

In Andrew's Portfolio On SEMI- CONDUCTORS INC [Ticker ON]

On Semi Conductors Inc. is a leading supplier of power and analogue semiconductors, as well as sensors. On semi is the second- largest global supplier of discrete transistors like insulated gate bipolar transistors, or IGBTs, and metal oxide semiconductor field-effect transistors, or MOSFETs, and also has a significant integrated power chip business. On semi is also the largest supplier of image sensors to the automotive market, targeting autonomous driving applications. The firm is concentrated in and focused on the automotive, industrial, and communications markets, and is reducing its exposure to the consumer and computing markets.

Company Facts <https://www.onsemi.com/>

Ticker	MarketCap	Sector	Exchange	Currency	Indices
ON	\$26.58bn	Semiconductors	NASDAQ	US \$	NASDAQ

Key Features

- \$Billion company providing significant product offerings in industrial infrastructure on automotive solutions, Energy Infrastructure (incl Solar and EV), Industrial automation, 5G & Cloud Power, Internet of things, Aerospace/Defence, Medical
- On semi is a pan worldwide company providing has design, solution engineering (SEC), manufacturing, sales, and support locations in countries around the world including North America, Europe and Asia Pacific.
- On semi (Nasdaq: ONON) is driving disruptive innovations to help build a better future. With a focus on automotive and industrial end-markets, the company is accelerating change in megatrends such as vehicle electrification and safety, sustainable energy grids, industrial automation, and 5G and cloud infrastructure.
- With a highly differentiated and innovative product portfolio, on semi creates intelligent power and sensing technologies that solve the world's most complex challenges and leads the way in creating a safer, cleaner, and smarter world.
- On semi operates a responsive, reliable supply chain and quality programs, and robust ESG programs. Headquartered in Phoenix, Arizona, the company has a global network of manufacturing facilities, sales and marketing offices and engineering centers in its key markets
- On semi Reported Record Revenue and Non-GAAP Earnings Per Share for Third Quarter 2021 [CLICK HERE](#)
- Year on year share performance increase 114%. (4 Dec 2020 \$29.95 3 Dec 2021 \$64.05)

Recent News

- **Quarter ending 31 Dec 2021** ON Semiconductor Corp. (ON) came out with quarterly earnings of \$1.09 per share, this compares to earnings of \$0.35 per share a year ago. This quarterly report represents an earnings surprise of 15.96%. A quarter ago, it was expected that this semiconductor components maker would post earnings of \$0.74 per share when it actually produced earnings of \$0.87, delivering a surprise of 17.57%. Over the last four quarters, the company has surpassed consensus EPS estimates four times. Posted revenues of \$1.85 billion for the quarter ended December

2021, This compares to year-ago revenues of \$1.45 billion. The company has topped consensus revenue estimates four times over the last four quarters.

- On Semi-conductors on board with Climate and Sustainability [CLICK HERE](#)
- On semi Wins Top Spots at the ASPENCORE World Electronics Achievement Awards and EE Awards Asia [CLICK HERE](#)

- Third Quarter 2021 earnings reports provided robust performance highlighted by: Record revenue of \$1,742.1 million, an increase of 32 percent year-over-year

SWOT ANALYSIS

Strengths High Piotroski F Score 8 [Company fundamentals] High Altman Z score [Safe] Providing significant product offerings in industrial infrastructure

Weaknesses High Level of Debt -75% Debt/Equity Ratio. · ON's net debt to equity ratio (41.6%) is considered high. Poor value base on its PEG ratio

Opportunities Return vs Industry: ON exceeded the US Semiconductor industry which returned 44.9% over the past year. Return vs Market: ON exceeded the US Market which returned 16.6% over the past year.

Threats Significant from Pier Competitors NVidia [767.3bn] , Broadcom[229.7bn, Intel[200bn], Qualcomm[197.7bn]

- [Onsemi-Reports-Record-Revenue-and-Non-GAAP-Earnings-Per-Share-for-Third-Quarter-2021/default.aspx](#)

Key Statistics

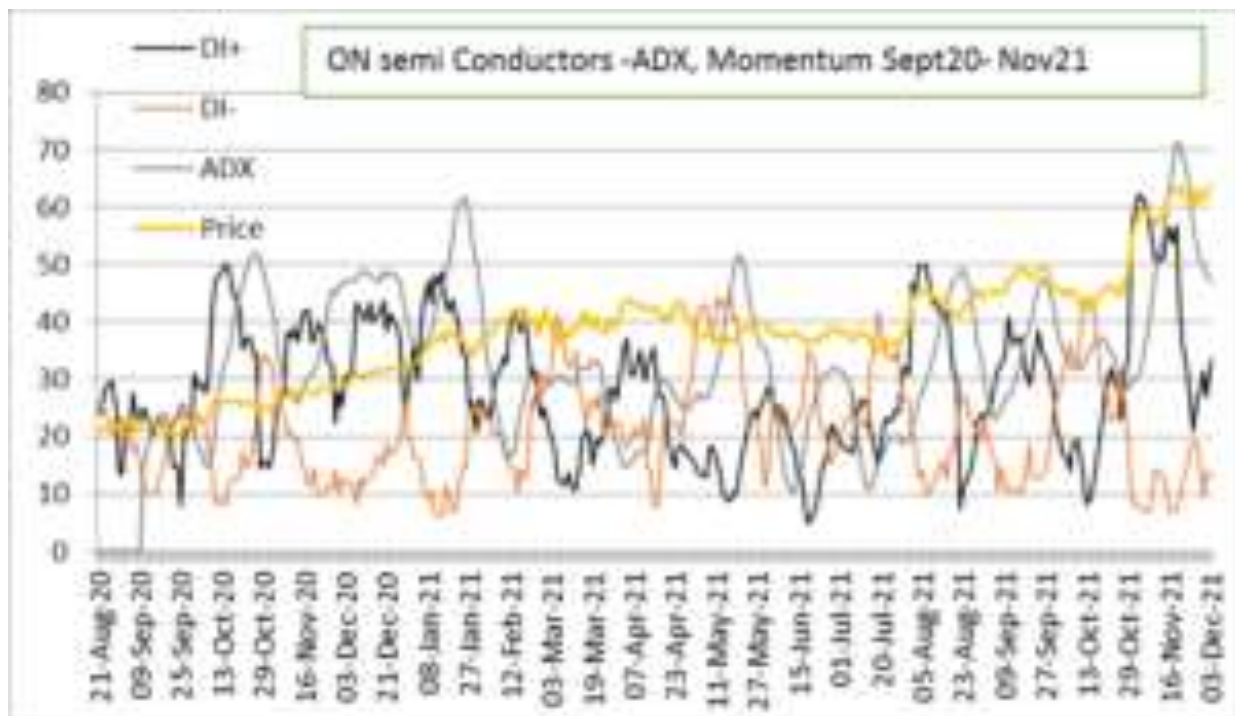
Financials Source yahoo	30/12/2019	31/12/2020	Change %	2021	To Nov
	\$000	\$000			
Total Revenue	5517	5255	-4.7		6340
Gross Profit	1973	1716	-13.0		2380
Net Income before tax	277	177	-36.1		812
EBITDA	1018	971	-4.6		
Assets	8425	8668	2.8		
Liabilities	5101	5109	0.2		
L.T. Debt	2876	2960	2.9		
Free Cash Flow	60	401	568.0		1042

Analysts Est – Source – Guru Focus	Dec 21	Dec 22	Dec 22
Revenue (Mil\$)	6684	7062	7405
EBITDA (Mil \$)	1930	2060	2381
Future Revenue Growth (%)	6		
Future EPS Growth Rate (%)		37	

TECHNICAL ANALYSIS – Technical Diagnosis –



Share Price and Momentum Performance – The first half of 2021 had seen On Semi Conductors trading in around the \$40. Since Aug2021, the share price has seen upward elevation increasing 50% from 2nd august. Despite moving averages being lagging indicators, the share price has in the main been above the 20, 50, and 200 day moving averages. The upward sloping 200 Day MA a sign of Long term strength In October the share price briefly fell below its 50 day moving average but since November its share price has shown increasing momentum and strength. This is confirmed through the ADX and the positive influence of +D+ [buyers] over its sister equivalent D- [sellers]. Since Aug21 the price continues to see trajectory upwards and despite momentum volatility seem to traverse back to the mean with upward share price momentum. Last months candlestick performance sees higher highs and higher lows where gradual upward momentum is evident. In the last month the share price has seen a low of \$52 [1 Nov] to a high of \$66 [3 Dec] a difference of \$14, a significant increase. \$60 would seem to be the new support/ resistance level over this period and all other things being equal given technical indicators confirmation and market sentiment could see a breakout out to the upside heading to the near future. Given ON involvement with catalyst technology including EV charging, Solar, Robotics and with the wide spread of offerings that On Semi Conductors provide, it is ideally placed to take advantage of further upward share price heading into 2022.



Trading Action–

I took a trading position on this stock on 30 Nov 21 at \$62.25. Shares were sold on 19 Aug 2022 at \$74.04