

# NXP Acquires Marvell Wireless Assets

## Investor Presentation

June 2019



CONFIDENTIAL

SECURE CONNECTIONS  
FOR A SMARTER WORLD



# About the Transaction

On May 29, 2019, NXP announced it had entered into a definitive agreement with Marvell under which NXP will acquire Marvell's Wireless Connectivity portfolio encompassing Marvell's WiFi Connectivity Business Unit, Bluetooth technology portfolio and related assets. This transaction is expected to close by the first quarter of 2020, subject to customary closing conditions, including regulatory approvals. Until the closing, the transaction will not be implemented and NXP and Marvell will continue to run their businesses entirely independently of each other.

## Forward-Looking Statement

This presentation includes forward-looking statements which include statements regarding NXP's acquisition of Marvell's WiFi and Bluetooth connectivity assets, business strategy, financial condition, results of operations, and market data, as well as any other statements which are not historical facts. By their nature, forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. These factors, risks and uncertainties include the following: that the proposed transaction will not close under the proposed terms or at all, market demand and semiconductor industry conditions; the ability to successfully introduce new technologies and products; the end-market demand for the goods into which NXP's products are incorporated; the ability to generate sufficient cash, raise sufficient capital or refinance corporate debt at or before maturity; the ability to meet the combination of corporate debt service, research and development and capital investment requirements; the ability to accurately estimate demand and match manufacturing production capacity accordingly or obtain supplies from third-party producers; the access to production capacity from third-party outsourcing partners; any events that might affect third-party business partners or NXP's relationship with them; the ability to secure adequate and timely supply of equipment and materials from suppliers; the ability to avoid operational problems and product defects and, if such issues were to arise, to correct them quickly; the ability to form strategic partnerships and joint ventures and to successfully cooperate with alliance partners; the ability to win competitive bid selection processes to develop products for use in customers' equipment and products; the ability to achieve targeted efficiencies and cost savings; the ability to successfully hire and retain key management and senior product architects; and, the ability to maintain good relationships with our suppliers. In addition, this document contains information concerning the semiconductor industry and NXP's business generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the semiconductor industry, NXP's markets and product areas may develop. NXP has based these assumptions on information currently available, if any one or more of these assumptions turn out to be incorrect, actual results may differ from those predicted. While NXP does not know what impact any such differences may have on its business, if there are such differences, its future results of operations and its financial condition could be materially adversely affected. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak to results only as of the date the statements were made. Except for any ongoing obligation to disclose material information as required by the United States federal securities laws, NXP does not have any intention or obligation to publicly update or revise any forward-looking statements after we distribute this document, whether to reflect any future events or circumstances or otherwise. For a discussion of potential risks and uncertainties, please refer to the risk factors listed in our SEC filings. Copies of our SEC filings are available on our Investor Relations website, [investors.nxp.com](http://investors.nxp.com) or from the SEC website, [www.sec.gov](http://www.sec.gov).

# Connectivity Acquisition – Strategically Compelling Transaction



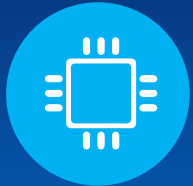
Acceleration of NXP strategy: Secure Connections for a Smarter World

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Market proven portfolio of Wi-Fi and Bluetooth/BLE combo connectivity solutions  
Adds Marvell's known world-class connectivity engineering expertise to NXP

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Complements MCU, Crossover and MPU products in Industrial & IoT and Automotive  
Expands footprint in Communications Infrastructure  
Complements NXPs existing BLE, Zigbee and NFC portfolio

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Leverage NXPs market reach and channel to drive growth of

- Existing Marvell connectivity solutions
- NXP processors into areas of Marvell connectivity strength
- Marvell connectivity solutions into areas of NXP processor strength

# Transaction Overview

## Consideration

- Asset Purchase
- \$1.76 billion, all cash transaction
- Base-line revenue  
~\$300 million per year
- Anticipated growth  
~25% CAGR ('19-'22)
- Accretive to earnings at time of transaction close

## Sources of Financing

- Cash on hand, no financing required

## Approval Process

- Regulatory approvals in various jurisdictions

## Timing of Transaction Close

- Expected by first quarter of 2020, subject to customary closing conditions

# Technology Foundation

Sense



Everything  
Aware

Think



Everything  
Smart

Connect



Everything  
Connected

Act



Everything  
Efficient



Everything Safe & Secure

# Technology Foundation

Sense



Everything  
Aware

Think



Everything  
Smart

Connect



Everything  
Connected

Act



Everything  
Efficient



Uniquely positioned across  
all required building blocks



Everything Safe & Secure

# NXP Enables Complete Solutions

## Sense

Automotive radar and vision  
Face and gesture recognition  
Voice recognition  
Anomaly detection  
Motion, speed, pressure



## Think

i.MX 6, 7, 8, 8M  
High performance, 3D graphics  
Layerscape  
High-speed Ethernet, TSN  
i.MX RT (Crossover)  
Highest performing MCUs  
Kinetis & LPC  
Low cost to high integration  
Automotive S32  
Scalable platform, OTA, ASIL D



## Connect



## Act

Power management  
Battery management/ charging  
High-speed interface  
In-vehicle networks  
High-performance analog  
General-purpose analog



IoT Secure Elements  
Embedded Security  
Secure Authenticators



Automotive Security  
Secure Auto Networks  
Automotive ASIL A to D

# Marvell: Connectivity Product Leadership

Nearly two-decades of connectivity product innovation

- Proven certification & interoperability – in all end markets
- IoT: Low power Wi-Fi 4 and Wi-Fi 5 integrated solutions
- Auto: 4th Generation of AEC-Q100 qualified solutions
- Comm. Infra: Established player in wireless AP market

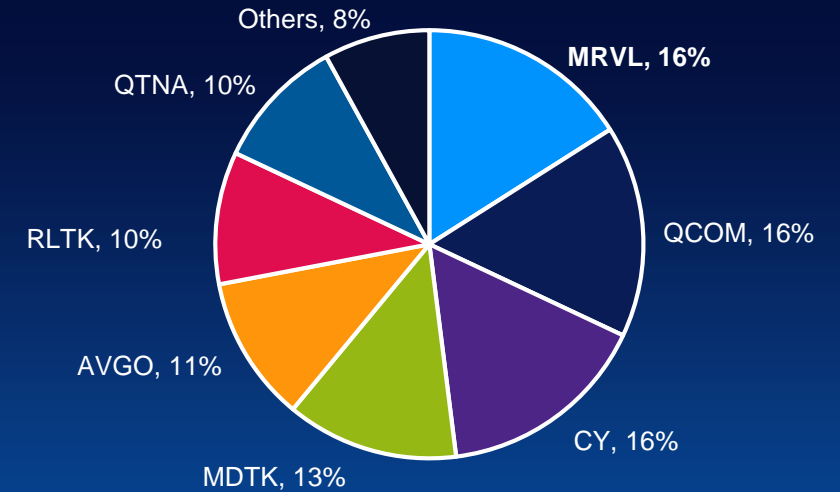
Complete Organically Built, Foundational IP Portfolio

- Wi-Fi: MAC, Baseband, RF and Software IP
- BT/BLE: Controller, RF and Software IP
- Differentiated Features: Wi-Fi mesh and location services

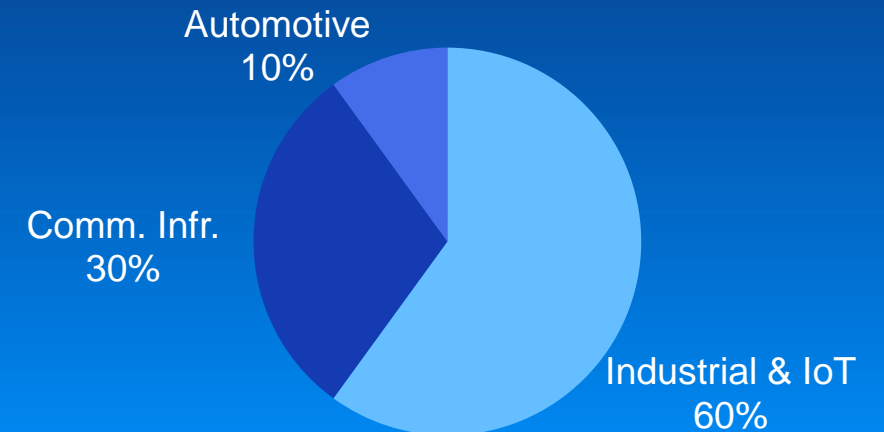
The most complete implementation of Wi-Fi 6 solutions

- Complete portfolio of fully compliant Wi-Fi 6 solutions
- Wi-Fi 6 offers include 8x8, 4x4, 2x2 and other solutions
- Unprecedented performance and flexibility

2018 Wi-Fi Market share<sup>1</sup>



Strong Base Aligned with NXP Focus<sup>2</sup>



Source: TSR "Wireless Connectivity Analysis" and NXP market intelligence based on publicly available information

1. Reflects 2018 SAM of \$2B - ex. smartphones, tablets, PCs, TVs and OTT STB

2. As defined by NXP market intelligence



# Ideally Positioned for Wi-Fi 6 Transition

## Wi-Fi 6 Anticipated Massive Refresh Cycle

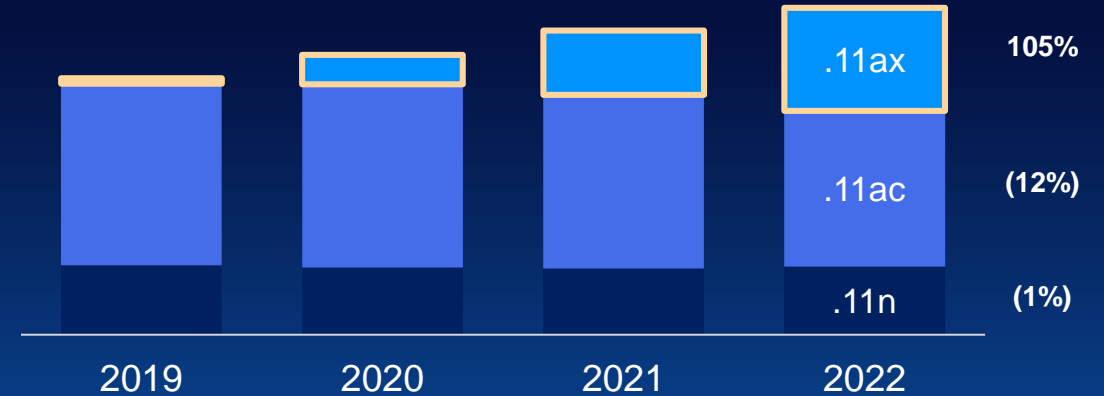
- Significant improvements in capacity and efficiency along with faster speeds and lower power
- Better performance in dense environments
- Enhanced performance driving new use cases

## Poised to Accelerate in the Wi-Fi 6 transition

- Wi-Fi 6 8x8, 4x4, 2x2 and other new solutions
- Uplink/Downlink OFDMA and MU-MIMO
- Best-in-Class Coverage
- Integrated BT for IoT location based applications
- Optimized network utilization and low power
- Technology capabilities for 6 GHz and EHT

## Industry Transition to Wi-Fi 6

3-Yr CAGR



**Multi-Gig Peak Speed**  
4.8 Gbps for 8x8  
2.4 Gbps for 4x4



**Best-in-Class Coverage**  
Advanced beamforming  
Precision location



**Enterprise Level Reliability**  
Optimized network utilization  
Uplink and downlink OFDMA and MU-MIMO

# Strong Revenues Synergies

## Complements NXP end-market focus

- Anticipate 150bps of additional company-level growth for NXP

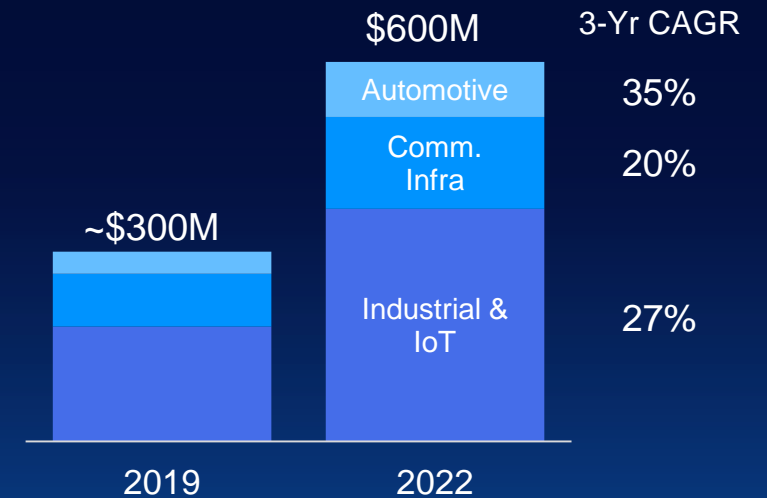
## Complements AP, Crossover and MCU portfolio

- 2/3 of all AP & Crossover design-wins include connectivity
- New opportunities to create MCU + connectivity solutions
- Leverage relationships with module makers
- Leverage footprint in Auto infotainment

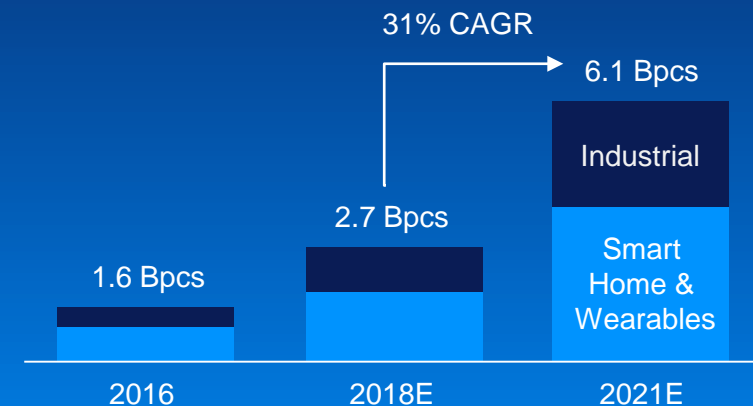
## Revenue Synergy Result of Broader Market Access

- Channel access with expertise selling MCU/AP products
  - Strong growth in IoT end-points
- Broad, mass market selling organization
- Force multiplier - more customers + more distributors
- Ease of deployment – reference designs

Anticipate to Double Revenue



IoT Endpoints, Worldwide <sup>1,2,3,4</sup>



1. Charts/graphics created by NXP based on Gartner research. Source: Gartner Forecast: Internet of Things — Endpoints and Associated Services, Worldwide, 2017 ( Calculations performed by NXP)

2. Excludes Automotive

3. The Gartner Report(s) described herein, (the "Gartner Report(s)") represent(s) research opinion or viewpoints published, as part of a syndicated subscription service, by Gartner, Inc. ("Gartner"), and are not representations of fact. Each Gartner Report speaks as of its original publication date (and not as of the date of this Investor Presentation) and the opinions expressed in the Gartner Report(s) are subject to change without notice

4. Bpcs=B pieces

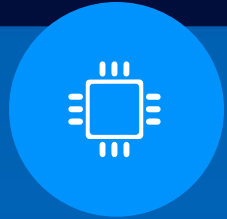
# A Unique Value Proposition in the Industry



World-Class  
Connectivity Portfolio



UWB



Combined With Unique  
MCU & MPU Continuum

i.MX 6, 7, 8, 8M  
High performance,  
3D graphics

Layerscape  
High-speed Ethernet, TSN

i.MX RT  
Highest performing MCUs

Kinetis & LPC  
Low cost to high integration



Adding Trusted  
Security Solutions

 IoT Secure  
Elements

 Secure Processors  
for IoT

 Authentication

 Secure Automotive  
Products



Maximize Depth & Reach  
of Customer Access

Strong position  
in Automotive,  
Industrial and IoT

>26K  
Customers

>30  
Distribution Partners



SECURE CONNECTIONS  
FOR A SMARTER WORLD