



Here's Why ON Semiconductor (NASDAQ:ON) Has Caught The Eye Of Investors



Simply Wall St

Fri, June 30, 2023 at 6:24 PM GMT+2



In this article:

ON
+2.72%

It's common for many investors, especially those who are inexperienced, to buy shares in companies with a good story even if these companies are loss-making. Sometimes these stories can cloud the minds of investors, leading them to invest with their emotions rather than on the merit of good company fundamentals. Loss making companies can act like a sponge for capital - so investors should be cautious that they're not throwing good money after bad.

In contrast to all that, many investors prefer to focus on companies like **ON Semiconductor (NASDAQ:ON)**, which has not only revenues, but also profits. Now this is not to say that the company presents the best investment opportunity around, but profitability is a key component to success in business.

[See our latest analysis for ON Semiconductor](#)

ON Semiconductor's Improving Profits

In the last three years ON Semiconductor's earnings per share took off; so much so that it's a bit disingenuous to use these figures to try and deduce long term estimates. Thus, it makes sense to focus on more recent growth rates, instead. ON Semiconductor's EPS shot up from US\$3.36 to US\$4.25; a result that's bound to keep shareholders happy. That's a fantastic gain of 27%.

Quote Lookup



Related Quotes

Symbol	Last Price	Change	% Change
ON ON Semiconductor Corporation	94.58	+2.50	+2.72%

Recently Viewed >

Symbol	Last Price	Change	% Change
ON ON Semiconductor Corporation	94.58	+2.50	+2.72%

Does Redde Northgate (LON:REDD) Deserve A Spot On Your Watchlist?

Simply Wall St.

Blue Cap AG's (ETR:B7E) Business And Shares Still Trailing The Market

Simply Wall St.

Masterflex (ETR:MZX) shareholders have earned a 41% CAGR over the last three years

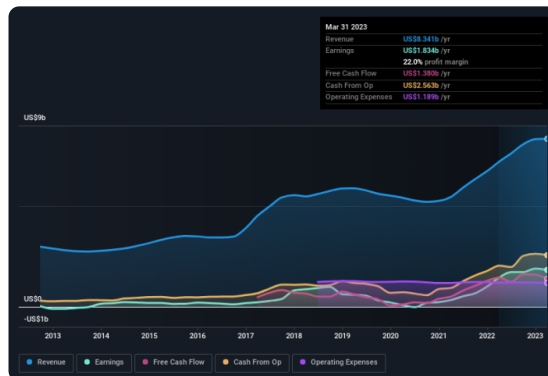
Simply Wall St.

Public companies account for 36% of Friedrich Vorwerk Group SE's (ETR:VH2) ownership, while institutions account for 25%

Simply Wall St.

margins can help inform a view on the sustainability of the recent profit growth. The music to the ears of ON Semiconductor shareholders is that EBIT margins have grown from 26% to 33% in the last 12 months and revenues are on an upwards trend as well. Ticking those two boxes is a good sign of growth, in our book.

In the chart below, you can see how the company has grown earnings and revenue, over time. For finer detail, click on the image.



earnings-and-revenue-history

Of course the knack is to find stocks that have their best days in the future, not in the past. You could base your opinion on past performance, of course, but you may also want to [check this interactive graph of professional analyst EPS forecasts for ON Semiconductor.](#)

Are ON Semiconductor Insiders Aligned With All Shareholders?

Owing to the size of ON Semiconductor, we wouldn't expect insiders to hold a significant proportion of the company. But we do take comfort from the fact that they are investors in the company. Notably, they have an enviable stake in the company, worth US\$128m. We note that this amounts to 0.3% of the company, which may be small owing to the sheer size of ON Semiconductor but it's still worth mentioning. This should still be a great incentive for management to maximise shareholder value.

Is ON Semiconductor Worth Keeping An Eye On?

If you believe that share price follows earnings per

Harland & Wolff Group Holdings Full Year 2022 Earnings: EPS Misses Expectations
Simply Wall St.

A Walmart delivery driver said his weekly earnings dropped from \$1,500 to \$200 due to competition from bots — and it's a...
Business Insider

The Supreme Court keeps helping Biden
Yahoo Finance

Entrepreneur behind chia pet craze dies at 91
Yahoo Finance Video

Japanese Stocks Are Trouncing the S&P 500. 5 Funds to Consider.
Barrons.com

growth rates like that, it's hardly surprising to see company higher-ups place confidence in the company through continuing to hold a significant investment. On the balance of its merits, solid EPS growth and company insiders who are aligned with the shareholders would indicate a business that is worthy of further research. However, before you get too excited we've discovered [1 warning sign for ON Semiconductor](#) that you should be aware of.

Although ON Semiconductor certainly looks good, it may appeal to more investors if insiders were buying up shares. If you like to see insider buying, then this [free list of growing companies that insiders are buying](#), could be exactly what you're looking for.

Please note the insider transactions discussed in this article refer to reportable transactions in the relevant jurisdiction.

Have feedback on this article? Concerned about the content? [Get in touch](#) with us directly.

Alternatively, email editorial-team (at) simplywallst.com.

This article by Simply Wall St is general in nature. We provide commentary based on historical data and analyst forecasts only using an unbiased methodology and our articles are not intended to be financial advice. It does not constitute a recommendation to buy or sell any stock, and does not take account of your objectives, or your financial situation. We aim to bring you long-term focused analysis driven by fundamental data. Note that our analysis may not factor in the latest price-sensitive company announcements or qualitative material. Simply Wall St has no position in any stocks mentioned.

Join A Paid User Research Session

You'll receive a *US\$30 Amazon Gift card* for 1 hour of your time while helping us build better investing tools for the individual investors like yourself. [Sign up here](#)

Comments

[Finance Home](#) [Watchlists](#) [My Portfolio](#) [Markets](#) [News](#) [Videos](#) [Screeners](#) [Personal Finance](#) [Crypto](#)

welcome to Yahoo comments. Please keep conversations courteous and on topic. To foster productive and respectful conversations, you may see comments from our Community Managers, who will be

Here's Why ON Semiconductor (NASDAQ:ON) Has Caught The Eye Of Investors
and respectful conversations, you may see comments from our community managers, who will be designated by a "Yahoo Staff" or "Staff" label. To promote the best user experience, we close commenting after an article has been posted for three days. Yahoo Finance's Conversations message boards accept comments indefinitely. See our [community guidelines](#) for more information.

 [Log in](#) [Sign up](#)

Be the first to comment...  



No one seems to have shared their thoughts on this topic yet

Leave a comment so your voice will be heard first.

Powered by  OpenWeb

Recommended Stories



Zacks

Why Is CrowdStrike (CRWD) Down 8.6% Since Last Earnings Report?



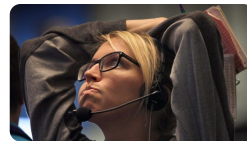
Zacks

Lam Research (LRCX) Gains But Lags Market: What You Should Know



Investopedia

Bausch + Lomb Buys Novartis Drugs for \$1.75 Billion Expanding Eye Ca...



Business Insider

Get ready for years of terrible stock-market returns as 2 key tailwind...



Investor's Business Daily

Top Cathie Wood Stock Expected To Deliver 772% Earnings Growth. It's...



Investor's Business Daily

Cathie Wood Is Back On Top Thanks To 8 Stocks Not In The S&P 500



Investor's Business Daily

Six Stocks Turn \$10,000 Into \$69,878 In Six Months



Business Insider

The US could see inflation drop like a rock without hitting a recession, Bank...