UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended April 2, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______.

Commission File Number: **001-34841**

NXP Semiconductors N.V.

(Exact name of registrant as specified in its charter)

Netherlands	**98-1144352**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
60 High Tech Campus	
Eindhoven	
Netherlands	**5656 AG**
(Address of principal executive offices)	(Zip code)

+31 40 2729999

(Registrant’s telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common shares, EUR 0.20 par value	NXPI	The Nasdaq Global Select Market

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of April 28, 2023, there were 259,742,578 shares of our common stock, €0.20 par value per share, issued and outstanding.

NXP Semiconductors N.V.

Form 10-Q

For the Fiscal Quarter Ended April 2, 2023

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

($ in millions, unless otherwise stated)

	For the three months ended	
	April 2, 2023	April 3, 2022
Revenue	**3,121**	3,136
Cost of revenue	**(1,351)**	(1,359)
Gross profit	**1,770**	1,777
Research and development	**(577)**	(518)
Selling, general and administrative	**(280)**	(251)
Amortization of acquisition-related intangible assets	**(85)**	(135)
Total operating expenses	**(942)**	(904)
Other income (expense)	**(3)**	—
Operating income (loss)	**825**	873
Financial income (expense):		
Other financial income (expense)	**(82)**	(105)
Income (loss) before income taxes	**743**	768
Benefit (provision) for income taxes	**(118)**	(114)
Results relating to equity-accounted investees	**(2)**	12
Net income (loss)	**623**	666
Less: Net income (loss) attributable to non-controlling interests	**8**	9
Net income (loss) attributable to stockholders	**615**	657
Earnings per share data:		
Net income (loss) per common share attributable to stockholders in $		
Basic	**2.37**	2.50
Diluted	**2.35**	2.48
Weighted average number of shares of common stock outstanding during the period (in thousands):		
Basic	**259,576**	263,089
Diluted	**261,210**	265,109

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

($ in millions, unless otherwise stated)

	For the three months ended	
	April 2, 2023	April 3, 2022
Net income (loss)	**623**	666
Other comprehensive income (loss), net of tax:		
Change in fair value cash flow hedges	**3**	(4)
Change in foreign currency translation adjustment	**19**	(18)
Total other comprehensive income (loss)	**22**	(22)
Total comprehensive income (loss)	**645**	644
Less: Comprehensive income (loss) attributable to non-controlling interests	**8**	9
Total comprehensive income (loss) attributable to stockholders	**637**	635

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

($ in millions, unless otherwise stated)

	April 2, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	**3,930**	3,845
Accounts receivable, net	**1,063**	960
Inventories, net	**1,977**	1,782
Other current assets	**387**	348
Total current assets	**7,357**	6,935
Non-current assets:		
Other non-current assets	**2,095**	1,942
Property, plant and equipment, net of accumulated depreciation of $5,350 and $5,214	**3,123**	3,105
Identified intangible assets, net of accumulated amortization of $1,717 and $1,883	**1,208**	1,311
Goodwill	**9,949**	9,943
Total non-current assets	**16,375**	16,301
Total assets	**23,732**	23,236
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	**1,002**	1,185
Restructuring liabilities-current	**27**	19
Other current liabilities	**2,186**	2,066
Short-term debt	**998**	—
Total current liabilities	**4,213**	3,270
Non-current liabilities:		
Long-term debt	**10,169**	11,165
Restructuring liabilities	**7**	1
Deferred tax liabilities	**38**	45
Other non-current liabilities	**1,057**	1,015
Total non-current liabilities	**11,271**	12,226
Total liabilities	**15,484**	15,496
Equity:		
Non-controlling interests	**299**	291
Stockholders' equity:		
Common stock, par value €0.20 per share:	**56**	56
Capital in excess of par value	**14,192**	14,091
Treasury shares, at cost:		
14,784,336 shares (2022: 15,056,232 shares)	**(2,745)**	(2,799)
Accumulated other comprehensive income (loss)	**98**	76
Accumulated deficit	**(3,652)**	(3,975)
Total stockholders' equity	**7,949**	7,449
Total equity	**8,248**	7,740
Total liabilities and equity	**23,732**	23,236

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

($ in millions, unless otherwise stated)

	For the three months ended	
	April 2, 2023	April 3, 2022
Cash flows from operating activities:		
Net income (loss)	**623**	666
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization	**283**	310
Share-based compensation	**99**	89
Amortization of discount (premium) on debt, net	**1**	1
Amortization of debt issuance costs	**2**	2
Net (gain) loss on sale of assets	**—**	(1)
(Gain) loss on equity security, net	**1**	(4)
Results relating to equity-accounted investees	**2**	(12)
Deferred tax expense (benefit)	**(62)**	(33)
Changes in operating assets and liabilities:		
(Increase) decrease in receivables and other current assets	**(138)**	(61)
(Increase) decrease in inventories	**(196)**	(122)
Increase (decrease) in accounts payable and other liabilities	**52**	266
Decrease (increase) in other non-current assets	**(33)**	(247)
Exchange differences	**5**	—
Other items	**(7)**	2
Net cash provided by (used for) operating activities	**632**	856
Cash flows from investing activities:		
Purchase of identified intangible assets	**(42)**	(43)
Capital expenditures on property, plant and equipment	**(251)**	(280)
Purchase of equipment leased to others	**—**	(5)
Proceeds from disposals of property, plant and equipment	**—**	1
Purchase of interests in businesses, net of cash acquired	**—**	(4)
Purchase of investments	**(58)**	—
Proceeds from return of equity investment	**—**	2
Net cash provided by (used for) investing activities	**(351)**	(329)
Cash flows from financing activities:		
Cash paid for debt issuance costs	**—**	(1)
Dividends paid to common stockholders	**(219)**	(149)
Proceeds from issuance of common stock through stock plans	**33**	28
Purchase of treasury shares and restricted stock unit withholdings	**(11)**	(552)
Other, net	**(1)**	—
Net cash provided by (used for) financing activities	**(198)**	(674)
Effect of changes in exchange rates on cash positions	**2**	—
Increase (decrease) in cash and cash equivalents	**85**	(147)
Cash and cash equivalents at beginning of period	**3,845**	2,830
Cash and cash equivalents at end of period	**3,930**	2,683

Supplemental disclosures to the condensed consolidated cash flows		
Net cash paid during the period for:		
Interest	**54**	45
Income taxes, net of refunds	**294**	122
Net gain (loss) on sale of assets:		
Cash proceeds from the sale of assets	**—**	1
Non-cash investing activities:		
Non-cash capital expenditures	**176**	246

See accompanying notes to the Condensed Consolidated Financial Statements

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)

($ in millions, unless otherwise stated)

	Outstanding number of shares (in thousands)	Common stock	Capital in excess of par value	Treasury shares at cost	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stock-holders' equity	Non-controlling interests	Total equity
Balance as of December 31, 2022	259,463	56	14,091	(2,799)	76	(3,975)	7,449	291	7,740
Net income (loss)						615	615	8	623
Other comprehensive income					22		22		22
Share-based compensation plans			101				101		101
Shares issued pursuant to stock awards	309			61		(28)	33		33
Treasury shares repurchased and retired	(37)			(7)			(7)		(7)
Dividends common stock ($1.014 per share)						(264)	(264)		(264)
Balance as of April 2, 2023	**259,735**	**56**	**14,192**	**(2,745)**	**98**	**(3,652)**	**7,949**	**299**	**8,248**

	Outstanding number of shares (in thousands)	Common stock	Capital in excess of par value	Treasury shares at cost	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stock-holders' equity	Non-controlling interests	Total equity
Balance as of December 31, 2021	264,950	56	13,727	(1,932)	48	(5,371)	6,528	242	6,770
Net income (loss)						657	657	9	666
Other comprehensive income					(22)		(22)		(22)
Share-based compensation plans			92				92		92
Shares issued pursuant to stock awards	256			51		(23)	28		28
Treasury shares repurchased and retired	(2,653)			(552)			(552)		(552)
Dividends common stock ($0.8450 per share)						(222)	(222)		(222)
Balance as of April 3, 2022	262,553	56	13,819	(2,433)	26	(4,959)	6,509	251	6,760

See accompanying notes to the Condensed Consolidated Financial Statements

NXP SEMICONDUCTORS N.V.
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
All amounts in millions of $ unless otherwise stated

1 Basis of Presentation and Overview

We prepared our interim condensed consolidated financial statements that accompany these notes in conformity with U.S. generally accepted accounting principles, consistent in all material respects with those applied in our Annual Report on Form 10-K for the year ended December 31, 2022.

We have made estimates and judgments affecting the amounts reported in our condensed consolidated financial statements and the accompanying notes. The actual results that we experience may differ materially from our estimates. The interim financial information is unaudited, but reflects all normal adjustments that are, in our opinion, necessary to provide a fair statement of results for the interim periods presented. This interim information should be read in conjunction with the consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2022.

2 Significant Accounting Policies and Recent Accounting Pronouncements

Significant Accounting Policies
For a discussion of our significant accounting policies see, “Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – “Significant Accounting Policies” of our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no changes to our significant accounting policies since our Annual Report on Form 10-K for the year ended December 31, 2022.

New accounting standards not yet adopted
In September 2022, the FASB issued ASU 2022-04, Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations. ASU 2022-04, which require that a buyer in a supplier finance program to disclose sufficient information about the program, is effective for fiscal years beginning after December 15, 2022, with early adoption permitted. ASU 2022-04 became effective for us on January 1, 2023. We have assessed our current positions and the interrelation to the amendments and the adoption of this update did not have a material impact on the Company's consolidated financial statements and related disclosures.

Accounting standards recently adopted
No new accounting pronouncements were issued or became effective in the period that had, or are expected to have, a material impact on our Consolidated Financial Statements.

3 Acquisitions and Divestments

2023
There were no material acquisitions or divestments during the first three months of 2023.

2022
On July 19, 2022, we acquired PL Sense for a total consideration of $22.1 million, net of closing adjustments. There were no material divestments during 2022.

4 Supplemental Financial Information

Statement of Operations Information:

Disaggregation of revenue

The following table presents revenue disaggregated by sales channel:

	For the three months ended	
	April 2, 2023	April 3, 2022
Distributors	**1,491**	1,680
Original Equipment Manufacturers and Electronic Manufacturing Services	**1,594**	1,412
Other	**36**	44
Total	**3,121**	3,136

Depreciation, amortization and impairment

	For the three months ended	
	April 2, 2023	April 3, 2022
Depreciation of property, plant and equipment	**160**	142
Amortization of internal use software	**4**	2
Amortization of other identified intangible assets	**119**	166
Total - Depreciation, amortization and impairment	**283**	310

Financial income and expense

	For the three months ended	
	April 2, 2023	April 3, 2022
Interest income	**42**	2
Interest expense	**(111)**	(104)
Total other financial income/ (expense)	**(13)**	(3)
Total - Financial income and expenses	**(82)**	(105)

Earnings per share

The computation of earnings per share (EPS) is presented in the following table:

	For the three months ended	
	April 2, 2023	April 3, 2022
Net income (loss)	**623**	666
Less: net income (loss) attributable to non-controlling interests	**8**	9
Net income (loss) attributable to stockholders	**615**	657
Weighted average number of shares outstanding (after deduction of treasury shares) during the year (in thousands)	**259,576**	263,089
Plus incremental shares from assumed conversion of:		
Options [1)]	**206**	321
Restricted Share Units, Performance Share Units and Equity Rights [2)]	**1,428**	1,699
Dilutive potential common shares	**1,634**	2,020
Adjusted weighted average number of shares outstanding (after deduction of treasury shares) during the year (in thousands)	**261,210**	265,109
EPS attributable to stockholders in $:		
Basic net income (loss)	**2.37**	2.50
Diluted net income (loss)	**2.35**	2.48

There were no stock options to purchase shares of NXP's common stock that were outstanding in Q1 2023 (Q1 2022: no shares) that were anti-dilutive and were not included in the computation of diluted EPS because the exercise price was greater than the average fair market value of the common stock or the number of shares assumed to be repurchased using the proceeds of unrecognized compensation expense and exercise prices were greater than the weighted average number of shares underlying outstanding stock options.

There were 0.3 million unvested RSUs, PSUs and equity rights that were outstanding in Q1 2023 (Q1 2022: 0.2 million shares) that were anti-dilutive and were not included in the computation of diluted EPS because the number of shares assumed to be repurchased using the proceeds of unrecognized compensation expense were greater than the weighted average number of outstanding unvested RSUs, PSUs and equity rights or the performance goal has not been met yet.

Balance Sheet Information

Cash and cash equivalents

At April 2, 2023 and December 31, 2022, our cash balance was $3,930 million and $3,845 million, respectively, of which $234 million and $227 million was held by SSMC, our consolidated joint venture company with TSMC. Under the terms of our joint venture agreement with TSMC, a portion of this cash can be distributed by way of a dividend to us, but 38.8% of the dividend will be paid to our joint venture partner. During both first three months of 2023 and 2022, no dividends were declared by SSMC.

Inventories

The portion of finished goods stored at customer locations under consignment amounted to $11 million as of April 2, 2023 (December 31, 2022: $8 million).

Inventories are summarized as follows:

	April 2, 2023	December 31, 2022
Raw materials	**135**	151
Work in process	**1,522**	1,308
Finished goods	**320**	323
	1,977	1,782

The amounts recorded above are net of allowance for obsolescence of $142 million as of April 2, 2023 (December 31, 2022: $125 million).

Equity Investments

At April 2, 2023 and December 31, 2022, the total carrying value of investments in equity securities is summarized as follows:

	April 2, 2023	December 31, 2022
Marketable equity securities	**9**	9
Non-marketable equity securities	**31**	18
Equity-accounted investments	**103**	71
	143	98

The total carrying value of investments in equity-accounted investees is summarized as follows:

	April 2, 2023		December 31, 2022	
	Shareholding %	Amount	Shareholding %	Amount
SMART Growth Fund, L.P.	**8.41 %**	**39**	8.41 %	38
SigmaSense, LLC	**10.64 %**	**35**	—	—
Others	**—**	**29**	—	33
		103		71

Results related to equity-accounted investees at the end of each period were as follows:

	For the three months ended	
	April 2, 2023	April 3, 2022
Company's share in income (loss)	**(2)**	11
Other results	**—**	1
	(2)	12

Other current liabilities

Other current liabilities at April 2, 2023 and December 31, 2022 consisted of the following:

	April 2, 2023	December 31, 2022
Accrued compensation and benefits	**491**	467
Customer programs	**614**	432
Income taxes payable	**177**	296
Dividend payable	**263**	219
Other	**641**	652
	2,186	2,066

We have reclassified certain amounts related to customer programs previously presented in “Accounts payable” to “Other current liabilities” as of December 31, 2022 to conform to current period presentation as follows:

	December 31, 2022
Accounts payable:	
As reported	1,617
Reclassification - customer programs	(432)
Adjusted	1,185
Other current liabilities:	
As reported	1,634
Reclassification - customer programs	432
Adjusted	2,066

Accumulated other comprehensive income (loss)

Total comprehensive income (loss) represents net income (loss) plus the results of certain equity changes not reflected in the condensed consolidated statements of operations. The after-tax components of accumulated other comprehensive income (loss) and their corresponding changes are shown below:

	Currency translation differences	Change in fair value cash flow hedges	Net actuarial gain/(losses)	Accumulated Other Comprehensive Income (loss)
As of December 31, 2022	**135**	(1)	(58)	76
Other comprehensive income (loss) before reclassifications	**19**	**2**	**—**	**21**
Amounts reclassified out of accumulated other comprehensive income (loss)	**—**	**2**	**—**	**2**
Tax effects	**—**	**(1)**	**—**	**(1)**
Other comprehensive income (loss)	**19**	**3**	**—**	**22**
As of April 2, 2023	**154**	**2**	**(58)**	**98**

Cash dividends

The following dividends were declared during the first quarters of 2023 and 2022 under NXP's quarterly dividend program:

	Fiscal year 2023		Fiscal year 2022	
	Dividend per share	Amount	Dividend per share	Amount
First quarter	**1.014**	**263**	0.845	222

The dividend declared in the first quarter (not yet paid) is classified in the condensed consolidated balance sheet in other current liabilities as of April 2, 2023 and was subsequently paid on April 5, 2023.

5 Restructuring

At each reporting date, we evaluate our restructuring liabilities, which consist primarily of termination benefits, to ensure that our accruals are still appropriate.

The following table presents the changes in restructuring liabilities in 2023:

	As of January 1, 2023	Additions	Utilized	Released	Other changes	As of April 2, 2023
Restructuring liabilities	**20**	**21**	**(2)**	**(3)**	**(2)**	**34**

The total restructuring liability as of April 2, 2023 of $34 million is classified in the consolidated balance sheet under current liabilities ($27 million) and non-current liabilities ($7 million).

The restructuring charges for the three month period ending April 2, 2023 consist of $21 million for personnel related costs for a new restructuring program, offset by a $3 million release for an earlier program. There were no significant restructuring costs incurred for the three month period ended April 3, 2022 and the utilization of the restructuring liabilities mainly reflects the execution of ongoing restructuring programs the Company initiated in earlier years.

These restructuring charges recorded in operating income, for the periods indicated, are included in the following line items in the statement of operations:

	For the three months ended	
	April 2, 2023	April 3, 2022
Cost of revenue	**(2)**	—
Research and development	**14**	(1)
Selling, general and administrative	**6**	—
Net restructuring charges	**18**	(1)

6 Income Tax

	For the three months ended	
	April 2, 2023	April 3, 2022
Benefit (provision) for income taxes	**(118)**	(114)
Effective tax rate	**15.9 %**	14.8 %
Statutory income tax rate in the Netherlands	**25.8 %**	25.8 %

Beginning with the first quarter of 2023, NXP was in a position to make a reliable estimate of its annual effective tax rate. This estimated annual effective tax rate ("EAETR") is then applied to the year-to-date *Income (loss) before income taxes* excluding discrete items, to determine the year-to-date benefit (provision) for income taxes. The income tax effects of any discrete items are recognized in the interim period in which they occur. As the year progresses, the Company continually refines the EAETR based upon actual events and the apportionment of our earnings (loss). This continual estimation process periodically may result in a change to our EAETR for the year. When this occurs, we adjust on an accumulated basis the benefit (provision) for income taxes during the quarter in which the change occurs.

Our provision for income taxes for 2023 is based on our EAETR of 17.0%, which is lower than the Netherlands statutory tax rate of 25.8%, primarily due to tax benefits from the Netherlands and foreign tax incentives. The effective tax rate of 15.9% for the first quarter of 2023 was lower than the EAETR due to the income tax benefit for discrete items of $8 million. The discrete items are primarily related to changes in estimates for previous years and the impact of foreign currency on income tax related items. The effective tax rate of 14.8% for the first quarter of 2022 was lower compared to the current period due to higher foreign tax incentives as a result of an increase in qualifying investments and also due to a different mix of the benefit (provision) of income taxes in the locations that we operate in.

7 Identified Intangible Assets

Identified intangible assets as of April 2, 2023 and December 31, 2022, respectively, were composed of the following:

	April 2, 2023		December 31, 2022	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
In-process R&D (IPR&D) [1)]	**70**	**—**	70	—
Customer-related	**788**	**(318)**	788	(307)
Technology-based	**2,067**	**(1,399)**	2,336	(1,576)
Identified intangible assets	**2,925**	**(1,717)**	3,194	(1,883)

[1)] IPR&D is not subject to amortization until completion or abandonment of the associated research and development effort.

The estimated amortization expense for these identified intangible assets for each of the five succeeding years is:

2023 (remaining)	329
2024	281
2025	160
2026	82
2027	61
Thereafter	295

All intangible assets, excluding IPR&D and goodwill, are subject to amortization and have no assumed residual value.

The expected weighted average remaining life of identified intangibles is 4 years as of April 2, 2023 (December 31, 2022: 4 years).

8 Debt

The following table summarizes the outstanding debt as of April 2, 2023 and December 31, 2022:

		April 2, 2023		December 31, 2022	
	Maturities	Amount	Interest rate	Amount	Interest rate
Fixed-rate 4.875% senior unsecured notes	Mar, 2024	**1,000**	**4.875**	1,000	4.875
Fixed-rate 2.7% senior unsecured notes	May, 2025	**500**	**2.700**	500	2.700
Fixed-rate 5.35% senior unsecured notes	Mar, 2026	**500**	**5.350**	500	5.350
Fixed-rate 3.875% senior unsecured notes	Jun, 2026	**750**	**3.875**	750	3.875
Fixed-rate 3.15% senior unsecured notes	May, 2027	**500**	**3.150**	500	3.150
Fixed-rate 4.40% senior unsecured notes	Jun, 2027	**500**	**4.400**	500	4.400
Fixed-rate 5.55% senior unsecured notes	Dec, 2028	**500**	**5.550**	500	5.550
Fixed-rate 4.3% senior unsecured notes	Jun, 2029	**1,000**	**4.300**	1,000	4.300
Fixed-rate 3.4% senior unsecured notes	May, 2030	**1,000**	**3.400**	1,000	3.400
Fixed-rate 2.5% senior unsecured notes	May, 2031	**1,000**	**2.500**	1,000	2.500
Fixed-rate 2.65% senior unsecured notes	Feb, 2032	**1,000**	**2.650**	1,000	2.650
Fixed-rate 5.00% senior unsecured notes	Jan, 2033	**1,000**	**5.000**	1,000	5.000
Fixed-rate 3.25% senior unsecured notes	May, 2041	**1,000**	**3.250**	1,000	3.250
Fixed-rate 3.125% senior unsecured notes	Feb, 2042	**500**	**3.125**	500	3.125
Fixed-rate 3.25% senior unsecured notes	Nov, 2051	**500**	**3.250**	500	3.250
Floating-rate revolving credit facility (RCF)	Aug, 2027	**—**	**—**	—	—
Total principal		**11,250**		11,250	
Unamortized discounts, premiums and debt issuance costs		**(83)**		(85)	
Total debt, including unamortized discounts, premiums, debt issuance costs and fair value adjustments		**11,167**		11,165	
Current portion of long-term debt		**998**		—	
Long-term debt		**10,169**		11,165	

9 Related-Party Transactions

The Company's related parties are the members of the board of directors of NXP Semiconductors N.V., the executive officers of NXP Semiconductors N.V. and equity-accounted investees.

The following table presents the amounts related to revenue and other income and purchase of goods and services incurred in transactions with these related parties:

	For the three months ended	
	April 2, 2023	April 3, 2022
Revenue and other income	**1**	3
Purchase of goods and services	**—**	1

The following table presents the amounts related to receivable and payable balances with these related parties:

	April 2, 2023	December 31, 2022
Receivables	**5**	1
Payables	**12**	3

10 Fair Value Measurements

The following table summarizes the estimated fair value of our financial instruments which are measured at fair value on a recurring basis:

		Estimated fair value	
	Fair value hierarchy	**April 2, 2023**	December 31, 2022
Assets:			
Money market funds	1	**2,832**	2,817
Marketable equity securities	1	**9**	9
Derivative instruments-assets	2	**7**	8
Liabilities:			
Derivative instruments-liabilities	2	**(3)**	(6)

The following methods and assumptions were used to estimate the fair value of financial instruments:

Assets and liabilities measured at fair value on a recurring basis
Investments in money market funds (as part of our cash and cash equivalents) and marketable equity securities (as part of other non-current assets) have fair value measurements which are all based on quoted prices in active markets for identical assets or liabilities. For derivatives (as part of other current assets or accrued liabilities) the fair value is based upon significant other observable inputs depending on the nature of the derivative.

Assets and liabilities recorded at fair value on a non-recurring basis
We measure and record our non-marketable equity securities, equity method investments and non-financial assets, such as intangible assets and property, plant and equipment, at fair value when an impairment charge is required.

Assets and liabilities not recorded at fair value on a recurring basis
Financial instruments not recorded at fair value on a recurring basis include non-marketable equity securities and equity method investments that have not been remeasured or impaired in the current period and debt.

As of April 2, 2023, the estimated fair value of current and non-current debt was $10.1 billion ($9.8 billion as of December 31, 2022). The fair value is estimated on the basis of broker-dealer quotes, which are Level 2 inputs. Accrued interest is included under accrued liabilities and not within the carrying amount or estimated fair value of debt.

11 Commitments and Contingencies

Purchase Commitments
The Company maintains purchase commitments with certain suppliers, primarily for raw materials, semi-finished goods and manufacturing services and for some non-production items. Purchase commitments for inventory materials are generally restricted to a forecasted time-horizon as mutually agreed upon between the parties. This forecasted time-horizon can vary for different suppliers. As of April 2, 2023, the Company had purchase commitments of $3.9 billion, which are due through 2044. Our long-term obligations increased substantially in 2021 as we locked in long-term supply with our key manufacturing partners.

Litigation
We are regularly involved as plaintiffs or defendants in claims and litigation relating to a variety of matters such as contractual disputes, personal injury claims, employee grievances and intellectual property litigation. In addition, our acquisitions, divestments and financial transactions sometimes result in, or are followed by, claims or litigation. Some of these claims may possibly be recovered from insurance reimbursements. Although the ultimate disposition of asserted claims cannot be predicted with certainty, it is our belief that the outcome of any such claims, either individually or on a combined basis, will not have a material adverse effect on our consolidated financial position. However, such outcomes may be material to our condensed consolidated statement of operations for a particular period. The Company records an accrual for any claim that arises whenever it considers that it is probable that it is exposed to a loss contingency and the amount of the loss contingency can be reasonably estimated. The Company does not record a gain contingency until the period in which all contingencies are resolved and the gain is realized or realizable. Legal fees are expensed when incurred.

Based on the most current information available to it and based on its best estimate, the Company also reevaluates at least on a quarterly basis the claims that have arisen to determine whether any new accruals need to be made or whether any accruals made need to be adjusted. Based on the procedures described above, the Company has an aggregate amount of $102 million accrued for potential and current legal proceedings pending as of April 2, 2023, compared to $58 million accrued at December 31, 2022 (without reduction for any related insurance reimbursements). The accruals are included in “Other current liabilities” and in “Other non-current liabilities”. As of April 2, 2023, the Company’s related balance of insurance reimbursements was $67 million (December 31, 2022: $43 million) and is included in “Other non-current assets”.

The Company also estimates the aggregate range of reasonably possible losses in excess of the amount accrued based on currently available information for those cases for which such estimate can be made. The estimated aggregate range requires significant judgment, given the varying stages of the proceedings, the existence of multiple defendants (including the Company) in such claims whose share of liability has yet to be determined, the numerous yet-unresolved issues in many of the claims, and the attendant uncertainty of the various potential outcomes of such claims. Accordingly, the Company’s estimate will change from time to time, and actual losses may be more than the current estimate. As at April 2, 2023, the Company believes that for all litigation pending its potential aggregate exposure to loss in excess of the amount accrued (without reduction for any amounts that may possibly be recovered under insurance programs) could range between $0 and $106 million. Based upon our past experience with these matters, the Company would expect to receive additional insurance reimbursement of up to $70 million on certain of these claims that would partially offset the potential aggregate exposure to loss in excess of the amount accrued.

In addition, the Company is currently assisting Motorola in the defense of personal injury lawsuits due to indemnity obligations included in the agreement that separated Freescale from Motorola in 2004. The multi-plaintiff Motorola lawsuits are pending in the Circuit Court of Cook County, Illinois. These claims allege a link between working in semiconductor manufacturing clean room facilities and birth defects in 22 individuals. The Motorola suits allege exposures between 1980 and 2005. Each claim seeks an unspecified amount of damages for the alleged injuries; however, legal counsel representing the plaintiffs has indicated they will seek substantial compensatory and punitive damages from Motorola for the entire inventory of claims which, if proven and recovered, the Company considers to be material. A portion of any indemnity due to Motorola will be reimbursed to NXP if Motorola receives an indemnification payment from its insurance coverage. Motorola has potential insurance coverage for many of the years indicated above, but with differing types and levels of coverage, self-insurance retention amounts and deductibles. We are in discussions with Motorola and their insurers regarding the availability of applicable insurance coverage for each of the individual cases. Motorola and NXP have denied liability for these alleged injuries based on numerous defenses.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis (MD&A) should be read in conjunction with our consolidated financial statements and notes and the MD&A in our Annual Report on Form 10-K for the year ended December 31, 2022, and the financial statements and the related notes that appear elsewhere in this document. This discussion contains forward-looking statements that involve a number of risks and uncertainties, including any statements that refer to projections of our future financial performance, our anticipated growth and trends in our businesses, uncertain events or assumptions, and other characterizations of future events or circumstances. Such statements are based on our current expectations and could be affected by the uncertainties and risk factors described throughout this filing and in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K. Our actual results may differ materially from those contained in any forward-looking statements. We undertake no obligation to update any forward-looking statement to reflect subsequent events or circumstances.

Overview

Q1 2023 compared to Q1 2022

Revenue for the three months ended April 2, 2023 was $3,121 million compared to $3,136 million for the three months ended April 3, 2022, a decrease of $15 million or 0.5% year-on-year. At end market level the year-on-year comparisons are mixed, with lower demand in the Industrial IoT and the Mobile end markets resulting in a revenue decline in these end markets of $178 million or 26.1% and $141 million or 35.2%, respectively. The year-on-year revenue of the Automotive and the Communications Infrastructure & Other end markets increased by $271 million or 17.4% and $33 million or 6.7%, respectively.

Our gross profit percentage remained flat, 56.7% in both first quarters of 2023 and 2022.

We continue to generate strong operating cash flows, with $632 million in cash flows from operations for the first quarter of 2023. We returned $230 million to our shareholders during the first quarter of 2023. Our cash position at the end of the first quarter of 2023 was $3,930 million.

Results of operations

The following table presents operating income for each of the three month periods ended April 2, 2023 and April 3, 2022, respectively:

($ in millions, unless otherwise stated)	**Q1 2023**	Q1 2022	Increase/decrease
Revenue	**3,121**	3,136	(15)
% nominal growth	**(0.5)**	22.2	(22.7)
Gross profit	**1,770**	1,777	(7)
Gross margin	**56.7 %**	56.7 %	— ppt
Research and development	**(577)**	(518)	(59)
Selling, general and administrative	**(280)**	(251)	(29)
Amortization of acquisition-related intangible assets	**(85)**	(135)	50
Other income (expense)	**(3)**	—	(3)
Operating income (loss)	**825**	873	(48)
Financial income (expense)	**(82)**	(105)	23
Benefit (provision) for income taxes	**(118)**	(114)	(4)
Results relating to equity-accounted investees	**(2)**	12	(14)
Net income (loss)	**623**	666	(43)
Less: Net income (loss) attributable to non-controlling interests	**8**	9	(1)
Net income (loss) attributable to stockholders	**615**	657	(42)
Diluted earnings per share	**2.35**	2.48	(0.13)

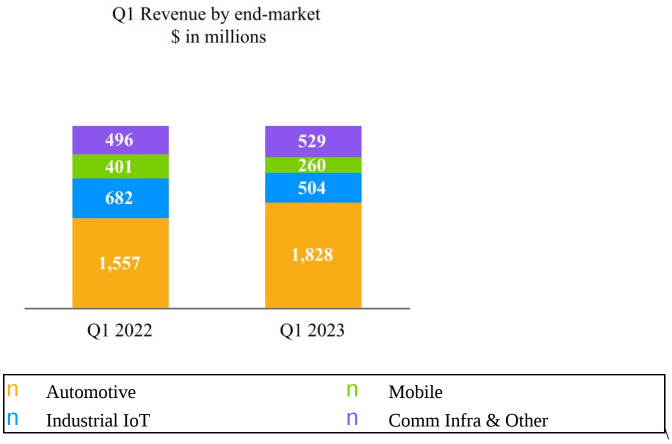
Revenue

Q1 2023 compared to Q1 2022

Revenue for the three months ended April 2, 2023 was $3,121 million compared to $3,136 million for the three months ended April 3, 2022, a decrease of $15 million or 0.5%. NXP experienced lower demand in the Industrial IoT and the Mobile end markets and higher demand in NXP's Automotive and Communication Infrastructure & Other end markets versus the year ago period.

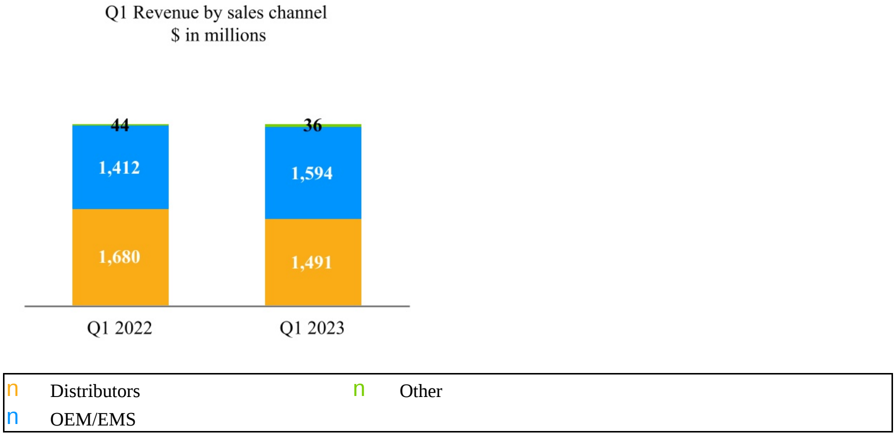
Revenue by end market was as follows:

($ in millions, unless otherwise stated)	**Q1 2023**	Q1 2022	Change
Automotive	**1,828**	1,557	17.4 %
Industrial & IoT	**504**	682	(26.1)%
Mobile	**260**	401	(35.2)%
Communication Infrastructure & Other	**529**	496	6.7 %
Revenue	**3,121**	3,136	(0.5)%



Revenue by sales channel was as follows:

($ in millions, unless otherwise stated)	**Q1 2023**	Q1 2022	Change
Distributors	**1,491**	1,680	(11.3)%
OEM/EMS	**1,594**	1,412	12.9 %
Other	**36**	44	(18.2)%
Revenue	**3,121**	3,136	(0.5)%



Revenue by geographic region, which is based on the customer's shipped-to location was as follows:

($ in millions, unless otherwise stated)	**Q1 2023**	Q1 2022	Change
China [1)]	**947**	1,069	(11.4)%
APAC, excluding China	**975**	998	(2.3)%
EMEA (Europe, the Middle East and Africa)	**725**	638	13.6 %
Americas	**474**	431	10.0 %
Revenue	**3,121**	3,136	(0.5)%

[1)] China includes Mainland China and Hong Kong

Q1 2023 compared to Q1 2022

The year-on-year change in revenues was driven by a decline in shipment volumes, offset by higher average selling prices due to increased input costs from its suppliers which were passed along to end customers.

When aggregating all end markets together, and reviewing sales channel performance, revenues through direct OEM and EMS customers was $1,594 million, an increase of 12.9% versus the year ago period. Revenues through NXP's third party distribution partners was $1,491 million, a decrease of 11.3%.

From a geographic perspective, revenue declined in China and to a lesser extent in Asia Pacific, while revenue increased across the EMEA regions and the Americas regions.

Revenue in the Automotive end market was $1,828 million, an increase of $271 million or 17.4% versus the year ago period. The increase in Automotive revenue can be attributed to growth in automotive processing, advanced analog, automotive application processors and radar in support of the secular shift of electrification, and advanced driver safety and assistance.

Revenue in the Industrial & IoT end market was $504 million, a decrease of $178 million or 26.1% versus the year ago period. Within the Industrial & IoT market the year-on-year decline was driven by lower demand across the entire product portfolio.

Revenue in the Mobile end market was $260 million, a decrease of $141 million or 35.2% versus the year ago period. Declines within the Mobile end market were due to lower demand of our secure embedded transaction solutions, along with the company's advanced analog high-speed interfaces and embedded power solutions.

Revenue in the Communication Infrastructure & Other end market was $529 million, an increase of $33 million or 6.7% versus the year ago period. The increase in revenue was due to increase demand of our network edge equipment, RFID tagging solutions, and transit and access solutions. Offsetting these positive growth trends were declines in demand for the company's RF Power products, wireless access point solutions and smart antennae products.

Gross profit

Q1 2023 compared to Q1 2022

Gross profit for the three months ended April 2, 2023 was $1,770 million, or 56.7% of revenue, compared to $1,777 million, or 56.7% of revenue for the three months ended April 3, 2022, with increases in pricing offsetting increases in our foundry, subcontractor and other supplier sourcing costs.

Operating expenses

Research and development

($ in millions, unless otherwise stated)	**Q1 2023**	Q1 2022	Percentage change
Research and development	**577**	518	11.4 %
As a percentage of revenue	**18.5 %**	16.5 %	2.0 ppt

Q1 2023 compared to Q1 2022

R&D costs for the three months ended April 2, 2023 increased by $59 million, or 11.4%, when compared to the three months ended April 3, 2022 mainly driven by:

+ higher personnel-related costs;
+ higher restructuring costs; and
- lower variable compensation costs.

Selling, general and administrative

($ in millions, unless otherwise stated)	**Q1 2023**	Q1 2022	Percentage change
Selling, general and administrative	**280**	251	11.6 %
As a percentage of revenue	**9.0 %**	8.0 %	1.0 ppt

Q1 2023 compared to Q1 2022

SG&A costs for the three months ended April 2, 2023 increased by $29 million, or 11.6%, when compared to the three months ended April 3, 2022 mainly due to:

+ higher legal expense;
+ higher personnel-related costs;
+ higher restructuring costs; and
- lower variable compensation costs.

Amortization of acquisition-related intangible assets

($ in millions, unless otherwise stated)	**Q1 2023**	Q1 2022	Percentage change
Amortization of acquisition-related intangible assets	**85**	135	(37.0) %
As a percentage of revenue	**2.7 %**	4.3 %	(1.6)ppt

Q1 2023 compared to Q1 2022

Amortization of acquisition-related intangible assets decreased by $50 million, or 37.0%, when compared to the three months ended April 3, 2022 driven by:

- certain intangibles became fully amortized during 2022.

Financial income (expense)

The following table presents the details of financial income and expenses:

($ in millions, unless otherwise stated)	**Q1 2023**	Q1 2022
Interest income	**42**	2
Interest expense	**(111)**	(104)
Other, net	**(13)**	(3)
Total	**(82)**	(105)

Interest income

Q1 2023 compared to Q1 2022

Interest income increased due to higher interest rates and to a lesser extent by a higher level of cash.

Interest expense

Q1 2023 compared to Q1 2022

Interest expense increased due to several debt restructurings, issuance of $1.5 billion of new debt and repayment of $900 million of debt in the second quarter of 2022.

Other, net

Q1 2023 compared to Q1 2022

Other, net, mainly increased due to higher foreign currency results (a loss of $5 million) and fair value adjustments in equity securities.

Benefit (provision) for income taxes

	Q1 2023	Q1 2022
Benefit (provision) for income taxes	**(118)**	(114)
Effective tax rate	**15.9 %**	14.8 %
Statutory income tax rate in the Netherlands	**25.8 %**	25.8 %

Q1 2023 compared to Q1 2022

Beginning with the first quarter of 2023, NXP was in a position to make a reliable estimate of its annual effective tax rate. This estimated annual effective tax rate ("EAETR") is then applied to the year-to-date *Income (loss) before income taxes* excluding discrete items, to determine the year-to-date benefit (provision) for income taxes. The income tax effects of any discrete items are recognized in the interim period in which they occur. As the year progresses, the Company continually refines the EAETR based upon actual events and the apportionment of our earnings (loss). This continual estimation process periodically may result in a change to our EAETR for the year. When this occurs, we adjust on an accumulated basis the benefit (provision) for income taxes during the quarter in which the change occurs.

Our provision for income taxes for 2023 is based on our EAETR of 17.0%, which is lower than the Netherlands statutory tax rate of 25.8%, primarily due to tax benefits from the Netherlands and foreign tax incentives. The effective tax rate of 15.9% for the first quarter of 2023 was lower than the EAETR due to the income tax benefit for discrete items of $8 million. The discrete items are primarily related to changes in estimates for previous years and the impact of foreign currency on income tax related items. The effective tax rate of 14.8% for the first quarter of 2022 was lower compared to the current period due to higher foreign tax incentives as a result of an increase in qualifying investments and also due to a different mix of the benefit (provision) of income taxes in the locations that we operate in.

Liquidity and Capital Resources

We derive our liquidity and capital resources primarily from our cash flows from operations. We continue to generate strong positive operating cash flows. At the end of the first quarter of 2023, our cash balance was $3,930 million, an increase of $85 million compared to December 31, 2022. Taking into account the available amount of the Unsecured Revolving Credit Facility of $2,500 million, we had access to $6,430 million of liquidity as of April 2, 2023. We currently use cash to fund operations, meet working capital requirements, for capital expenditures and for potential common stock repurchases, dividends and strategic investments. Based on past performance and current expectations, we believe that our current available sources of funds (including cash and cash equivalents, RCF Agreement of $2.5 billion, plus anticipated cash generated from operations) will be adequate to finance our operations, working capital requirements, capital expenditures and potential dividends for at least the next twelve months.

($ in millions, unless otherwise stated)	**YTD 2023**	YTD 2022
Cash from operations	**632**	856
Capital expenditures	**251**	280
Cash to shareholders	**230**	701

Cash and cash equivalents

At April 2, 2023, our cash balance was $3,930 million of which $234 million was held by SSMC, our consolidated joint venture company with TSMC. Under the terms of our joint venture agreement with TSMC, a portion of this cash can be distributed by way of a dividend to us, but 38.8% of the dividend will be paid to our joint venture partner.

Capital expenditures

Our cash outflows for capital expenditures were $251 million in the first three months of 2023, compared to $280 million in the first three months of 2022.

Capital return

Under our Quarterly Dividend Program, interim dividends of $0.845 per ordinary share were paid on January 6, 2023 ($219 million) and dividends of $1.014 per ordinary share were paid on April 5, 2023.

Outstanding indebtedness

Our total debt amounted to $11,167 million as of Q1 2023, an increase of $2 million compared to December 31, 2022 ($11,165 million), with net debt amounting to $7,237 million.

Cash flows

Our cash and cash equivalents during the first three months of 2023 increased by $83 million (excluding the effect of changes in exchange rates on our cash position of $2 million) as follows:

($ in millions, unless otherwise stated)	**YTD 2023**	YTD 2022
Net cash provided by (used for) operating activities	**632**	856
Net cash (used for) provided by investing activities	**(351)**	(329)
Net cash provided by (used for) financing activities	**(198)**	(674)
Increase (decrease) in cash and cash equivalents	**83**	(147)

Cash Flow from Operating Activities

For the first three months of 2023 our operating activities provided $632 million in cash. This was primarily the result of net income of $623 million, adjustments to reconcile the net income of $326 million and changes in operating assets and liabilities of $(315) million. Adjustments to net income (loss) includes offsetting non-cash items, such as depreciation and amortization of $283 million, share-based compensation of $99 million and changes in deferred taxes of $(62) million. Changes in operating assets and liabilities were primarily driven by a $196 million increase in inventories due to increased production levels in order to align inventory on hand with expected demand, $138 million increase in receivables and other current assets due to the profile and timing of revenue by sales channel directly impacting outstanding receivables at the end of the period, $33 million increase in other non-current assets due to prepayments to secure long-term production supply; partially offset by $52 million increase in accounts payable and other liabilities as a result of timing related to payments.

For the first three months of 2022 our operating activities provided $856 million in cash. This was primarily the result of net income of $666 million, adjustments to reconcile the net income of $352 million and changes in operating assets and liabilities of $(164) million. Adjustments to net income (loss) includes offsetting non-cash items, such as depreciation and amortization of $310 million, share-based compensation of $89 million and changes in deferred taxes of $(33) million. Changes in operating assets and liabilities were primarily driven by a $122 million increase in inventories due to increased production levels in order to align inventory on hand with expected demand, $61 million increase in receivables and other current assets, $247 million increase in other non-current assets; partially offset by $266 million increase in accounts payable and other liabilities.

Cash Flow from Investing Activities

Net cash used for investing activities amounted to $351 million for the first three months of 2023 and principally consisted of the cash outflows for capital expenditures of $251 million, $42 million for the purchase of identified intangible assets, and $58 million for the purchase of investments.

Net cash used for investing activities amounted to $329 million for the first three months of 2022 and principally consisted of the cash outflows for capital expenditures of $280 million and $43 million for the purchase of identified intangible assets, $5 million for the purchase of equipment leased to others, $4 million for the net purchase of interests of businesses, partly offset by $2 million from the proceeds from return of equity investments and $1 million from the proceeds from disposals of property, plant and equipment.

Cash Flow from Financing Activities

Net cash used for financing activities was $198 million for the first three months of 2023 was primarily driven by the $219 million dividend payment to shareholders, partially offset by the $33 million proceeds from the issuance of common stock through stock plans.

Net cash used for financing activities was $674 million for the first three months of 2022 was primarily driven by the $552 million purchase of treasury shares and restricted stock unit withholdings and $149 million dividend payment to shareholders; partially offset by the $28 million proceeds from the issuance of common stock through stock plans.

Additional Capital Requirements

Expected working and other capital requirements are described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 in Part II, Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. At April 2, 2023, other than for changes disclosed in the “Notes to Condensed Consolidated Financial Statements” and “Liquidity and Capital Resources” in this Quarterly Report, there have been no other material changes to our expected working and other capital requirements described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Information Regarding Guarantors of NXP (unaudited)

Summarized Combined Financial Information for Guarantee of Securities of Subsidiaries

All debt instruments are guaranteed, fully and unconditionally, jointly and severally, by NXP Semiconductors N.V. and issued or guaranteed by NXP USA, Inc., NXP B.V. and NXP LLC, (together, the “Subsidiary Obligors” and together with NXP Semiconductors N.V., the “Obligor Group”). Other than the Subsidiary Obligors, none of the Company’s subsidiaries (together the “Non-Guarantor Subsidiaries”) guarantee the Notes. The Company consolidates the Subsidiary Obligors in its consolidated financial statements and each of the Subsidiary Obligors are wholly owned subsidiaries of the Company.

All of the existing guarantees by the Company rank equally in right of payment with all of the existing and future senior indebtedness of the Obligor Group. There are no significant restrictions on the ability of the Obligor Group to obtain funds from respective subsidiaries by dividend or loan.
The following tables present summarized financial information of the Obligor Group on a combined basis, with intercompany balances and transactions between entities of the Obligor Group eliminated and investments and equity in the earnings of the Non-Guarantor Subsidiaries excluded. The Obligor Group’s amounts due from, amounts due to, and intercompany transactions with Non-Guarantor Subsidiaries have been disclosed below the table, when material.

Summarized Statements of Income

($ in millions)	**For the three months ended April 2, 2023**
Revenue	1,948
Gross Profit	992
Operating income	413
Net income	229

Summarized Balance Sheets

($ in millions)	As of April 2, 2023	As of December 31, 2022
Current assets	3,885	3,740
Non-current assets	11,618	11,572
Total assets	15,503	15,312
Current liabilities	1,960	1,067
Non-current liabilities	10,562	11,528
Total liabilities	12,522	12,595
Obligor's Group equity	2,981	2,717
Total liabilities and Obligor's Group equity	15,503	15,312

NXP Semiconductors N.V. is the head of a fiscal unity for the corporate income tax and VAT that contains the most significant Dutch wholly-owned group companies. The Company is therefore jointly and severally liable for the tax liabilities of the tax entity as a whole, and as such the income tax expense of the Dutch fiscal unity has been included in the Net income of the Obligor Group.

The financial information of the Obligor Group includes sales executed through a Non-Guarantor Subsidiary single-billing entity as a sales agent on behalf of an entity in the Obligor Group. The Obligor Group has sales to non-guarantors (for the three months ended April 2, 2023: $225 million). The Obligor Group has amounts due from equity financing (April 2, 2023: $7,224 million; December 31, 2022: $5,210 million) and due to debt financing (April 2, 2023: $2,819 million; December 31, 2022: $2,629 million) with non-guarantor subsidiaries.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the Company’s market risk during the first three months of 2023. For a discussion of the Company’s exposure to market risk, refer to the Company’s market risk disclosures set forth in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” in our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of the Chief Executive Officer and Chief Financial Officer (Certifying Officers), evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) promulgated under the Securities Exchange Act of 1934, as amended) on April 2, 2023. Based on that evaluation, the Certifying Officers concluded the Company's disclosure controls and procedures were effective as of April 2, 2023.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the three month period ended April 2, 2023, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Our Board has approved the purchase of shares from participants in NXP's equity programs to satisfy participants' tax withholding obligations and this authorization will remain in effect until terminated by the Board. In March 2021, the Board approved the repurchase of shares up to a maximum of $2 billion (the "2021 Share Repurchase Program"), and in August 2021, the Board increased the 2021 Share Repurchase Program authorization by $2 billion, for a total of $4 billion approved for the repurchase of shares under the 2021 Share Repurchase Program. In January 2022, the Board approved the repurchase of shares up to a maximum of $2 billion (the "2022 Share Repurchase Program"). At December 31, 2022, there was approximately $437 million remaining for the repurchase of shares under the 2021 Share Repurchase Program and $2 billion remaining under the 2022 Share Repurchase Program.

The following share repurchase activity occurred under these programs during the three months ended April 2, 2023:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Number of Shares Purchased as Part of Publicly Announced Buy Back Programs	Maximum Number of Shares That May Yet Be Purchased Under the Buy Back Program	Number of Shares Purchased as Trade for Tax (1)
January 1, 2023 – February 5, 2023	7,822	$189.85	—	12,760,115	7,822
February 6, 2023 – March 5, 2023	28,900	$185.06	—	13,317,358	28,900
March 6, 2023 – April 2, 2023	560	$173.56	—	13,065,980	560
Total	37,282		—		37,282

(1) Reflects shares surrendered by participants to satisfy tax withholding obligations in connection with the Company's equity programs.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

Exhibit Number	Exhibit Description
3.1	Articles of Association of NXP Semiconductors N.V. dated June 9, 2020 (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q of NXP Semiconductors N.V., filed on July 28, 2020)
10.1*+	Employment Agreement dated July 13, 2020 between NXP USA, Inc. and Christopher Jensen
31.1*	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer
31.2*	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer
32.1*	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer
101	The following materials from the Company's Quarterly Report on Form 10-Q for the quarter ended April 2, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations for the three months ended April 2, 2023 and April 3, 2022; (ii) Condensed Consolidated Statements of Comprehensive Income for the three months ended April 2, 2023 and April 3, 2022; (iii) Condensed Consolidated Balance Sheets as of April 2, 2023 and December 31, 2022; (iv) Condensed Consolidated Statements of Cash Flows for the three months ended April 2, 2023 and April 3, 2022; (v) Condensed Consolidated Statements of Changes in Equity for the three months ended April 2, 2023 and April 3, 2022; and (vi) Notes to the Unaudited Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed or furnished herewith.

\+ Indicates management contract or compensatory plan or arrangement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 2, 2023

NXP Semiconductors N.V.

/s/ William J. Betz

Name: William J. Betz, CFO

Exhibit 31.1

CERTIFICATION

I, Kurt Sievers, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NXP Semiconductors N.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize, and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: May 2, 2023

By: /s/ Kurt Sievers

Kurt Sievers

President & Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, William J. Betz, certify that:

1. I have reviewed this quarterly report on Form 10-Q of NXP Semiconductors N.V.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize, and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 2, 2023

By: /s/ William J. Betz

William J. Betz

Chief Financial Officer

Exhibit 32.1

**CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Kurt Sievers, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of NXP Semiconductors N.V. on Form 10-Q for the period ended April 2, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of NXP Semiconductors N.V. at the dates and for the periods indicated.

Date: May 2, 2023

By: /s/ Kurt Sievers
Kurt Sievers
President & Chief Executive Officer

I, William J. Betz, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of NXP Semiconductors N.V. on Form 10-Q for the period ended April 2, 2023 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of NXP Semiconductors N.V. at the dates and for the periods indicated.

Date: May 2, 2023

By: /s/ William J. Betz
William J. Betz
Chief Financial Officer

Exhibit 10.1

Christopher Jensen
christopher.jensen@nxp.com

July 2020

EMPLOYMENT AGREEMENT

This agreement ("Agreement"), is entered into as of the date of the last signature provided below ("Effective Date"), by and between NXP USA, Inc. ("NXP" or "the Company") and you, Christopher Jensen ("You" or "Employee").

In consideration of the mutual promises and covenants set forth herein and for good and valuable consideration, the receipt of which you hereby acknowledged, NXP hereby agrees to the employment of Employee on the following terms and conditions and, except to the extent specifically superseded by this Agreement, subject to all NXP policies and procedures regarding its employees:

1. Position. Subject to the terms and conditions below, NXP hereby agrees to employ you, and you hereby agree to accept such employment, as provided below. As of the Commencement Date (defined below), you shall serve as the Chief Human Resource Officer and report to Kurt Sievers. In this role, you shall be designated as an Executive Vice President and Member of the Management Team and shall perform such duties and responsibilities as may from time to time be assigned to you by the CEO of NXP.

2. Employment Scope. Employment of the Employee pursuant to this Agreement shall begin on June 1, 2020 (the "Commencement Date") and shall continue through and until such time it is terminated pursuant to Section 4 below, or otherwise agreed in writing. Notwithstanding any term or provision in this Agreement, Employee's employment with the Company or its affiliates is presently and shall remain solely at-will; provided, however, that the provisions of Section 8 through 9 of this Agreement shall survive the termination of the Employee's employment with the Company, for any reason.

3. Compensation and Benefits.

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a. Base Salary. Your gross base annual salary shall be US$425,000 ("Base Salary"), subject to federal, state, and/or local withholding as applicable, and shall be paid in accordance with the same payroll schedule applicable to all executives of NXP USA Inc. After the first year from the effective date of this Agreement, the Chief Executive Officer, after approval of the Compensation Committee ("Compensation Cie.") of the Board of Directors ("Board") of NXP Semiconductors N.V., shall review annually whether any increase in the Base Salary shall be made. Although you shall be informed in writing of any salary increases awarded to you through this process, nothing in this Agreement shall be construed to require any such increases or at any specific periods of time.

b. Incentive Compensation. You will be entitled to participate in NXP's Executive Incentive program. The annual incentive targets will be set from year to year by the Chief Executive Officer, in consultation with the Compensation Cie. The gross at target annual incentive amount is currently 80% of your Base Salary. For incomplete calendar years the annual incentive will be prorated. The actual incentive payout will be based upon performance measures established for any given year and approved by the Board of Directors. The current maximum annual incentive opportunity is equal to 200% of the at-target annual incentive opportunity. Because the maximum position-related annual incentives are fixed by the Board, any changes in the incentive program related to your position introduced and approved by the Board shall automatically apply to the Agreement and will be deemed to form part thereof.

c. Employee Benefits. You shall continue to remain eligible to participate in all employee benefit plans, policies, and programs applicable to other NXP executives or officers, including NXP's Long Term Incentive Plan(s). The terms and conditions of your participation in any NXP benefit plans, policies, or programs shall be governed by the terms of each such plan, policy, or program.

d. Equity Grant. In view of your appointment as Chief Human Resource Officer, you will be offered a long-term incentive equity grant with a total grant value of US$500,000. This award shall be granted under the NXPI 2019 Omnibus Incentive Plan as follows: 30% in the form of Restricted Share Units (RSUs) and 70% in the form of Performance Share Units (PSUs). The number of shares shall be determined using the closing price of NXP Semiconductors N.V. on the NASDAQ on the first trading day after the publication of NXP Semiconductors N.V.'s Q2 quarterly earnings

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release ("Date of Grant"). You shall be notified of the official grant, related terms and conditions, and any further required actions related to the grant as soon as possible after the Date of Grant. Future equity grants may be awarded from time to time in accordance with the NXPI 2019 Omnibus Incentive Plan or the then current plan governing granting practices under the discretion of the CEO and Board.

4. Termination of Employment. Your employment with NXP may be terminated in accordance with any of the following provisions:

    a. Termination by Employee. You may terminate employment with NXP at any time during the course of this Agreement by giving three (3) months' notice in writing to the CEO of NXP, which notice may be waived in whole or in part, and without any obligation to pay, by the Company without affecting the voluntary nature of your resignation. During the notice period, or unless otherwise instructed in writing by the CEO of NXP, you must continue to fulfill all duties and responsibilities of your role with NXP. Your salary and benefits shall remain unchanged during the notice period provided you remain actively employed, but failure to comply with this notice requirement shall result in a material breach of this Agreement.

    b. Termination by the Company with Notice. NXP may terminate your employment at any time during the course of this Agreement by giving you three (3) months' notice in writing to you. NXP also may elect to provide payment in lieu of the notice requirement without affecting this provision. During the notice period, or unless otherwise instructed in writing by the CEO of NXP, you must continue to fulfill all duties and responsibilities of your role with NXP. Your salary and benefits will remain unchanged during the notice period unless NXP has already made payment in lieu of notice. This Agreement shall not require NXP to maintain you in active employment for any portion of the notice period.

    c. Termination by the Company Without Notice. NXP may, at any time and without notice, terminate your employment for such reasons that shall include but not be limited to the following grounds: (a) failure to perform the duties of your position in a satisfactory manner as determined by NXP; (b) fraud, misappropriation, embezzlement or acts of similar dishonesty; (c) conviction of a felony involving moral turpitude or in any way relating to the business or activities of the Company or its affiliates; (d) indictment for, conviction of, or plea of nolo contendere (or similar plea) to a failure to contest prosecution for, or commission of any act which is a felony, or any act which is a misdemeanor involving moral turpitude, fraud or misrepresentation or otherwise would have been reasonably likely to be detrimental to the business, reputation, character or standing of the Company or its affiliates or your ability to perform your job duties; (e) intentional and willful misconduct that may subject the Company to criminal or civil liability; (f) breach of your duty of loyalty, including the diversion or usurpation of corporate opportunities properly belonging to the Company; (g) willful disregard of Company policies and procedures; (h) breach of any of the material terms of this Agreement; and (i) insubordination or deliberate refusal to follow the instructions of the CEO of NXP.

d. Termination By Death or Disability. Your employment and rights to compensation under this Agreement shall terminate automatically if you are unable to perform the duties of your position due to death or disability lasting continuously more than 90 days, and your heirs, beneficiaries, successors, or assigns shall not be entitled to any of the compensation or benefits to which you may be entitled under this Agreement, except: (a) to the extent specifically provided in this Agreement (b) to the extent required by law; or (c) to the extent that such benefit plans or policies under which you are covered provide a benefit to your heirs, beneficiaries, successors, or assigns.

e. Severance Payment. If NXP terminates your employment for any reason other than that provided in Section 4(c) or 4(d) of this Agreement, and provided you fully execute and do not revoke a separation and general release agreement in a form satisfactory to NXP within 60 days following such termination, then NXP will pay you a lump sum cash severance payment of one (1) year's Base Salary, less any gross payments or benefits paid during the notice period above unless you have performed or will perform actual work during the notice period.

f. Change in Control. If your employment is terminated by NXP at any time and for any reason other than that provided in Section 4(c) of this Agreement, and without you being a Bad Leaver or by you for Good Reason (as defined in the NXP Omnibus Plan), in either case within twelve months following a Change of Control and (ii) you execute and deliver to NXP (and do not revoke) a general release of claims in a form satisfactory to NXP within sixty (60) days following such termination (or such shorter period as may be specified by NXP in accordance with applicable law), then the change of control (CoC) arrangement as approved from time to time by the

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Compensation Cie. will apply to you. As per the date hereof, the current CoC arrangement is attached as Exhibit A to this Agreement. Defined terms used in this paragraph have the same meaning as defined in the NXP Omnibus Plan.

g. Bonus Payout Upon Termination. In case of termination of your employment for any reason other than that provided in Section 4(a) or 4(c) of this Agreement or, by the Court on application of the Company, the Company will pay a pro rata payment of the bonus for the financial year in which, or shortly after which, your employment is terminated, provided that the conditions for bonus payout are met, which payment will be prorated for the period that you have performed actual work for the Company and whereby the pro rata bonus shall not be paid to you until the financial results for the relevant year have been determined. In all other situations in which the Agreement ends, no (pro rata) payment of the bonus will be considered and/or made. Without prejudice to the previous paragraph, if you have not performed actual work during the full financial year, any bonus paid (if conditions for bonus pay-out are met) shall be pro rata to the part of the financial year during which you have performed actual work. For the purposes of this provision "actual work" shall be deemed to include periods of holiday leave and periods of incapacity to work on account of illness or disablement, in so far as such period does not exceed three (3) months.

5. Share Ownership Guidelines. During the term of your MT membership, you will be bound by the Executive Share Ownership Policy (the "EOP"), as approved by the Compensation Cie. As such, you will be required to own at any moment at least three times your base salary in NXP shares. As long as you have not met the three times base salary threshold, you need to retain 100% of the net shares received from LTI grants until the EOP is met. Shares counted towards the EOP are NXP shares directly or beneficially owned, and any unvested tie-based restricted stock units (RSUs). Further details are attached in Exhibit B to this Agreement.

Insider. As Member of the MT, you're designated as a regular Insider under the NXP Insider Trading Policy. In Section V of this NXP Insider Trading Policy 2019, you will find specific rules for you as a Regular Insider. Below is a summary of the most relevant requirements for you as Regular Insider (in addition to the restrictions of the NXP Insider Trading Policy), with which you acknowledge you shall comply:

i. You as a Regular Insider are prohibited from trading during black-out periods (irrespective of whether you have Inside Information at that time);

ii. You as a Regular Insider must notify the Compliance Officer (currently: jean.schreurs@nxp.com) of any envisaged trade (buying or selling) of any NXP securities;

iii. You as a Regular Insider must notify the Compliance Officer of any trade in NXP securities within ten (10) days after the transaction;

iv. You as a Regular Insider are prohibited from short-swing transactions in NXP securities; and

v. You as a Regular Insider are prohibited from writing call or put options and similar derivatives of NXP securities.

6. Outside Directorship/Additional Occupation. You shall refrain from accepting remuneration or time consuming non-remunerated work activities with or for third parties or from doing business for your own account without the prior written consent of the CEO. You further acknowledge and agree to be bound by the terms of NXP's Code of Conduct with respect to any outside employment or conflicts of interest and that you may only take up positions in organizations outside NXP, provided the following criteria are met:

    a. The external function shall not create a conflict of interest with NXP's interests;
    b. You notify the CEO in advance, and the CEO has approved the position/function in writing;
    c. The duties involved in the position will not interfere with your responsibilities at work, as determined in NXP's sole discretion;
    d. Approval for the receipt of any compensation for the external position is first obtained in writing by NXP's CEO; and
    e. You report your external function via the Conflict of Interest procedure, sending an email to coi.statement@nxp.com.

7. Fiscal Assistance. NXP Corporate Fiscal in consultation with tax advisors (presently PriceWaterhouseCooper) will assist you in the filing of your annual tax returns.

8. Non-Competition and Non-Solicitation. During your employment with the Company and for twelve (12) months following the termination of such employment for any reason (the "Restricted Period"), you shall not, anywhere within the United States of America (the "Restricted Territory"), directly or indirectly (A) engage in for your own benefit or for the benefit of any third party (B) otherwise own, manage, operate, control, advise, be employed by, or participate in the ownership, management, operation or control of, or provide competitive

services to, any person or entity that is engaged in, in either case, a business that is in the same or similar business and competitive with the business conducted by, or actively planned to be conducted by, or otherwise competitive with that of the Company (or any of its affiliates engaged in the same business) (any such business, a "Competing Business"). Notwithstanding the foregoing, your passive ownership solely as an investor of three percent (3%) or less of the outstanding securities of any class of any publicly-traded securities of any company shall not, by itself, be considered to be competition with the Company. During the Restricted Period, you also shall not, directly or indirectly: (i) persuade or attempt to persuade any customer or client, or any potential customer or client to which you have (or an employee who reports to you has or had) made a presentation or with respect to which you had access to confidential or proprietary information, (A) not to hire, engage or purchase products or services from the Company or its affiliates or (B) to hire, engage or purchase products or services from another entity or person in connection with a Competing Business within the Restricted Territory; or (ii) solicit for employment or hire (or solicit for engagement as an independent contractor or engage as an independent contractor) any employee (or independent contractor) of the Company or its affiliates (or any person who was employed (or engaged) by the Company or its affiliates within the 12-month period prior to such solicitation, hiring or engagement, as applicable (or, if following the termination of your employment, the 12-month period prior to such termination), or otherwise encourage any employee of, or independent contractor with, the Company or its affiliates to terminate his or her employment with or engagement by the Company or its affiliates or accept employment or a consulting relationship with any entity or person other than the Company or its affiliates.

9. Confidential Information. During your employment, you will have access to or become familiar with information of confidential or proprietary nature that pertains to the business operations of the Company and its affiliates. Such information includes, but is not limited to, (i) information relating to the Company's or its affiliates' business, operations, customers, clients, suppliers and vendors, including, but not limited to, information received from third parties under confidential conditions, business plans, financial information, cost, pricing and profit figures, customer files, products and services offered or in development, strategic direction, marketing strategies and plans, software, designs, procedures, formulas, processes, financial data and results of operations; and (ii) other know-how, ideas, concepts, trade secrets, and methodologies and technical, business or financial information relating to the business of the Company or its affiliates (collectively, "Confidential Information"). You acknowledge that the Confidential Information is, among other things, not readily available to the public and extremely valuable to the Company's and/or its affiliates' operations. Without

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limiting any other confidentiality obligations you may owe to the Company or its affiliates, you agree not to disclose any Confidential Information, directly, or use it in any way, either during your employment with the Company or any time thereafter, except (a) required in the course of this employment for the Company, (b) for information that is or becomes public other than through his breach of any confidentiality obligations (unless such information became public as a result of a violation of any other person or other person or entity's confidentiality obligations) or (c) as required by legal process (provided that, in the event of legal process, you must provide prompt notice to the Company prior to responding to such legal process and cooperate with the Company or its affiliates if either elects to contest such legal process). You further agree not to copy or record or allow to be copied or recorded any such Confidential Information, except as required in the course of your employment.

You further agree that you have continuing obligations pursuant to NXP's Assignment & Confidentiality Agreement and/or Employee Ethics and Intellectual Property Agreement signed by you (and incorporated herein by reference). Nothing herein shall prevent you from using and availing yourself of your general technical, engineering and inventive skill, knowledge and experience, including that pertaining to or derived from the non-secret and non-confidential aspects of the activities of NXP.

10. Successors and Assigns. This Agreement shall bind and insure to the benefit of and be enforceable by the Company and its successors and assigns and you and your heirs, executors, administrators, and successors. Provided that your services to the Company are of a personal nature and that you cannot sell, convey, assign, delegate, transfer or otherwise dispose of, directly or indirectly, any of your rights, or obligations under this Agreement (and any such purported action by you shall be null and void); provided further that the Company may assign this Agreement to, and all rights hereunder shall inure to the benefit of, any subsidiary or affiliate if the Company or any person, firm or corporation resulting from the reorganization of the Company or succeeding to the business or assets of the Company or its subsidiaries by purchase, merger, consolidation or otherwise.

11. Notices. All notices, requests, demands, claims, consents and other communication which are required, permitted or otherwise delivered pursuant or related to this Agreement shall in every case be in writing and shall be deemed properly served if: (a) delivered personally, (b) sent by registered or certified mail, in all such cases with first class postage prepaid, return receipt requested, or (c) delivered by a recognized overnight courier service, to the parties at the addresses as set forth below:

If to the Company:	SVP Total Rewards NXP Semiconductors 6501 William Cannon Dr West, Austin, Texas 78735
If to the Employee:	Christopher Jensen

Alternatively, notices may be provided to such other address as shall be furnished in writing by either party to the other party; provided that such notice or change in address shall be effective only when actually received by the other party. Date of service of any such notices or other communication shall be: (a) the date such notice is personally delivered, (b) three days after the date of mailing if sent by certified or registered mail, or (c) one business day after date of delivery to the overnight courier of sent by overnight courier.

12. NXP Policies. You will be subject to all NXP policies currently in effect for the Company's employees and as may be established and/or amended from time to time, including but not limited to, all terms and conditions in any Code of Conduct applicable to the Company's employees. Your employment (and continued employment) with the Company is contingent upon you obtaining and maintaining and authorization to be employed in the United States commensurate with the business needs of the Company.

13. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction not to be enforceable in the manner set forth herein, the Company and the Employee agree that such provision shall be modified to make it enforceable to maximum extent possible under applicable law. If any provision of this Agreement is declared invalid, illegal or unenforceable for any reason and cannot be modified to be enforceable, such provision shall immediately become null and void leaving the remainder of this Agreement in full force and effect.

14. Survival. This Agreement shall continue for so long as any obligations remain under this Agreement. Without limiting the foregoing, the provisions of Sections 8-9 of this Agreement shall survive and shall continue to be binding upon you notwithstanding the termination of your employment with the Company for any reason. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which will be deemed one and the same instrument.

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15. Governing Law and Forum. This Agreement is governed by and construed in accordance with the laws of the State of Texas without giving effect to the conflict of law principles thereof. The parties agree to the exclusive personal jurisdiction and venue of the State and Federal courts located in Travis County, Texas for any legal action relating this agreement.

IN WITNESS WHEREOF, NXP and Christopher Jensen have executed and delivered this Agreement as of the date written below.

/s/Christopher Jensen
Christopher Jensen

Date: /s/ 13 July 2020

NXP USA, Inc.

By:

/s/ Jan Vernon
Name: Jan Vernon

Title: SVP Total Rewards
Date: 13 July 2020

JV CJ

Exhibit A

CHANGE IN CONTROL BENEFITS FOR MANAGEMENT TEAM

Current NXP Job & Org Level	Governing Document(s) [1]	Severance	Benefits Continuation	Accelerated Vesting [2]	CoC Protection of Terms
Executive Officers (Section 16 Officers)	NXP CoC Executive Officer Agreement	Minimum 24 months Base + 24 months Target Bonus	12 months (US only); N/A outside US	Per equity agreements	12 months post-close per the NXP CoC Executive Officer Agreement
MT Members (Non-Section 16 Officers): EVPs & SVPs	NXP CoC MT (Non-Executive Officer) Agreement	Minimum 18 months Base + 18 months Target Bonus	12 months (US only); N/A outside US	Per equity agreements	12 months post-close per the NXP CoC MT Agreement

[1] NCC approved CoC terms at the 1 September 2016 NCC meeting

[2] NXP agreements provide for accelerated vesting if within 12 months of a change-in-control employment is involuntarily terminated or if the employee leaves for "Good Reason".

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Exhibit B

2020 SHARE OWNERSHIP POLICY

SOG LEVEL/ELEMENT	NXP SOG POLICY
President & CEO	* 6.0x base salary
MT: Section 16 Officers	* 3.0x base salary
MT: Non-Section 16 Officers	* 2.0x base salary
Board of Directors	* 5.0x cash retainer ($425,000)
Compliance Window	* 5 years
Policy if SOG Not Met	* Retain 100% of net shares received from LTI grants until SOG is met, with * Committee to retain discretion to assess special situations on a case-by-case basis
Shares Counted Toward SOG	* Shares directly or beneficially owned * Unvested time-based restrictive stock (RSUs)
Measurement	* Report annually at first CC meeting January/February using 15 November prior year standings * Use the end of prior Quarter closing share price

NOTE: Non-MT SVPs and VPs will be encouraged to hold 1.0x base salary

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