THE EVOLUTION OF AUTOMOTIVE PROCESSING

NEW GROWTH OPPORTUNITIES IN THE AUTOMOTIVE EMBEDDED MARKET

NXP Investor Teach-In

MAY 12, 2021

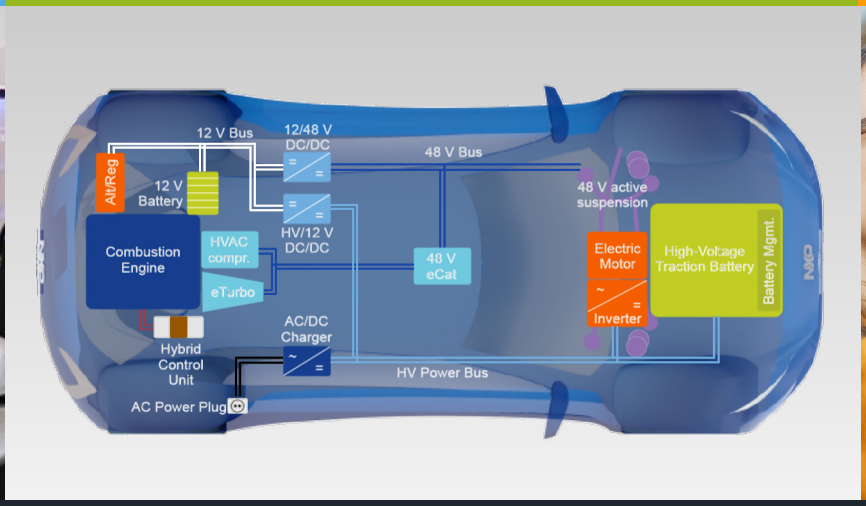
SECURE CONNECTIONS FOR A SMARTER WORLD

FORWARD LOOKING STATEMENTS

This document includes forward-looking statements which include statements regarding NXP's 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: the duration and spread of the COVID-19 outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume; market demand and semiconductor industry conditions; the ability to successfully introduce new technologies and products; the demand for the goods into which NXP's products are incorporated; trade disputes between the U.S. and China, potential increase of barriers to international trade and resulting disruptions to NXP's established supply chains; the ability to generate sufficient cash, raise sufficient capital or refinance corporate debt at or before maturity to meet both NXP's debt service and 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 potential impact of the outbreak of COVID-19 on NXP's business, operations, results of operations, financial condition, workforce or the operations or decisions of customers, suppliers or business customers; the access to production capacity from third-party outsourcing partners and any events that might affect their business or NXP's relationship with them; including the outbreak of COVID-19 or the requirements to suspend activities with customers or suppliers because of changing import and export regulations; 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; the ability to develop products for use in customers' equipment and products; the ability to successfully hire and retain key management and senior product engineers; and, the ability to maintain good relationships with NXP's suppliers. In addition, this document contains information concerning the semiconductor industry and NXP's market and business segments generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the semiconductor industry and NXP's market and business segments 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. There can be no assurances that a pandemic, epidemic or outbreak of a contagious diseases, such as COVID-19, will not have a material and adverse impact on our business, operating results and financial condition in the future. 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 the date of this event, 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, www.nxp.com/investor or from the SEC website, www.sec.gov.

NXP AUTOMOTIVE PROCESSORS

FOUNDATIONAL TO THE THREE PILLARS OF AUTO OEM DIFFERENTIATION



SAFETY

ELECTRIFICATION

CONNECTED CAR

Source: NHTSA 2016

VEHICLE INFRASTRUCTURE EVOLVES AS A PLATFORM

CORE VEHICLE PLATFORM

Focused on safe control and driver comfort

Auto quality: Robust, safe, secure and reliable

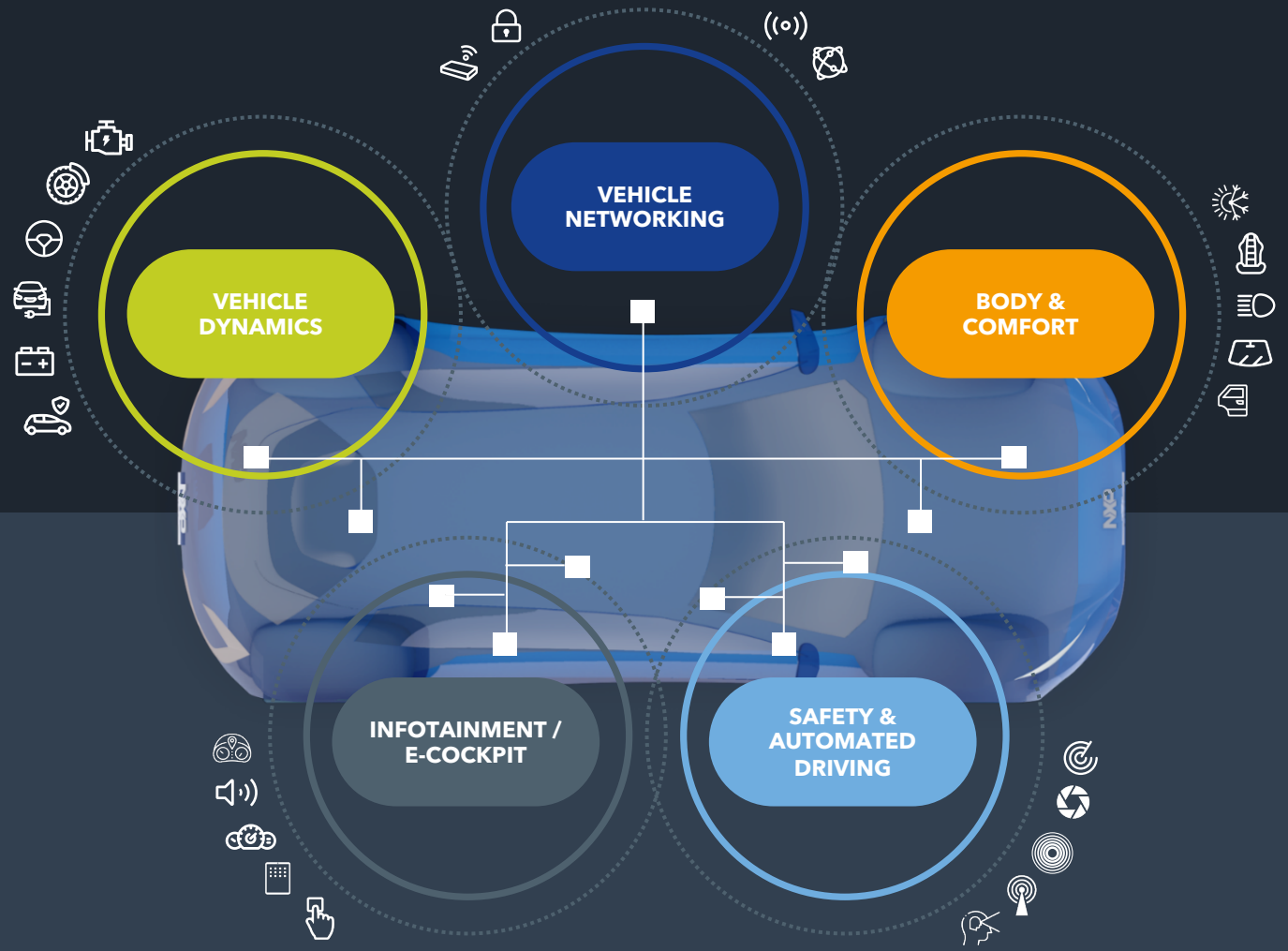
Foundational across all types of vehicles

OPTIONAL AND VEHICLE DEPENDENT

Regularly upgraded

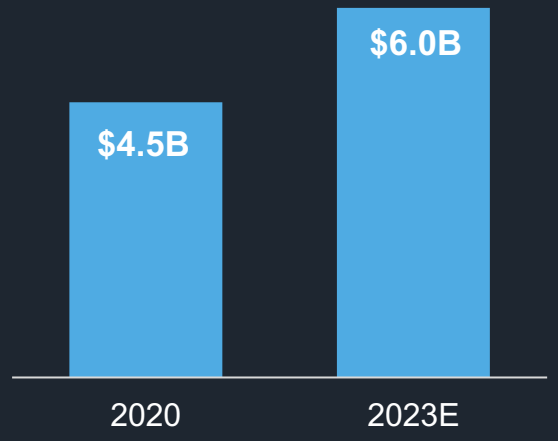
Optional features across a vehicle line

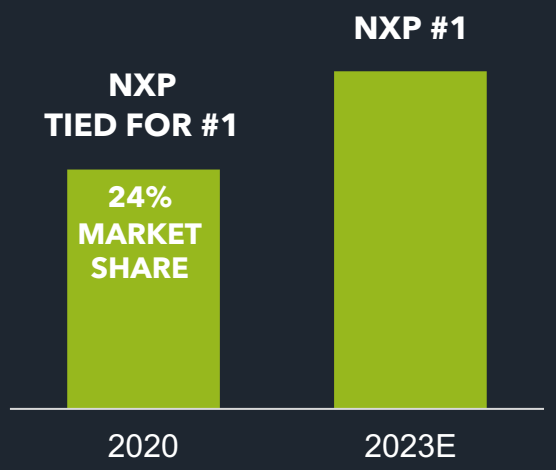
Fashion and time sensitive



NXP LEADS EVOLUTION OF VEHICLE INFRASTRUCTURE PROCESSING

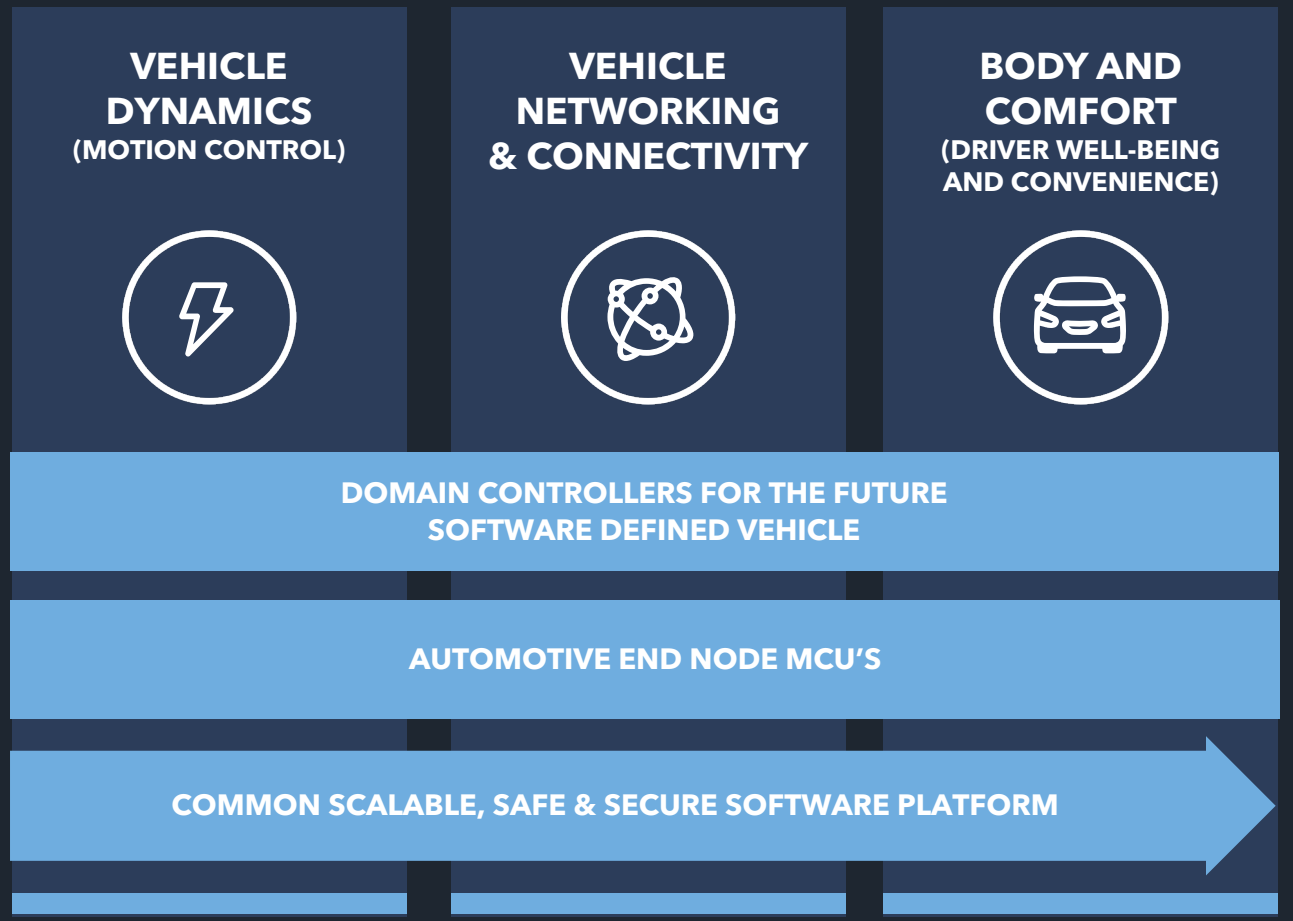
VEHICLE INFRASTRUCTURE PROCESSOR TAM
10% 3 YEAR CAGR





NXP GROWTH
2020-2023E

NXP VEHICLE INFRASTRUCTURE PROCESSING FOCUS



Source: Strategy Analytics, IHSMarkit, NXP CMI; TAM includes Vehicle Dynamics, Vehicle Networking, Vehicle Body & Comfort

NEW FUNCTIONALITY INTEGRATION BECOMES INCREMENTALLY MORE CHALLENGING

	YEAR 2000	YEAR 2010	YEAR 2020
TOTAL PROCESSORS PER CAR	~10	~30	~45
LINES OF CODE	4K	10M	100-200M
COPPER WIRING	20m	0.5Km	1.2Km
WEIGHT OF WIRING	10Kg	30Kg	75Kg

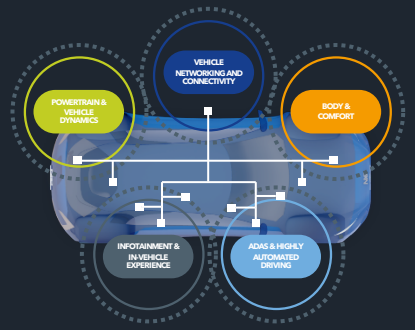
Source: Strategy Analytics, OEM/Tier1 public statements, New York Times, NXP CMI

LOGICAL AND PHYSICAL TRANSITIONS ACCELERATE MPU & MCU OPPORTUNITY

TODAY
TRADITIONAL
FLAT ARCHITECTURE

2025+
DOMAIN PLUS ZONALIZATION
PLATFORMS

FUNCTIONAL SOFTWARE DOMAINS



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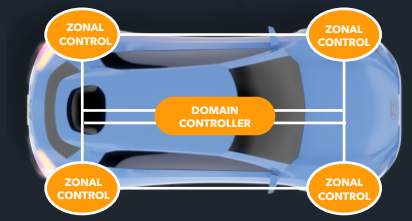
ZONAL TOPOLOGY



TWO PARALLEL ARCHITECTURAL CHANGES

1 **<u>DOMAIN FOCUS</u>: SCALABLE AND CENTRALIZED SOFTWARE DEVELOPMENT**

1. Flexible & scalable software environment
2. Efficiently supports the user defined vehicle
3. Centralized OTA, easily upgradable Software

+

2 **<u>ZONAL FOCUS</u>: SIMPLIFIED WIRING AND CONNECTIVITY**

1. Dramatically reduced wire routing and cable costs
2. Flexible data monetization
3. Easily upgradable Hardware

NXP OPPORTUNITY

S32 FAMILY

S32G MPU
Secure Networking Domain Processor

S32S MPU
Safe Real Time Multi Application Domain Processor

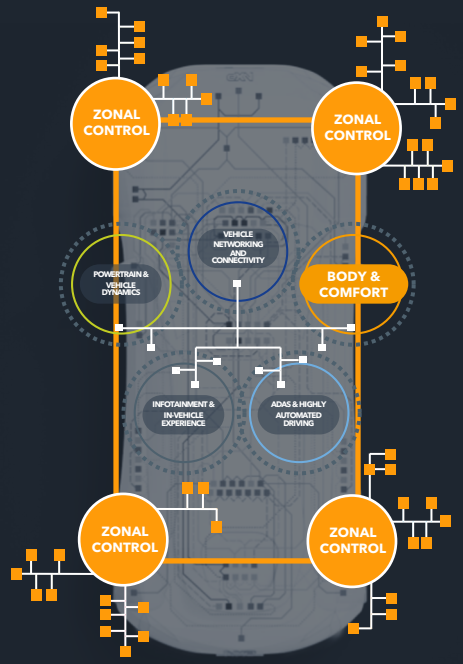
S32K3/5 MCU
Zonal Network Control Processors

S32K1 MCU
Low Power Secure Smart Actuation End Nodes

LOGICAL AND PHYSICAL TRANSITIONS ACCELERATE MPU & MCU OPPORTUNITY

TODAY
TRADITIONAL
FLAT ARCHITECTURE

2025+
DOMAIN PLUS ZONALIZATION
PLATFORMS



BODY DOMAIN AND ZONE EXAMPLE

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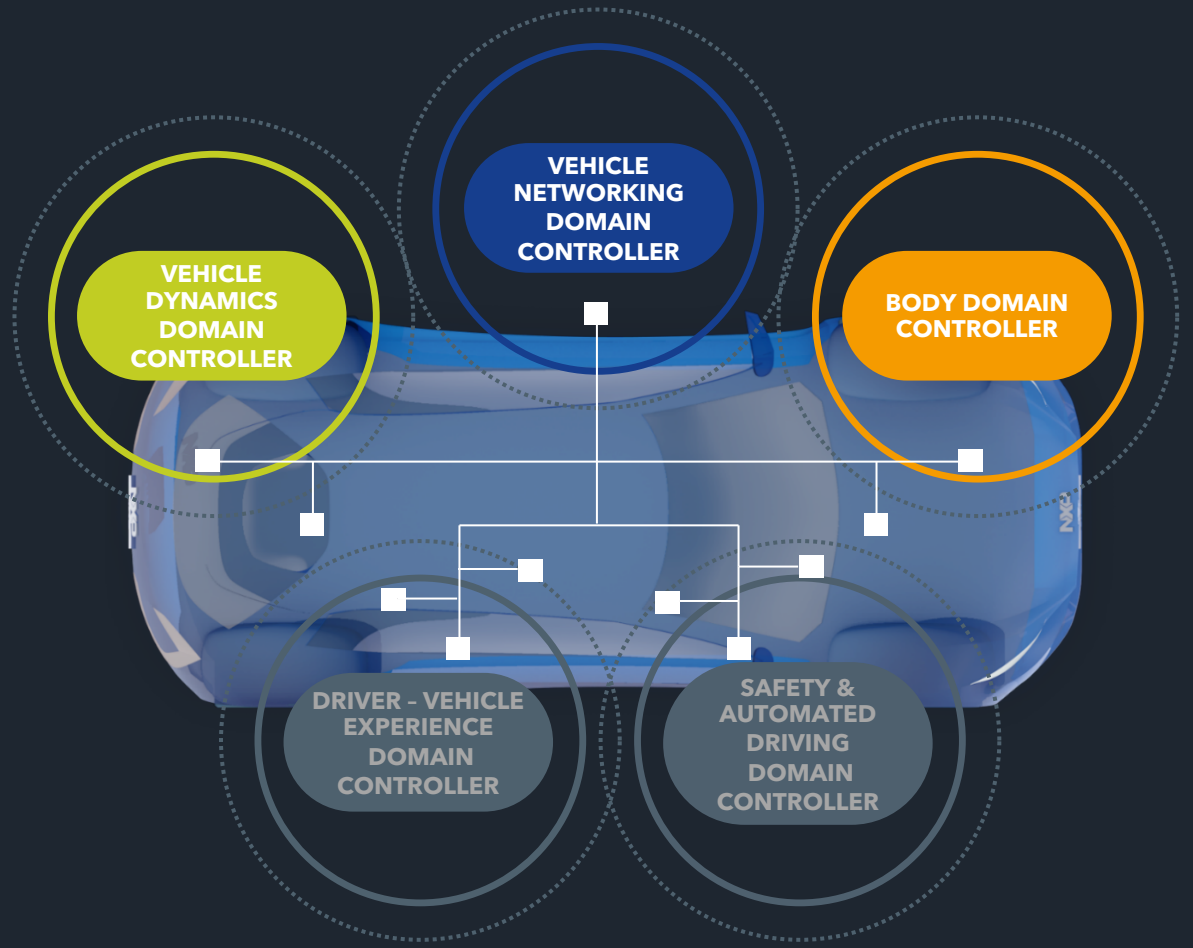
DOMAIN CONTROLLERS SIMPLIFY SOFTWARE ARCHITECTURE

1. Control software “Up-Integrated” into powerful multi application safe domain controllers
2. Actuation relocated to ultra low-power MCUs
3. All OTA and update features handled in central domain controllers allowing new features and fixes to be easily distributed
4. Initial implementations use five traditional domains (shown)



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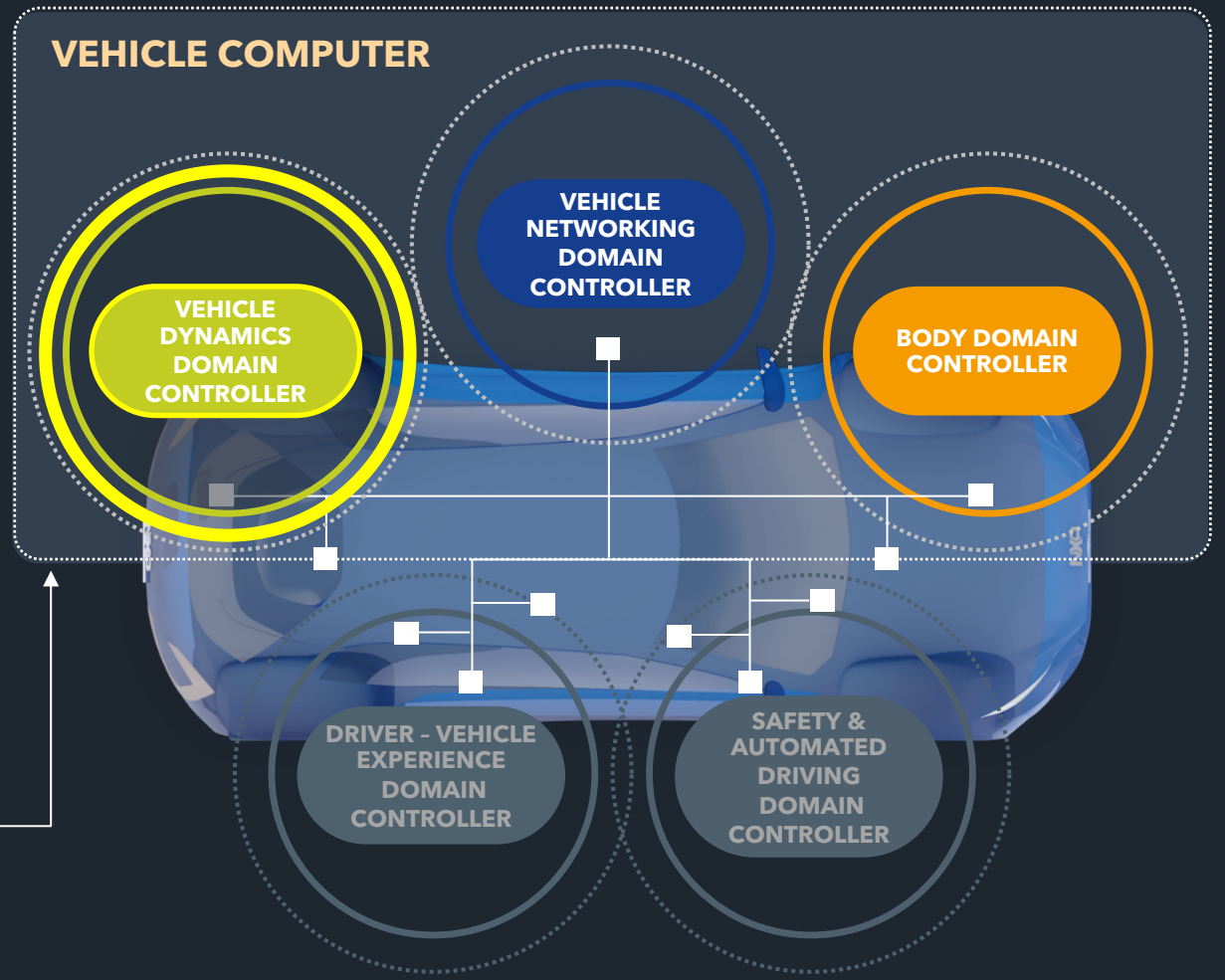
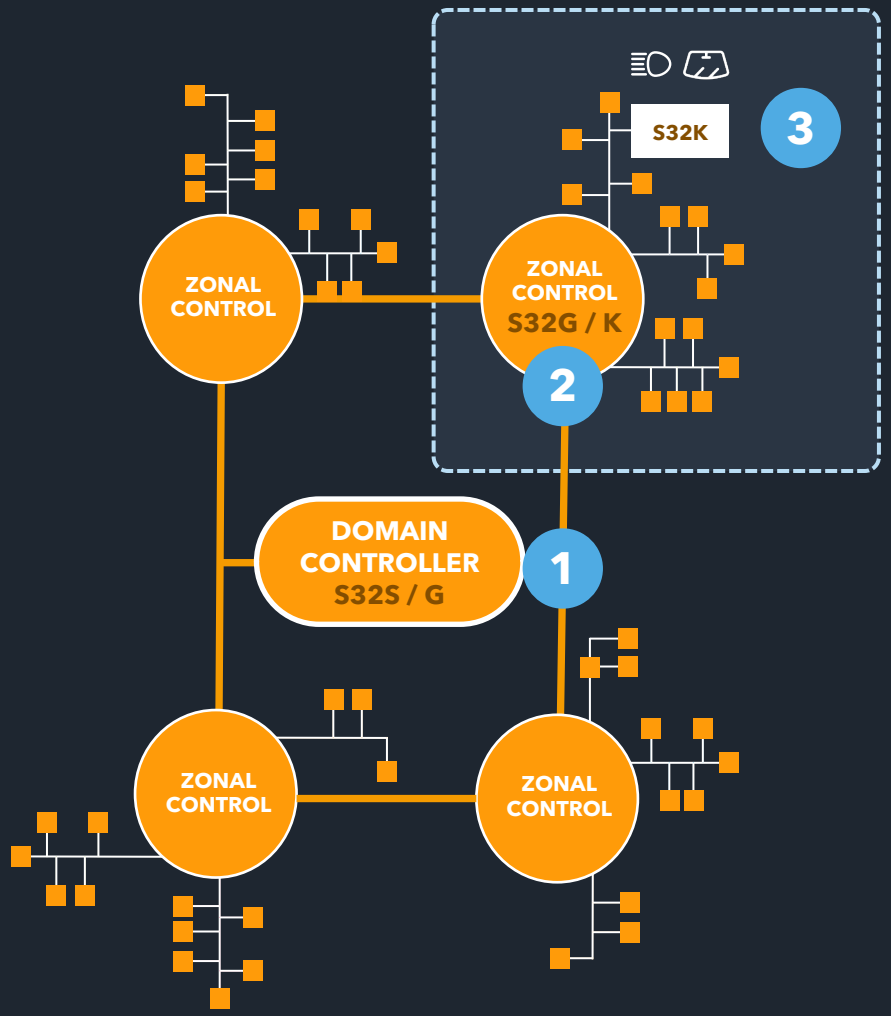
3. All OTA and update features handled in central domain controllers allowing new features and fixes to be easily distributed
4. Initial implementations use five traditional domains (shown)
5. Long term, applications will integrate, dynamics, networking and body into a single cross (X-domain) **“vehicle computer”** using even more powerful auto computing platforms



ZONAL TOPOLOGY SIMPLIFIES WIRING AND REMOVES COST

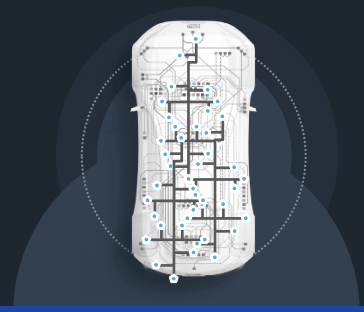


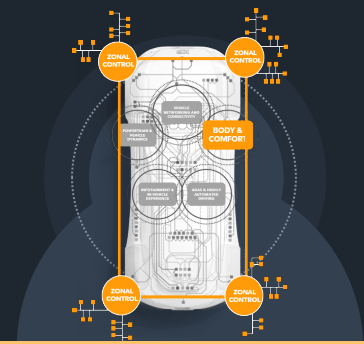
1. Ethernet bus routes communication from domains to physical zones of the vehicle
2. Local zone control processors "off-ramps" the high speed communication and routes to local standard automotive connectivity bus (CAN, LIN etc.)
3. End node MCU's/smart actuators take on physical function. (Wipers, switch panel, lighting etc.)

NXP sees significant growth opportunities in both Zonal control and Edge processors with our S32 product lines

NXP ZONE CONTROLLER
REFERENCE PLATFORM

VALUE SHIFT FROM COPPER TO MORE SAFE AND SECURE MPUS & MCUS





	YEAR 2000	YEAR 2010	YEAR 2020	YEAR 2030
TOTAL PROCESSORS PER CAR	~10	~30	~45	~60
DOMAIN/ZONAL CONTROLLERS			EMERGING	~4
LINES OF CODE	4K	10M	100 - 200M	500 - 1,000M
COPPER WIRING	20m	0.5Km	1.2Km	COPPER WIRING REDUCED ~50%
WEIGHT OF WIRING HARNESS	10Kg	30Kg	75Kg	WEIGHT REDUCED ~50%
DATA GENERATED PER DAY	MB's	2-3GB	50GB	10-12TB
DATA TRANSFER PER DAY	MINIMAL	50 MB	1-2GB	40-50GB

Source: Strategy Analytics, OEM/Tier1 public statements, New York Times, NXP CMI

S32 PORTFOLIO UNIQUE CAPABILITIES AND BREADTH

NXP STANDARD AUTOMOTIVE PLATFORM

40nm, 28nm, 16nm & 5nm Technologies

SECURE GHZ APPS PROCESSOR

- ARM MCU
- ARM MPU
- INTERCONNECT
- PERIPHERALS
- SIGNAL PROCESSING ACCELERATORS

SECURE GHZ REAL TIME PROCESSOR

- ARM MCU
- ARM MPU
- INTERCONNECT
- PERIPHERALS
- ETHERNET AND AUTOMOTIVE NETWORK ACCELERATORS

SECURE GHZ APPS & REAL TIME PROCESSOR

- ARM MCU
- INTERCONNECT
- NVM
- PERIPHERALS
- SAFE SECURE MULTI APPLICATION PLATFORM

CAPABILITIES AVAILABLE IN ALL S32 PRODUCTS

- ASIL B/D SAFETY
- ARM COMPUTE COMPLEX
- SECURITY
- OTA

SECURE LOWER POWER NETWORKED MCU

- ARM MCU
- INTERCONNECT
- NVM
- PERIPHERALS
- SAFE-SECURE LOW POWER MCU

NXP AUTO PROCESSOR MARKET CAPABILITY

Deep application understanding

Leadership automotive safety

- ASIL-D safety capability for 10+ years
- System-level safety expertise

Best automotive networking

- 4th generation gateway
- Unique combination: enterprise networking compute & IP

World-class security

FULLY SCALABLE & CONSISTENT SOFTWARE DEVELOPMENT PLATFORM ACROSS MPU AND MCU SOLUTIONS

S32 PORTFOLIO UNIQUELY POSITIONED TO SERVE DOMAIN, ZONAL, END NODES

S32 PRODUCTS OPTIMIZED FOR EACH DOMAIN

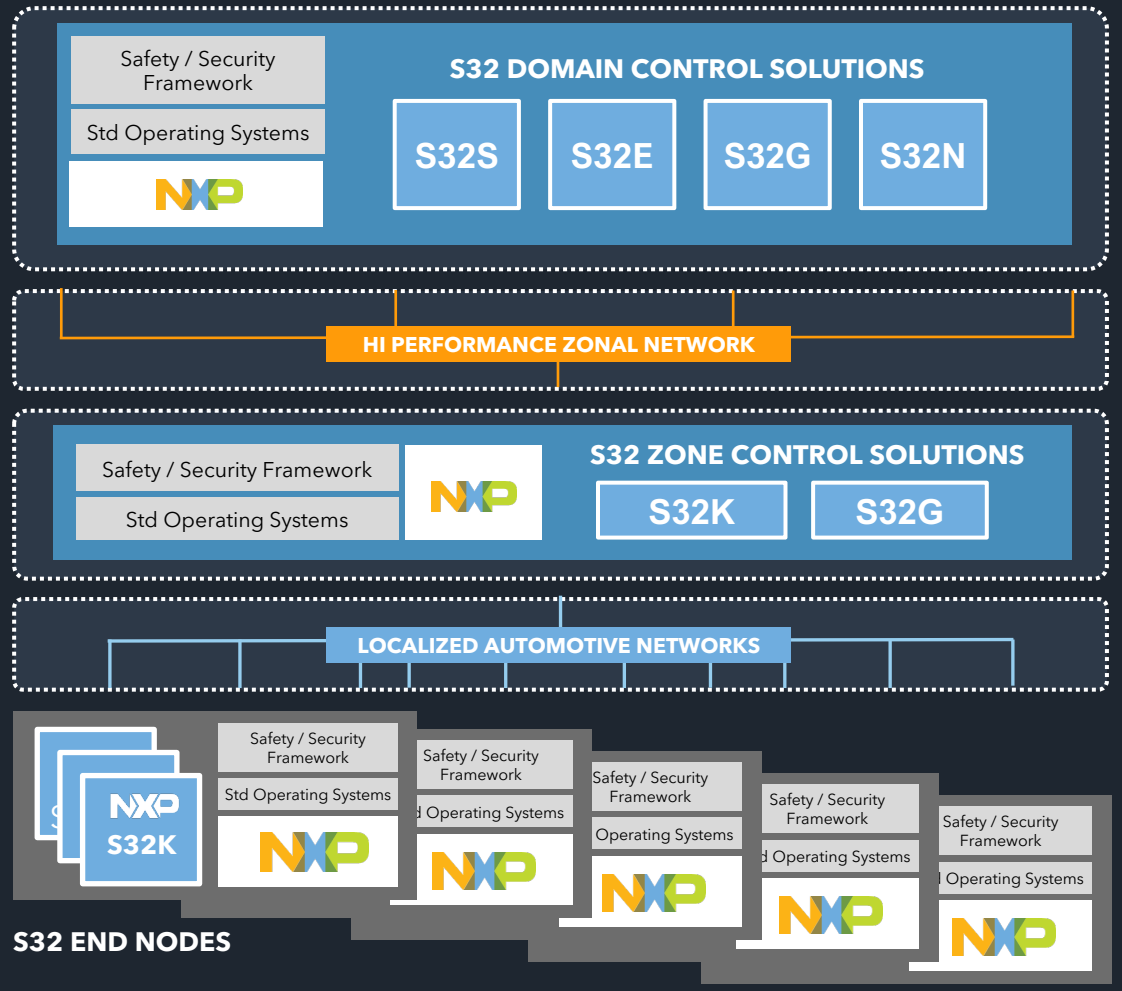
S32K	S32S	S32E	S32G	S32N

- ARM CORES
- SAFETY CONCEPT
- SECURITY MODULE
- COMMON PERIPHERAL SET
- COMMUNICATION ENGINE
- REAL TIME UNIT

S32 FAMILY SUCCESS DRIVERS

1. Common software platform across domains and edge processing
2. Common safety and security architecture across all products
3. Common inter-processor communications across platform
4. Full automotive quality and reliability for ALL apps processors and MCU family's

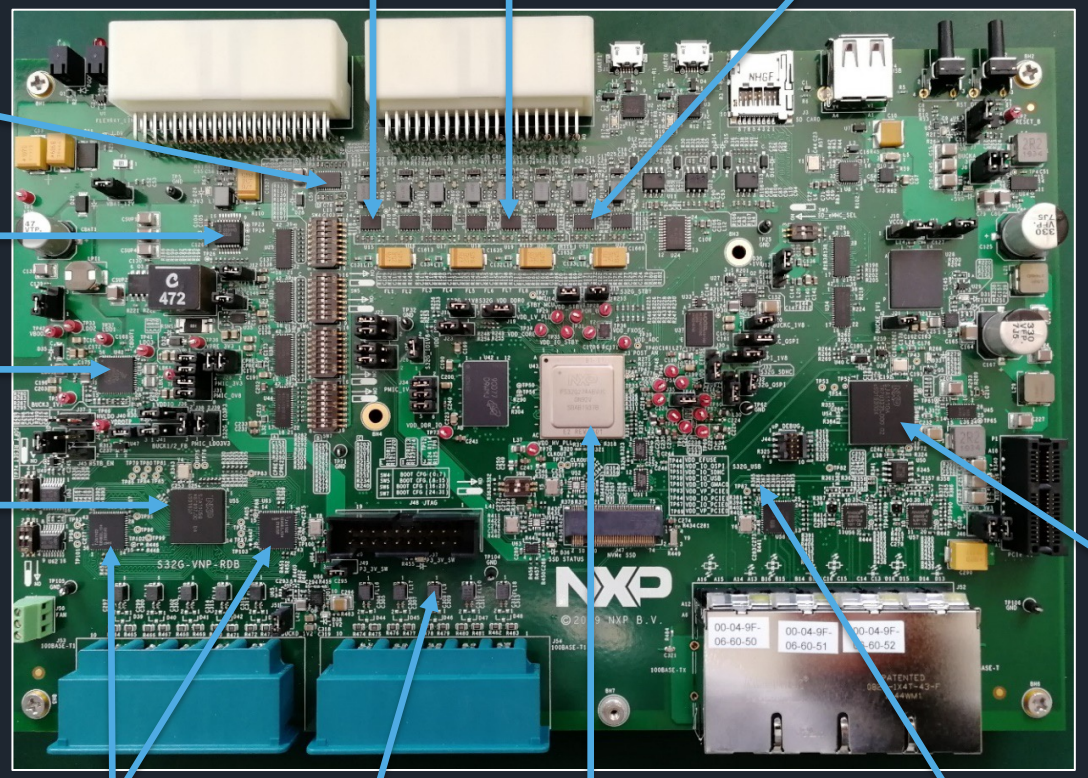
BROADEST COVERAGE OF OPPORTUNITY



NETWORKING DOMAIN CONTROL REFERENCE SOLUTION DRIVES HIGH VALUE NXP ATTACH

29 UNIQUE NXP DEVICES

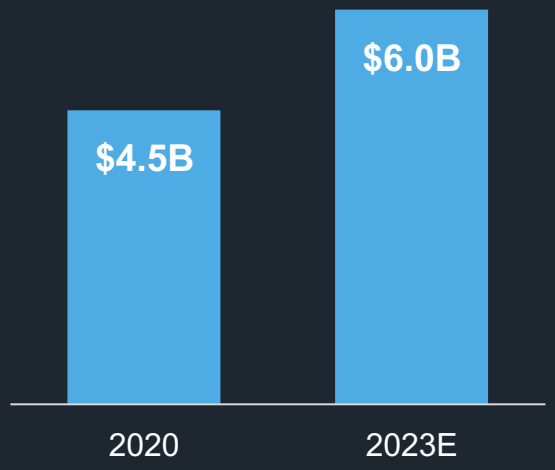
~$40 ATTACHED CONTENT



S32 PORTFOLIO TO ACCELERATE GROWTH OF CORE AUTOMOTIVE PROCESSING

STRONG 10% CAGR MARKET + OUTGROWING THE MARKET = TRUE LEADER

LARGE MISSION CRITICAL TAM



GROWTH FROM NEW APPLICATIONS

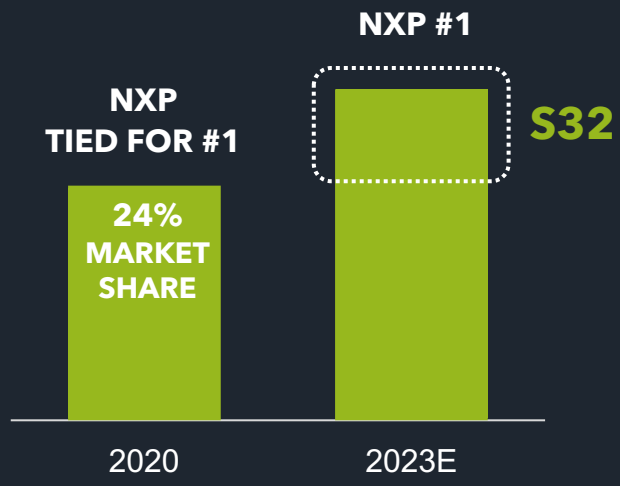
SAFETY
ELECTRIFICATION
DRIVER-VEHICLE INTERFACE

NXP 1.2X MARKET

NXP GROWTH ESTIMATED 2020-2023

OF FORECAST IN 2023 BASED ON DESIGNS WON AND ALREADY IN CUSTOMER DEVELOPMENT

RECOGNIZED AUTO PROCESSING THOUGHT LEADER



S32 PLATFORM DRIVING SIGNIFICANT GROWTH

FUNDAMENTAL TO MOBILITY, SAFETY AND CONNECTIVITY

LEADING IN NEW VEHICLE ARCHITECTURAL DEVELOPMENTS

Source: Strategy Analytics, IHSMarkit, NXP CMI; TAM includes Vehicle Dynamics, Vehicle Networking, Vehicle Body & Comfort

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