

ON Semiconductor Corp

S&P Capital IQ Recommendation



S&P Capital IQ Equity Analyst Angelo Zino, CFA

Price

\$10.22 (as of Dec 05, 2014 4:00 PM ET)

12-Mo. Target Price

\$10.00

Report Currency

USD

Investment Style

Mid-Cap Blend

GICS Sector Information Technology
Sub-Industry Semiconductors

Summary This company designs and manufactures power and data management semiconductors used by producers of electronic products, appliances, and automobiles.

Key Stock Statistics (Source S&P Capital IQ, Vickers, company reports)

52-Wk Range	\$10.44–6.76	S&P Oper. EPS 2014E	0.74	Market Capitalization(B)	\$4,542	Beta	1.70
Trailing 12-Month EPS	\$0.48	S&P Oper. EPS 2015E	0.93	Yield (%)	Nil	S&P 3-Yr. Proj. EPS CAGR(%)	10
Trailing 12-Month P/E	21.3	P/E on S&P Oper. EPS 2014E	13.8	Dividend Rate/Share	Nil	S&P Quality Ranking	B-
\$10K Invested 5 Yrs Ago	\$12,196	Common Shares Outstg. (M)	444.4	Institutional Ownership (%)	94		

Price Performance



Past performance is not an indication of future performance and should not be relied upon as such.

Analysis prepared by Equity Analyst **Angelo Zino, CFA** on Oct 31, 2014 08:51 AM, when the stock traded at **\$8.01**.

Highlights

- We expect revenues to increase 7.3% in 2015 after our outlook for an 11% rise in 2014. Longer term, we anticipate improving order trends and rising utilization. However, we think recent comments from other technology suppliers point towards softness in the communications space and in China. We see ONNN benefiting from increased semiconductor content in automotive and industrial applications as well as from share gains. We see ONNN's strategy of reaching into broader end markets supporting future growth prospects.
- We forecast adjusted gross margins of 37% in 2015, compared to a projected 36% margin in 2014. We expect margins to widen as volume and utilization rates improve over time. We anticipate higher volume offsetting a decline in selling prices, and operating expenses being tightly managed. We believe an EBITDA margin of 20%-21% in 2015 is attainable.
- We see cash EPS of \$0.74 in 2014 and \$0.93 in 2015. We see restructuring efforts providing greater operating leverage and cash generation in future cyclical upturns. While its debt/equity remains high, we believe ONNN is effectively managing its debt burden.

Investment Rationale/Risk

- Our recommendation is Buy and reflects our view of valuation and anticipation of improving fundamentals through 2015. Longer term, with an improving macro backdrop and a better operational cost structure, we think ONNN can improve its profitability and returns. We believe that ONNN is well exposed to higher growth markets within the industrial, automotive, and communications space. We continue to see improvement in revenue/margins but expect near term results to be impacted by customer inventory reduction efforts. We anticipate that free cash generation will be primarily used towards share repurchases (nearly 60% of free cash flow in 2013 was applied to this effort) and note that shares currently trade below peers.
- Risks to our recommendation and target price include declining macroeconomic conditions, slower recovery from a lowered cost structure, and increased competition supporting lower prices and margins.
- Our 12-month target price of \$10 is based on a multiple of 10.7X our 2015 operating EPS estimate, below comparable peers. We believe the discount reflects our view of its more leveraged financial position.

Analyst's Risk Assessment

LOW	MEDIUM	HIGH
------------	---------------	-------------

Our risk assessment for ONNN reflects its operations in the cyclical semiconductor industry. The company faces competition from many larger semiconductor companies in the fragmented analog chip markets.

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2014	706.5	757.6	833.5	--	--
2013	661.0	688.3	715.4	718.0	2,783
2012	744.4	744.8	725.5	680.2	2,895
2011	870.6	905.8	898.0	767.9	3,442
2010	550.2	583.3	600.7	579.2	2,313
2009	379.1	419.8	472.9	497.1	1,769

Earnings Per Share (\$)

2014	0.13	0.20	0.09	E0.21	E0.74
2013	0.05	0.11	0.11	0.06	0.33
2012	0.06	0.02	0.03	-0.31	-0.20
2011	0.08	0.07	-0.11	-0.02	0.03
2010	0.14	0.18	0.20	0.14	0.65
2009	-0.08	-0.01	0.07	0.15	0.14

Fiscal year ended Dec. 31. Next earnings report expected: Early February. EPS Estimates based on S&P Capital IQ Operating Earnings; historical GAAP earnings are as reported in Company reports.

Dividend Data

No cash dividends have been paid.

Past performance is not an indication of future performance and should not be relied upon as such.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

Redistribution or reproduction is prohibited without written permission. This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek independent financial advice regarding the suitability and/or appropriateness of making an investment or implementing the investment strategies discussed in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such investments, if any, may fluctuate and that the value of such investments may rise or fall. Accordingly, investors may receive back less than they originally invested. Investors should seek advice concerning any impact this investment may have on their personal tax position from their own tax advisor. Please note the publication date of this document. It may contain specific information that is no longer current and should not be used to make an investment decision. Unless otherwise indicated, there is no intention to update this document.

ON Semiconductor Corp



Business Summary October 31, 2014

CORPORATE OVERVIEW. ON Semiconductor is a global supplier of analog, digital signal processing, mixed signal, advanced logic, data management semiconductors, memory and standard semiconductor components, and integrated circuits. The power management components control, convert, protect, and monitor the supply of power within electronic devices. The custom application specific integrated circuits use analog, digital signal processing, mixed-signal and advanced logic capabilities to act as the brain behind many of its automotive, medical, military, aerospace, consumer, and industrial customers' products. The data management semiconductor components provide high-performance clock management and data flow management for computing and communications systems. The standard semiconductor components serve as "building block" components within electronic devices.

ON Semiconductor has five primary operating segments. The automotive segment contributed 27% of total revenue in 2013, computing 16%, consumer 19%, industrial, military, aerospace and other 23%, and communications 15%.

MARKET PROFILE. As more information is digitized, more and more analog chips are required to assist the digital chips that process, transmit, manage, and store information. Analog or "linear" semiconductors are used to handle continuous signals found in the real world, such as sound, light, heat, and pressure. Analog parts are also used to help manage power in many of the common devices in use today. Electronic products need power to operate, and power management solutions, which vary and include analog, digital, and discrete semiconductors, serve this need by transforming, regulating and monitoring power throughout electronic systems. Analog is often combined with digital circuits on a single semiconductor die (called mixed-signal), which could save the customer circuit board space and costs.

With the rising popularity of mobile devices operated by a battery, rather than a wall connected cord, power management chips are utilized to keep power usage in the device at efficient states. This is especially important for gadgets that require a long battery life, such as a mobile handset or tablet PC. Electronic equipment manufacturers are employing more power management chips and solutions in their devices, creating an attractive growth opportunity for power management semiconductor companies.

There are several large players in the power management market, including broad analog companies, such as Texas Instruments, Maxim Integrated Products, National Semiconductor and Analog Devices, as well as companies that were traditionally power discrete companies, such as Fairchild Semiconductor, ON Semiconductor and Vishay Intertechnology. However, as electronic products shrink in size, the growing need for smaller power solutions has led most to offer integrated offerings that include analog, digital and discrete products. The integrated solutions are more proprietary and generally provide better margins. Conversely, the discrete products tend to be more commoditized, and are exposed to periods of pricing deterioration and under and oversupply.

The market is fractured, with thousands of designs available and many suppliers competing for the analog spots on proposed circuit boards. When a company wins a spot in a customer's product, however, the price is apt to be fixed for the run of the product -- often a year or so -- which makes for greater price stability than in many digital markets, where commodity pricing pressures prevail. Mixed-signal products typically contain higher proprietary design content and are often sole-sourced, with equivalent products available from only a limited number of other analog chipmakers. These products typically have longer product life cycles than digital products, are less subject to competition from Asian producers, and have lower capital requirements for production facilities

FINANCIAL TRENDS. We believe the company's sales are cyclical and trend with the broader economy and semiconductor industry. However, the company's top line has grown faster than the industry's over the past few years, largely reflecting numerous acquisitions. Also, the purchased businesses have expanded the company's end-market reach, and sequential sales growth patterns appear to follow less seasonal patterns than in previous years. Gross margins have widened over the past several years from the high 20% range to the low- to mid 30% area because of improved product mix and plant utilization management. The company has increased R&D as a percentage of sales, but has largely kept SG&A expenses in check, resulting in generally higher operating margins during the same time period.

Corporate Information

Investor Contact

P. Agarwal (602-244-3437)

Office

5005 East McDowell Road, Phoenix, AZ 85008.

Telephone

602-244-6600.

Fax

602-244-6609.

Email

investor@onsemi.com

Website

<http://www.onsemi.com>

Officers

Chrmn

J.D. McCranie

CEO & Pres

K.D. Jackson

COO & EVP

W.A. Schromm

**EVP, CFO, Chief Acctg
Officer & Treas**

B. Gutmann

**Secy & General
Counsel**

G.H. Cave

Board Members

A. Abe

B. L. Han

K. D. Jackson

J. D. McCranie

T. M. Ressel

C. J. Crawford

E. T. Hernandez

P. A. Mascarenas

D. A. Ostrander

Domicile

Delaware

Auditor

PRICEWATERHOUSECOOPERS

Founded

1999

Employees

22,000

Stockholders

262

ON Semiconductor Corp

Quantitative Evaluations

S&P Capital IQ Fair Value Rank	5+	1	2	3	4	5
		LOWEST				HIGHEST

Based on S&P Capital IQ's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation **\$14.60** Analysis of the stock's current worth, based on S&P Capital IQ's proprietary quantitative model suggests that ONNN is undervalued by \$4.38 or 42.9%.

Investability Quotient Percentile	21
	LOWEST = 1 HIGHEST = 100

ONNN scored lower than 79% of all companies for which an S&P Capital IQ Report is available.

Volatility	LOW	AVERAGE	HIGH
-------------------	-----	---------	------

Technical Evaluation **BULLISH** Since November, 2014, the technical indicators for ONNN have been BULLISH.

Insider Activity	UNFAVORABLE	NEUTRAL	FAVORABLE
-------------------------	-------------	---------	-----------

For further clarification on the terms used in this report, please visit www.standardandpoors.com/stockreportguide

Expanded Ratio Analysis

	2013	2012	2011	2010
Price/Sales	1.33	1.10	1.03	1.90
Price/EBITDA	8.31	7.68	5.25	7.68
Price/Pretax Income	20.53	NM	93.38	14.36
P/E Ratio	24.63	NM	NM	14.99
Avg. Diluted Shares Outstg (M)	450.7	452.6	457.2	444.4

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	-3.88	3.88	10.17	11.51
Net Income	NM	NM	NM	NM

Ratio Analysis (Annual Avg.)

Net Margin (%)	5.42	0.91	3.77	4.57
% LT Debt to Capitalization	31.31	29.81	31.94	63.97
Return on Equity (%)	10.71	NA	11.00	NM

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Tangible Book Value	2.38	2.05	2.07	2.03	1.20	0.45	NM	NM	NM	NM
Cash Flow	0.80	0.34	0.53	1.03	0.50	-0.74	1.06	1.03	0.65	-0.13
Earnings	0.33	-0.20	0.03	0.65	0.14	-1.04	0.80	0.80	0.22	-0.55
S&P Capital IQ Core Earnings	0.29	-0.16	NA	0.68	0.13	-0.09	0.78	0.78	0.16	-0.59
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	8.73	9.85	11.95	9.97	9.12	10.85	13.15	7.94	6.35	9.05
Prices:Low	6.80	5.70	6.53	6.07	3.17	2.35	7.33	5.12	2.88	2.49
P/E Ratio:High	26	NM	NM	15	65	NM	16	10	29	NM
P/E Ratio:Low	21	NM	NM	9	23	NM	9	6	13	NM

Income Statement Analysis (Million \$)

Revenue	2,783	2,895	3,442	2,313	1,769	2,055	1,566	1,532	1,261	1,267
Operating Income	447	416	672	572	335	332	358	392	270	170
Depreciation	212	244	229	167	156	100	78.1	81.4	99.0	102
Interest Expense	38.6	56.1	68.9	61.4	64.6	38.3	38.8	51.8	61.5	101
Pretax Income	181	-72.9	37.8	306	71.0	-402	251	276	109	-113
Effective Tax Rate	14.9%	NM	60.6%	4.19%	10.9%	NM	3.06%	0.33%	1.38%	NM
Net Income	151	-90.6	14.9	293	61.0	-393	242	272	104	-124
S&P Capital IQ Core Earnings	133	-69.8	-5.82	305	55.2	-31.5	236	264	43.7	-145

Balance Sheet & Other Financial Data (Million \$)

Cash	626	632	902	623	571	459	275	269	233	186
Current Assets	1,710	1,693	2,128	1,358	1,169	1,045	745	701	600	537
Total Assets	3,257	3,328	3,884	2,919	2,414	2,344	1,638	1,417	1,149	1,110
Current Liabilities	819	1,024	1,276	711	619	544	421	433	398	325
Long Term Debt	761	658	837	753	728	1,061	1,129	1,148	993	1,132
Common Equity	1,454	1,361	1,468	1,366	985	666	15.9	-225	-300	-538
Total Capital	2,429	2,403	2,726	2,299	1,938	1,762	1,170	948	719	753
Capital Expenditures	157	256	316	191	58.5	95.0	141	199	46.1	81.8
Cash Flow	363	153	241	460	217	-280	320	354	193	-31.5
Current Ratio	2.1	1.7	1.7	1.9	1.9	1.9	1.8	1.6	1.5	1.7
% Long Term Debt of Capitalization	31.3	27.4	30.7	32.8	37.5	60.2	96.5	121.1	138.2	150.3
% Net Income of Revenue	5.4	NM	0.4	12.7	3.5	NM	15.5	17.8	8.2	NM
% Return on Assets	4.6	NA	0.4	11.0	2.6	NM	15.9	21.2	9.2	NM
% Return on Equity	10.7	NA	1.1	24.9	7.3	NM	NM	NM	NM	NM

Data as originally reported in Company reports.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

ON Semiconductor Corp

Sub-Industry Outlook

We have a positive fundamental outlook for the semiconductors sub-industry for the next 12 months. We think stabilizing economic conditions resulted in revenue growth in excess of 3% last year, up from a decline of about 3% in 2012, and we forecast 5% growth in 2014. Following a weak 2012 end and a mixed 2013, we see improving sales through 2015. We expect a fairly lean inventory supply chain to leave the supply-demand balance even to slightly favorable for inventory replenishment, which should contribute to potential upside as demand improves.

Based on forecasts from Standard & Poor's Economics, research from industry and trade groups, and our own bottom-up analysis for semiconductor companies within our coverage universe, we see the various end markets performing differently. We see the structural shift toward tablets in the PC sector being the biggest drag on the sub-industry. We believe the communications and consumer end markets will be the strongest, as carrier comments suggest to us an improved spending outlook, and continued growth in smartphones. We believe the automotive sector has some favorable tailwinds despite weak global trends. We think industrial will remain weak. Given the high exposure to this end market, analog semiconductors are particularly exposed to this trend. All of this is against the backdrop of the proliferation of semiconductors across a range of electronic products and markets.

Industry margins continue to be a function of manufacturing utilization and inventory supply-demand imbalances. While companies that outsource manufacturing typically have more stability in gross margins (a trade-off for capped upside), others that have their own manufacturing see more variability. We believe some companies, especially in analog, maintain higher inventory

levels, reducing potential leverage. However, it is becoming clear to us that the cost of moving to leading-edge manufacturing is reaching a tipping point as the cost benefits of moving to more advanced nodes diminishes. Intel believes that a vendor needs to generate two times the amount of revenue generated annually per dollar of R&D. As such, we expect a continued shift toward outsourcing and market share shifts among the companies with sufficient resources to move ahead.

Long term, growth in semiconductors is highly correlated to global GDP, due to changes in inventory levels.

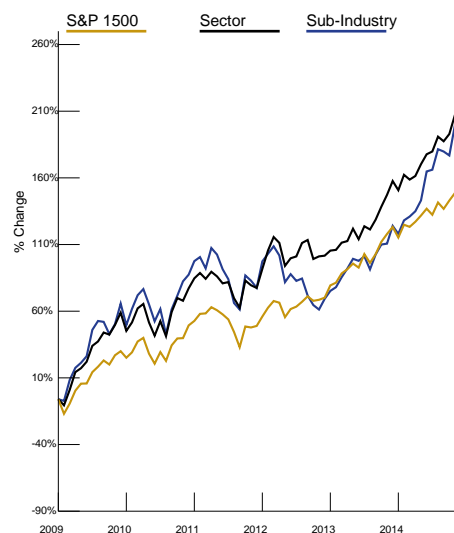
Year to date through September 26, 2014, the S&P Semiconductors sub-industry index increased 24.1%, versus a 6.6% rise for the S&P 1500 Index.

--Angelo Zino, CFA

Industry Performance

GICS Sector: Information Technology
Sub-Industry: Semiconductors

Based on S&P 1500 Indexes
Five-Year market price performance through Dec 6, 2014



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Past performance is not an indication of future performance and should not be relied upon as such.

Sub-Industry : Semiconductors Peer Group*: Semiconductors - Analog

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
ON Semiconductor	ONNN	4,542	10.22	10.44/6.76	1.70	Nil	21	14.60	B-	21	5.4	31.3
Analog Devices	ADI	18,013	57.34	57.38/42.57	1.23	2.6	29	55.30	B+	97	25.6	15.5
Exar Corp	EXAR	422	9.40	12.55/8.25	0.97	Nil	NM	11.40	B-	61	4.6	NA
IXYS Corp	IXYS	377	12.07	14.95/9.22	1.33	1.2	39	NA	B-	73	1.8	6.8
Intl Rectifier	IRF	2,853	39.89	39.95/23.85	2.03	Nil	38	29.40	C	89	5.3	NA
Linear Technology Corp	LLTC	11,237	47.12	51.77/37.56	1.25	2.3	24	32.60	A-	98	33.1	NA
Maxim Integrated Prod	MXIM	8,904	31.36	35.76/25.28	1.13	3.6	26	27.70	B	93	14.5	29.2
Micrel Inc	MCRL	795	14.04	14.21/9.33	1.25	1.4	59	7.80	B	81	7.4	NA
Microsemi Corp	MSCC	2,757	29.01	29.12/20.61	1.66	Nil	NM	39.80	B-	91	2.0	38.5
Monolithic Power Sys	MPWR	1,923	49.67	49.80/30.79	1.54	1.2	58	43.70	B-	94	9.6	NA
Power Integrations	POWI	1,504	53.18	68.87/38.07	1.45	0.9	27	NA	B	91	16.5	NA
Semtech Corp	SMTC	1,818	27.02	30.07/21.38	1.26	Nil	NM	22.50	C	70	NM	33.0
Silicon Laboratories	SLAB	1,997	47.13	54.00/36.29	1.01	Nil	54	50.50	B-	82	8.6	10.5
Texas Instruments	TXN	60,261	55.58	55.78/40.33	1.24	2.4	24	49.50	B+	98	17.7	26.0
TriQuint Semiconductor	TQNT	4,633	26.13	26.26/7.75	1.99	Nil	NM	20.00	C	69	NM	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

ON Semiconductor Corp

S&P Capital IQ Analyst Research Notes and other Company News

October 31, 2014

07:38 am ET ... S&P CAPITAL IQ MAINTAINS BUY RECOMMENDATION ON SHARES OF ON SEMICONDUCTOR CORP. (ONNN 8.01****): We cut our '14 operating EPS estimate to \$0.74 from \$0.80 and '15's to \$0.93 from \$1.05. We keep our 12-month target price at \$10, on P/E below peers to reflect ONNN's leveraged balance sheet. ONNN posts Q3 operating EPS of \$0.21 vs. \$0.17, missing our \$0.23 estimate. Sales rose 10% from Q2, near expectations, aided by the Aptina acquisition. Margins widened, on higher utilization. While we see near term results being hurt by slowing demand, similar to peers, we expect Q4 to mark an order trough. Next year, we see momentum from design wins in automotive and industrials. /A. Zino-CFA

October 10, 2014

10:44 am ET ... S&P CAPITAL IQ CUTS OPINION ON SHARES OF ON SEMICONDUCTOR TO BUY FROM STRONG BUY (ONNN 7.6432****): We reduce our 12-month target price by \$3 to \$10, on lower revised peer-discount P/E ratio to our '15 operating EPS estimate. We believe the discount is warranted to reflect our view of its more leverage financial position. We are optimistic about long term growth trends and exposure to higher growth markets like industrial and automotive. However, we think recent comments from other technology suppliers point towards softness in the communications space and in China. Given this, we see an inventory correction and heightened risks to Q4/Q1 earnings estimates in the coming weeks. /A. Zino-CFA

August 20, 2014

ON Semiconductor announced the completion of its acquisition of Aptina Imaging. The company announced that Taner Ozcelik, has been named senior vice president of the Aptina image sensor business and will report to Keith Jackson, president and CEO of ON Semiconductor. Ozcelik joins the company from Aptina, where he was leading the Automotive and Embedded business as senior vice president. Prior to joining Aptina, he directed product development at NVIDIA, where he held various executive positions including vice president and general manager of Automotive and Embedded business. Before that, he held the roles of CEO at MobileSmarts and vice president & general manager for Sony Semiconductor's Digital Home Platform Division.

August 1, 2014

09:19 am ET ... S&P CAPITAL IQ KEEPS STRONG BUY RECOMMENDATION ON SHARES OF ON SEMICONDUCTOR (ONNN 8.56****): We raise our '14 operating EPS estimate to \$0.80 from \$0.76 and '15 to \$1.05 from \$0.90. We maintain our 12-month target price at \$13, on P/E below peers to reflect its more leveraged financial position. ONNN posts Q2 operating EPS of \$0.20 vs. \$0.13, beating our \$0.19 estimate. Sales rose 7.2% from Q1, driven by growth in the industrial, automotive, and communications markets. Margins widened, aided by higher factory utilization. We see improvement in margins and think customer inventories remain lean. We positively view free cash flow and exposure to attractive end-markets. /A. Zino-CFA

May 14, 2014

06:38 am ET ... ON SEMICONDUCTOR CORP. (ONNN 8.71) UNCHANGED, EVERCORE PARTNERS INITIATES COVERAGE ON ON SEMICONDUCTOR CORPORATION AT UNDERWEI... Evercore Partners initiates coverage on ON Semiconductor Corporation (NASDAQ: ONNN) with a Underweight rating and a \$8.00 price target. 2014 Benzinga.com. Benzinga does not provide investment advice. All rights reserved.Acquire Media

May 2, 2014

12:33 pm ET ... S&P CAPITAL IQ MAINTAINS STRONG BUY RECOMMENDATION ON SHARES OF ON SEMICONDUCTOR (ONNN 8.93****): We raise our '14 operating EPS estimate by \$0.05 to \$0.76 and '15's by \$0.04 to \$0.90. We maintain our 12-month target price at \$13, on P/E near peers. ONNN posts Q1 operating EPS of \$0.17 vs. \$0.10, beating our \$0.13 estimate. Sales fell 1.6% from Q4, but orders significantly improved and indicate an improving demand landscape. We see ONNN benefiting from increased semiconductor content in automotive and industrial applications as well as from share gains. In addition, we see further upside to margins, on improving utilization and greater leverage from previous cost reductions. /A. Zino-CFA

February 12, 2014

11:35 am ET ... S&P CAPITAL IQ UPS OPINION ON SHARES OF ON

SEMICONDUCTOR TO STRONG BUY FROM HOLD (ONNN 8.91****): We raise our 2014 operating EPS estimate \$0.14 to \$0.71 and initiate 2015's at \$0.86. We raise our 12-month target price \$5 to \$13, on P/E near peers. ONNN posted Q4 operating EPS of \$0.17 vs. \$0.08, beating our \$0.16 estimate. Revenue rose 6%, near our view. We see recent design wins in automobile, semiconductor and industrial end markets aiding revenue growth. We think completed restructuring efforts provides greater operating leverage and cash flow generation in future cycles. We anticipate improving order trends, rising utilization, and tightening customer inventories. /A. Zino-CFA

November 1, 2013

UP 0.01 to 7.06... ONNN posts \$0.11 vs. \$0.03 Q3 GAAP EPS as lower operating expenses offset 13% lower revenue. For Q4, expects revenue to be in the range of between \$675M-\$705M.

November 1, 2013

09:46 am ET ... S&P CAPITAL IQ RAISES OPINION ON SHARES OF ON SEMICONDUCTOR TO HOLD FROM SELL (ONNN 7.055****): We lower our 2013 cash EPS estimate \$0.05 to \$0.54 and 14's by \$0.14 to \$0.57. We raise our target price by \$1.00 to \$8.00, applying a P/E discount of 14X our 2014 EPS estimate. Our opinion is based on our view that the restructuring ONNN has undertaken is largely behind it, enabling the unit to contribute to profits sometime in 2014. However, ONNN still lacks revenue growth. ONNN delivered an in-line quarter and a seasonal guide, seeing weakness in smartphones, offset by strength in communications. ONNN reported Q3 cash EPS of \$0.17, vs. \$0.12, in line with our estimate. /C Armacost, CFA

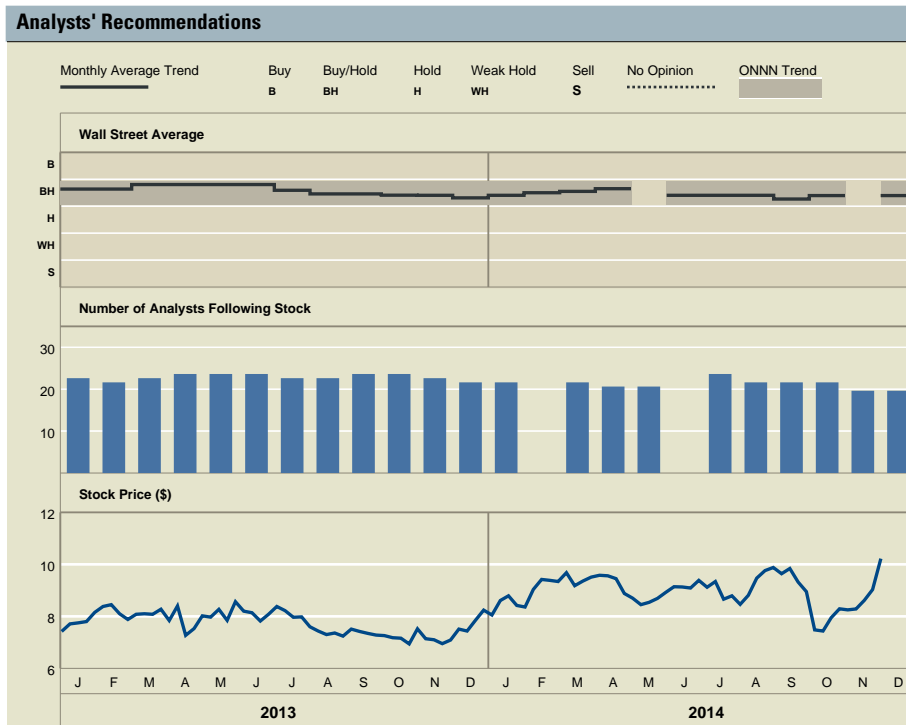
October 24, 2013

ON Semiconductor announced that JJ Kim has joined the company as regional vice president of Sales for Korea to manage and lead the sales, marketing and solutions engineering operations in the country. In his new role, Mr. Kim will focus on building close relationships with customers to understand their product development challenges and provide applications solutions that accelerate product development and enable differentiated electronics solutions. Mr. Kim brings more than 20 years of semiconductor experience in sales and marketing management, field applications engineering (FAE) management, and research and development to the position. Most recently he was country manager for Korea for Synaptics, responsible for driving design wins and important breakthroughs in sales. Mr. Kim has also held various positions in sales, marketing and FAE with increasing responsibilities at Texas Instruments for 12 years with the last position as country manager for Korea.

September 20, 2013

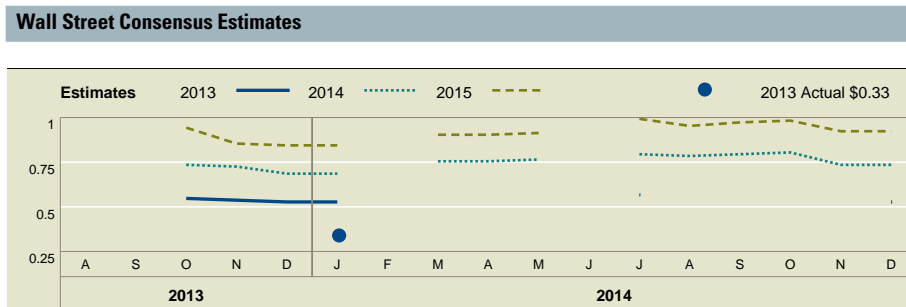
ON Semiconductor announced the death of Phillip D. Hester, who served as a valued and influential member of the company's Board of Directors since 2006. Mr. Hester, who held the position of Senior Vice President of Research and Development (R&D) for National Instruments, reportedly passed away on September 17. Mr. Hester served as a member of the ON Semiconductor's BOD Corporate Governance and Nominating Committee and was appointed Chairman of the Science and Technology committee, which was established in 2011.

ON Semiconductor Corp



Of the total 19 companies following ONNN, 19 analysts currently publish recommendations.

	No. of Recommendations	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	9	47	9	10
Buy/Hold	3	16	3	5
Hold	5	26	5	3
Weak Hold	0	0	0	0
Sell	2	11	2	3
No Opinion	0	0	0	0
Total	19	100	19	21



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2015	0.93	0.93	0.93	1	11.0
2014	0.74	0.74	0.74	1	13.8
2015 vs. 2014	▲ 26%	▲ 26%	▲ 26%	0%	▼ -20%

Wall Street Consensus Opinion

BUY/HOLD

Companies Offering Coverage

- B. Riley Caris
- BofA Merrill Lynch
- Citigroup Inc
- Credit Suisse
- Deutsche Bank
- Drexel Hamilton
- FBR Capital Markets & Co.
- Goldman Sachs
- JP Morgan
- Jefferies LLC
- MKM Partners LLC
- Morgan Stanley
- Pacific Crest Securities
- Raymond James & Associates
- Robert W. Baird & Co.
- Sterne Agee & Leach Inc.
- Stifel, Nicolaus & Co., Inc.
- Susquehanna Financial Group, LLP
- Wedbush Securities Inc.

Wall Street Consensus vs. Performance

For fiscal year 2014, analysts estimate that ONNN will earn US\$ 0.74. For fiscal year 2015, analysts estimate that ONNN's earnings per share will grow by 26% to US\$ 0.93.

A company's earnings outlook plays a major part in any investment decision. S&P Capital IQ organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

ON Semiconductor Corp

Glossary

S&P Capital IQ STARS

Since January 1, 1987, S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, S&P Capital IQ Equity Research has ranked Asian and European equities since June 30, 2002. Under proprietary STARS (STock Appreciation Ranking System), S&P Capital IQ equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Capital IQ Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's earnings and dividend rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Capital IQ EPS Estimates

S&P Capital IQ earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P Capital IQ EPS estimates reflect either forecasts of S&P Capital IQ equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to S&P Capital IQ Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Capital IQ Core Earnings

S&P Capital IQ Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the S&P Capital IQ definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

S&P Capital IQ 12-Month Target Price

The S&P Capital IQ equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Capital IQ Fair Value.

S&P Capital IQ Equity Research

S&P Capital IQ Equity Research U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as S&P Capital IQ; Standard & Poor's Equity Research Services Asia includes: McGraw-Hill Financial Singapore Pte. Limited, Standard & Poor's Investment Advisory Services (HK) Limited, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

Abbreviations Used in S&P Capital IQ Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model

EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE - Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

S&P Capital IQ Qualitative Risk Assessment

Reflects an S&P Capital IQ equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The S&P Capital IQ Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

★★★★★ 5-STARS (Strong Buy):

Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ 4-STARS (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ 3-STARS (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★★☆☆ 2-STARS (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★★★☆☆ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

ON Semiconductor Corp

Required Disclosures

S&P Capital IQ ranks stocks in accordance with the following ranking methodologies:

STARS Stock Reports:

S&P Capital IQ's qualitative STARS recommendations are determined and assigned by S&P Capital IQ equity analysts. For reports containing STARS recommendations refer to the Glossary section of this report for detailed methodology and the definition of STARS rankings.

Quantitative Stock Reports:

S&P Capital IQ's quantitative evaluations are derived from S&P Capital IQ's proprietary Fair Value quantitative ranking model. The Fair Value Ranking methodology is a relative ranking methodology. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity. Some Quantitative Stock Reports contain Buy, Hold and Sell recommendations. Reports that do not contain a recommendation may or may not contain ranking information. For reports containing a recommendation or ranking information refer to the Glossary Section of this report for more information, including a detailed description of the methodology and definition of S&P Quality Ranking and S&P Fair Value Rank.

STARS Stock Reports and Quantitative Stock Reports:

The methodologies used in Stock Reports and Quantitative Stock Reports (collectively, the "Research Reports") reflect different criteria, assumptions and analytical methods and may have differing recommendations. S&P Capital IQ believes that the methodologies and data used to generate the different types of Research Reports are reasonable and appropriate. Generally, S&P Capital IQ does not generate reports with different ranking methodologies for the same issuer. However, in the event that different methodologies or data are used on the analysis of an issuer, the methodologies may lead to different views or recommendations on the issuer, which may at times result in contradicting assessments of an issuer. S&P Capital IQ reserves the right to alter, replace or vary models, methodologies or assumptions from time to time and without notice to clients.

STARS Stock Reports:

S&P Capital IQ Global STARS Distribution as of September 30, 2014

Ranking	North America	Europe	Asia	Global
Buy	37.0%	25.7%	32.9%	34.7%
Hold	51.8%	57.3%	45.3%	52.1%
Sell	11.2%	17.0%	21.8%	13.2%
Total	100%	100%	100%	100%

STARS Stock Reports are prepared by the equity research analysts of Standard & Poor's Investment Advisory Services LLC ("SPIAS"). All of the views expressed in STARS Stock Reports accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. Analysts generally update stock reports at least four times each year.

Quantitative Stock Reports:

The Fair Value ranking distribution is a fixed distribution based on relative weightings as described in the Glossary section of this report under S&P Capital IQ Fair Value Rank. Certain reports with Fair Value Rank do not have a Buy/Hold/Sell recommendation, for ranking definition please refer to the Glossary section of the respective report. The Fair Value Ranking distribution includes all the stocks that have S&P Fair Value Ranking. Quantitative Stock Reports are prepared by the equity research group of SPIAS. All of the views expressed in these reports reflect S&P Capital IQ's research models output regarding any and all of the subject securities or issuers. Quantitative Stock Reports are updated daily. Quantitative Stock Reports rely on the availability of data and therefore SPIAS do not provide a report when sufficient data is not available.

STARS Stock Reports and Quantitative Stock Reports:

No part of analyst compensation and SPIAS' compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in Stock Reports and/or Quantitative Stock Reports, as applicable.

About S&P Capital IQ's Distributors

S&P Capital IQ's Research Reports have been prepared and issued by S&P Capital IQ and/or one of its affiliates. In the United States, Research Reports are prepared by SPIAS and issued by Standard & Poor's Financial Services LLC ("S&P"). SPIAS is authorized and regulated by the U.S. Securities and Exchange Commission. McGraw-Hill Financial Research Europe Limited ("MHFRE"), which is authorized and regulated by the Financial Conduct Authority and trades as S&P Capital IQ, includes within its territorial scope under the Markets in Financial Instruments Directive (MiFID) in relation to the distribution of investment research reports, the following European Union member states and the three (3) European Economic Area European Free Trade Association (EFTA) States (Iceland, Liechtenstein and Norway): Austria; Belgium; Bulgaria; Cyprus; Czech Republic; Denmark; Estonia; Finland; France; Germany; Gibraltar; Greece; Hungary; Iceland; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Malta; Netherlands; Norway; Poland; Portugal; Romania; Slovakia; Slovenia; Spain; Sweden and the United Kingdom. In Hong Kong, Research Reports have been prepared and issued by Standard & Poor's Investment Advisory Services (HK) Limited, which is regulated by the Hong Kong Securities Futures Commission; in Singapore, by McGraw-Hill Financial Singapore Pte. Limited ("MHFSPL"), which is regulated by the Monetary Authority of Singapore; in Malaysia, by Standard & Poor's Malaysia Sdn Bhd, which is regulated by the Securities Commission of Malaysia; in Australia, by Standard & Poor's Information Services (Australia) Pty Ltd ("SPIS"), which is regulated by the Australian Securities & Investments Commission; and in Japan, by McGraw-Hill Financial Japan KK, which is registered by Kanto Financial Bureau.

S&P Capital IQ or an affiliate may license certain intellectual property or provide pricing or other services to, or otherwise have a financial interest in, certain issuers of securities, including exchange-traded investments whose investment objective is to substantially replicate the returns of a proprietary index of S&P Dow Jones Indices, such as the S&P 500. In cases where S&P Capital IQ or an affiliate is paid fees that are tied to the amount of assets that are invested in the fund or the volume of trading activity in the fund, investment in the fund will generally result in S&P Capital IQ or an affiliate receiving compensation in addition to the subscription fees or other compensation for services rendered by S&P Capital IQ. A reference to a particular investment or security by S&P Capital IQ and/or one of its affiliates is not a recommendation to buy, sell, or hold such investment or security, nor is it considered to be investment advice.

Indexes are unmanaged, statistical composites and their returns do not include payment of any sales charges or fees an investor would pay to purchase the securities they represent. Such costs would lower performance. It is not possible to invest directly in an index.

S&P Capital IQ and its affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

For details on the S&P Capital IQ research objectivity and conflict-of-interest policies, please visit: www.spcapitaliq.com/Policies

For a list of companies mentioned in a Research Report for which McGraw Hill Financial, Inc. and/or one of its affiliates own 1% or more of common equity securities and for a list of companies mentioned in a Research Report that own more than 5% of the common equity securities of McGraw Hill Financial, Inc. and/or one of its affiliates, please visit: www.spcapitaliq.com/issuer-stock-ownership

S&P Capital IQ and/or one of its affiliates has performed services for and received compensation from this company during the past twelve months.

General Disclaimers

Notice to all jurisdictions: Where S&P Capital IQ's Research Reports are made available in a language other than English and in the case of inconsistencies between the English and translated versions of a Research Report, the English version will control and supersede any ambiguities associated with any part or section of a Research Report that has been issued in a foreign language. Neither S&P Capital IQ nor its affiliates guarantee the accuracy of the translation. Assumptions, opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice.

ON Semiconductor Corp

Past performance is not necessarily indicative of future results.

S&P Capital IQ, its affiliates, and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively, "S&P Parties") do not guarantee the accuracy, completeness or adequacy of this material, and S&P Parties shall have no liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of the information provided by the S&P Parties. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the information contained in this document even if advised of the possibility of such damages.

Ratings from Standard & Poor's Ratings Services are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions. S&P assumes no obligation to update its opinions following publication in any form or format. S&P should not be relied on and are not substitutes for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P's opinions do not address the suitability of any security.

Standard & Poor's Ratings Services does not contribute to or participate in the development of Research Reports. Standard & Poor's Ratings Services may receive compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P's publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.

S&P Capital IQ and its affiliates do not act as a fiduciary. While SPIAS has obtained information from sources it believes to be reliable, SPIAS does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

Research Reports are not intended to be investment advice and do not constitute any form of invitation or inducement by S&P Capital IQ to engage in investment activity. This material is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors and this material is not intended for any specific investor and does not take into account an investor's particular investment objectives, financial situations or needs. Any opinions expressed herein are given in good faith, are subject to change without notice, and are only current as of the stated date of their issue. Prices, values, or income from any securities or investments mentioned in this report may fluctuate, and an investor may, upon selling an investment, lose a portion of, or all of the principal amount invested. Where an investment is described as being likely to yield income, please note that the amount of income that the investor will receive from such an investment may fluctuate. Where an investment or security is denominated in a different currency to the investor's chosen currency, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. The information contained in Research Reports does not constitute advice on the tax consequences of making any particular investment decision. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

Additional information on a subject company may be available upon request.

Notice to all Non U.S. Residents:

S&P Capital IQ's Research Reports may be distributed in certain localities, countries and/or jurisdictions ("Territories") by independent third parties or independent intermediaries and/or distributors (the "Intermediaries" or "Distributors"). Intermediaries are not acting as agents or representatives of S&P Capital IQ. In Territories where an Intermediary distributes S&P Capital IQ's Research Reports, the Intermediary, and not

S&P Capital IQ, is solely responsible for complying with all applicable regulations, laws, rules, circulars, codes and guidelines established by local and/or regional regulatory authorities, including laws in connection with the distribution of third-party Research Reports, licensing requirements, supervisory and record keeping obligations that the Intermediary may have under the applicable laws and regulations of the territories where it distributes the Research Reports.

Each Research Report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject S&P Capital IQ or its affiliates to any registration or licensing requirements in such jurisdiction.

Each Research Report is not directed to, or intended for distribution to or use by, any person or entity who is not in a class qualified to receive Research Reports (e.g., a qualified person and/or investor), as defined by the local laws or regulations in the country or jurisdiction where the person is domiciled, a citizen or resident of, or the entity is legally registered or domiciled.

S&P Capital IQ's Research Reports are not intended for distribution in or directed to entities, residents or investors in: Albania, Belarus, Bosnia, Burma, Cote d'Ivoire, Croatia, Cuba, Democratic Republic of the Congo, Former Yugoslav Republic of Macedonia, Herzegovina, Iran, Iraq, Kosovo, Kuwait, Lebanon, Libya, Montenegro and Serbia, North Korea, Somalia, Sudan, South Korea, Syria, Taiwan, Thailand, Turkey, Yemen, Zimbabwe.

For residents of Australia: Research Reports are issued and/or distributed in Australia by SPIS. Any express or implied opinion contained in a Research Report is limited to "General Advice" and based solely on consideration of the investment merits of the financial product(s) alone. The information in a Research Report has not been prepared for use by retail investors and has been prepared without taking account of any particular investor's financial or investment objectives, financial situation or needs. Before acting on any advice, any investor using the advice should consider its appropriateness having regard to their own or their clients' objectives, financial situation and needs. Investors should obtain a Product Disclosure Statement relating to the product and consider the statement before making any decision or recommendation about whether to acquire the product. Each opinion must be weighed solely as one factor in any investment decision made by or on behalf of any adviser and any such adviser must accordingly make their own assessment taking into account an individual's particular circumstances.

SPIS holds an Australian Financial Services License Number 258896. Please refer to the SPIS Financial Services Guide for more information at: www.spcapitaliq.com/FinancialServicesGuide

More information about the written criteria and methodologies for the generation of Research Reports and historical information for Research Reports for the past 12 months are available by contacting S&P Capital IQ Client Services Department at 61-1300-792-553 or via e-mail at spsupportcenter@standardandpoors.com.

For residents of Bahamas: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with licensing requirements under the Securities Industry Act of 1999 and the Securities Industry Regulations of 2000 of The Bahamas, when distributing Research Reports to members of the public in The Bahamas. The Intermediary is also solely responsible for providing any required disclosures under applicable securities laws and regulations to its Bahamian clients, including but not limited to disclosing whether the Intermediary: (i) has a reasonable basis for specific investment recommendations, and the recommended security's price or price range at the time of the recommendation to the client; (ii) makes a market in the recommended security; (iii) its directors, officers or principal shareholders have a current or contingent financial interest in the recommended security, unless the interest is nominal; (iv) participated in a public offering of the recommended security in the last two (2) years; and (v) has disclosed any conflict of interest between it and the issuer of the recommended security.

For residents of Bermuda: The Bermuda Monetary Authority or the Registrar of Companies in Bermuda has not approved the Research Reports and any representation, explicit or implicit, is prohibited.

For residents of Brazil: Research reports are distributed by S&P Capital IQ and in compliance with Instruction 483 enacted by Comissao de Valores Mobiliarios (the Brazilian Securities Commission) dated as of July 6, 2010, the analyst (where applicable) who prepares a Research Report or a report extract affirms: (i) that all the views expressed herein and/or in a Research Report accurately reflect his or her personal views about the securities and issuers; (ii) that all recommendations issued by him or her were independently produced, including from the opinion of the entity in which he or she is an employee. S&P Capital IQ is of the opinion its Research Reports have been prepared in accordance with section 17, II of Instruction 483. The distributor of the Research Report is responsible for disclosing any circumstances that may impact the independence of S&P Capital IQ's Research Report, in accordance with

ON Semiconductor Corp

section 17, II of Instruction 483.

For residents of British Virgin Islands: All products and services offered by S&P Capital IQ and its affiliates are provided or performed, outside of the British Virgin Islands. The intended recipients of the Research Reports are (i) persons who are not members of the public for the purposes of the Securities and Investment Business Act, 2010 ("SIBA"); (ii) persons who are professional services providers to the British Virgin Islands business companies for the purposes of SIBA; and (iii) any other person who is given the Research Reports by a person licensed as an investment advisor in the British Virgin Islands. If you are in any doubt as to whether you are the intended recipient of this document, please consult your licensed investment advisor.

For residents of Canada: Canadian investors should be aware that any specific securities discussed in a Research Report can only be purchased in Canada through a Canadian registered dealer and, if such securities are not available in the secondary market, they can only be purchased by eligible private placement purchasers on a basis that is exempt from the prospectus requirements of Canadian securities law and will be subject to resale restrictions. Information in Research Reports may not be suitable or appropriate for Canadian investors. Only a registered distributor is eligible to distribute excerpts of any Research Reports, and distributor will be deemed to assume regulatory responsibility for the excerpted information, and undertakes to provide notice to clients that it will be assuming such responsibility.

For residents of Chile: S&P Capital IQ shall not be acting as an intermediary of any securities referred to in a Research Report. S&P Capital IQ (and its affiliates) is not registered with, and such securities may not be registered in the Securities Registry maintained by the Superintendencia de Valores y Seguros de Chile (Chilean Securities and Insurance Superintendencia or "SVS") pursuant to the Chilean Securities Market Law 18045. Accordingly, investment research presented in a Research Report is not intended to constitute a public or private offer of securities in Chile within the meaning of Article 4 of the Chilean Securities Market Law 18045, as amended and restated, and supplemental rules enacted thereunder.

For residents of China: S&P Capital IQ's Research Reports are not distributed in or directed to residents in The People's Republic of China. Neither S&P Capital IQ nor its affiliates target investors in China.

For residents of Colombia: This information and/or information contained in Research Reports is not intended or should not be construed as constituting information delivery to the Colombian Securities Market under Colombian Law.

For residents of Czech Republic: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with licensing requirements under the Capital Markets Act (Act No. 256/2004 Coll., as amended), implementing Directive 2004/39/EC of the European Parliament and of the Council of 21 April, 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and its implementing directives, and Directive 2003/125/EC implementing Directive 2003/6/EC as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest; and the Civil Code (Act No. 40/1964 Coll., as amended) as regards the distance financial contract regulation protecting the consumers.

For residents of Dubai (DIFC): The information contained in Research Reports distributed by S&P Capital IQ is intended for investors who are "professional clients", as defined in Rule 2.3.2(2) of the Conduct of Business Module (COB) of the DFSA Rulebook.

For residents of the European Economic Area (EEA): Research Reports have been approved for distribution in the EEA listed here: Austria; Belgium; Bulgaria; Cyprus; Czech Republic (see further disclosure above); Denmark; Estonia; Finland; France (see further disclosure below); Germany; Gibraltar; Greece (see further disclosure below); Hungary (see further disclosure below); Iceland; Ireland (see further disclosure below); Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Malta (see further disclosure below); Netherlands; Norway; Poland; Portugal; Romania; Slovakia (see further disclosure below); Slovenia; Spain (see further disclosure below); Sweden and United Kingdom (see further disclosure below), as investment research by MHFRE, which is authorized and regulated by the Financial Conduct Authority in the UK. S&P Capital IQ's Stock Reports are to be read in conjunction with "Your Guide to S&P Capital IQ's Stock Reports" which can be found at: www.spcapitaliq.com/stockreportguide.

More information about the written criteria and methodologies for the generation of Research Reports and historical information for Research Reports for the past 12 months are available by contacting S&P Capital IQ Client Services Department at (212) 438-4510 or via e-mail at: spsupportcenter@standardandpoors.com.

For residents of Guernsey, Isle of Man and Jersey: The Research Reports provide by S&P Capital IQ serve to assist the Intermediary in determining the advice it provides to its clients, but are not intended as advice to any of the Intermediary's

Redistribution or reproduction is prohibited without written permission. Copyright © 2014 Standard & Poor's Financial Services LLC. STANDARD & POOR'S, S&P, S&P 500, S&P CAPITAL IQ, S&P EUROPE 350 and STARS are registered trademarks of Standard & Poor's Financial Services LLC.

clients and the intermediary, and not S&P Capital IQ, will be solely responsible for the provision of investment advice to the client. Independent investment advice should be sought by persons in their capacity as investors or potential investors and the Intermediary will be solely responsible for complying with any applicable regulatory obligations relating to the distribution of investment research.

For residents of France: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with the rules related to the distribution of investment recommendations as specified in the Financial Code and the Autorité des Marchés Financiers rule book.

For residents of Greece: S&P Capital IQ Research Reports should only be used for the purposes of investment research, and should not be interpreted as or be used to provide investment advice or as part of any offer to the public of any specific security or financial instrument.

For residents of Hong Kong: Information in the Research Reports shall not be construed to imply any relationship, advisory or otherwise, between S&P and the recipient user of the research report unless expressly agreed by S&P Capital IQ. S&P Capital IQ is not acting nor should it be deemed to be acting, as a "fiduciary" or as an "investment manager" or "investment advisor" to any recipient of this information unless expressly agreed by S&P Capital IQ. The Distributor of the Research Reports will be solely responsible for describing its role to its clients with respect to the distribution of S&P Capital IQ's Research Reports.

For residents of Hungary: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with the rules related to data protection requirements as set out in Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of information; and with Act CLV. of 1997 on Consumer Protection and with Act CXXXVIII of 2007 on Investment services.

For residents of India: Residents of India should consult their financial and legal advisers regarding the suitability of any of S&P Capital IQ's services and products. S&P Capital IQ does not intend to utilize the Research Report service to invite or carry out any business activities with S&P Capital IQ. Research Reports provided by S&P Capital IQ serve to assist the Intermediary in determining the advice it provides to its clients, but are not intended as advice to the Intermediary and to any of the Intermediary's clients and the intermediary will be solely responsible for the provision of investment advice to the client.

For residents of Indonesia: Research Reports do not constitute an offering document and it should not be construed as an offer of securities in Indonesia, and any such securities will only be offered or sold through a financial institution.

For residents of Israel: Research reports are intended only for distribution to "Qualified Investors", as defined in the Schedule to Israel's Regulation of Investment Advice, Investment Marketing and Portfolio Management Law of 1995. All other persons who are not Qualified Investors under Israeli law should seek additional investment advice from their financial advisers. The relevant analyst declares that the views expressed in a particular Research Report faithfully reflect the analyst's personal views regarding the securities under review and the issuer of the securities.

For residents of Japan: Research Reports are intended only for distribution to "Asset Management Firms".

For residents of Kazakhstan: Research Reports are not intended for distribution to the public in Kazakhstan. Any distribution to specific persons is the sole responsibility of the distributor and the distributor, and not S&P Capital IQ, is responsible for complying with all local regulations, including but not limited to advertising requirements related to public solicitation.

For residents of Malta: The distributor of Research Reports in Malta, is solely responsible for ensuring that the investment research produced by S&P Capital IQ and proposed to be disseminated in or from within Malta is reviewed for compliance with the investment services rules issued by the Malta Financial Services Authority in terms of the Investment Services Act, Cap 370 of the laws of Malta.

For residents of Mexico: S&P Capital IQ is not regulated or supervised by the Mexican National Banking and Securities Commission ("CNBV"). S&P Capital IQ has a licensed rating agency affiliate in Mexico (Standard & Poor's, S.A. De C.V.), of which S&P maintains firewalls and seeks to avoid conflicts of interest, pursuant to approved policies. Research Reports on securities that are not registered with the National Securities Registry maintained by the Mexican National Securities Registry are intended only for distribution to qualified, institutional investors or to any other investors to whom distribution the S&P Research is permissible under Mexican law.

For residents of Monaco: The Intermediary, and not S&P Capital IQ, will be solely responsible for providing copies of S&P Capital IQ Research Reports to the appropriate Monegasque regulator prior to distributing to its clients.

ON Semiconductor Corp

For residents of Morocco: Research Reports are intended for distribution only to professional investors.

For residents of Peru: S&P Capital IQ's Research Reports shall not, under any circumstances, be considered an invitation to take deposits or funds from the public, under any mechanism, or to carry on any activities that may be prohibited by Peruvian law. The Intermediary also agrees that the use of S&P Capital IQ's Research Reports shall not be used by Intermediary to solicit an investment in the securities that are the subject of the Research Report in any way that may be prohibited by Peruvian law.

For residents of Qatar: The Distributor, and not S&P Capital IQ, is responsible for complying with all relevant licensing requirements as set forth by the Qatar Financial Markets Authority or the Qatar Central Bank, and with all relevant rules and regulations set out in the Qatar Financial Markets Authority's rule book, including third party branded investment research distribution of securities that are admitted for trading on a Qatari securities exchange (Admitted Securities).

For residents of Russia: Research Reports on financial instruments are intended for "qualified investors", as defined in the Securities market law of the Russian Federation dated 22 April 1996, as amended, only.

For residents of The Kingdom of Saudi Arabia: S&P Capital IQ and its affiliates do not distribute Research Reports in the Kingdom of Saudi Arabia. Residents of Saudi Arabia should be aware that the distributor of S&P Capital IQ's Research Reports may not be permitted to distribute investment research either: (i) from a permanent place of business in or otherwise within the territory of the Kingdom of Saudi Arabia; or (ii) to an investor in the Kingdom of Saudi Arabia unless that investor is a Capital Market Authority authorized investor or the Saudi Arabian Monetary Agency.

When a distributor disseminates S&P Capital IQ's Research Reports in the Kingdom of Saudi Arabia, the distributor, and not S&P Capital IQ, is solely responsible for approving the contents of Research Reports and complying with licensing requirements and authorizations of the Saudi Arabian Capital Market Authority's ("CMA"), including CMA's Authorized Persons Regulations concerning securities advertisements.

S&P does not conduct a securities business in the Kingdom of Saudi Arabia and the distributor, and not S&P Capital IQ, assumes all responsibilities and liabilities for distributing Research Reports in the Kingdom of Saudi Arabia. **Research Reports are not intended to be investment advice and do not constitute any form of invitation or inducement by S&P Capital IQ to engage in an investment activity in the Kingdom of Saudi Arabia.** S&P Capital IQ does not communicate directly with a distributor's customers and a distributor's customers should not contact S&P Capital IQ directly regarding any information or data provided in Research Reports.

For residents of Singapore: Research reports that contain extracts from S&P Capital IQ's Research Reports are not prepared, issued or reviewed by MHFSP and MHFSP assumes no responsibility for the Research Reports, and nothing referenced by MHFSP should be considered to be a solicitation or recommendation to buy or sell any security, nor should it be considered to be investment advice.

For residents of Slovak Republic: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with the rules related to the Slovak Securities Act (Act No. 566/2001 Coll., as amended), implementing Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and its implementing directives, and Directive 2003/125/EC implementing Directive 2003/6/EC as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest; and with the Slovak Act on Consumer Protection in Distance Financial Services Contracts (Act No. 266/2005 Coll., as amended).

For residents of Spain: Certain of S&P Capital IQ's equity Research Reports may be considered to be marketing communications for purposes of Spanish law.

For residents of Switzerland: Research reports are only directed at and should only be relied on by investors outside of the EEA or investors who are inside the EEA and who have professional experience in matters relating to investments or who are high net worth investors, as defined in Article 19(5) or Article 49(2) (a) to (d) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, respectively. S&P Capital IQ's Stock Reports are to be read in conjunction with "Your Guide to S&P Capital IQ's Stock Reports" which can be found at www.standardandpoors.com/stockreportguide. For some clients, Research reports have been prepared by S&P Capital IQ and/or one of its affiliates, and redistributed by the client.

For residents of the United Arab Emirates (UAE): S&P Capital IQ and its affiliates neither undertake banking, financial, or investment consultations business in or into

the UAE within the meaning of the Central Bank Board of Directors' Resolution No. 164/8/94 regarding the regulations for investment companies nor provides financial analysis or consultation services in or into the UAE within the meaning of UAE SECURITIES AND COMMODITIES AUTHORITY DECISION NO. 48/R OF 2008 concerning financial consultation and financial analysis.

Investment research distributed by S&P Capital IQ and its affiliates is not intended to amount to an offer of securities within the meaning of DIFC Law NO. 12 OF 2004 (the DIFC Markets Law) or the equivalent laws, rules and regulations made by the Central Bank of the UAE and their Emirates Securities and Commodities Authority. Neither the Dubai Financial Services Authority, the UAE Securities nor Commodities Authority of the Central Bank of the UAE has reviewed or verified any of the information provided in a Research Report or through any service provided by S&P Capital IQ or its affiliates, or has any responsibility for it.

If a recipient of Research Report does not understand any of the contents of the Research Report, the recipient should contact a financial advisor. Users of extracts of investment Research Reports should be aware that if they are distributed in the UAE by an intermediary, the intermediary is solely responsible for the distribution and contents of the investment research in the UAE.

For residents of the United Kingdom: In the United Kingdom Research Reports are approved and/or communicated by MHFRE which is authorized and regulated by the Financial Conduct Authority for the conduct of investment business in the UK. Research Reports are only directed at and should only be relied on by investors outside of the UK or investors who are inside the UK and who are professional clients in matters relating to investments or who are high net worth investors, as defined by the FCA and in Article 19(5) or Article 49(2) (a) to (d) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, respectively. MHFRE may not distribute Research Reports to retail clients, as defined by the FCA. S&P Capital IQ's Stock Reports are to be read in conjunction with "Your Guide to S&P Capital IQ's Stock Reports" which can be found at www.spcapitaliq.com/stockreportguide.

For residents of Uruguay: S&P Capital IQ or its affiliates are not, individually a risk assessment entity registered with the Central Bank of Uruguay, and S&P Capital IQ's Research Reports do not constitute a risk assessment. Investment research presented in a Research Report is not intended to constitute a public or private offer of securities in Uruguay. S&P Capital IQ's Research Reports are not intended for worldwide distribution, as such, and are not published to Uruguayan clients in Spanish.

For residents of Venezuela: Research Reports can only be distributed in Venezuela by an investment advisor, duly licensed under Venezuelan law. The distributor of the Research Reports, and not S&P Capital IQ, is solely responsible for complying with licensing requirements.

Copyright © 2014 Standard & Poor's Financial Services LLC. All rights reserved. STANDARD & POOR'S, S&P, S&P 500, S&P EUROPE 350 and STARS are registered trademarks of Standard & Poor's Financial Services LLC. S&P CAPITAL IQ is a trademark of Standard & Poor's Financial Services LLC.