

The 1–Minute Brief

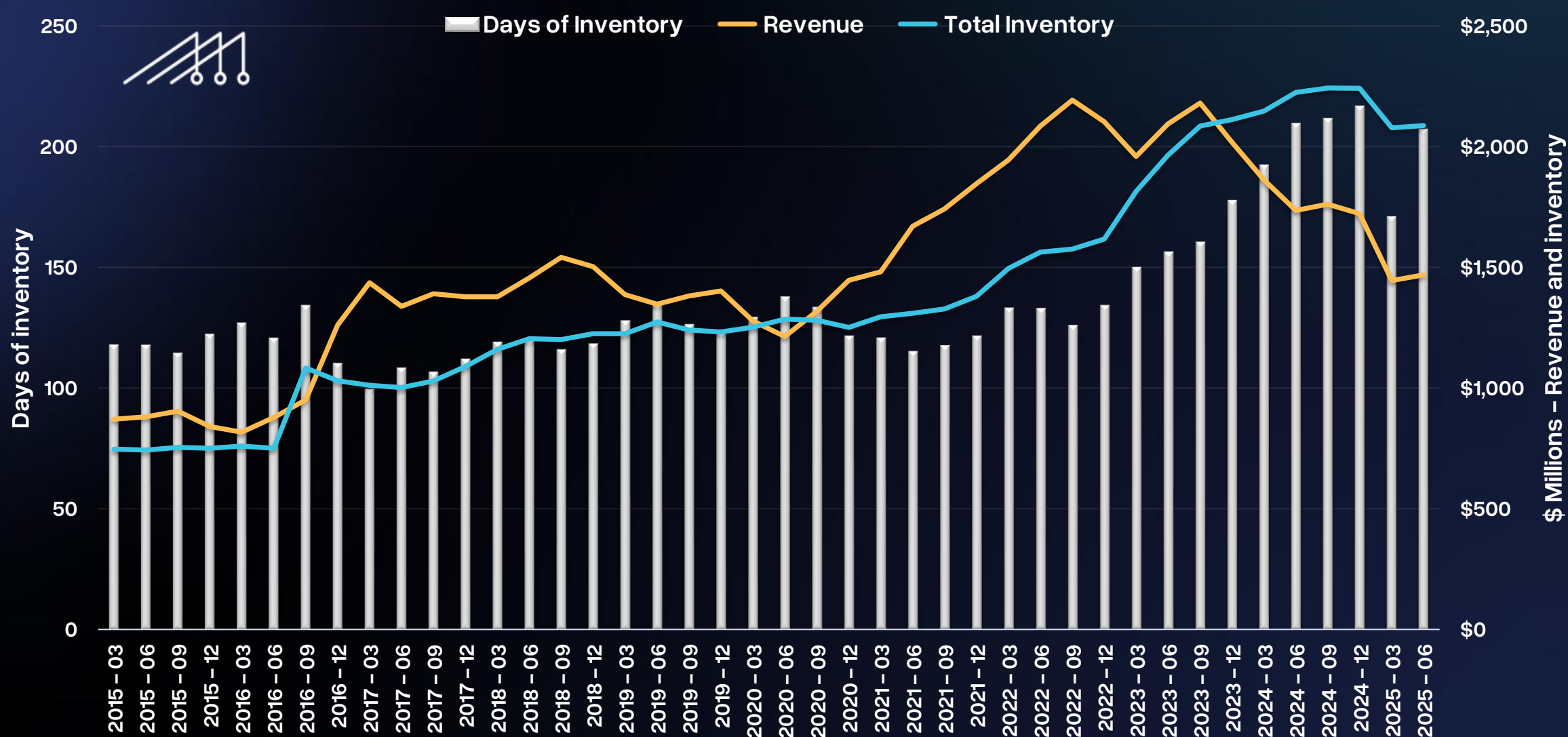
# onsemi

# Q2'25 Earnings

Announced on 04 Aug'25

# Key Takeaways

- Q2'25 revenue fell 15% YoY, impacted by strategic portfolio exits, traditional industrial weakness, & temporary dip in automotive. Overall, H1'25 saw a 19% YoY decline
- Signs of stabilization across all end markets, with a significant increase in AI data center revenue—nearly doubled YoY
- Gross margin has been affected by 900bps due to underutilization charges
- Exiting non-core business & making strategic investments in next-gen technologies like wide band gap semiconductors, ADAS\* & machine vision, intelligent power & sensing



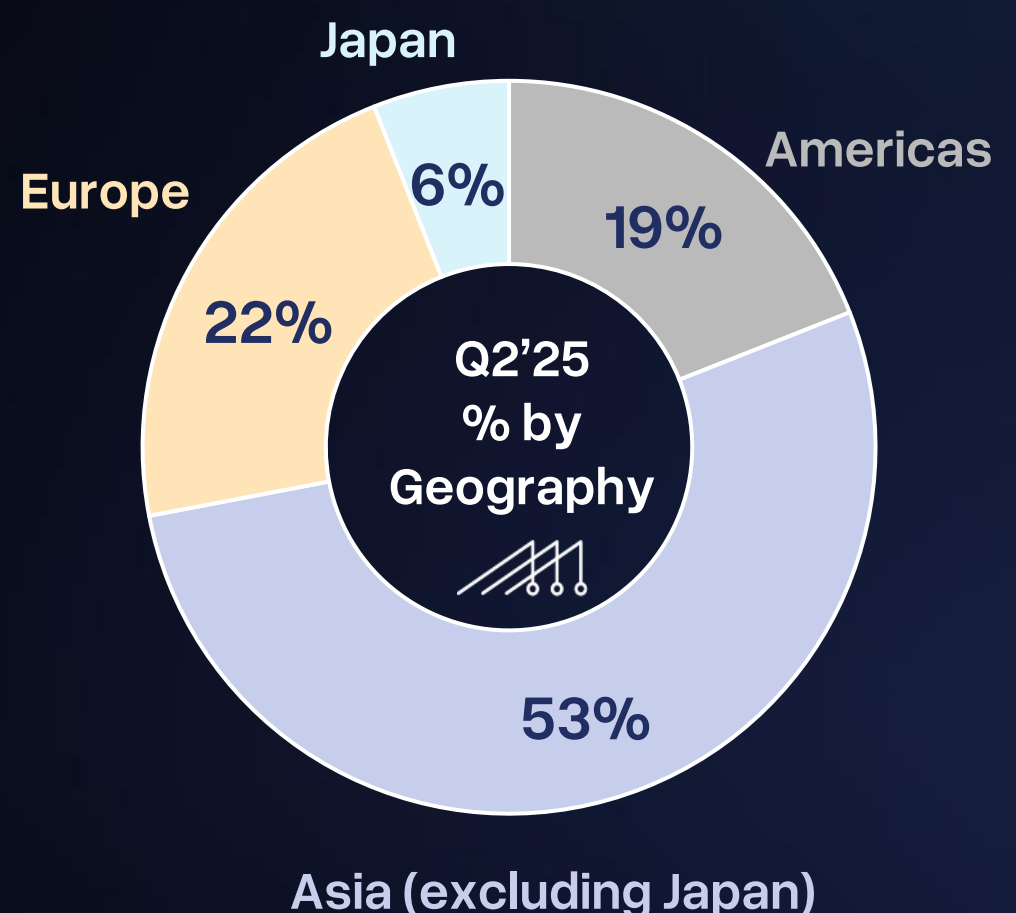
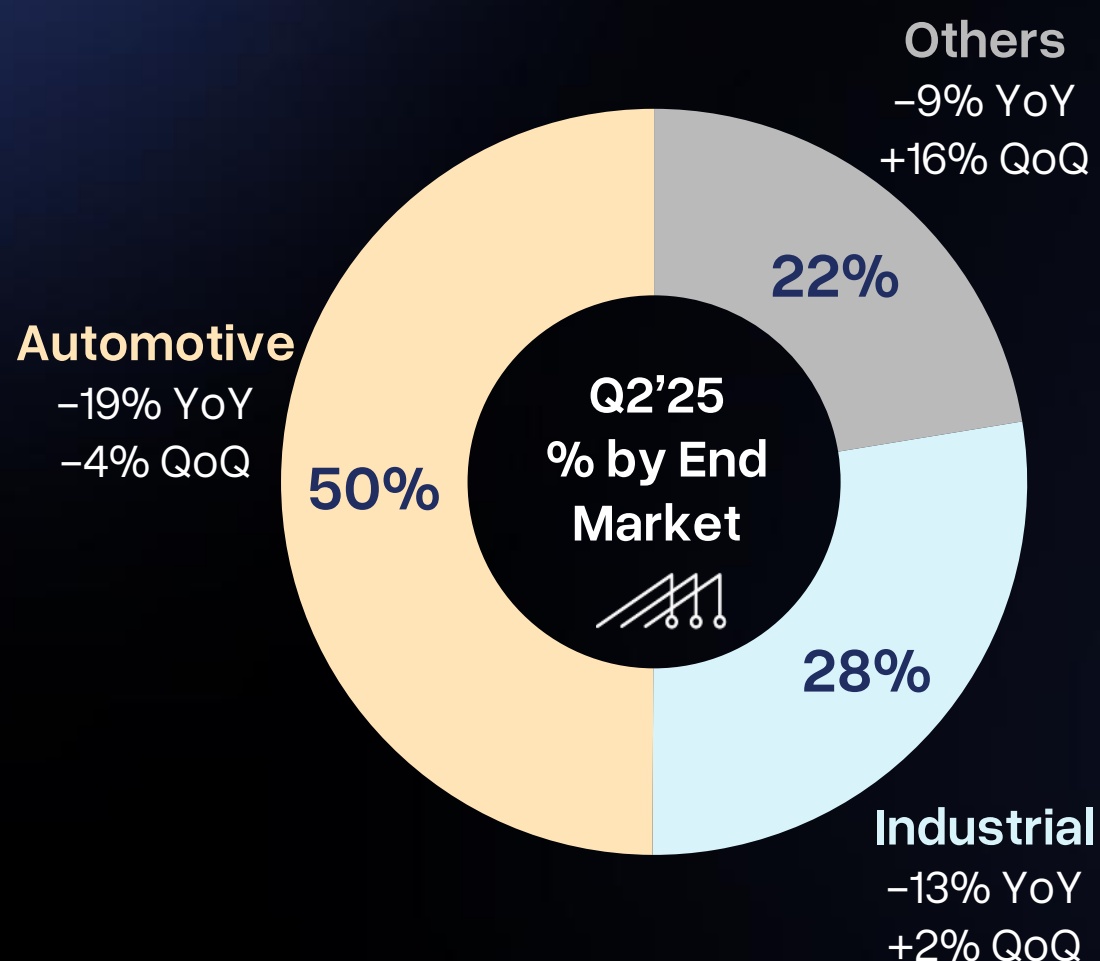
Gross Margin Trend



# Performance by Segment

- **Automotive:** Sales declined with weakness in America and Europe, offset by continued strength in China
  - China: Q2 auto revenue up +23% QoQ, strong traction with BEV\* & PHEV\* (Xiaomi YU7 using 1200V EliteSiC M3e)
- **Industrial:** Medical, aerospace & defense segments grew, while traditional industrial saw a slight dip in Q2
- **Others:** Despite AI growth, overall sales fell YoY due to a reduction in legacy product sales
  - Partnering with NVIDIA to boost AI data center efficiency via 800V DC power adoption

\*BEV – Battery Electric Vehicle; \*PHEV – Plug-in Hybrid Electric Vehicle



# Outlook

- **Q3'25 quarter midpoint guidance:**  
-14% YoY (vs. Q3'24) and +3% QoQ (vs. Q2'25)
- Auto demand remains soft; Industrial stable; AI-related revenue remains stable
- **Q4'25 & beyond outlook:** Revenue rebound driven by
  - Strong SiC ramps with major OEMs
  - AI infrastructure (Treo power platform) ramps targeting \$1B+ revenue by the end of 2025
  - Portfolio exit of low-margin products (~\$500M) in progress



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