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Management does not believe that these items are reflective of the Company's underlying performance. The presentation of these and other similar items in NXP's non-GAAP financial results should not be interpreted as implying that these items are non-recurring, infrequent or unusual. NXP believes this non-GAAP financial information provides additional insight into the combined business of NXP since its merger with Freescale as well as the Company's on-going performance and has therefore chosen to provide this information to investors for a more consistent basis of comparison and to help them evaluate the results of the Company's on-going operations and enable more meaningful period to period comparisons. These non-GAAP measures are provided in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. Reconciliations of these non-GAAP measures to the most comparable measures calculated in accordance with GAAP are provided in the financial statements portion of the quarterly earnings releases in a schedule entitled "Financial Reconciliation of GAAP to non-GAAP Results (unaudited)."

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Secure Connections for the Smarter World

Everything Smart
40B+ devices with intelligence shipped in 2020

Processing

Everything Connected
1B+ additional consumers online, 25B connected devices

Connectivity

Everything Secure
Potential economy savings up to half trillion dollars

Security

Automotive  Industrial  Connected Devices  IoT
NXP – Strategically and Financially Compelling

Solutions leadership
- Broad and diverse customer base
- Compelling cross-sell opportunity
- Complementary market reach

Growth in excess of market
- Accelerates “Secure Connections for a Smarter World” strategy
- Leader in automotive semiconductor
- Leader in broad-based MCU

Far superior earnings growth
- RMS focused growth
- Margin expansion driven by
  - Portfolio optimization
  - Cost synergy realization

Shareholder value creation
- Focus on optimal capital structure
- Achieve 2x leverage
- Return excess free cash flow to shareholders
HPMS Market Leader with Sharp Focus, Broad Reach

NXP 2017 Revenue by Operating Segment

- Auto 41%
- SIS 6%
- SI&I 20%
- SCD 28%
- Corp & Other 4%
- STDP 1%

NXP: the HPMS leader

- #5 global non-memory semi supplier
- #1 global auto semi supplier
- #3 non-auto MCU supplier
- #1 secure identification

Deliver >1.5x market growth

- Complimentary portfolios and customers
- Opportunities to cross sell
- Ability to deliver complete solutions

1. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
2. Based on 2017 estimated revenue ranking of non-memory semiconductor suppliers
3. Market positions based on IHS and ABI market research reports.
Focused Leadership – End Markets

- Broad end market exposure
  - Long life cycles
  - High barriers to entry
  - Application expertise

- Product leadership positions
  - #1 Automotive
  - #3 Non-auto MCU
  - #1 Secure identification
  - #1 Mobile transactions

NXP 2017 HPMS Revenue by End-market Exposure

1. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
2. Based on 2017 estimated revenue ranking of non-memory semiconductor suppliers.
3. Market positions based on IHS and ABI market research reports.
Top 20 HPMS Customers > 40% of 2017 Revenue

>25,000 Total Customers

1. Reflects sales through all channels
2. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
Driving Profitable Growth in Excess of Addressable Market

As Reported Revenue Up 18% 3-yr. CAGR ($B)

$4.8  $5.6  $6.1  $9.5  $9.3
2013  2014  2015  2016  2017

Non-GAAP Gross Profit\(^2\) up 22% 3-yr. CAGR ($B)

$2.3  $2.7  $3.0  $4.8  $4.9
2013  2014  2015  2016  2017

Non-GAAP EBIT\(^2\) Profit up 24% 3-yr. CAGR ($B)

$1.1  $1.4  $1.7  $2.5  $2.7
2013  2014  2015  2016  2017

Non-GAAP Free Cash Flow\(^2\) up 18% 3-yr. CAGR ($B)

$0.7  $1.1  $1.0  $1.9  $1.9
2013  2014  2015  2016  2017

Note:

2. Gross Profit, EBIT Profit, Free Cash Flow(FCF), are all non-GAAP figures, 3-yr. CAGR reflect the period 2014 – 2017.
3. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
Focused on Generating Cash

Interest Expense ($M)

- 2013: $179
- 2014: $139
- 2015: $172
- 2016: $347
- 2017: $246

Leverage

- 2013: 1.9x
- 2014: 1.7x
- 2015: 3.9x
- 2016: 2.5x
- 2017: 1.0x

Interest Coverage

- 2013: 6.3x
- 2014: 10.2x
- 2015: 9.8x
- 2016: 7.3x
- 2017: 11.1x

Net Debt ($B)

- 2013: $2.7
- 2014: $2.8
- 2015: $7.6
- 2016: $7.3
- 2017: $3.0

Note:

2. Cash Interest Expense, Leverage, Interest Coverage are all non-GAAP figures.
3. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
### Quarterly Revenue and Operating Income

#### GAAP Financial Summary

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q1 2017</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Revenue</td>
<td>2,166</td>
<td>2,348</td>
<td>2,129</td>
<td>(182)</td>
<td>37</td>
</tr>
<tr>
<td>All Other</td>
<td>103</td>
<td>108</td>
<td>82</td>
<td>(5)</td>
<td>21</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>2,269</td>
<td>2,456</td>
<td>2,211</td>
<td>(187)</td>
<td>58</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>1,172</td>
<td>1,242</td>
<td>1,079</td>
<td>(70)</td>
<td>93</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>51.7%</td>
<td>50.6%</td>
<td>48.8%</td>
<td>1.1pts.</td>
<td>2.9pts.</td>
</tr>
<tr>
<td>Operating income</td>
<td>138</td>
<td>210</td>
<td>1,679</td>
<td>(72)</td>
<td>(1,541)</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>6.1%</td>
<td>8.6%</td>
<td>75.9%</td>
<td>(2.5pts)</td>
<td>(69.8pts)</td>
</tr>
</tbody>
</table>

#### Non-GAAP Financial Summary

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q1 2017</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>1,200</td>
<td>1,331</td>
<td>1,144</td>
<td>(131)</td>
<td>56</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>52.9%</td>
<td>54.2%</td>
<td>51.7%</td>
<td>(1.3pts)</td>
<td>1.2pts</td>
</tr>
<tr>
<td>Operating income</td>
<td>617</td>
<td>763</td>
<td>599</td>
<td>(146)</td>
<td>18</td>
</tr>
<tr>
<td>Percent of total revenue</td>
<td>27.2%</td>
<td>31.1%</td>
<td>27.1%</td>
<td>(3.9pts)</td>
<td>0.1pts</td>
</tr>
</tbody>
</table>

### Quarterly Segment Revenue ($M):

- HPMS: $2,166 (95%)
- Corporate & Other: $103

### Quarterly Product Revenue (% of Product Revenue):

- AUTO: $995 (46%)
- SIS: $396 (18%)
- SCD: $633 (29%)
- SIS: $142 (7%)

Note:
2. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
## Business Segment Performance

### GAAP Financial Summary

<table>
<thead>
<tr>
<th>HPMS ($ in millions)</th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q1 2017</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>2,166</td>
<td>2,348</td>
<td>2,011</td>
<td>(182)</td>
<td>155</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>1,161</td>
<td>1,228</td>
<td>1,030</td>
<td>(67)</td>
<td>131</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>53.6%</td>
<td>52.3%</td>
<td>51.2%</td>
<td>1.3pts.</td>
<td>2.4pts.</td>
</tr>
<tr>
<td>Operating income</td>
<td>161</td>
<td>246</td>
<td>81</td>
<td>(85)</td>
<td>80</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>7.4%</td>
<td>10.5%</td>
<td>4.0%</td>
<td>(3.1pts.)</td>
<td>3.4pts.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STDP ($ in millions)</th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q1 2017</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>-</td>
<td>-</td>
<td>118</td>
<td>-</td>
<td>(118)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>-</td>
<td>-</td>
<td>45</td>
<td>-</td>
<td>(45)</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>-</td>
<td>-</td>
<td>38.1%</td>
<td>-</td>
<td>NA</td>
</tr>
<tr>
<td>Operating income</td>
<td>-</td>
<td>-</td>
<td>31</td>
<td>-</td>
<td>(31)</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>-</td>
<td>-</td>
<td>26.3%</td>
<td>-</td>
<td>NA</td>
</tr>
</tbody>
</table>

### Non-GAAP Financial Summary

<table>
<thead>
<tr>
<th>HPMS ($ in millions)</th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q1 2017</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>1,188</td>
<td>1,316</td>
<td>1,096</td>
<td>(128)</td>
<td>92</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>54.8%</td>
<td>56.0%</td>
<td>54.5%</td>
<td>(1.2pts.)</td>
<td>0.3pts.</td>
</tr>
<tr>
<td>Operating income</td>
<td>614</td>
<td>756</td>
<td>570</td>
<td>(142)</td>
<td>44</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>28.3%</td>
<td>32.2%</td>
<td>28.3%</td>
<td>(3.9pts.)</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STDP ($ in millions)</th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q1 2017</th>
<th>Q-Q</th>
<th>Y-Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit</td>
<td>-</td>
<td>-</td>
<td>42</td>
<td>-</td>
<td>(42)</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>-</td>
<td>-</td>
<td>35.6%</td>
<td>-</td>
<td>NA</td>
</tr>
<tr>
<td>Operating income</td>
<td>-</td>
<td>-</td>
<td>29</td>
<td>-</td>
<td>(29)</td>
</tr>
<tr>
<td>Operating Margin</td>
<td>-</td>
<td>-</td>
<td>24.6%</td>
<td>-</td>
<td>NA</td>
</tr>
</tbody>
</table>

---

**Note:**
2. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
Recent Quarterly Business Trends

As Reported Revenue ($M)

Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 | Q3 17 | Q4 17 | Q1 18
---|---|---|---|---|---|---|---|---
1,911 | 2,014 | 2,099 | 2,062 | 2,011 | 2,098 | 2,288 | 2,348 | 2,166

Non-GAAP Gross Margin

Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 | Q3 17 | Q4 17 | Q1 18
---|---|---|---|---|---|---|---|---
50.0% | 50.0% | 50.5% | 51.1% | 51.7% | 53.0% | 53.7% | 54.2% | 52.9%

Non-GAAP Operating Margin

Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 | Q3 17 | Q4 17 | Q1 18
---|---|---|---|---|---|---|---|---
23.3% | 25.6% | 28.0% | 29.3% | 27.1% | 28.4% | 30.8% | 31.1% | 27.2%

Non-GAAP Adj. EBITDA Margin

Q1 16 | Q2 16 | Q3 16 | Q4 16 | Q1 17 | Q2 17 | Q3 17 | Q4 17 | Q1 18
---|---|---|---|---|---|---|---|---
28.4% | 30.3% | 32.4% | 34.1% | 32.0% | 33.2% | 35.4% | 35.6% | 32.0%

Note:
2. Gross Margin, Operating Margin, Adj. EBITDA are all non-GAAP figures.
3. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
HPMS Segment Revenue Business Trends($M)\(^{(1)}\)

**Automotive**
- Q1 16: $805
- Q2 16: $858
- Q3 16: $853
- Q4 16: $863
- Q1 17: $906
- Q2 17: $938
- Q3 17: $948
- Q4 17: $970
- Q1 18: $995

**Secure Connected Devices**
- Q1 16: $471
- Q2 16: $514
- Q3 16: $592
- Q4 16: $569
- Q1 17: $541
- Q2 17: $588
- Q3 17: $713
- Q4 17: $745
- Q1 18: $633

**Secure Interface & Infrastructure**
- Q1 16: $423
- Q2 16: $442
- Q3 16: $476
- Q4 16: $483
- Q1 17: $450
- Q2 17: $438
- Q3 17: $488
- Q4 17: $497
- Q1 18: $396

**Secure Identification Solutions**
- Q1 16: $212
- Q2 16: $200
- Q3 16: $178
- Q4 16: $147
- Q1 17: $114
- Q2 17: $134
- Q3 17: $139
- Q4 17: $136
- Q1 18: $142

Note:
### Debt Summary End of 1Q18

<table>
<thead>
<tr>
<th>Debt Instrument</th>
<th>Sr. Unsecured Notes</th>
<th>Cash Convertible Notes</th>
<th>Sr. Unsecured Notes</th>
<th>Sr. Unsecured Notes</th>
<th>Sr. Unsecured Notes</th>
<th>Sr. Unsecured Notes</th>
<th>Sr. Unsecured Notes</th>
<th>Sr. Unsecured Notes</th>
<th>Revolving Credit Facility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity Date</td>
<td>01-Jun-18</td>
<td>02-Dec-19</td>
<td>15-Jun-20</td>
<td>01-Jun-21</td>
<td>15-Jun-22</td>
<td>01-Sep-22</td>
<td>15-Mar-23</td>
<td>01-Jun-23</td>
<td>07-Dec-20</td>
</tr>
<tr>
<td>Amount (M)</td>
<td>$750</td>
<td>$1,150</td>
<td>$600</td>
<td>$1,350</td>
<td>$400</td>
<td>$1,000</td>
<td>$500</td>
<td>$900</td>
<td>$</td>
</tr>
<tr>
<td>Coupon</td>
<td>3.75%</td>
<td>1.00%</td>
<td>4.125%</td>
<td>4.125%</td>
<td>4.625%</td>
<td>3.875%</td>
<td>5.75%</td>
<td>4.625%</td>
<td>Libor + 200 bps</td>
</tr>
<tr>
<td>Rating</td>
<td>Moody’s Ba1</td>
<td>Ba2</td>
<td>Ba1</td>
<td>Ba1</td>
<td>Ba1</td>
<td>Ba1</td>
<td>Ba1</td>
<td>Ba1</td>
<td>Standard &amp; Poor’s BBB-</td>
</tr>
<tr>
<td>Total Leverage</td>
<td>Total Debt ($M)</td>
<td>$6,578</td>
<td>$3,983</td>
<td>$2,595</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>0.82X</td>
</tr>
<tr>
<td></td>
<td>Total Cash ($M)</td>
<td>$6,578</td>
<td>$3,983</td>
<td>$2,595</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>0.82X</td>
</tr>
<tr>
<td></td>
<td>Net Debt ($M)</td>
<td>$2,595</td>
<td>$3,176</td>
<td>$2,595</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>0.82X</td>
</tr>
<tr>
<td></td>
<td>TTM Adj. EBITDA</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>$3,176</td>
<td>0.82X</td>
</tr>
<tr>
<td></td>
<td>Cost of Debt</td>
<td>3.72%</td>
<td>3.72%</td>
<td>3.72%</td>
<td>3.72%</td>
<td>3.72%</td>
<td>3.72%</td>
<td>3.72%</td>
<td>3.72%</td>
</tr>
<tr>
<td></td>
<td>Reported Leverage</td>
<td>0.82X</td>
<td>0.82X</td>
<td>0.82X</td>
<td>0.82X</td>
<td>0.82X</td>
<td>0.82X</td>
<td>0.82X</td>
<td>0.82X</td>
</tr>
</tbody>
</table>
Working Capital Ratios\(^{(1,2,3)}\)

### DSO

- Q1 16: 43
- Q2 16: 42
- Q3 16: 43
- Q4 16: 39
- Q1 17: 41
- Q2 17: 38
- Q3 17: 35
- Q4 17: 33
- Q1 18: 32

### DPO

- Q1 16: 77
- Q2 16: 72
- Q3 16: 74
- Q4 16: 83
- Q1 17: 83
- Q2 17: 93
- Q3 17: 86
- Q4 17: 92
- Q1 18: 83

### DIO\(^{(2)}\)

- Q1 16: 117
- Q2 16: 107
- Q3 16: 101
- Q4 16: 101
- Q1 17: 97
- Q2 17: 103
- Q3 17: 99
- Q4 17: 99
- Q1 18: 106

### Cash Conversion Cycle

- Q1 16: 83
- Q2 16: 76
- Q3 16: 70
- Q4 16: 57
- Q1 17: 55
- Q2 17: 48
- Q3 17: 48
- Q4 17: 40
- Q1 18: 55

Note:
1. Working capital ratios exclude the effect of (1) assets and liabilities held for sale associated with the divestment of the Standard Products segment; (2) the effect of purchase price accounting amortization effects on GAAP COGS and Inventory due to the FSL merger, including inventory step up and amortization of acquired PP&E.
3. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.

\[DSO = \frac{91.25 \times AR}{Revenue}\]
\[DPO = \frac{91.25 \times AP}{COGS}\]
\[DIO = \frac{91.25 \times Inventory}{COGS}\]
\[Cash Conversion Cycle = DIO + DSO - DPO\]
## Quarterly Financial Reconciliation (GAAP to non-GAAP) \(^{(1,2)}\)

<table>
<thead>
<tr>
<th>($ in millions, unless otherwise stated)</th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>2,269</td>
<td>2,456</td>
<td>2,211</td>
</tr>
<tr>
<td>GAAP Gross Profit</td>
<td>1,172</td>
<td>1,242</td>
<td>1,079</td>
</tr>
<tr>
<td>Gross profit adjustments</td>
<td>(28)</td>
<td>(89)</td>
<td>(65)</td>
</tr>
<tr>
<td>Non - GAAP Gross Profit</td>
<td>1,200</td>
<td>1,331</td>
<td>1,144</td>
</tr>
<tr>
<td>GAAP Gross Margin</td>
<td>51.7%</td>
<td>50.6%</td>
<td>48.8%</td>
</tr>
<tr>
<td>Non-GAAP Gross Margin</td>
<td>52.9%</td>
<td>54.2%</td>
<td>51.7%</td>
</tr>
<tr>
<td>GAAP Operating income (loss)</td>
<td>138</td>
<td>210</td>
<td>1,679</td>
</tr>
<tr>
<td>Operating income adjustments</td>
<td>(479)</td>
<td>(553)</td>
<td>1,080</td>
</tr>
<tr>
<td>Non - GAAP Operating income (loss)</td>
<td>617</td>
<td>763</td>
<td>599</td>
</tr>
<tr>
<td>GAAP Operating Margin</td>
<td>6.1%</td>
<td>8.6%</td>
<td>75.9%</td>
</tr>
<tr>
<td>Non-GAAP Operating Margin</td>
<td>27.2%</td>
<td>31.1%</td>
<td>27.1%</td>
</tr>
<tr>
<td>GAAP Financial income (expense)</td>
<td>(68)</td>
<td>(79)</td>
<td>(136)</td>
</tr>
<tr>
<td>Financial income adjustments</td>
<td>(17)</td>
<td>(24)</td>
<td>(61)</td>
</tr>
<tr>
<td>Non - GAAP Financial income (expense)</td>
<td>(51)</td>
<td>(55)</td>
<td>(75)</td>
</tr>
</tbody>
</table>

### Other Information
- PPA effects: ($382M);  
- Restructuring: ($1M);  
- Stock-based compensation: ($69M);  
- Merger-related costs: ($26M);  
- Other incidentals: ($1M);  
- Non-cash interest expense on convertible notes: ($11M);  
- Foreign exchange loss: ($3M);  
- Other financial expense: ($3M).  

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**Note:**
1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures.  
2. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
# Quarterly Cash Flow Overview ($M)\(^{(1,2)}\)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash provided by (used for) operating activities</strong></td>
<td>620</td>
<td>738</td>
<td>625</td>
</tr>
<tr>
<td><strong>Net cash provided by (used for) investing activities</strong></td>
<td>(174)</td>
<td>(135)</td>
<td>2,428</td>
</tr>
<tr>
<td><strong>Net cash provided by (used for) financing activities</strong></td>
<td>(10)</td>
<td>(123)</td>
<td>(2,722)</td>
</tr>
<tr>
<td><strong>Effects of changes in exchange rates on cash position</strong></td>
<td>-</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td><strong>Increase (decrease) in cash and cash equivalents</strong></td>
<td>436</td>
<td>482</td>
<td>344</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of the period</strong></td>
<td>3,547</td>
<td>3,065</td>
<td>1,894</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td>3,983</td>
<td>3,547</td>
<td>2,238</td>
</tr>
<tr>
<td><strong>Net capital expenditures on property, plant and equipment</strong></td>
<td>(156)</td>
<td>(132)</td>
<td>(161)</td>
</tr>
<tr>
<td><strong>Non-GAAP free cash flow</strong></td>
<td>464</td>
<td>606</td>
<td>464</td>
</tr>
<tr>
<td><strong>Non-GAAP free cash flow as a percentage of Revenue</strong></td>
<td>21%</td>
<td>25%</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Note:**
2. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
# Quarterly Adjusted EBITDA ($M)\(^{(1,2)}\)

<table>
<thead>
<tr>
<th></th>
<th>Q1 2018</th>
<th>Q4 2017</th>
<th>Q1 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net income (loss)</strong></td>
<td>70</td>
<td>768</td>
<td>1,318</td>
</tr>
<tr>
<td><strong>Reconciling items to EBITDA</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial (income) expense</td>
<td>68</td>
<td>79</td>
<td>136</td>
</tr>
<tr>
<td>(Benefit) provision for income taxes</td>
<td>2</td>
<td>(629)</td>
<td>230</td>
</tr>
<tr>
<td>Depreciation</td>
<td>116</td>
<td>145</td>
<td>154</td>
</tr>
<tr>
<td>Amortization</td>
<td>375</td>
<td>397</td>
<td>380</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>631</td>
<td>760</td>
<td>2,218</td>
</tr>
<tr>
<td>Results of equity-accounted investees</td>
<td>(2)</td>
<td>(8)</td>
<td>(5)</td>
</tr>
<tr>
<td>Restructuring(^1)</td>
<td>1</td>
<td>-</td>
<td>(8)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>69</td>
<td>78</td>
<td>68</td>
</tr>
<tr>
<td>Merger-related costs</td>
<td>26</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>Other incidental items(^1)</td>
<td>1</td>
<td>12</td>
<td>(1,596)</td>
</tr>
<tr>
<td><strong>Adjusted EBITDA</strong></td>
<td>726</td>
<td>874</td>
<td>707</td>
</tr>
<tr>
<td><strong>Trailing 12-month Adjusted EBITDA</strong></td>
<td>3,176</td>
<td>3,157</td>
<td>3,056</td>
</tr>
</tbody>
</table>

1. Excluding depreciation PP&E , amortization of software related to restructuring and Other incidental items

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**Note:**
1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at www.nxp.com/investor for additional information relative to our Non-GAAP Financial Measures
2. NXP completed the divestment of its Standard Products segment on Feb 7, 2017.
NXP Value Proposition

- True Leadership Driving RMS
  - FOCUSED ON RMS > 1.5x
- Multiple High Growth Markets
  - PROFITABLE GROWTH
- World-Class Expertise and Team
  - CUSTOMER-FOCUSED PASSION TO WIN
- Operational Excellence + Benchmark Cost Structure
  - STRONG CASH GENERATION

MAXIMIZE SHAREHOLDER VALUE