifetime Energy Savings of $38 million

ASG MARGIN FOCUS

Portfolio management

- High-value focused investments
- Strategic divestitures and rebalancing R&D spending to accelerate mix improvements

Focus on secular growth applications

- Cloud power solutions driving rapid high margin growth
- Low power connectivity
- Embedded solutions
- ADAS
- Medical

Operational Improvements

- Scale strengthens ON Semiconductor's buying power
- Strategic capital investments reduce dependency on external manufacturing
- Continued technology advancements

SUMMARY

1. Secular content increase in auto, industrial and cloud applications to drive strong growth
2. Drive towards leadership position in markets in which we participate – differentiate through power management and reliability expertise
3. Accelerating traction in cloud power and ADAS power markets
4. Margin expansion through portfolio optimization and improving efficiencies

Break

THINK ON.

INTELLIGENT SENSING GROUP

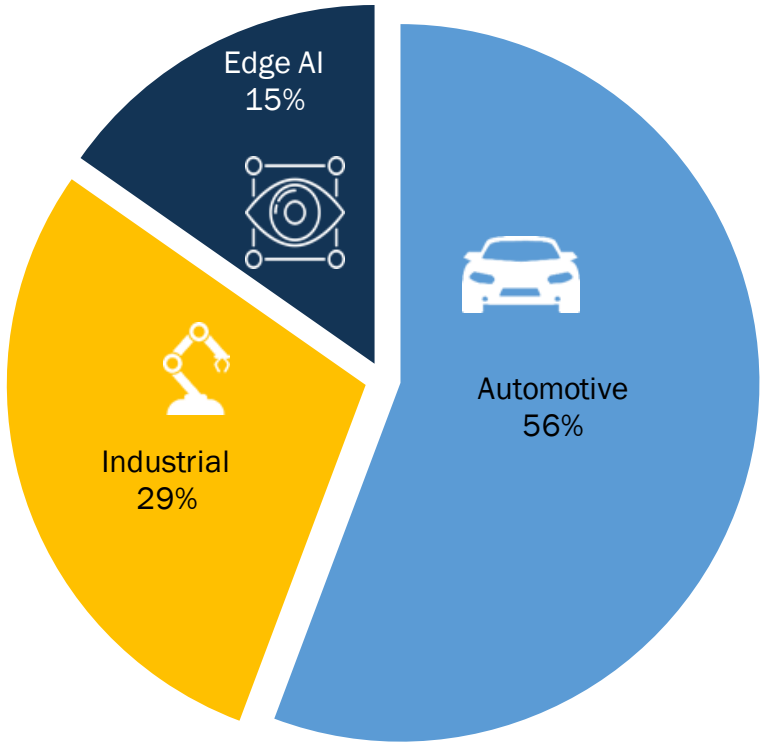
TANER OZCELIK
SENIOR VICE PRESIDENT

KEY TAKEAWAYS

1. Accelerating momentum in ADAS due to increasing content and expanding portfolio
2. Further strengthening leadership position in automotive – extending competitive lead through innovation
3. Leadership in industrial with growth in machine vision and robotics
4. Rapidly improving margin profile and financials

INTELLIGENT SENSING GROUP (ISG)

2018 Revenue by Market



2018 REVENUE $769M | GROSS MARGIN 41%

AUTOMOTIVE

#1 market share
Technology leadership
Broadest product and customer portfolio

INDUSTRIAL

#1 market share in machine vision
Technology leadership
Inspection, Scanning, Automation, Security, Robotics

EDGE AI

Leading global shutter technology
Retail, Smart building, Robotics, Consumer

ISG STRATEGIC INTENT AND GOALS

Sustain #1 position in Automotive and Machine Vision markets through continuous innovation and technology leadership

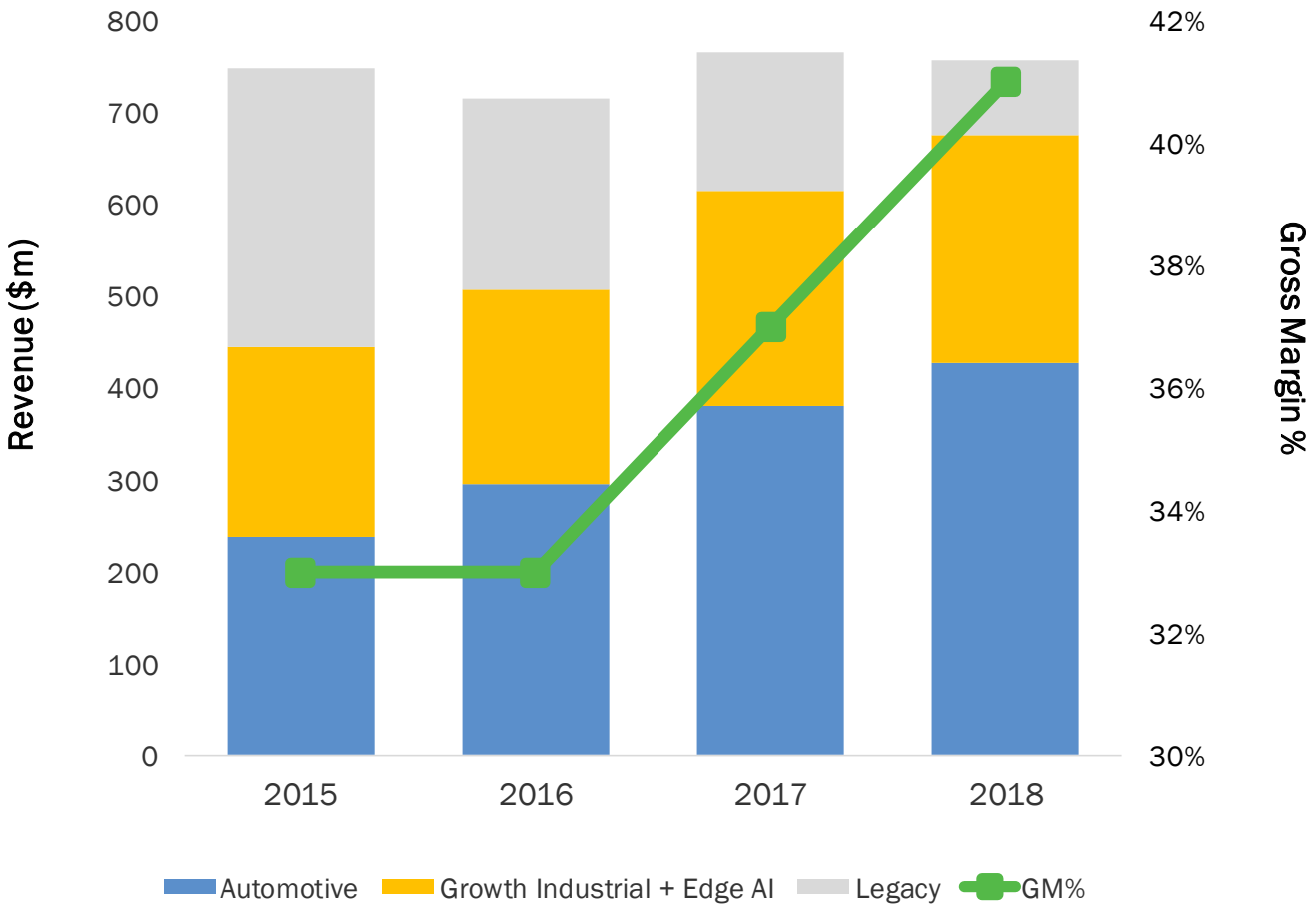
Enable next generation ADAS by offering complete range of sensors including Radar and cost effective LiDAR

Expand margins through portfolio optimization and operational Improvements

Enable disruption - Drive growth by providing enabling technologies for emerging and disrupting megatrends

ADAS: Advanced driver-assistance systems,

SHIFT IN ISG PRODUCT MIX & MARGIN IMPROVEMENT



STRONG AUTOMOTIVE GROWTH

2014-18 ISG automotive revenue CAGR 24%

EXIT LOW MARGIN MARKETS

Mobile image sensors and low-end security

NEW DIFFERENTIATED PRODUCTS

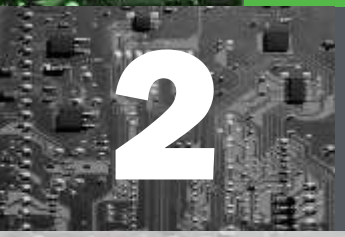
New product performance and features increase ASP

IMPRESSIVE GROSS MARGIN EXPANSION

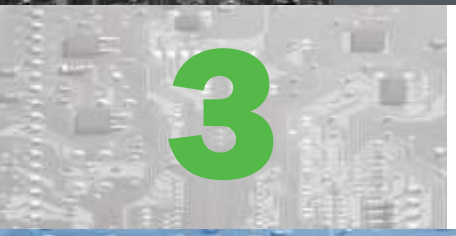
~800 bps gross margin improvement during 2016-18

ISG STRATEGIC POSITIONING - HOW WE WIN

First mover's advantage in automotive - Most automotive imaging/ADAS software tailored to ON image sensors – high switching costs



Leading the market in most critical performance metrics – High dynamic range (HDR), Low Light, LED flicker mitigation (LFM), Cyber Security, ASIL



Comprehensive automotive portfolio addressing all imaging segments, expanding LiDAR and Radar

Broad industrial and edge AI portfolio, offering best performance and multiple product families for these diverse segments

ASIL: Automotive Safety Integrity Level

ISG GROWTH OPPORTUNITIES IN STRATEGIC MARKETS

AUTOMOTIVE

56% of ISG revenue
2022 SAM of $2.6B
2017-22 SAM CAGR of 26%

Key applications:
ADAS
Autonomous Driving
In-cabin (OMS, DMS)
Viewing
Radar
LiDAR

INDUSTRIAL

29% of ISG revenue
2022 SAM of $1.8B
2017-22 SAM CAGR of 10%

Key applications:
Robotics
Machine Vision
Intelligent Traffic Systems
Factory Automation
Scanning
Security

EDGE AI

15% of ISG revenue
2022 SAM of $1.2B
2017-22 SAM CAGR of 22%

Key applications:
IoT
Retail
Smart Building
Robotics
Drones

DMS: Driver Monitor System, OMS: Occupancy Monitor System

STRONG MOMENTUM IN AUTOMOTIVE

STRONG AUTOMOTIVE GROWTH

24% revenue CAGR during 2014-18

LEADER IN AUTO IMAGE SENSORS

62% share in overall market & 81% in ADAS

HIGHLY SUSTAINABLE COMPETITIVE POSITION

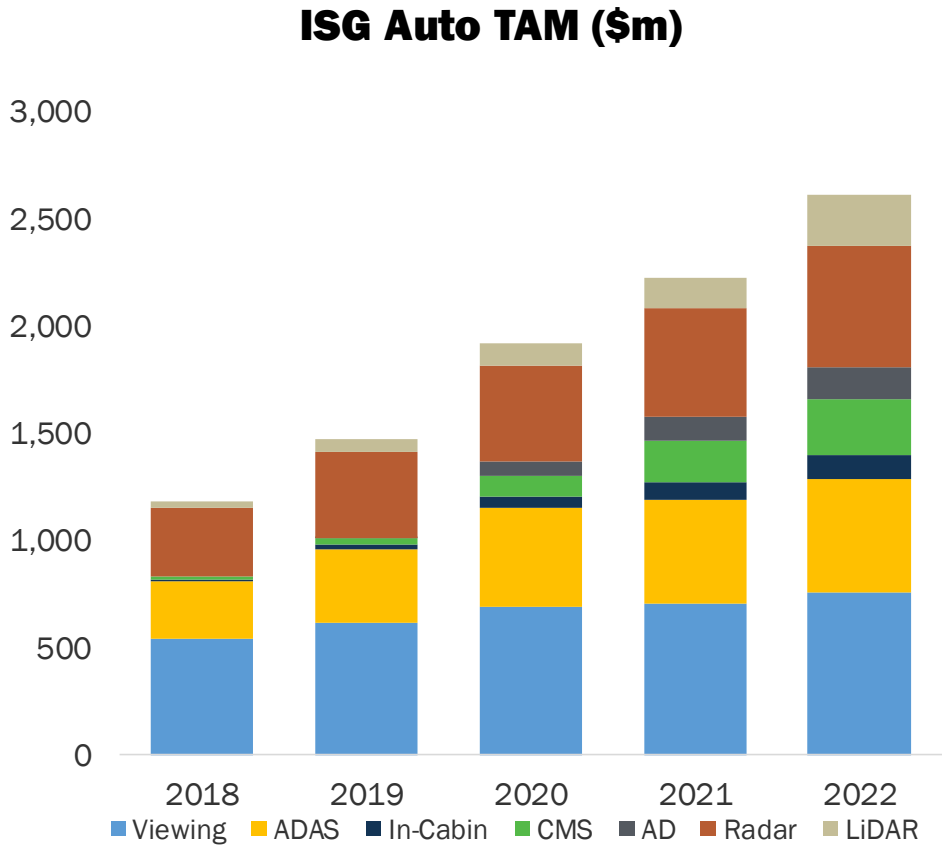
Installed base of ADAS software written for ON sensors – high switching costs

MARQUEE CUSTOMER BASE

Presence with all major global OEMs and Tier-1s

¹: FY2014 revenue includes full year Aptina revenue.

ISG KEY AUTOMOTIVE GROWTH DRIVERS



VIEWING

Surround view 1MP and 2MP, rearview VGA moving to 1MP

ADAS

Driver assist 1MP to 8MP, requires performance, ON is #1

IN-CABIN & CMS

Level 3 and higher needs driver monitoring
Occupancy monitoring growing
Mirror-less systems reduce drag, enable more design flexibility

AUTONOMOUS DRIVING

Requires multiple modalities
Function over size and cost

RADAR

Level 2+/3 systems: 360 short range and forward long range
Level 4/5 for AD with short, mid and long range 360

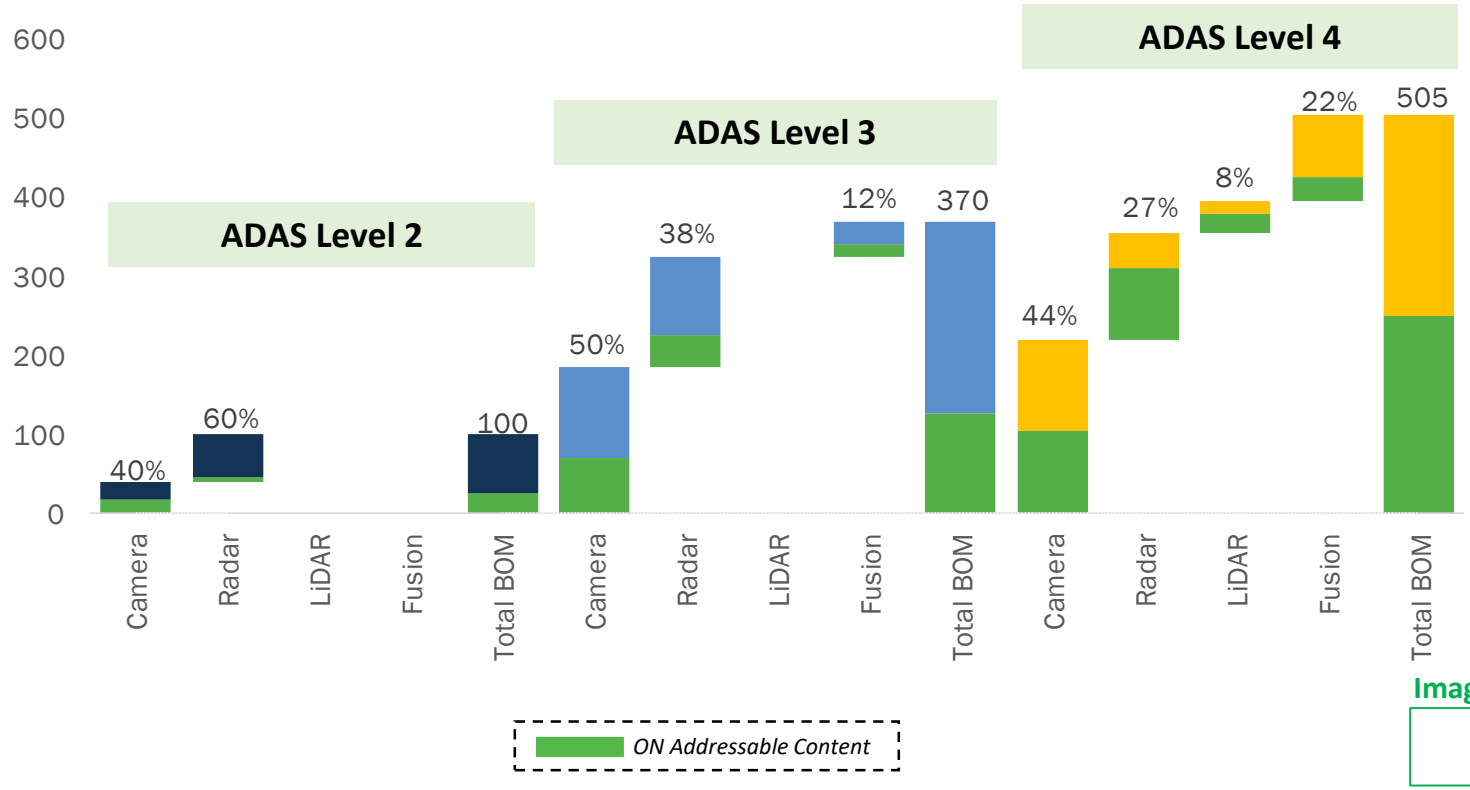
LIDAR

Expanding LiDAR usage for level 3/4/5

Source: Yole, TSR, ON Semiconductor
CMS: Camera Mirror-less System

AUTONOMOUS DRIVING PORTFOLIO EXPANSION

Radar, LiDAR & Image Sensor Fusion – Potential SAM growth of 10x



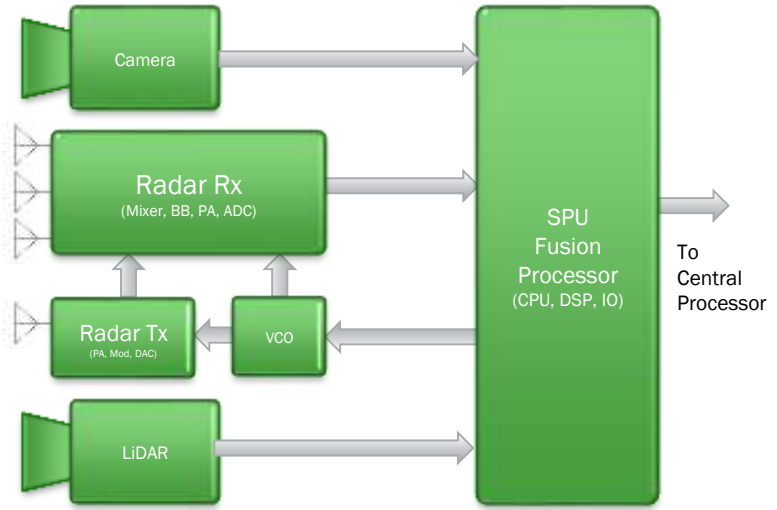


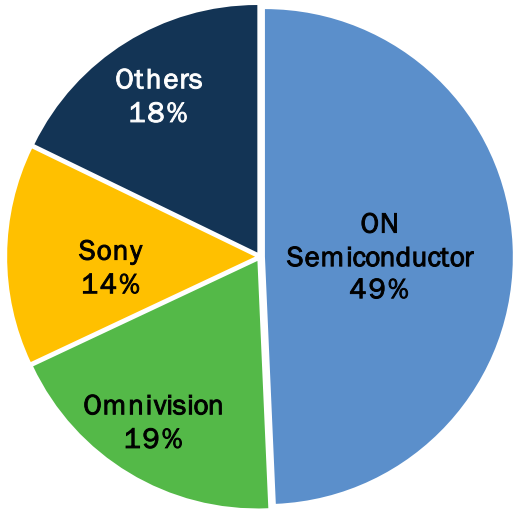
Image Sensors & Other	SAM per Car (L2:L4)	Image Sensors & Radar & LiDAR
$25		$250

Energy Efficiency: 1 sensor pre-processor vs. 2
Size & Weight Reduction: 1 cable to central processor
Better Sensing: Robust AD algorithms use multiple modalities – Imaging, LiDAR, Radar

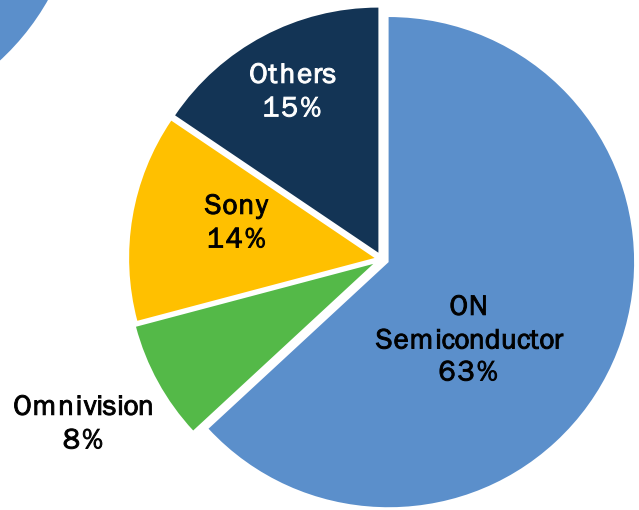
Source: BofA Merrill Lynch Global Research, ON Semiconductor
ADAS: Advanced driver-assistance systems, AD : Autonomous Driving

ON SEMICONDUCTOR, THE AUTOMOTIVE IMAGE SENSOR LEADER

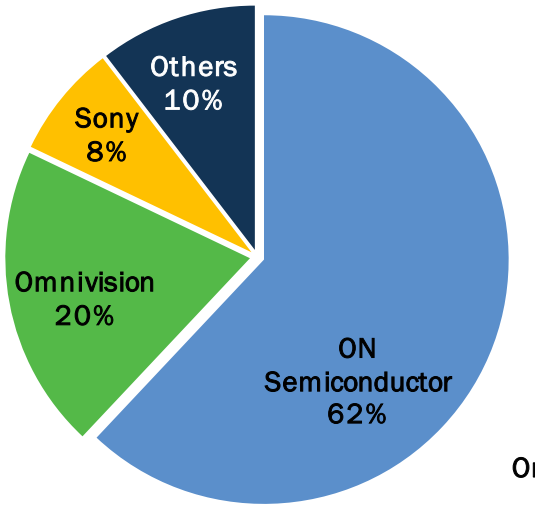
Automotive Imagers 2016



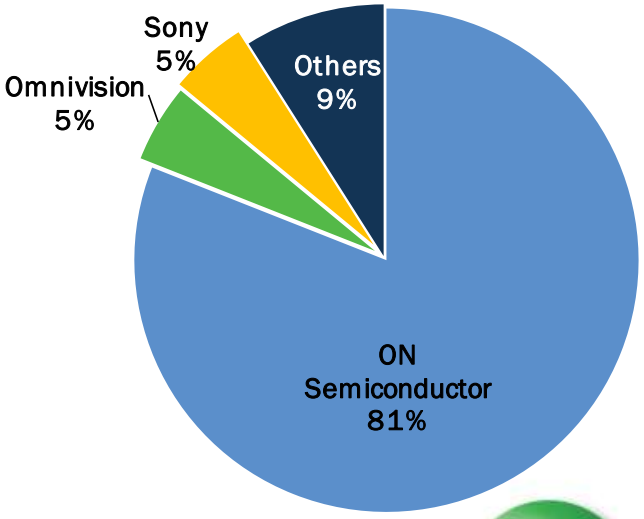
Sensing Cameras (ADAS, AD) 2016



Automotive Imagers 2018



Sensing Cameras (ADAS, AD) 2018



Source: Techno Systems Research Dec 18, Dec 16, Automotive camera Market Analysis 2018

STRONG TECHNOLOGY LEAD OVER COMPETITION

LARGEST AUTOMOTIVE PORTFOLIO

Sensors for ADAS, AD, rear view, surround view, CMS, in-cabin

BROAD GLOBAL SHUTTER OFFERING

VGA, to 45MP, 2u to 9u pixel, high speed, low power

SENSORS WITH SYSTEM SOLUTIONS

LFM+HDR for viewing + sensing, depth, cyber

TECHNOLOGY FOR MISSION CRITICAL

Technology hardened for mission critical applications as opposed to commodity mobile market

ADAS: Advanced driver-assistance systems, AD : Autonomous Driving, CMS: Camera Mirror-less System, VGA: Video Graphics Array 640x480, MP: Mega-Pixel, LFM: LED Flicker Mitigation, HDR: High Dynamic Range

HIGHEST DYNAMIC RANGE IN AUTOMOTIVE

SONY

ON Semiconductor

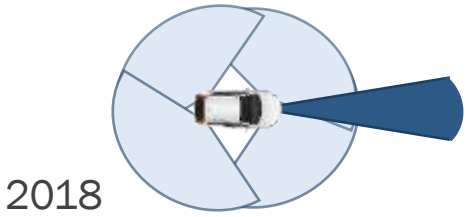
MOST COMPREHENSIVE AUTOMOTIVE PORTFOLIO

	Viewing + Sensing			ADAS + AD			GS / In Cabin			SPU			Radar, LiDAR		
		ON	SONY		ON	SONY		ON	SONY		ON	SONY		ON	SONY
Technology	140dB HDR	✓	✗	140dB HDR	✓	✗	Leading IQ	✓	✗	Advanced ISP	✓	✗	Radar MIMO+	✓	✗
	Flicker Free	✓	○	Low Light	✓	○	Ecosystem	✓	✗	Clarity+ Support	✓	✗	Short and long range	✓	✗
	Clarity +	✓	✗	Scalable Platform	✓	✗	RGB NIR	✓	✗	On Chip Analytics	✓	✗	Low noise SiPM	✓	✗
Products	4MP	✓	✗	8MP	✓	✓	2MP	✓	✗	3MP	✓	✗	Radar 77GHz	✓	✗
	3MP	✓	✗	8MP Cyber Security	✓	✗	1MP	✓	✗	2MP	✓	✗	LiDAR SiPM	✓	✗
	2MP	✓	✓	2MP	✓	✗	VGA	✓	✗	1MP	✓	✗	SiPM Arrays	✓	✗
	1MP	✓	✗	2MP Cyber Security	✓	✗	RGB NIR	✓	✗						
	SOC	✓	✓	1MP	✓	✗									

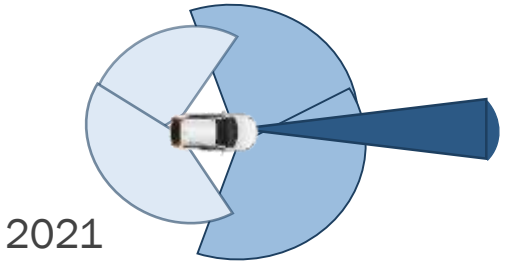
✓	Best performance
○	Supported, lower perf
✗	Not supported

ADAS: Advanced driver-assistance systems, AD: Autonomous Driving, GS: Global Shutter, SPU: Sensor Processing Unit , HDR High Dynamic Range, SiPM: Silicon PhotoMultiplier, MiMO: Multiple-Input Multiple Out put

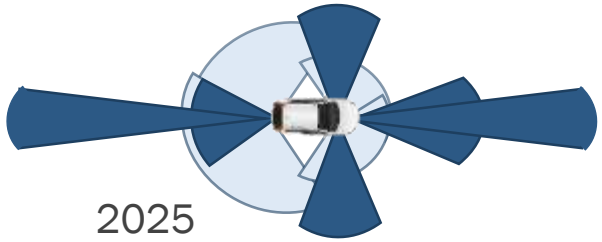
STRONG PROGRESS ON AUTOMOTIVE RADAR



Level 2+/3: 360° 3D Map



Level 3/4: Extended Range



Level 4/5: AD Radar

1ST PRODUCT, DIFFENTIATED FEATURES

MIMO+ enables higher resolution
1st in market with 4 simultaneous transceivers
Scalable design supports short and long Radar
Cascade for flexible configurations

GROWING MARKET - $90 CONTENT/CAR

2018 systems 360° short range and forward long range Radar
BOM growing to $90 for level 4
2021 systems with 360° mid range Radar
By 2025 , advanced systems for Autonomous Driving

ON SEMICONDUCTOR ENTERING MARKET

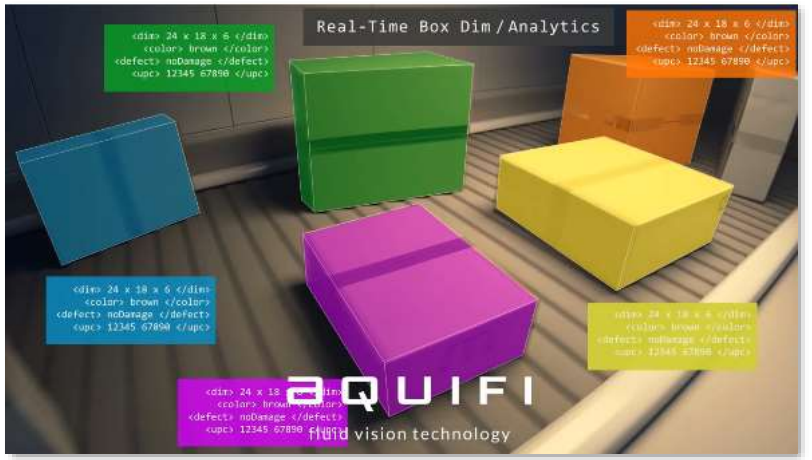
Design activity with leading OEMs and system providers
1st revenue in 2021

INDUSTRIAL AND EDGE AI

Home Delivery

Object Avoidance

3D mapping

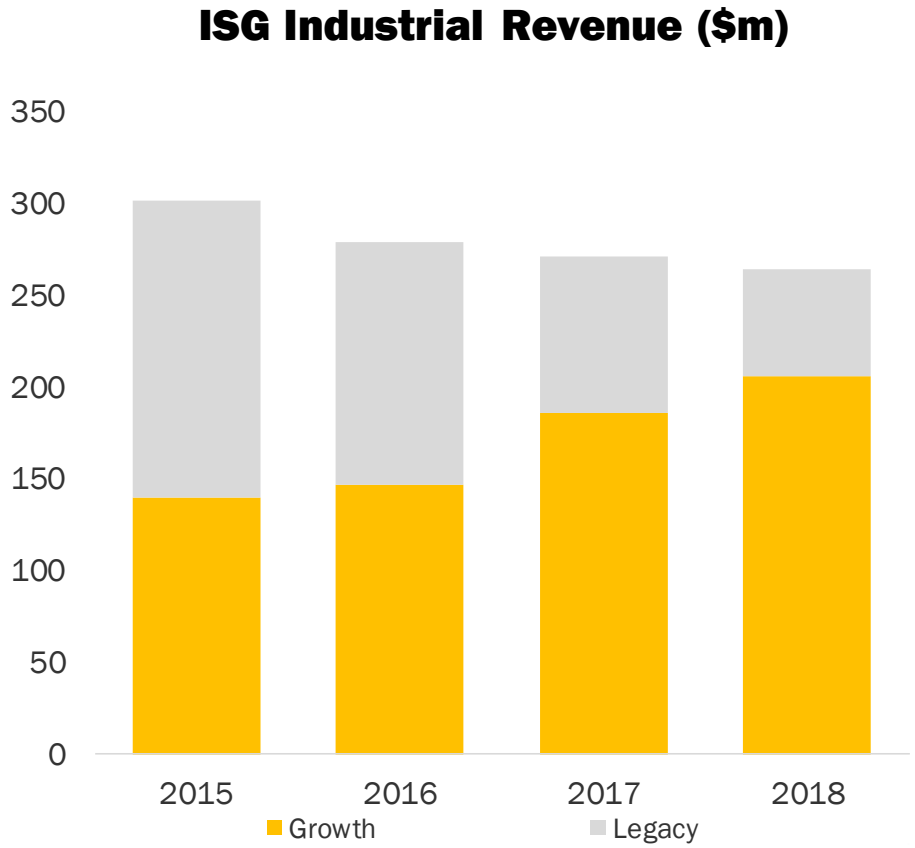


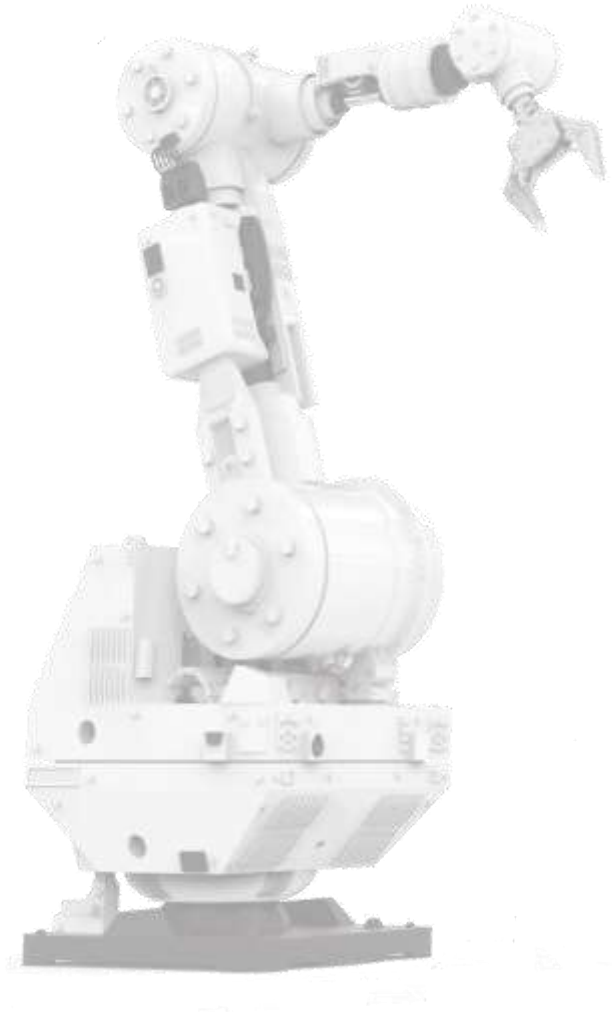
Warehouse Automation

Phone Display Inspection

Inventory Tracking

ISG INDUSTRIAL BUSINESS





GROWTH

Expanding PYTHON Machine Vision products

Strong showing by XGS products & global shutter product families

Continued flat panel inspection from CCD

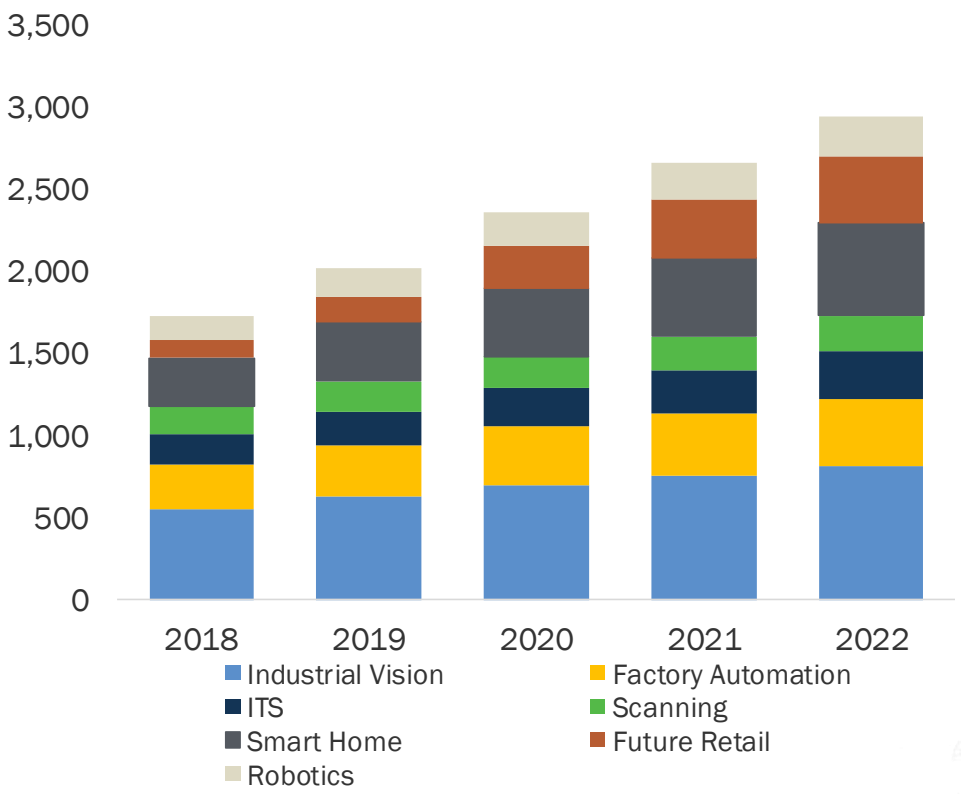
LEGACY

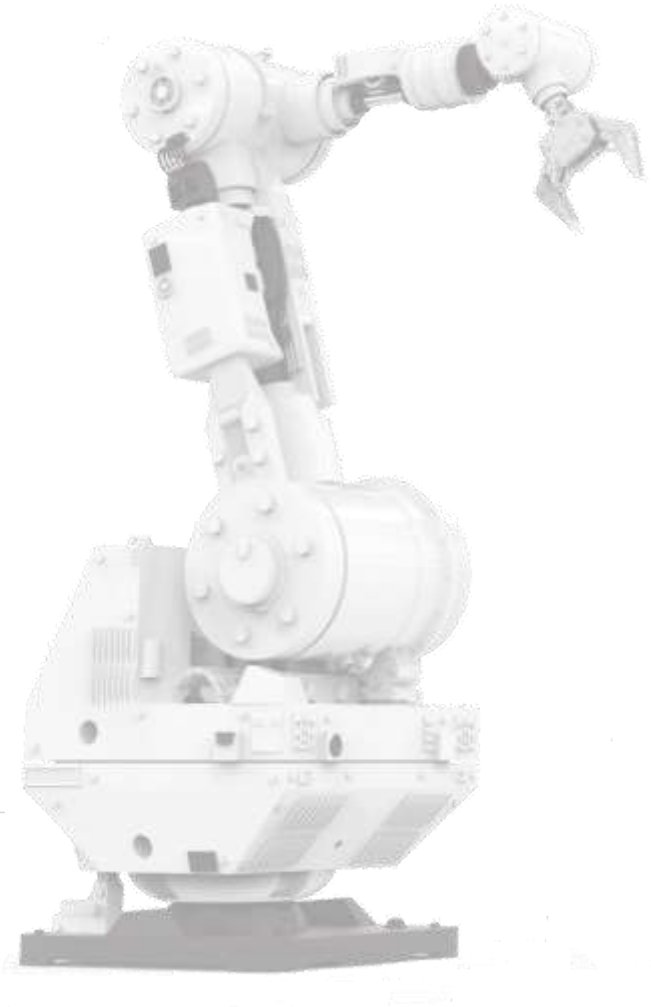
Harvest non-focus markets

Exit low margin product lines

CCD: Charge-Coupled Device

ISG INDUSTRIAL & EDGE AI GROWTH DRIVERS





INDUSTRIAL VISION
Robotics, Inspection

FACTORY AUTOMATION
High speed capture, Cobot, Quality control

INTELLIGENT TRAFFIC SYSTEMS
High resolution imaging, New machine vision features

SCANNING
Portable and Industrial barcode. 1D, 2D and QR

SMART BUILDING
Lighting, Assistants, Appliances, IP Cam

FUTURE RETAIL
Smart vending, Checkout-free

ROBOTICS
Drones, Personal Robotics, Delivery

Source: Yole, Markets and Markets, ON Semiconductor

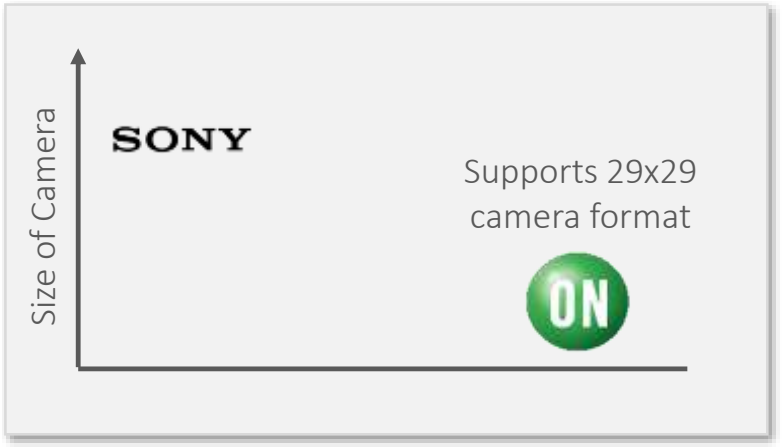
LEADERSHIP IN MACHINE VISION THROUGH XGS

Price

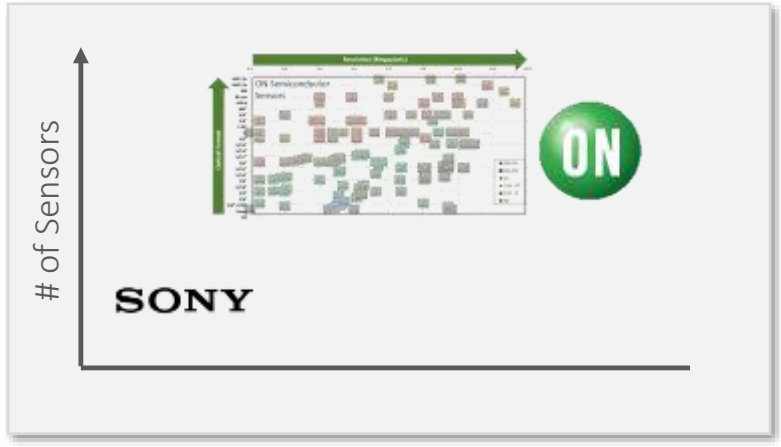
Speed

Performance

Footprint



Portfolio



Support / System

ISG MARGIN IMPROVEMENT PLANS

Manufacturing Optimization

- Continue yield and test time improvements
- Packaging cost reductions
- Manufacturing insourcing

Portfolio Evolution

- Focus on higher margin, differentiated products
- ADAS, Autonomous driving, LiDAR, Radar, Machine Vision, Edge AI

Operating Expenses

- Operating expense leverage and rationalization

SUMMARY

1. Accelerating growth in ADAS – Building on leadership position
2. Extending competitive lead through leadership in sensor fusion
3. Leadership in industrial - Increasing momentum in machine vision and robotics
4. Margin expansion through operational improvements and mix

THINK ON.

POWER SOLUTIONS GROUP

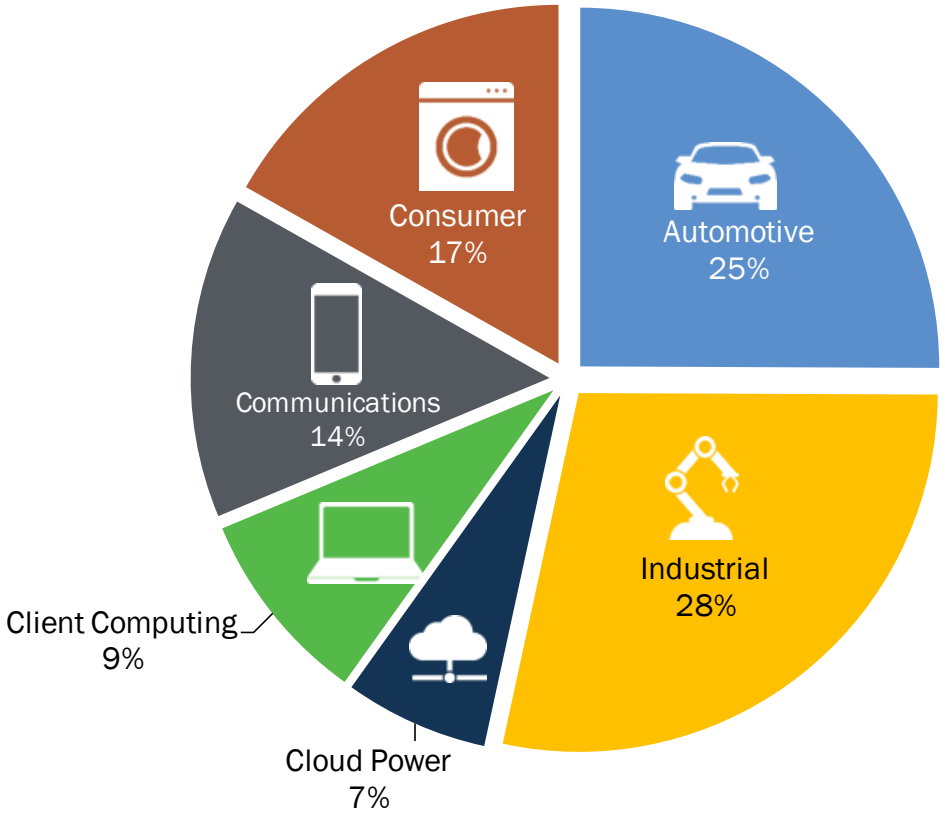
SIMON KEETON
EXECUTIVE VICE PRESIDENT

KEY TAKEAWAYS

1. PSG has established leadership in power semiconductor market – power is one of the most compelling growth opportunities in semiconductors
2. Well positioned to benefit from huge opportunity in Silicon & Silicon Carbide for electric vehicles
3. Power content to continue to grow in industrial and cloud applications
4. Headroom for margin improvement driven by mix and operational improvements

POWER SOLUTIONS GROUP (PSG)

2018 REVENUE BY MARKET



2018 REVENUE $3.030B | GROSS MARGIN 37%

AUTOMOTIVE
Leadership in most product categories
Well positioned to benefit from Silicon and Silicon Carbide opportunity in EVs

INDUSTRIAL
Leadership in power modules, IGBTs, Power MOSFETs
Benefitting from increased power content for energy efficiency

CLOUD POWER
Leadership in MV and LV MOSFETs
Accelerating growth in 5G infrastructure

Communications include only smartphone related revenue

PSG STRATEGIC INTENT AND GOALS

Leadership in Power semiconductors and Modules for automotive, industrial, and cloud power end-markets

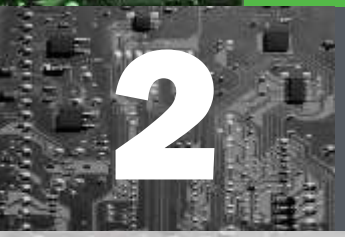
Drive share gains with inflection in power semiconductor technology - Ownership of complete SiC supply chain, including substrates and epi

Position to benefit from impending growth in EV Market - Provide broad portfolio of auto qualified Silicon and Silicon Carbide power semiconductors and modules

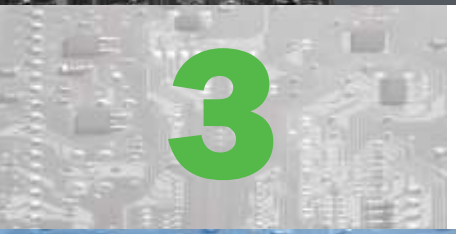
Enable disruption - Drive growth by providing enabling technologies for emerging and disrupting megatrends

PSG STRATEGIC POSITIONING - HOW WE WIN

Leading technical capabilities in power semiconductor and modules - HV modules for EV and industrial market, MOSFET & IGBT performance leader, accelerating traction in Silicon Carbide



Broad product portfolio encompassing a vast voltage range – LV to HV, and synergy and pull-through from portfolios of ASG and ISG



Manufacturing footprint and scale - Industry leading cost structure & vertically integrated supply chain

Focus on critical applications in auto, industrial, & cloud power markets - Longevity of design wins, high natural barriers to market entry, and high quality & qualification requirements from customers

MOVE TO HIGHER VALUE PRODUCTS AND MARKETS

AUTOMOTIVE

25% of PSG revenue

TAM (2022) of $7.8B

2017-22 TAM CAGR of 7%

Key applications:

HEV/EV

Body & Comfort

ADAS/Autonomous Driving

INDUSTRIAL

28% of PSG revenue

TAM (2022) of $15.7B

2017-22 TAM CAGR of 8.9%

Key Applications

Alternative Energy

Efficient Motors

EV Charging Stations

CLOUD POWER

7% of PSG revenue

TAM (2022) of $2.9B

2017-22 TAM CAGR of 7.5%

Key Applications

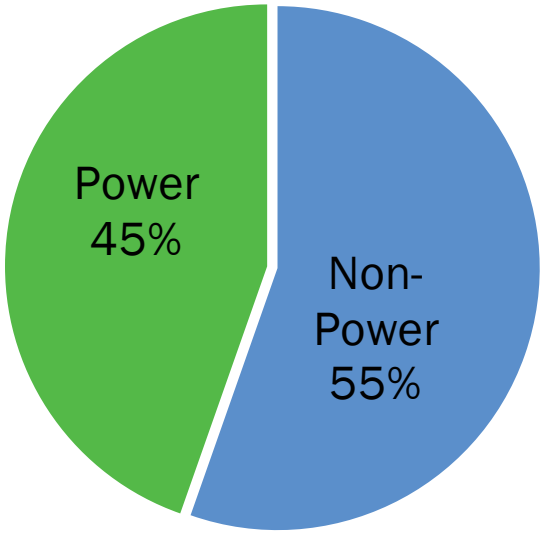
5G Infrastructure

Server

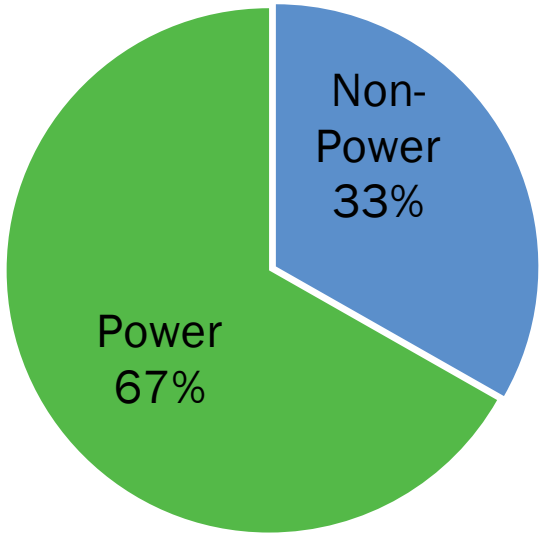
High End Computing

PSG TRANSFORMATION TOWARDS POWER

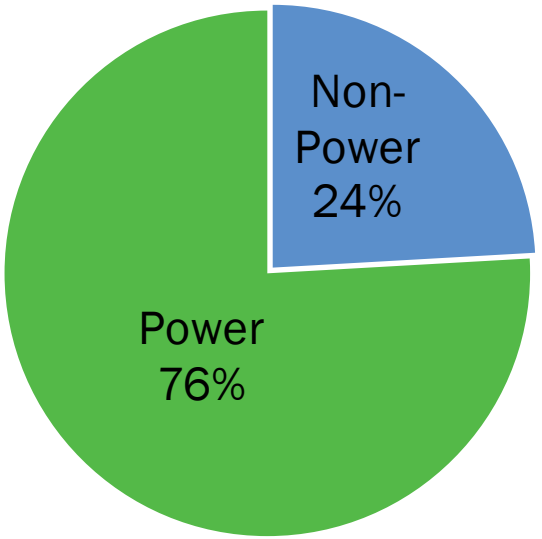
2016



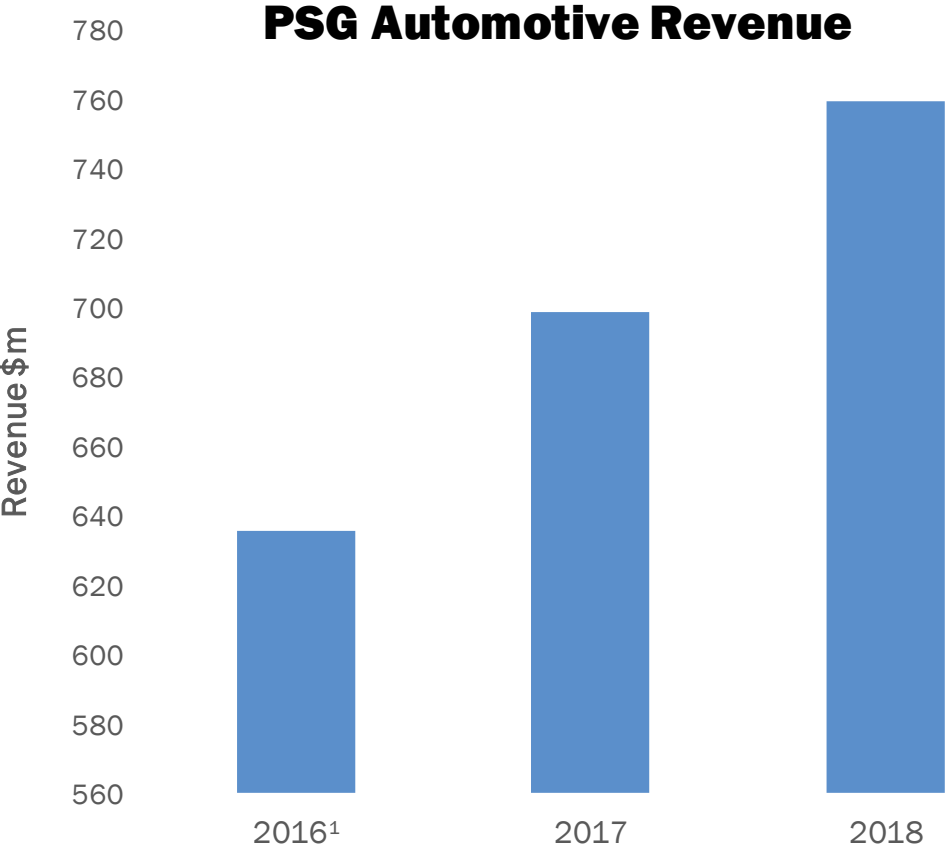
2018



2022



PSG AUTOMOTIVE BUSINESS



HEV/EV

Super Junction FETs in on-board chargers, SiC diodes and MOSFETs in EVs

BODY AND COMFORT

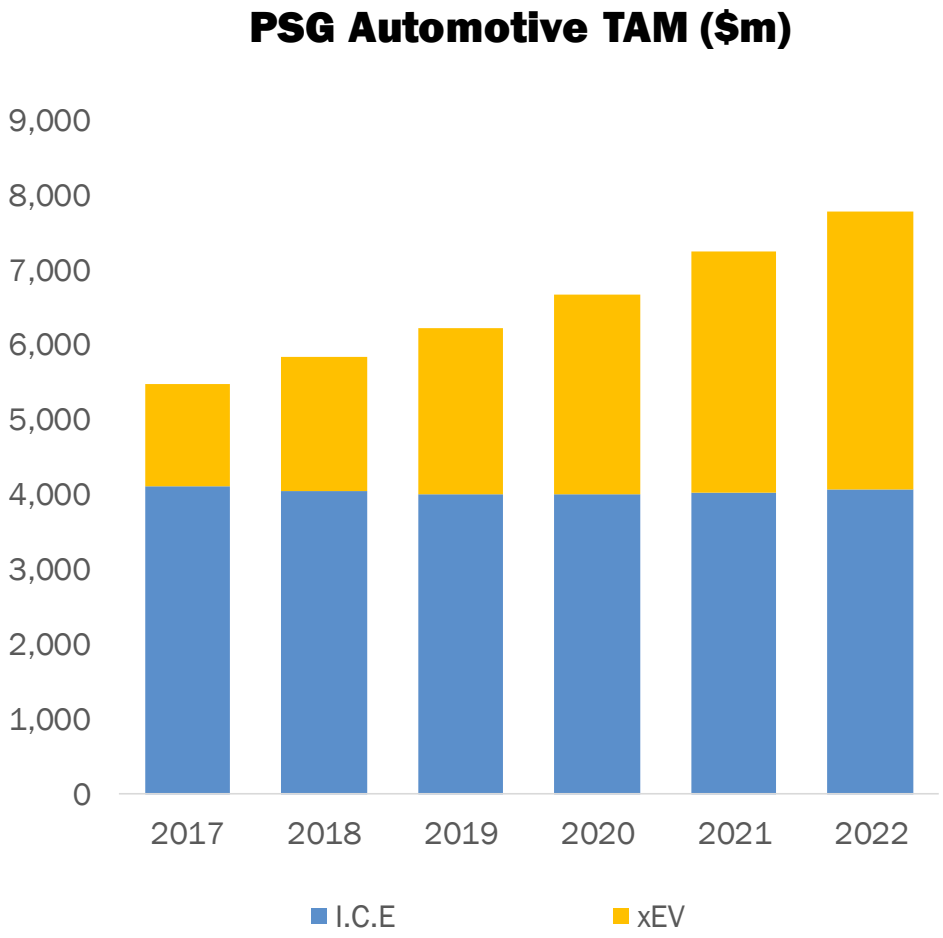
Medium voltage FETs for BLDC motors

ADAS & AUTONOMOUS DRIVING

Power management for sensors

[1]: 2016 represents Q4' 16 Annualized values

PSG KEY AUTOMOTIVE GROWTH DRIVERS



HEV & EV: 22% 2017-22 TAM CAGR

$400 of addressable in power content in an EV – ON leader in both silicon and SiC

BODY & COMFORT: 14% 2017-22 TAM CAGR

3x Power switches required for redundant systems and increased comfort driven by motors

ADAS & AUTONOMOUS DRIVING: 25% 2017-22 TAM CAGR

$15 in power management solutions for all sensing functions

Source: IHS, ON Semiconductor

EV/HEV AND VEHICLE ELECTRIFICATION

I.C.E.

PSG Content
$40

HEV/EV

PSG Content
$400

Motors, Pumps
- IPM & FET Modules

Main Drive
- 1200V IGBT & SiC FET
- Auto Modules

ON-Board Charger
- 650V SJ, IGBT & SiC
- Gate Dr. & Isolation

12V-48V DC-DC
- 30, 40, 80 & 100 V MOSFETs
- I-Sense OA
- eFuse

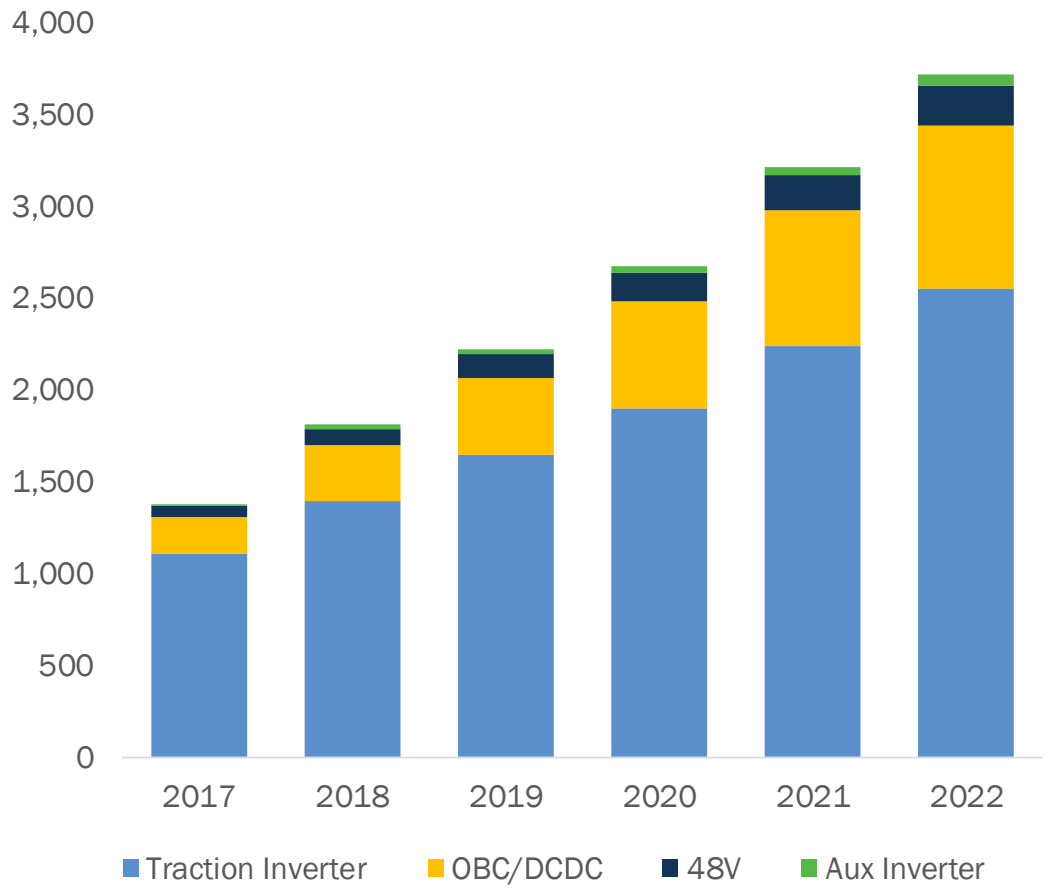
Battery Management
- 40V FETs

HV Loads
- 650V SJ, IGBT & SiC
- Auto Modules

STRONG TRACTION IN BOTH SILICON AND SILICON CARBIDE

POWER SEMIs DOMINANT OPPORTUNITY IN EV

Power Semi Silicon TAM in EV ($m)



2017-22 Power Semi CAGR: 22%

POWER SEMIs PRESENT THE BIGGEST OPPORTUNITY IN EV

TAM of $3.7B in 2022 with 2017-22 CAGR of 22%

TRACTION INVERTERS ARE LARGEST EV OPPORTUNITY

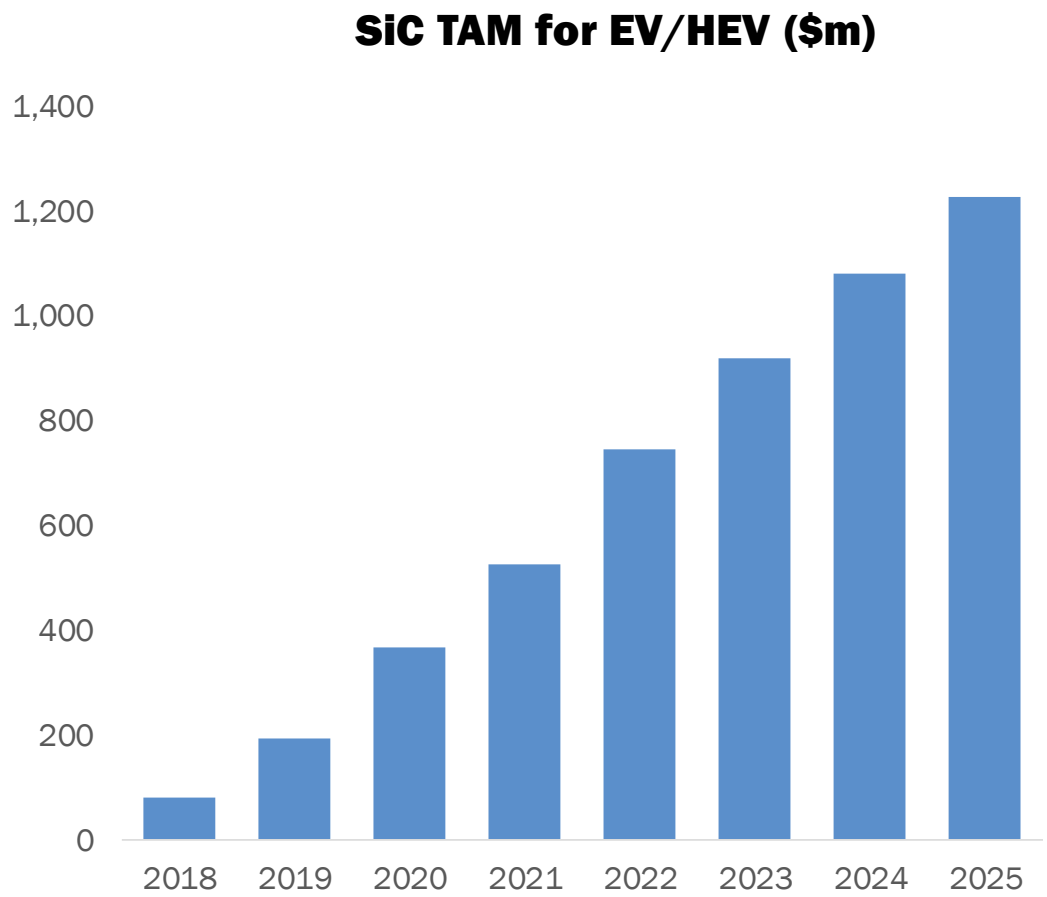
IGBT traction invertors likely to be dominant in mid to low-end EV, SiC initially likely to be limited to high-end EV

ON LEADER IN IGBT MODULES FOR TRACTION INVERTERS

Strong market presence and customer engagement, with future path to SiC

Source: ON Semiconductor

SILICON CARBIDE IN EV



ACCELERATED ADOPTION

Adoption of Silicon Carbide in EVs likely to be faster than most expectations

GROWTH IN UNITS AND CONTENT

Content could be more than double of current content of $300

COMPELLING VALUE PROPOSITION

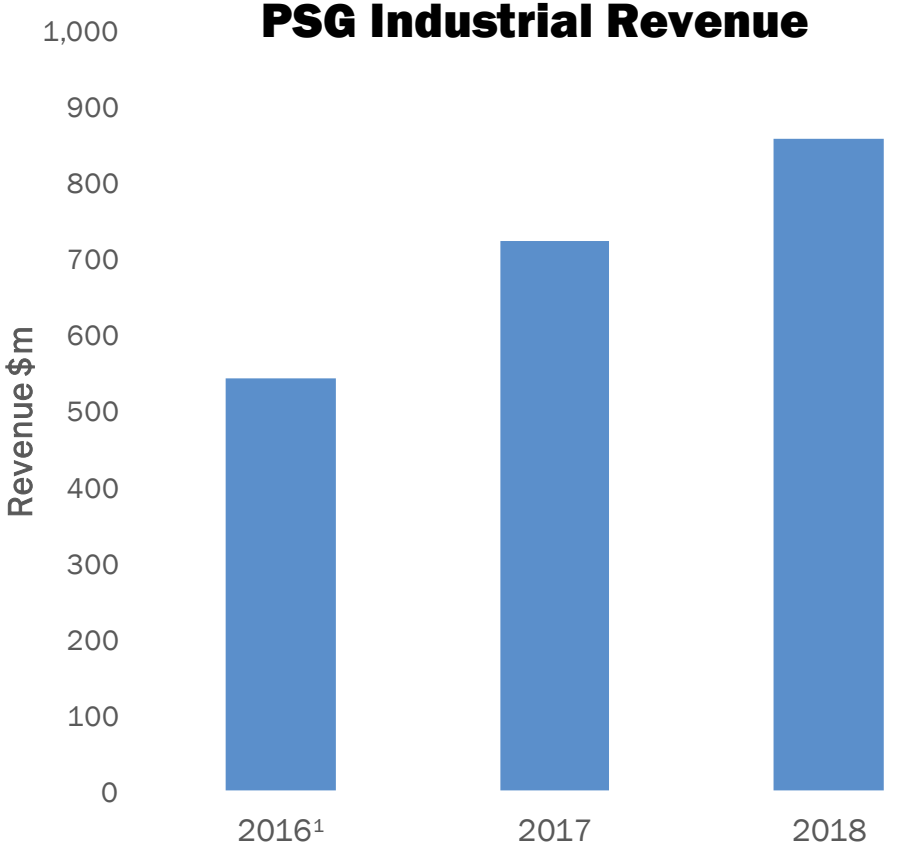
20% increase in range, space savings, reduced cooling costs, lower weight, faster charging

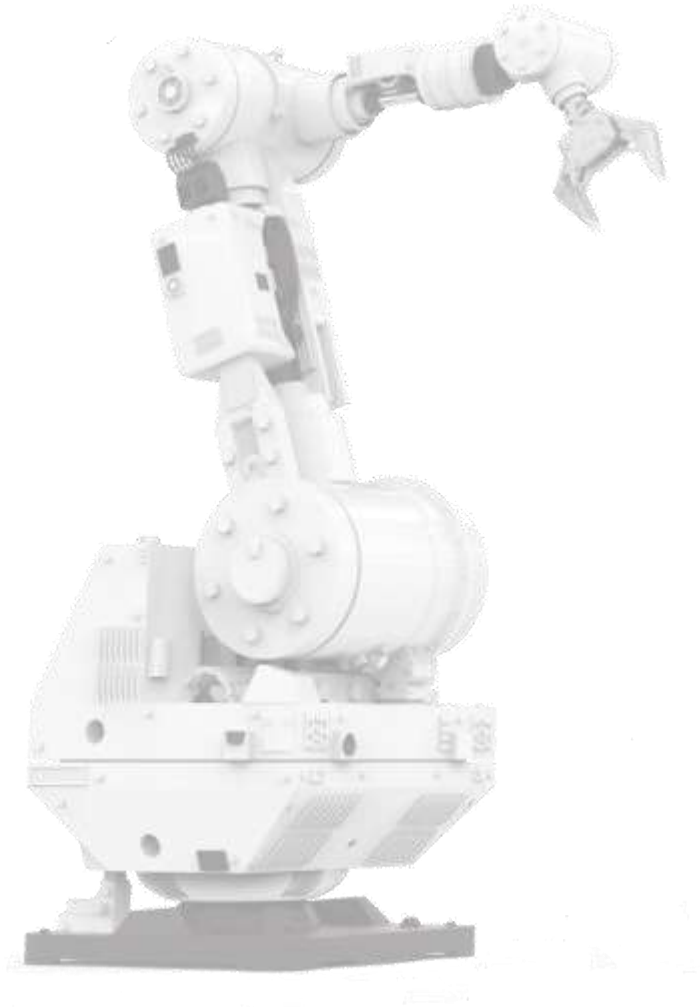
STRONG TRACTION IN MARKET

Engaged with many leading OEMs and Tier-1s - currently shipping 650/1200V diodes & 1200V MOSFETs

Source: ON Semiconductor

PSG INDUSTRIAL BUSINESS





ALTERNATIVE ENERGY

Leadership in power integrated modules (PIM) for Solar Inverters

MOTOR EFFICIENCY

IPMs & FETs in Industrial Motors, C-HVAC, Robotics

EV CHARGING STATIONS

IGBTs & superjunction FETs in Level 3 stations

[1]: FY2016 represents 04' 16 Annualized values.

INFRASTRUCTURE REVOLUTION

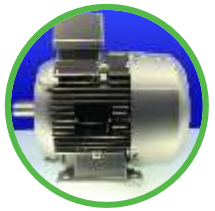
$0  **Coal**

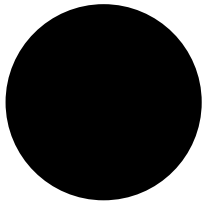
Reduce Pollution

 $650 **Solar/Wind**

$0  **Industrial Motor**

Efficiency

 $40 **VSD**

$0  -

Grid Stabilization

 $836 **Energy Storage**

$0  **Coal Furnace**

Coal-to-Elec.

 $30 **C-HVAC**

$0  **Gas Pump**

HEV/EV

 $500 **EV Charging Station**

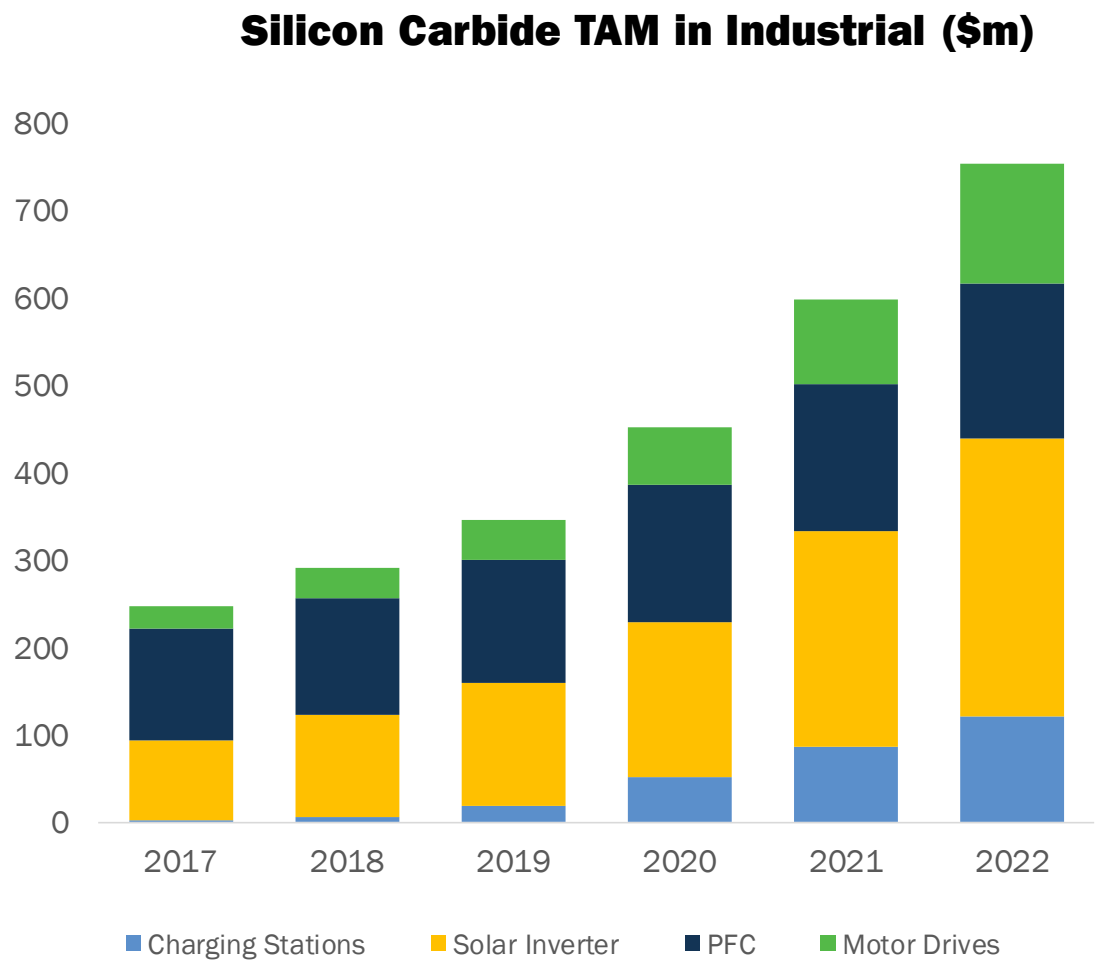
$0  **Warehouse**

Battery Life

 $6 **Robotics**

VSD: Variable speed drive.

SILICON CARBIDE IN INDUSTRIAL APPLICATIONS



EV CHARGING STATIONS – 130% 2017-22 TAM CAGR

SiC enabling higher power charging stations in same size.

SOLAR INVERTER – 28% 2017-22 TAM CAGR

SiC provides smaller and cheaper solution at same power

POWER FACTOR CORRECTION – 7% 2017-22 TAM CAGR

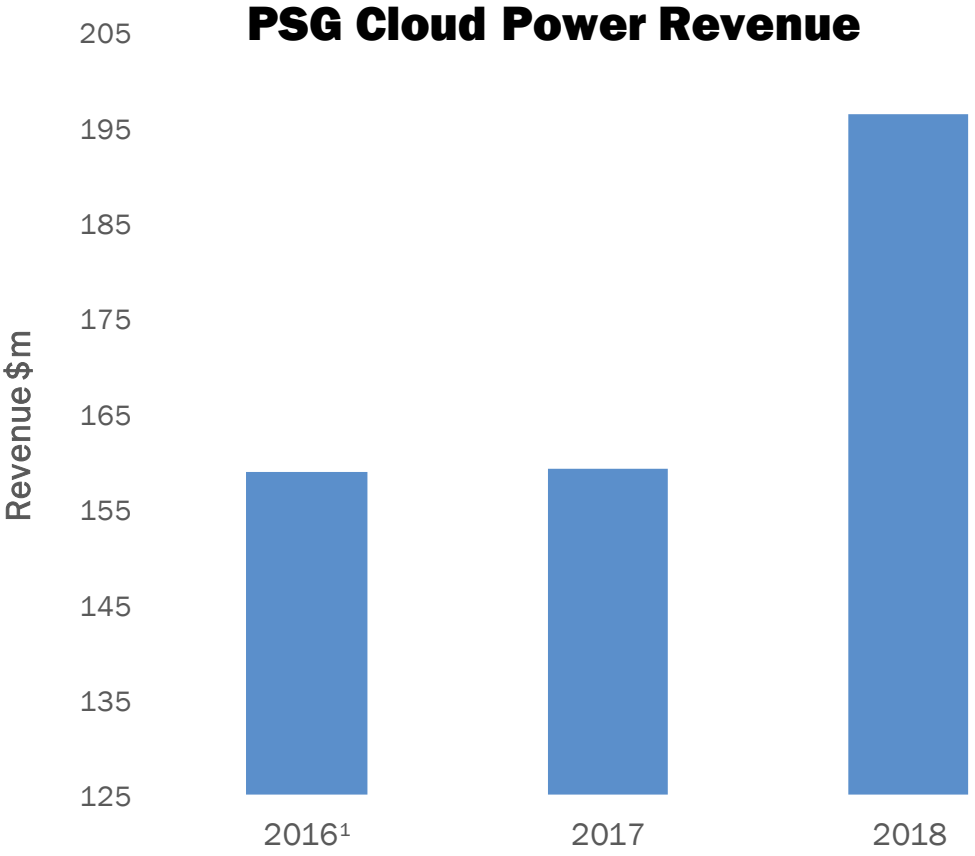
SiC enables power supplies to reach 80 PLUS 'TITANIUM' power density & efficiency

MOTOR DRIVE – 40% 2017-22 TAM CAGR

SiC reduces component count & cost by 40%

Source: Yole

PSG CLOUD POWER BUSINESS



5G INFRASTRUCTURE

80-150V MOSFETs in BBU & RRU power supplies

SERVER

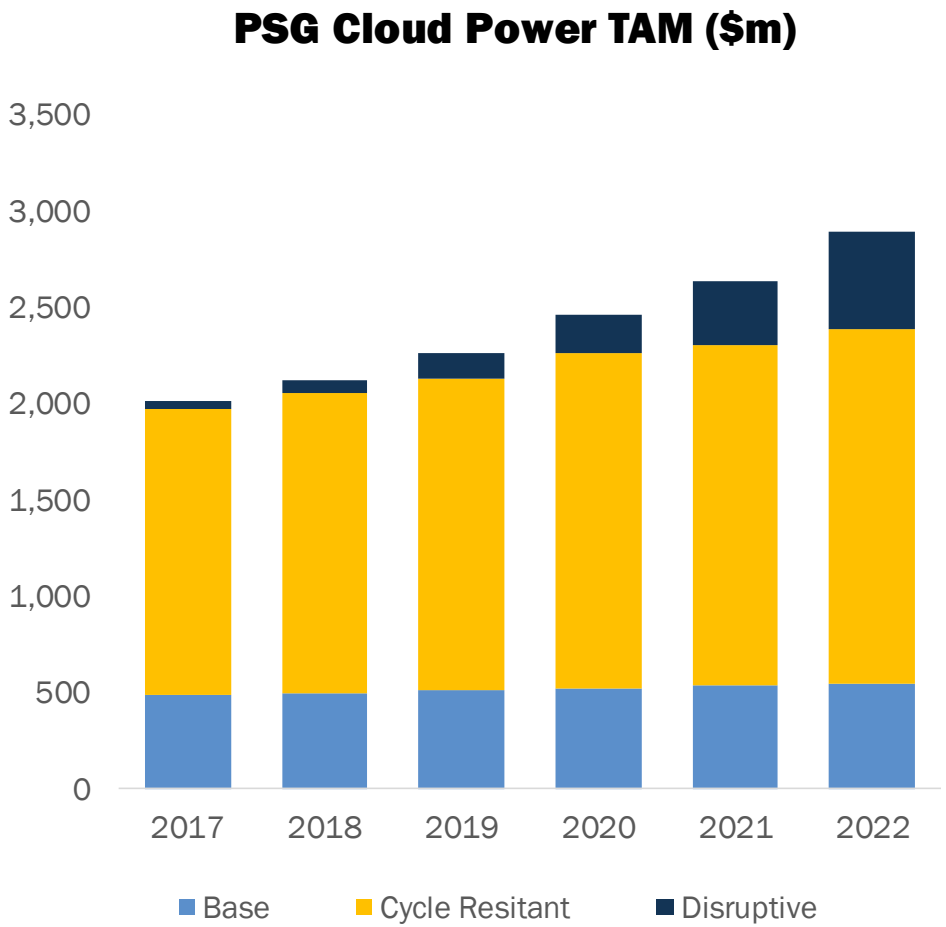
25V to 650V MOSFETs in high power density power supplies

HIGH END COMPUTING

25-30V MOSFETs in high end graphic cards

¹: 2016 represents 04' 16 Annualized values.

PSG KEY CLOUD POWER GROWTH DRIVERS



5G INFRASTRUCTURE – 247% CAGR 17-22

5x the MV MOSFET usage in a 5G radio

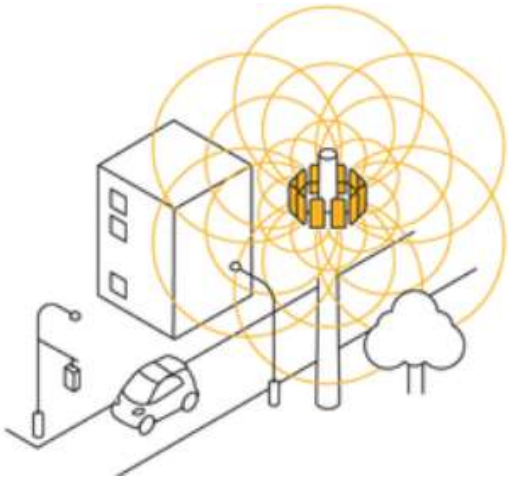
SERVER POWER SUPPLY – 5% CAGR 17-22

Requiring high performance superjunction FETs to meet efficiency targets

Source: ON Semiconductor

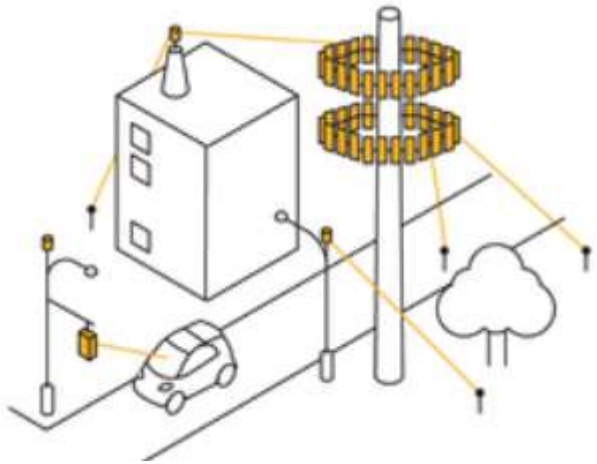
CLOUD-POWER CONTENT INCREASE

4G: 2x2 TxRx

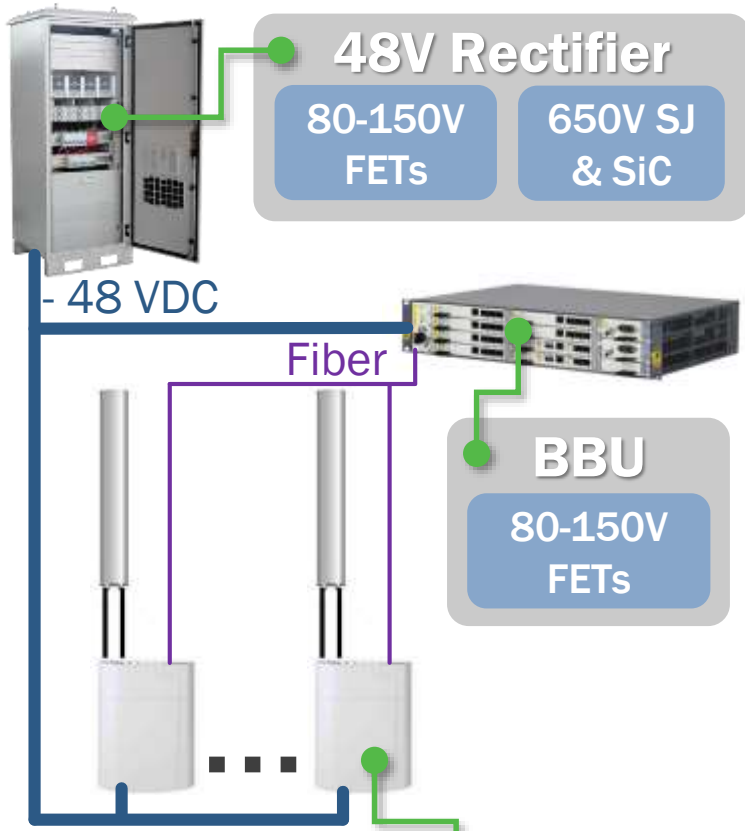


PSG Content
$9

5G: mMIMO & Beamforming



PSG Content
$144



Source: ON Semiconductor

PSG MARGIN IMPROVEMENT PLANS

Aligned with high-growth strategic markets

HEV/EV

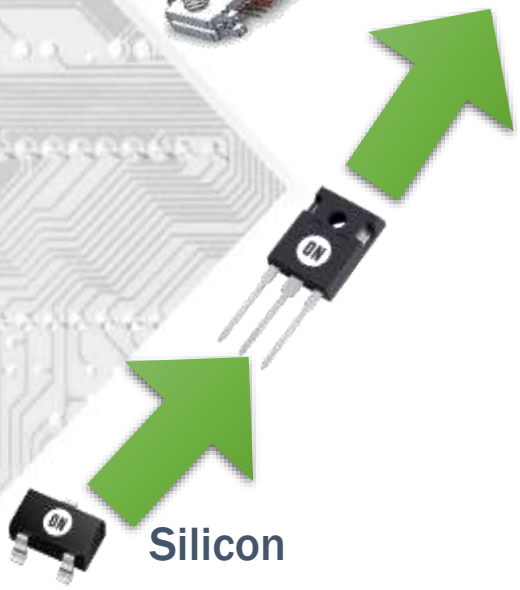
Industrial, Energy

5G

Providing higher value proposition product

Power Modules

Silicon Carbide



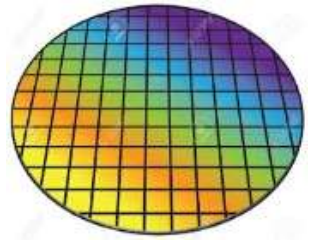
Silicon

Manufacturing innovation in standard products

Up to 35% Increase in Die/Wafer

Plasma Etched

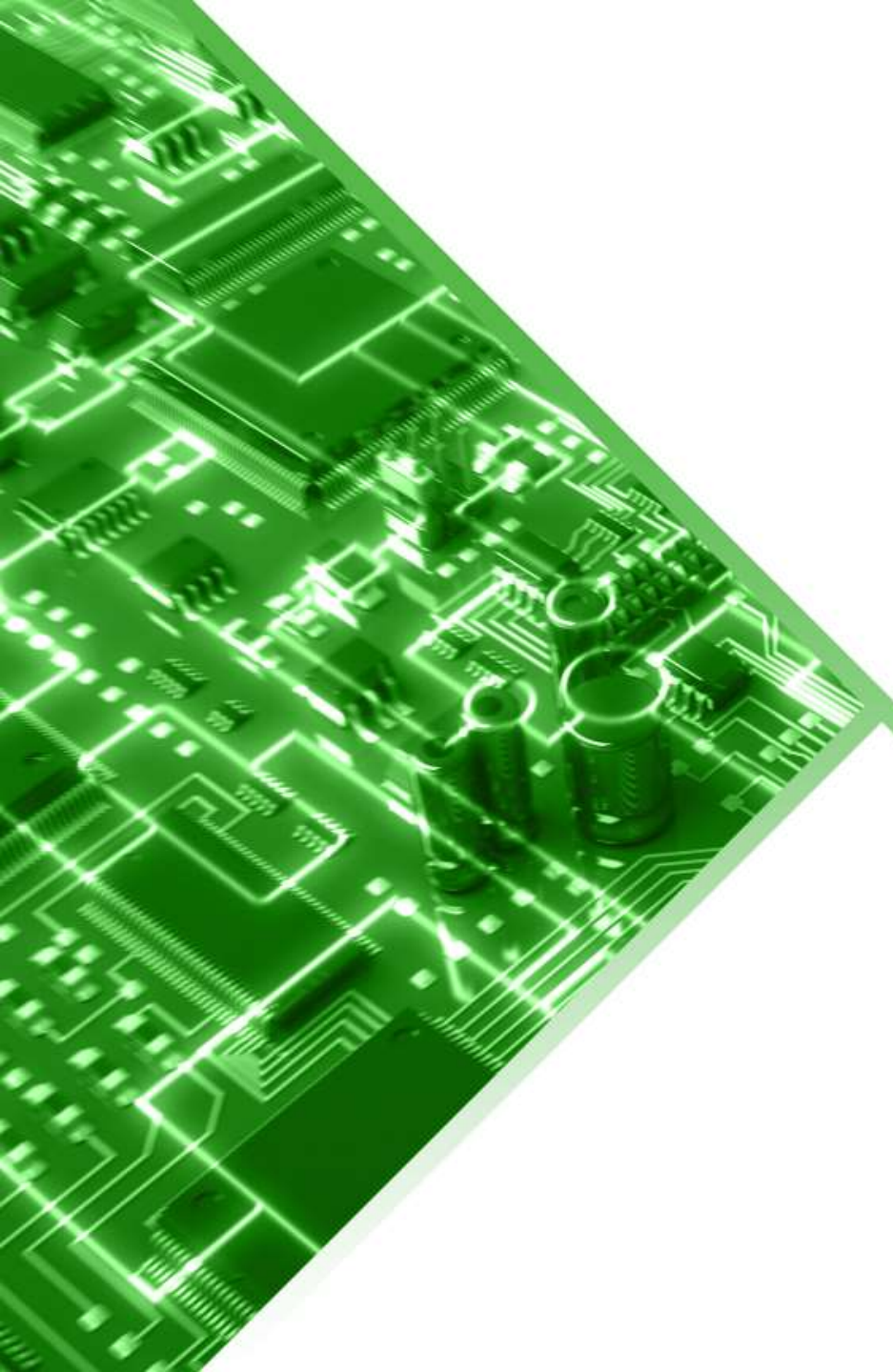
Traditional Wafer



KEY TAKEAWAYS

1. PSG has established leadership in power semiconductor market
2. Huge opportunity in SiC for automotive applications
3. Power content to continue to grow in automotive, industrial and cloud applications
4. Headroom for margin improvement driven by higher value products and operational improvements

Questions & Answers



THINK ON.

BILL SCHROMM

CHIEF OPERATING OFFICER

KEY TAKEAWAYS

1. ON manufacturing prowess presents one of the most formidable barriers for competitors
2. Scale matters – ON's vast network drives its industry leading cost structure
3. ON's investment in 300mm will be driven by economics
4. Investing to extend ON's competitive advantage - Be best in class quality, cost, delivery

MANUFACTURING AS COMPETITIVE ADVANTAGE

One of the most formidable barriers for competitors	Better control on quality and delivery	Enables development of new technologies & products
➢ Scale matters – One of most cost effective manufacturing networks in the Industry ➢ Network of 12 wafer fabs and 9 Assembly & Test sites ➢ Flexibility – Able to add capacity and source from multiple sites	➢ Quality and delivery are key differentiators in automotive and industrial markets ➢ Customers in certain markets prefer IDMs	➢ Accelerates time to market for new technologies and materials ➢ Ability to fine tune processes for maximizing performance

FORMIDABLE MANUFACTURING CAPABILITIES

- Scale provides industry leading cost structure -76 billion units shipped in 2018
- Front-end capabilities key source of competitive advantage in power and analog
- Internal capacity to manufacture 150mm and 200mm silicon substrates
- One of world's largest and most efficient back-end operations (~1.4 billion units every week)

Front-end & Substrate Facilities


Aizu, Japan


Gresham, OR, USA


Czech Republic Fab


Czech Republic Substrates

Bucheon, Korea


Portland, ME, USA


Oudernaarde, Belgium


Seremban, Malaysia


Pocatello, ID, USA


Mountain Top, PA, USA


Niigata, Japan


Rochester, NY, USA

Back-end Facilities


Leshan, China


Suzhou, China


Shenzhen, China


Carmona, Philippines


Tarlac, Philippines


Cebu, Philippines


Seremban, Malaysia


Vietnam OSBD


Vietnam OPP/IPM

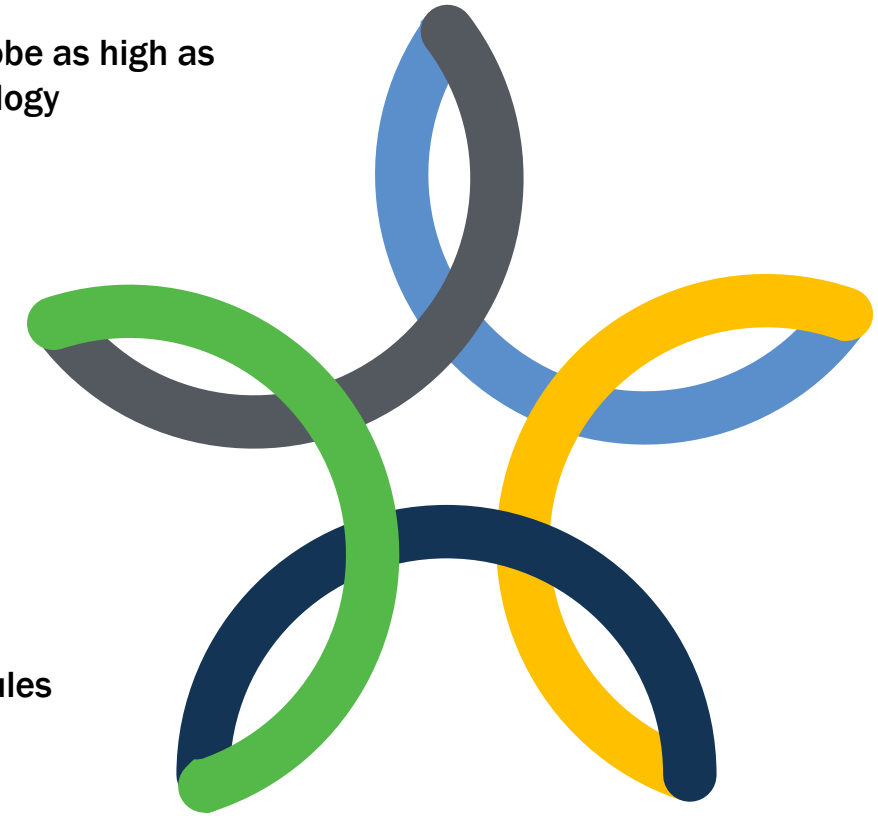
INDUSTRY LEADING BACK-END COST STRUCTURE

PARALELLISM

Driving parallelism in probe as high as x256 in EEPROM technology

SCALE

Scale drives assembly cost savings up to 70% as compared to outsourced OSAT companies



PATENTS

Patented lowest cost thinning methodology in the industry

VERTICAL INTEGRATION

Vertical integration of Power Modules with in house DBC

HIGH-DENSITY LEAD FRAMES

Extremely high density lead-frames drive cost efficiency in material and productivity

TRANSFORMATION TIMELINE – GLOBAL MANUFACTURING

Tools Selected

- Proactive Safety
- Camstar
- RTD
- Exensio Yield
- CDEP/yBORG
- FabGuard FDC
- SPACE SPC
- APC
- eOCAP
- Barcode
- FabTime
- MaiMa
- AOI/ILM Systems
- Fab TV
- Optimal +

Systems and Data Integration

- Camstar, FDC
- Phased implementation
- Operational integration teams
- Optimal+ analytics
- Data Lake as foundational enabler

Transformation Plan

- Benchmarking
- Gap Analysis
- Manufacturing survey

Roadmap Development

- Survey tools
- Evaluate tools for gap closure
- Confirm choices

Implementation

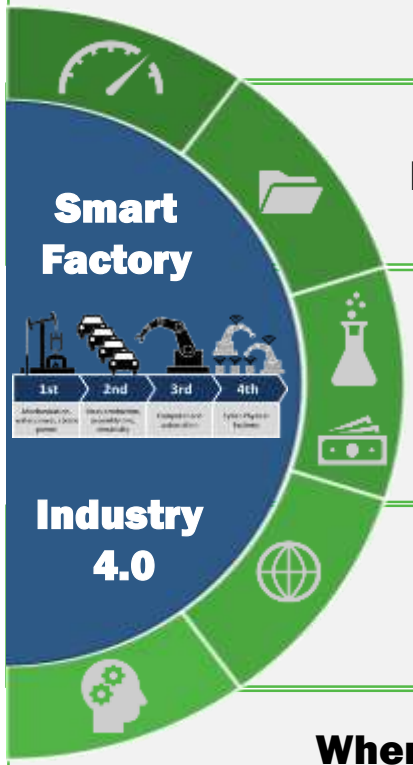
- Project methodology
- Cross functional/Cross factory teams
- Lean/Six Sigma
- Implement analytics
- Maintenance efficiency
- Bring in xFCS factories onto corporate tools

Learning / Improvement

- Continuous improvement
- Refine Heuristics/Analytics
- Reactive-Preventative Culture
- Big Data correlation
- AI/Predictive Yield

BEST IN CLASS IN SEMICONDUCTOR MANUFACTURING

KEY TENETS ON INDUSTRY 4.0 AT ON SEMICONDUCTOR OPERATIONS



Shift AIM use from control to efficiency:

- Automation
- Speed of decision making and automation of decision making

Build a catalogue of Industry 4.0 technologies

Experiment → Scale pilots globally as per provided proof & business case (ROI)

Global standardization and virtual factory:

- Improve in tracking and driving maturity of systems across factories
- Install culture and change management (e.g. removal of old systems needed)

When cost of prediction goes down, replace rule-based applications by AI/ML → Pilot: predictive yield

THOUGHTS ON 300MM

300mm fabs can make sense at right price

- Open to acquiring used 300mm fab if economics are right
- Greenfield 300mm fab is not an option – return on $1.5B investment challenging

Very competitive cost structure with current network

- Back-end scale key source of competitive cost structure
- Very competitive cost structure with 200mm and 150mm fabs

Don’t see any meaningful competitive threats

- 300mm fabs are competitively helpful only if economics are favorable
- Focusing on efficiency and scale

MANUFACTURING GROSS MARGIN DRIVERS

Scale

- Absorption of fixed cost over larger revenue base
- Leverage with external suppliers
- Target internal cost reductions above ASP declines

Improving efficiency

- Productivity and yield improvement
- Advanced test methods to reduce cost
- Equipment efficiency

Materials

- Increase in-house production of substrates

Expansion at low cost sites

- Demand environment key driver of expansion

KEY AREAS OF INVESTMENT

Front-End

- Cost effective capacity to support growth in power semiconductors
- Analog cloud power is another area of investment
- Implementation of new tools and systems to improve productivity
- Expansion of low-cost sites to improve costs

Back-end

- Back-end has been an area of high investment to sustain ON's leadership in packaging technologies
- Investments to support strong growth in power modules and packages
- Analog test has been an area of increased investment

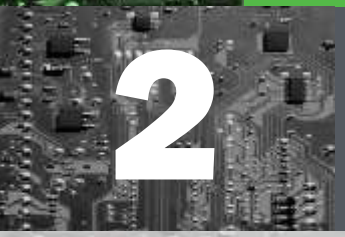
Substrates

- Expansion of internal substrate capacity to offset increasing prices from external suppliers

OUTSOURCING STRATEGY

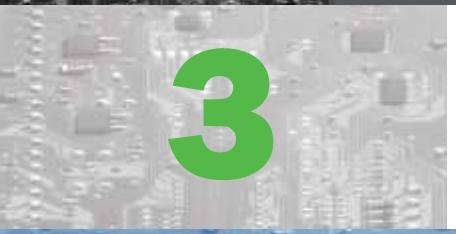
Target model – 80/20

- Target of 80 percent production in house



Outsource where it makes sense

- Deep sub-micron
- Image sensors
- Packages/nodes in small volume



Flex capacity

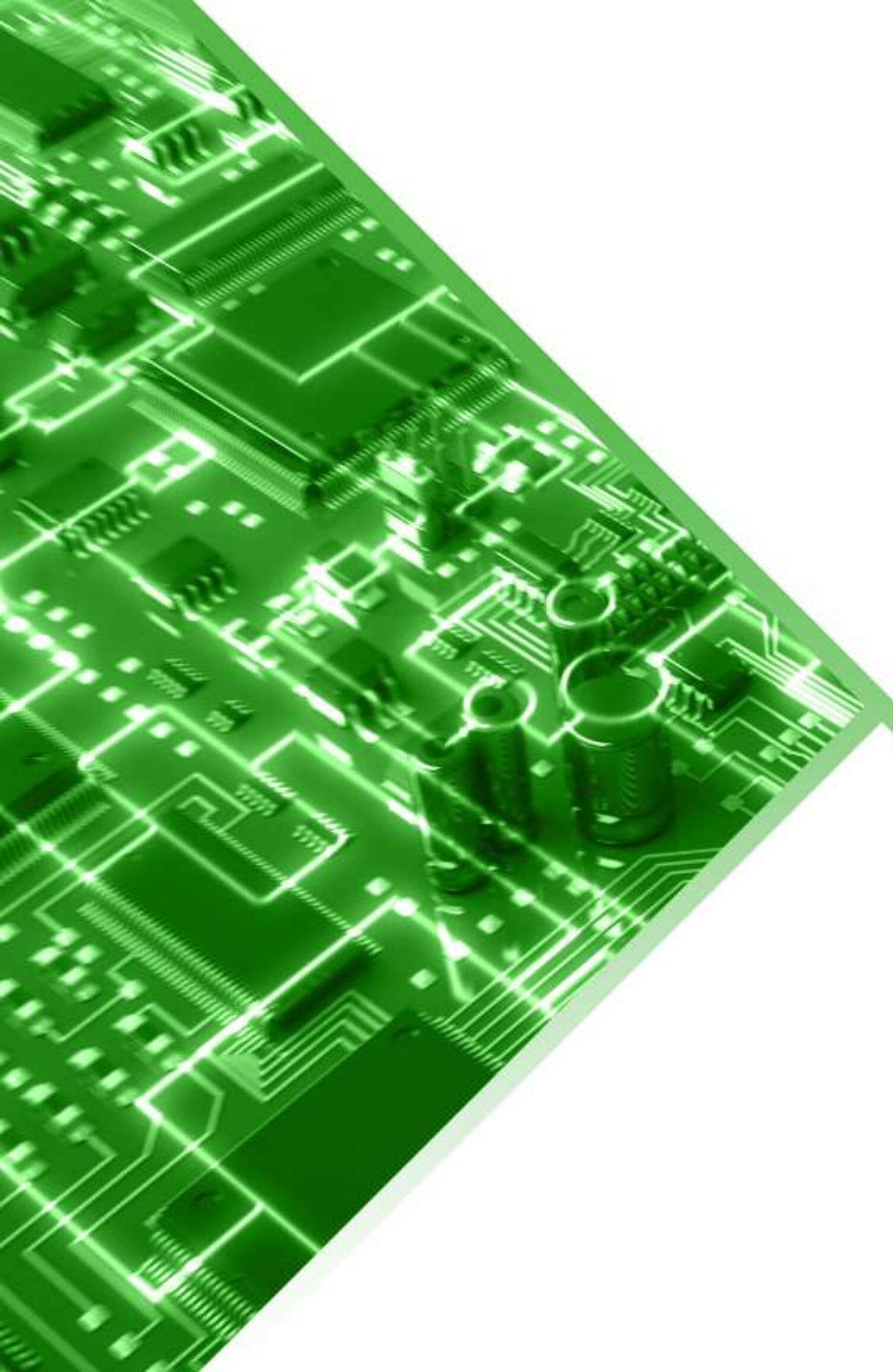
- Maintain flex capacity to sustain utilization during slowdown
- Relationships with all front-end and back-end providers

Dual-sourcing and risk mitigation

- Qualify external suppliers to mitigate the risk of supply disruptions
- Many OEMs demand dual source of supply

SUMMARY

1. ON manufacturing prowess presents one of the most formidable barriers for competitors
2. Scale matters – ON's vast network drives its industry leading cost structure
3. **300mm fab not critical for success, but beneficial at right price**
4. Investing to extend ON's competitive advantage - Be best in class quality, cost, delivery



THINK ON.

BERNARD GUTMANN

CHIEF FINANCIAL OFFICER

KEY TAKEAWAYS

1. Raising financial targets significantly to align with our market and profitability outlook
2. Solid and consistent financial results – strong progress towards prior target model
3. Efficient deployment of shareholders' capital to maximize returns & shareholder value
4. ON is going through transformational changes – 2022 target a milestone, not the destination

PROGRESS REPORT – 2018 VS. PRIOR TARGET MODEL[1]

	2016	2018	2020 MODEL[1]
REVENUE	$3.9 BILLION	$5.9 BILLION	$5.6 BILLION
GROSS MARGIN[2]	35.0%	38.1%	40.0%
OPERATING EXPENSES[2]	22.7%	21.4%	21.0%
OPERATING MARGIN[2]	12.3%	16.7%	19.0%
PROFIT BEFORE TAX[2]	$412 MILLION	$893 MILLION	$950 MILLION
CASH TAX RATE	6.7%	6.0%	12%
NON-GAAP EPS[2]	$0.91	$1.96	$2.00
FREE CASH FLOW[2]	$370 MILLION	$759 MILLION	$900 MILLION

VERY CLOSE TO 2020 EPS TARGET 2 YEARS AHEAD OF SCHEDULE

1: 2020 target model was published at 2017 analyst day on March 10, 2017
2:Non-GAAP financial measure. See the Appendix for a reconciliation to the most directly comparable GAAP measure

KEY DRIVERS OF VARIANCE FROM 2020 MODEL

Positive Variance	**REVENUE**	**Revenue growth exceeded expected CAGR of 3%[1] - 2018 revenue was $5.9B, as compared to 2020 target of $5.6B**	**Broad based strong demand for semiconductors**
	PRICING	**Pricing has been benign as compared to historic trend**	**Strong demand and industry discipline led to better pricing environment**
Negative Variance	**FACTORY CONSOLIDATION CONSTRAINTS**	**Goal was to consolidate network to improve costs**	**Strong demand made it difficult to build bridge inventory to enable transfers**
	MIX	**Computing(client) & consumer were expected to decline by 6% to 4%[1], and by 5% to 7%[1], per year, respectively**	**Computing(client) & consumer grew by 2%[1] & 4%[1] per year, respectively**
	INCREASED RAW MATERIAL COSTS	**Up to 20-30% increase in costs of certain raw materials including substrates**	**Higher input costs impacted margins and capital expenditure**
	INCREASED CAPEX	**Capex guidance was for 6-8% of revenue**	**Higher demand, especially in power semis, and rising substrate costs led to higher capex**

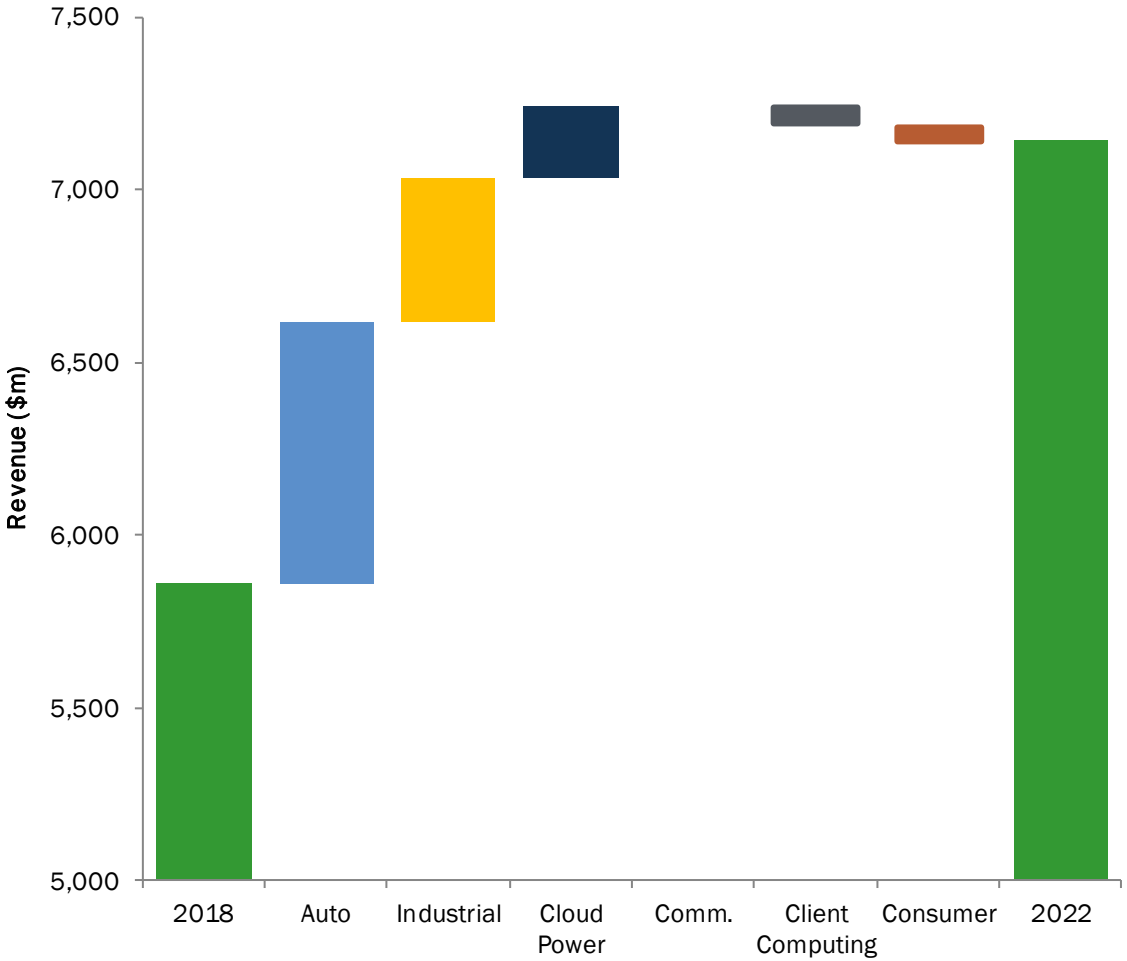
1: From 4Q16 annualized base

TARGET MODEL 2022

	2016	2018	2022 MODEL
REVENUE	$3.9 BILLION	$5.9 BILLION	$7.1 BILLION
GROSS MARGIN[1]	35.0%	38.1%	43.0%
OPERATING EXPENSES[1]	22.7%	21.4%	21.0%
OPERATING MARGIN[1]	12.3%	16.7%	22.0%
PROFIT BEFORE TAX[1]	$412 MILLION	$893 MILLION	$1,500 MILLION
CASH TAX RATE	6.7%	6.0%	17.5%
NON-GAAP EPS[1]	$0.91	$1.96	$3.00
FREE CASH FLOW[1]	$370 MILLION	$759 MILLION	$1,200 MILLION

Target model assumes flat share count from 4Q18 adjusted for share repurchases in 1Q19 as disclosed in 2018 10K
1: Non-GAAP financial measure. See the Appendix for a reconciliation to the most directly comparable GAAP measure

PATH TO 2022 TARGET MODEL - REVENUE



AUTOMOTIVE CAGR 9%

INDUSTRIAL CAGR 6%

CLOUD POWER CAGR 13%

COMMUNICATIONS CAGR 0%

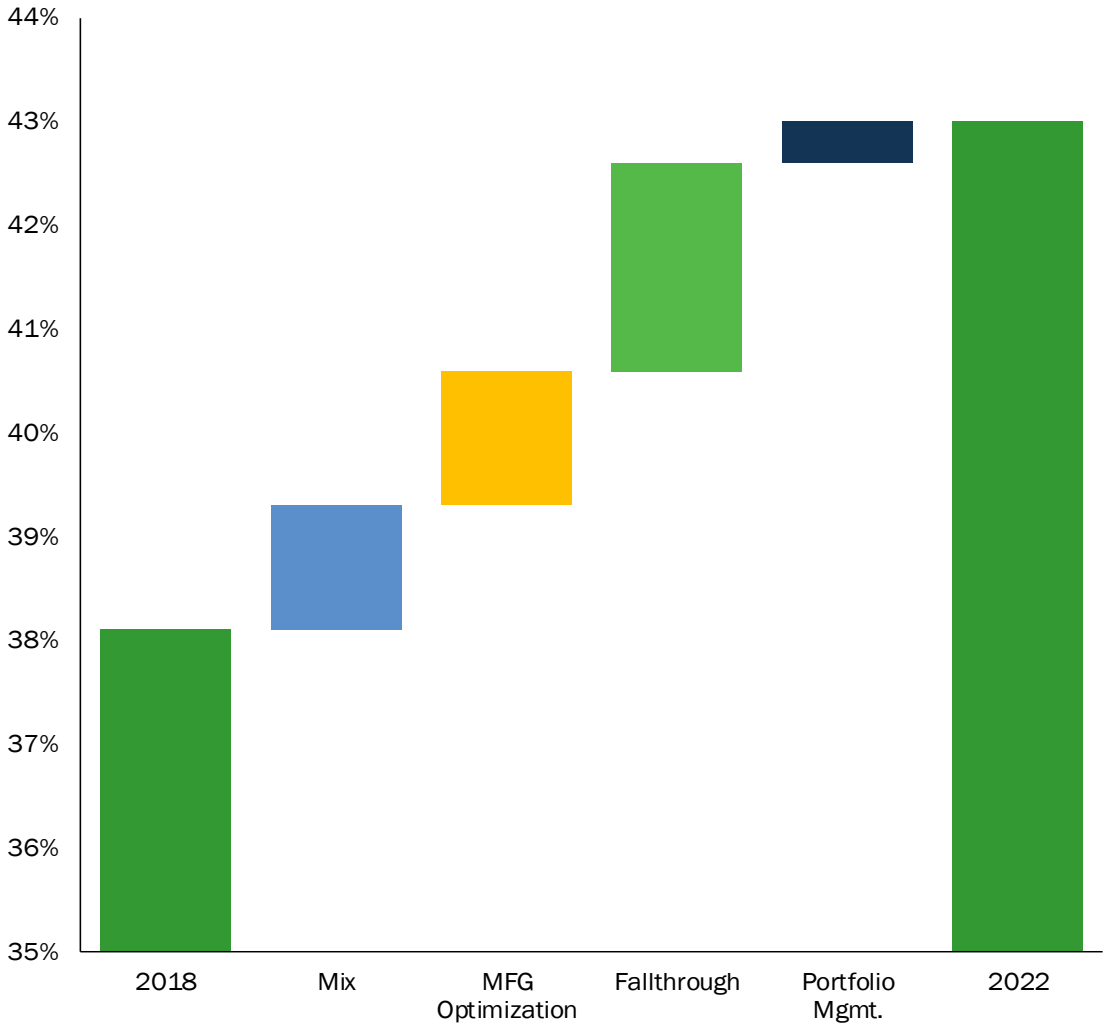
CLIENT COMPUTING CAGR -2%

CONSUMER CAGR -2%

REVENUE CAGR OF 5%, ASSUMING INDUSTRY CAGR OF 3-3.5%

Communications include only smartphone related revenue

PATH TO 2022 TARGET MODEL – GROSS MARGIN



MIX – 120 BPS
Improving mix of automotive, industrial, and cloud-power

MANUFACTURING OPTIMIZATION – 130 BPS
Production transition to more efficient facilities

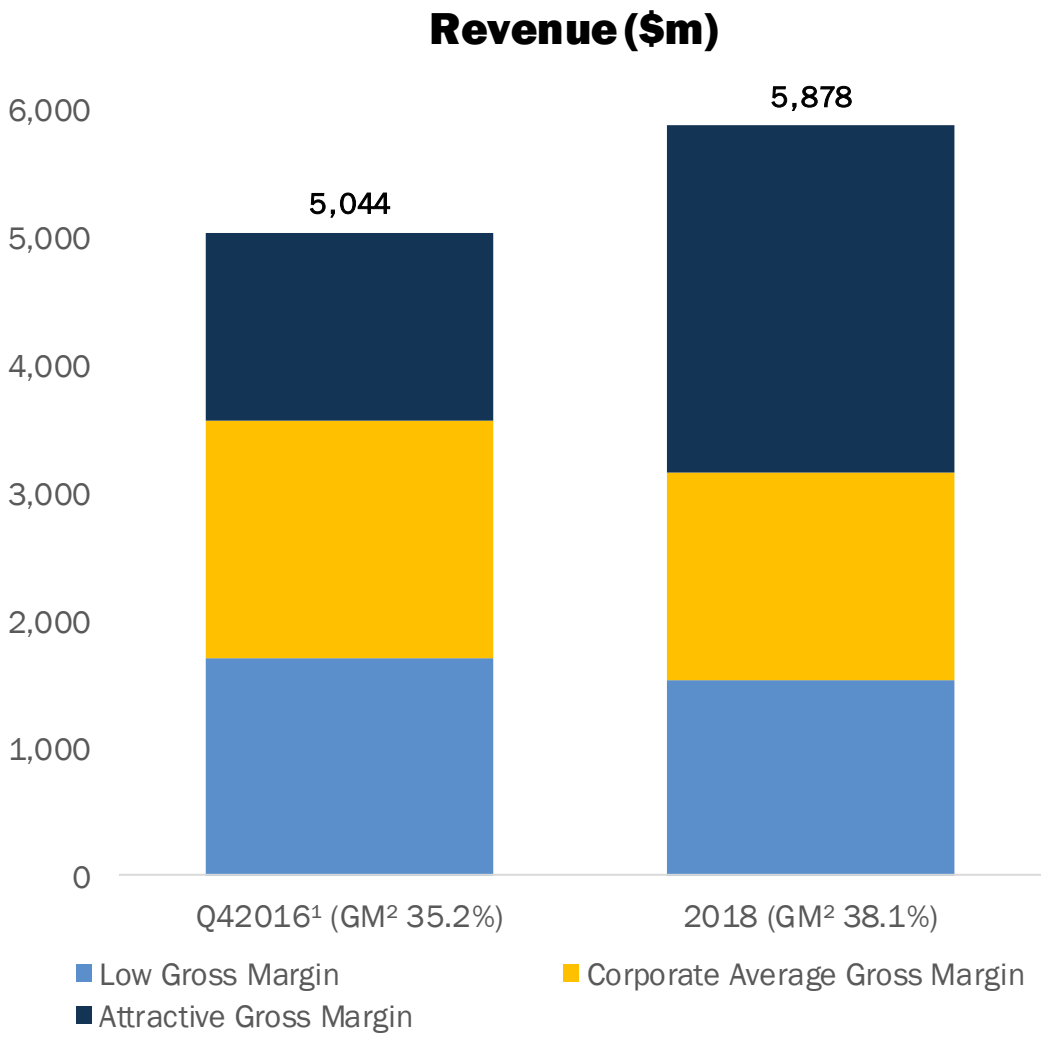
FALLTHROUGH – 200 BPS
50% fallthrough on incremental revenue

PORTFOLIO MANAGEMENT – 40 BPS
Divestiture and/or end-of-life of low margin businesses

STRONG TRACK RECORD OF MARGIN EXPANSION

MAJORITY OF MARGIN EXPANSION INDEPENDENT OF REVENUE

MIX AND PORTFOLIO OPTIMIZATION HAVING IMPACT



GROWTH DRIVEN BY HIGH QUALITY REVENUE

Providing highly differentiated products for automotive, industrial, and cloud power markets

DIVESTITURE/CLOSURE OF NON-CORE BUSINESSES

Divested and end of life of low margin and non-core businesses

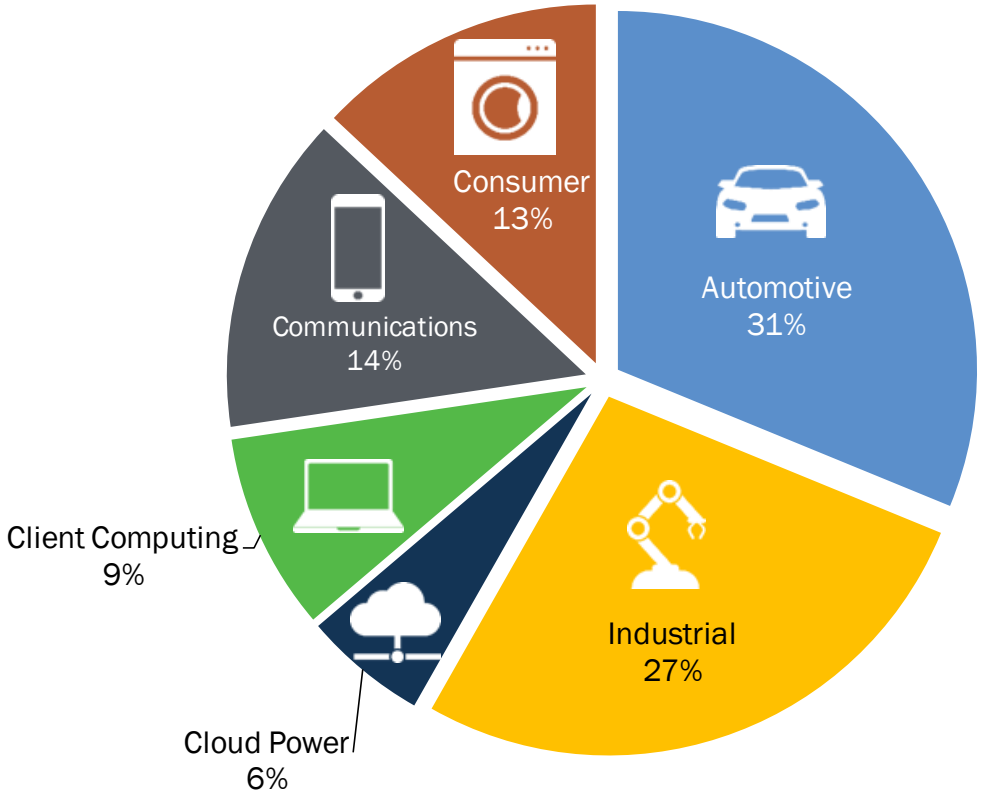
END-MARKET MIX SHIFT

Mix largely trended along expected lines, but impact was partially offset by growth in consumer & client computing

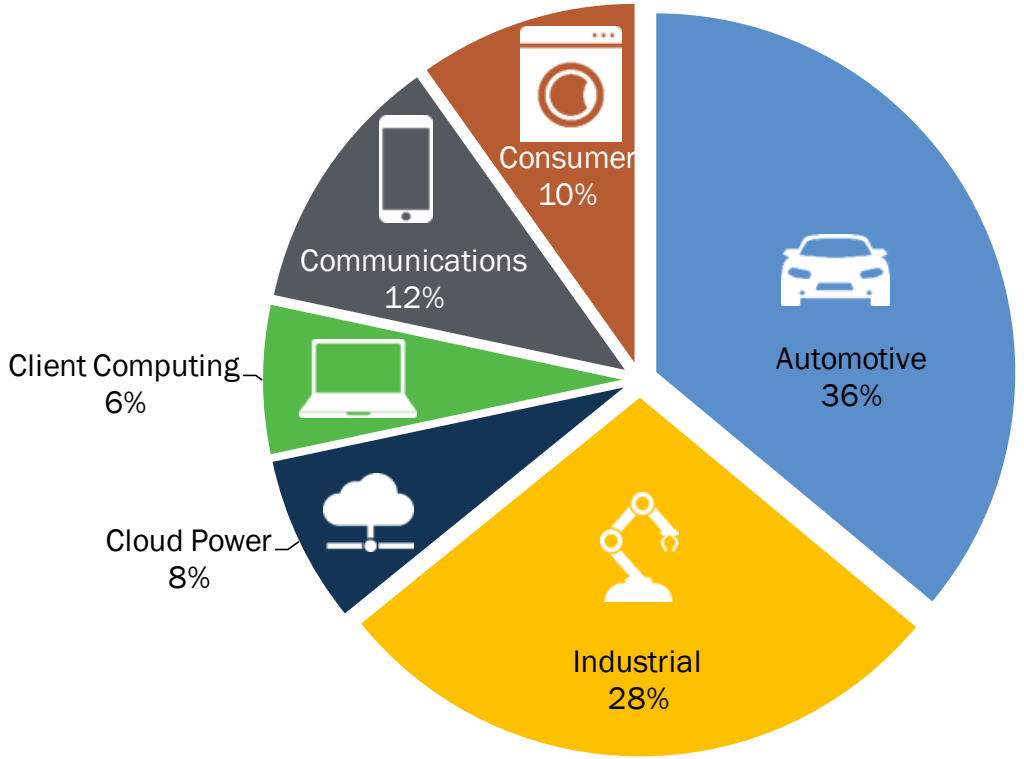
1: 2016 represents Q4' 16 Annualized values
2: Non-GAAP financial measure. See the Appendix for a reconciliation to the most directly comparable GAAP measure

CHANGE IN MIX 2018 TO 2022

2018 REVENUE BY MARKET

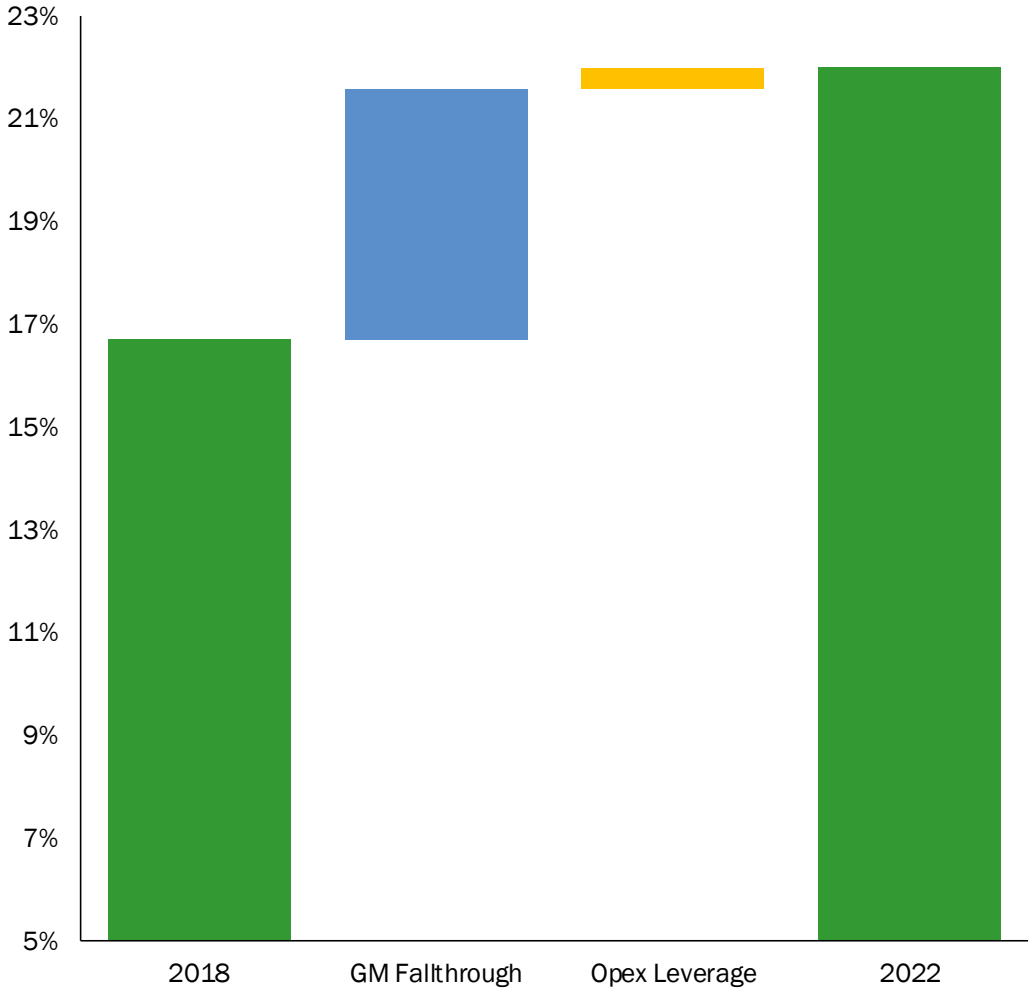


2022 REVENUE BY MARKET



Communications include only smartphone related revenue

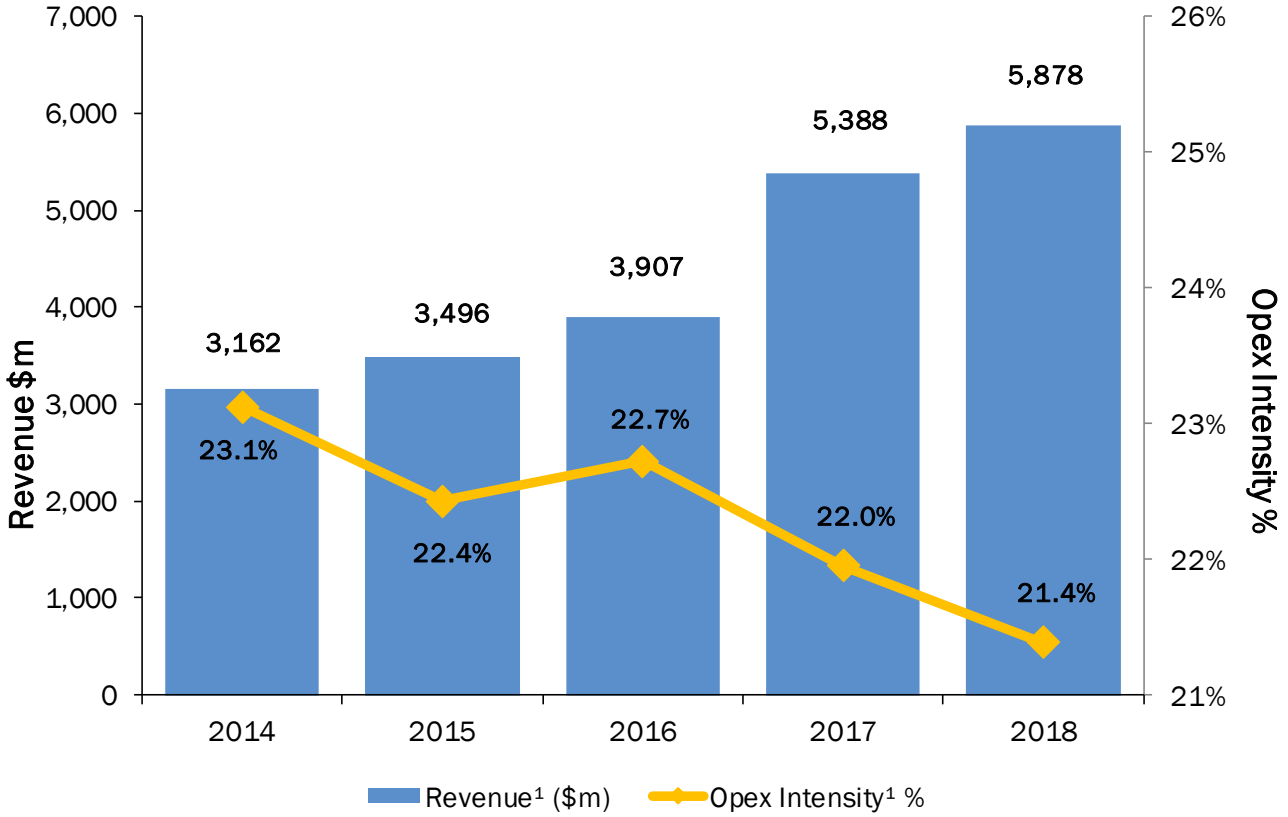
PATH TO 2022 TARGET MODEL – OPERATING MARGIN



GM FALLTHROUGH – 490 BPS
Gross margin improvement

OPEX LEVERAGE – 40 BPS
Leverage from revenue growth

OPERATING EXPENSES[1]



OPEX INTENSITY TARGET OF 21%

21% opex. intensity needed to leverage new opportunities

NEW MARKETS REQUIRE HIGHER R&D INVESTMENTS

EV/HEV, SiC, Sensors (Image, Radar, & LiDAR) for ADAS, Cloud-power

STRONG TRACK RECORD OF GENERATING OPEX LEVERAGE

Approaching 2020 target of 21% opex intensity

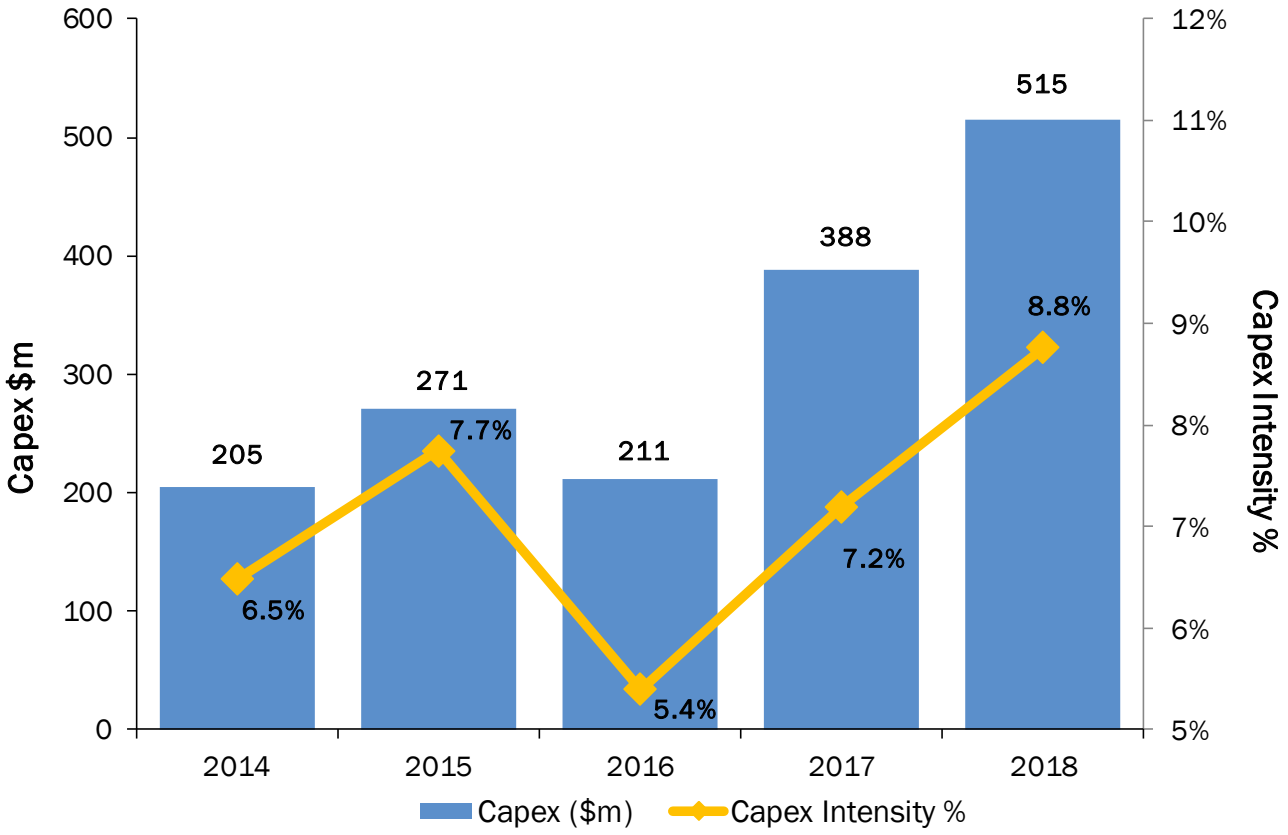
1:Non-GAAP financial measure. See the Appendix for a reconciliation to the most directly comparable GAAP measure

PATH TO 2022 TARGET MODEL – FREE CASH FLOW

	2016	2018	2022 MODEL
OPERATING CASH FLOW	$581 MILLION	$1,274 MILLION	$1,800 MILLION
NET CASH INTEREST	$67 MILLION	$86 MILLION	$50 MILLION
CASH TAXES (% OF PRETAX INCOME)	6.7%	6.0%	17.5%
DEPRECIATION & AMORTIZATION	$364 MILLION	$509 MILLION	$564 MILLION
CAPITAL EXPENDITURE	$211 MILLION	$515 MILLION	$575 MILLION
FREE CASH FLOW[1]	$370 MILLION	$759 MILLION	$1,200 MILLION

1:Non-GAAP financial measure. See the Appendix for a reconciliation to the most directly comparable GAAP measure

CAPITAL EXPENDITURE



CAPEX INTENSITY TARGET OF 8%

Investment need to strengthen leadership in strategic markets – automotive, industrial, & cloud power

GROWTH NECESSITATES HIGHER INVESTMENTS

EV, cloud-power, & sensors expected to drive strong growth

INVESTMENTS NEEDED FOR NEW MATERIALS AND TECHNOLOGIES

Silicon Carbide, etc.

CAPITAL ALLOCATION STRATEGY

ACCELERATE VIRTUOUS INVESTMENT CYCLE

Invest to strengthen ON's business, improve competitive position, increase free cash flow, repeat

ABSOLUTE COMMITMENT TO CAPITAL EFFICIENCY

Capital will be deployed in a manner to maximize returns for shareholders

BALANCE RISKS AND REWARDS IN CAPITAL ALLOCATION

Exercise strong discipline in capital allocation and have ability to react quickly to changing macroeconomic conditions

CAPITAL DEPLOYMENT PLAN

Organic growth of business – R&D, Sales & Marketing, Capex

- Significant opportunities for generating value through organic investments
- Investments geared towards differentiated products in auto, industrial, and cloud power markets
- Capex investments to improve profitability and grow capacity for fast growing products

Inorganic growth initiatives – M&A

- M&A will continue to be a critical component of ON's strategy
- Industry consolidation presents attractive opportunities for value creation through synergies
- High hurdle rate – M&A investments have to generate returns significantly above cost of capital and have to make strong strategic sense
- Strong track record of value creation through M&A

Share repurchase

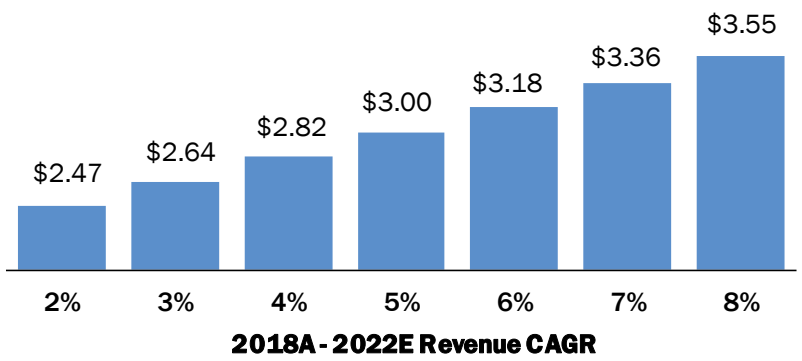
- Strong commitment to returning capital to shareholders
- Share repurchase will be primary vehicle for cash return to shareholders
- Strong track record of share repurchases – Under last (2014) authorization, repurchased 51.2m shares at average price of $13.90

Debt reduction

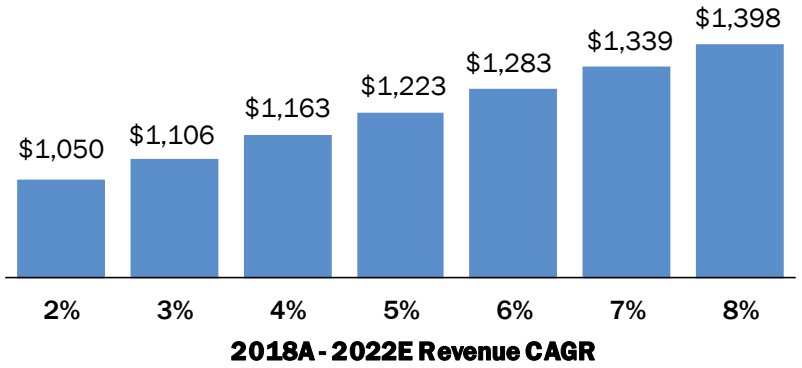
- Will continue to pay down debt, but intend to have net debt on balance sheet
- No idle net cash sitting on balance sheet for a long period

REVENUE SENSITIVITY TO 2022 TARGET MODEL

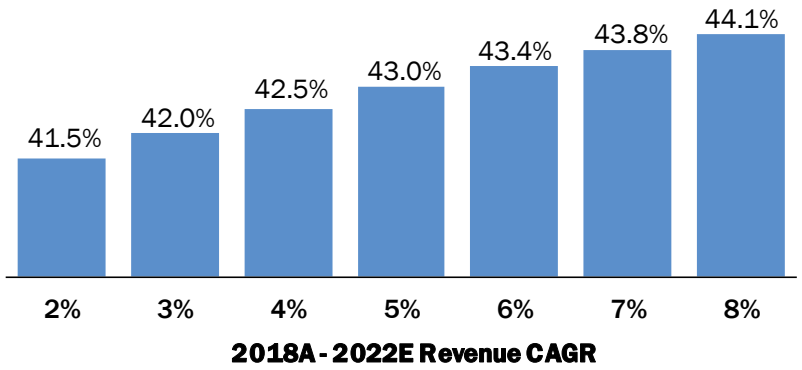
Non-GAAP Earnings / Share[1]



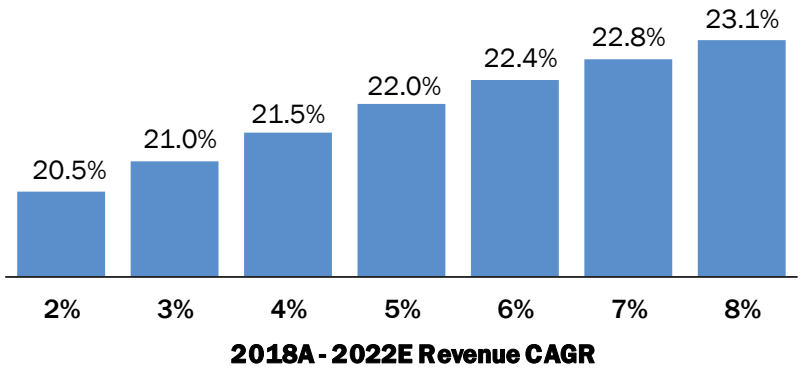
Free Cash Flow[1]



Gross Margin[1]



Operating Margin[1]



1:Non-GAAP financial measure. See Slide 3 for a discussion of forward-looking non-GAAP financial measures

SUMMARY

1. Strong business outlook – strong revenue growth coupled with solid margin expansion and accelerating FCF
2. Sharp focus on capital deployment – goal is to maximize returns and shareholder value
3. Company specific margin drivers in place – majority of margin expansion independent of revenue
4. ON is going through transformational changes – 2022 target a milestone, not the destination

Questions & Answers

THINK  ON.

ENERGY EFFICIENT INNOVATIONS

APPENDIX: NON-GAAP DEFINITIONS AND RECONCILIATIONS

Some data in this presentation includes non-GAAP financial measures. Following is the reconciliations of non-GAAP financial measures used in this presentation to the most directly comparable measures under GAAP.

(in $millions, except per share data)	FY2018	FY2017	FY2016 (1)	FY2015 (2)	FY2014 (2)
GAAP Revenue	**$5,878.3**	**$5,543.1**	**$3,906.9**	**$3,495.8**	**$3,161.8**
a) Amortization of acquisition related intangible assets	0.0	-155.1	0.0	0.0	0.0
Non-GAAP Revenue	**$5,878.3**	**$5,388.0**	**$3,906.9**	**$3,495.8**	**$3,161.8**
GAAP Gross Profit	**$2,238.7**	**$2,035.6**	**$1,300.5**	**$1,193.2**	**$1,084.9**
GAAP Gross Margin	**38.1%**	**36.7%**	**33.3%**	**34.1%**	**34.3%**
a) Sell-through to sell-in adjustment	0.0	-59.0	0.0	0.0	0.0
b) Expensing of appraised inventory at fair market value step up	1.0	13.6	67.5	0.0	27.0
c) Actuarial losses on pension plans and other pension benefits	0.0	0.0	0.0	-0.8	3.9
Non-GAAP Gross Profit	**$2,239.7**	**$1,990.2**	**$1,368.0**	**$1,192.4**	**$1,115.8**
Non-GAAP Gross Margin	**38.1%**	**36.9%**	**35.0%**	**34.1%**	**35.3%**

(1) Amounts have been adjusted for the retrospective adoption of ASU 2017-07 - "Improving the presentation of Net Periodic Pension Cost and Net Periodic Pension Benefit Cost" ("ASU 2017-07"). Under ASU 2017-07, service cost is included in operation income while the other components are reported outside of operating income. The adoption of the standard in 2018 did not have a material impact on current or prior period financial statements.

(2) Amounts are presented as previously reported and have not been adjusted for the retrospective adoption of ASU 2017-07.

(in $millions, except per share data)	FY2018	FY2017	FY2016	FY2015	FY2014
GAAP income before income taxes	**$755.0**	**$547.5**	**$180.6**	**$219.8**	**$191.9**
a) Sell-through to sell-in adjustment	0.0	(59.0)	0.0	0.0	0.0
b) Expensing of appraised inventory at fair market value step up	1.0	13.6	67.5	0.0	27.0
c) Amortization of acquisition-related intangible assets	111.7	123.8	104.8	135.7	68.4
d) Restructuring, asset impairments and other, net	4.3	20.8	33.2	9.3	30.5
e) Goodwill and intangible asset impairment	6.8	13.1	2.2	3.8	9.6
f) Third party acquisition and divestiture related costs	4.4	3.2	25.8	3.5	8.1
g) R&D costs related to licensing income	7.0	10.0	0.0	0.0	0.0
h) Actuarial (gains) losses on pension plans and other pension benefits	5.8	1.9	10.0	(5.0)	12.3
i) Loss on debt refinancing and prepayment	4.6	47.2	6.3	0.4	0.0
j) Gain on sale of available-for-sale securities	0.0	0.0	0.0	(5.4)	0.0
k) Non-cash interest on convertible notes	36.1	30.8	26.1	17.5	7.0
l) Pre acquisition interest expense, net	0.0	0.0	48.3	0.0	0.0
m) Adjustment to contingent consideration	(2.1)	1.8	(0.5)	0.0	0.0
n) Licensing Income	(36.6)	(47.6)	0.0	0.0	0.0
o) Gain on divestiture of business	(5.0)	(12.5)	(92.2)	0.0	0.0
Non-GAAP income before income taxes	**$893.0**	**$694.6**	**$412.1**	**$379.6**	**$354.8**

(in $millions, except per share data)	FY2018	FY2017	FY2016 (1)	FY2015 (2)	FY2014 (2)
GAAP operating expenses	**$1,391.5**	**$1,354.0**	**$1,053.7**	**$932.1**	**$850.5**
GAAP operating expenses % of revenue	**23.7%**	**24.4%**	**27.0%**	**26.7%**	**26.9%**
a) Amortization of acquisition related intangible assets	(111.7)	(123.8)	(104.8)	(135.7)	(68.4)
b) Actuarial gains (losses) on pension plans and other pension benefits	0.0	0.0	0.0	4.2	(8.4)
c) Restructuring, asset impairments and other, net	(4.3)	(20.8)	(33.2)	(9.3)	(30.0)
d) Goodwill and intangible asset impairments	(6.8)	(13.1)	(2.2)	(3.8)	(4.6)
e) Third party acquisition related costs	(4.4)	(3.2)	(25.8)	(3.5)	(8.1)
f) R&D costs related to licensing income	(7.0)	(10.0)	0.0	0.0	0.0
Non-GAAP operating expenses	**$1,257.3**	**$1,183.1**	**$887.7**	**$784.0**	**$731.0**
Non-GAAP operating expenses % of non-GAAP revenue	**21.4%**	**22.0%**	**22.7%**	**22.4%**	**23.1%**
GAAP operating income	**$847.2**	**$681.6**	**$246.8**	**$261.1**	**$228.9**
GAAP operating income % of revenue	**14.4%**	**12.3%**	**6.3%**	**7.5%**	**7.2%**
a) Actuarial gains (losses) on pension plans and other pension benefits (cost of revenues)	0.0	0.0	0.0	(0.8)	3.9
b) Expensing of appraised inventory at fair market value step up	1.0	13.6	67.5	0.0	27.0
c) Amortization of acquisition related intangible assets	111.7	123.8	104.8	135.7	68.4
d) Actuarial gains (losses) on pension plans and other pension benefits (operating expenses)	0.0	0.0	0.0	(4.2)	8.4
e) Restructuring, asset impairments and other, net	4.3	20.8	33.2	9.3	30.5
f) Goodwill and intangible asset impairments	6.8	13.1	2.2	3.8	9.6
g) Sell-through to sell-in adjustment	0.0	(59.0)	0.0	0.0	0.0
h) Third party acquisition and divestiture related costs	4.4	3.2	0.0	0.0	8.1
i) R&D costs related to licensing income	7.0	10.0	25.8	3.5	0.0
Non-GAAP operating income	**$982.4**	**$807.1**	**$480.3**	**$408.4**	**$384.8**
Non-GAAP operating income % of non-GAAP revenue	**16.7%**	**15.0%**	**12.3%**	**11.7%**	**12.2%**

(1) Amounts have been adjusted for the retrospective adoption of ASU 2017-07 - "Improving the presentation of Net Periodic Pension Cost and Net Periodic Pension Benefit Cost" ("ASU 2017-07"). Under ASU 2017-07, service cost is included in operation income while the other components are reported outside of operating income. The adoption of the standard in 2018 did not have a material impact on current or prior period financial statements.

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APPENDIX CONTINUED: NON-GAAP DEFINITIONS AND RECONCILIATIONS

Some data in this presentation includes non-GAAP financial measures. Following is the reconciliations of non-GAAP financial measures used in this presentation to the most directly comparable measures under GAAP.

(in $millions, except per share data)	FY2018	FY2017	FY2016	FY2015	FY2014
GAAP net income attributable to ON Semiconductor Corporation	**$627.4**	**$810.7**	**$182.1**	**$209.0**	**$189.7**
a) Sell-through to sell-in adjustment	0.0	(59.0)	0.0	0.0	0.0
b) Expensing of appraised inventory at fair market value step up	1.0	13.6	67.5	0.0	27.0
c) Amortization of acquisition-related intangible assets	111.7	123.8	104.8	135.7	68.4
d) Restructuring, asset impairments and other, net	4.3	20.8	33.2	9.3	30.5
e) Goodwill and intangible asset impairment	6.8	13.1	2.2	3.8	9.6
f) Third party acquisition and divestiture related costs	4.4	3.2	25.8	3.5	8.1
g) R&D costs related to licensing income	7.0	10.0	0.0	0.0	0.0
h) Actuarial (gains) losses on pension plans and other pension benefits	5.8	1.9	10.0	(5.0)	12.3
i) Loss on debt refinancing and prepayment	4.6	47.2	6.3	0.4	0.0
j) Gain on sale of available-for-sale securities	0.0	0.0	0.0	(5.4)	0.0
k) Non-cash interest on convertible notes	36.1	30.8	26.1	17.5	7.0
l) Pre acquisition interest expense, net	0.0	0.0	48.3	0.0	0.0
m) Adjustment to contingent consideration	(2.1)	1.8	(0.5)	0.0	0.0
n) Licensing Inome	(36.6)	(47.6)	0.0	0.0	0.0
o) Gain on divestiture of business	(5.0)	(12.5)	(92.2)	0.0	0.0
p) Adjustment of income taxes	71.9	(333.3)	(31.2)	(16.5)	(18.3)
Non-GAAP net income attributable to ON Semiconductor Corporation	**$837.3**	**$624.5**	**$382.4**	**$352.3**	**$334.3**
GAAP diluted share count	**435.9**	**428.3**	**420.0**	**427.8**	**443.5**
Special items:					
a) Dilutive share count attributable to convertible notes	(7.8)	(0.9)	(0.9)	(0.9)	0.0
Non-GAAP diluted share count	**428.1**	**427.4**	**419.1**	**426.9**	**443.5**
Non-GAAP diluted earnings per share	**$1.96**	**$1.46**	**$0.91**	**$0.83**	**$0.75**

(in $millions, except per share data)	FY2018	FY2017	FY2016	FY2015	FY2014
Cash flows from operating activities	**$1,274.2**	**$1,094.2**	**$581.1**	**$470.6**	**$481.3**
Less: Purchase of property, plant and equipment	514.8	387.5	210.7	270.8	204.3
Free Cash Flow	**$759.4**	**$706.7**	**$370.4**	**$199.8**	**$277.0**

FOR ADDITIONAL INFORMATION VISIT THE ON SEMICONDUCTOR CORPORATE WEBSITE

WWW.ONSEMI.COM

OR

FOR OFFICIAL FILINGS VISIT THE SEC WEBSITE

WWW.SEC.GOV