



NXP Investor Presentation

Third Quarter 2024

November 2024

NXP Investment Thesis



Market leader with
strong revenue growth



Proven financial model with
resilient profitability



Reliable capital return policy of
robust free cash flow

Forward Looking Statements

This document includes forward-looking statements which include statements regarding NXP's business strategy, financial condition, results of operations, market data, as well as any other statements which are not historical facts. By their nature, forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. These factors, risks and uncertainties include the following: market demand and semiconductor industry conditions; our ability to successfully introduce new technologies and products; the demand for the goods into which NXP's products are incorporated; trade disputes between the U.S. and China, potential increase of barriers to international trade and resulting disruptions to NXP's established supply chains; the impact of government actions and regulations, including restrictions on the export of US-regulated products and technology; increasing and evolving cybersecurity threats and privacy risks, including theft of sensitive or confidential data; the ability to generate sufficient cash, raise sufficient capital or refinance corporate debt at or before maturity to meet both NXP's debt service and research and development and capital investment requirements; our ability to accurately estimate demand and match our production capacity accordingly or obtain supplies from third-party producers to meet demand; our access to production capacity from third-party outsourcing partners, and any events that might affect their business or NXP's relationship with them; our ability to secure adequate and timely supply of equipment and materials from suppliers; our ability to avoid operational problems and product defects and, if such issues were to arise, to correct them quickly; our ability to form strategic partnerships and joint ventures and to successfully cooperate with our alliance partners; our ability to win competitive bid selection processes; our ability to develop products for use in customers' equipment and products; the ability to successfully hire and retain key management and senior product engineers; global hostilities, including the invasion of Ukraine by Russia and resulting regional instability, sanctions and any other retaliatory measures taken against Russia and the continued hostilities and the armed conflict in the Middle East, which could adversely impact the global supply chain, disrupt our operations or negatively impact the demand for our products in our primary end markets; the ability to maintain good relationships with NXP's suppliers; and a change in tax laws could have an effect on our estimated effective tax rate. In addition, this document contains information concerning the semiconductor industry, our end markets and business generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the semiconductor industry, our end markets and business will develop. NXP has based these assumptions on information currently available, if any one or more of these assumptions turn out to be incorrect, actual results may differ from those predicted. While NXP does not know what impact any such differences may have on its business, if there are such differences, its future results of operations and its financial condition could be materially adversely affected. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak to results only as of the date the statements were made. Except for any ongoing obligation to disclose material information as required by the United States federal securities laws, NXP does not have any intention or obligation to publicly update or revise any forward-looking statements after we distribute this document, whether to reflect any future events or circumstances or otherwise. For a discussion of potential risks and uncertainties, please refer to the risk factors listed in our SEC filings. Copies of our SEC filings are available on our Investor Relations website, www.nxp.com/investor or from the SEC website, www.sec.gov.

No offer of solicitation

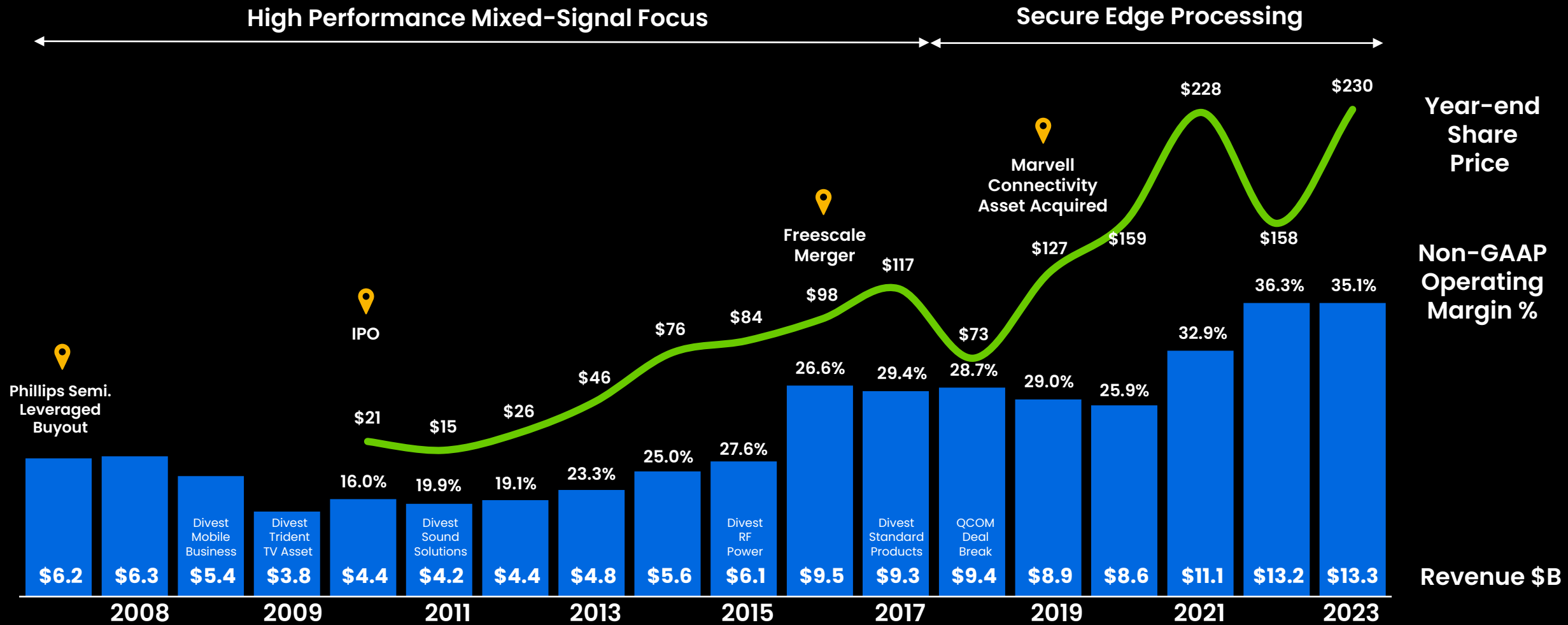
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Use of Non-GAAP Financial Measures

In this presentation, we have included certain non-GAAP financial information, including (i) Gross profit, (ii) Gross margin, (iii) Research and development, (iv) Selling, general and administrative, (v) Amortization of acquisition-related intangible assets, (vi) Other income, (vii) Operating income (loss), (viii) Operating margin, (ix) Financial Income (expense), (x) Income tax benefit (provision), (xi) Results relating to equity-accounted investees, (xii) Income (loss) from continuing operations, (xiii) Net income (loss) attributable to stockholders, (xiv) Diluted earnings per share, (xv) EBITDA (Non-GAAP), adjusted EBITDA (Non-GAAP) and trailing 12 month adjusted EBITDA (Non-GAAP) and (xvi) free cash flow, trailing 12 month free cash flow and trailing 12 month free cash flow as a percent of Revenue. Our non-GAAP results exclude, where applicable, the amortization of acquisition related intangible assets, the purchase accounting effect on inventory and property, plant and equipment, merger related costs (including integration costs), certain items related to divestitures, share-based compensation expense, restructuring and asset impairment charges, non-cash interest expense on convertible notes, extinguishment of debt, and foreign exchange gains and losses, income tax effect on adjustments described above and results from equity-accounted investments. 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 appendix to the presentation. For further discussion of our use of non-GAAP measures and information on the reconciliation to most comparable measures calculated in accordance with GAAP, please refer to the NXP Historic Financial Model file found on the Financial Results page of the Investor Relations section of our website at www.nxp.com.

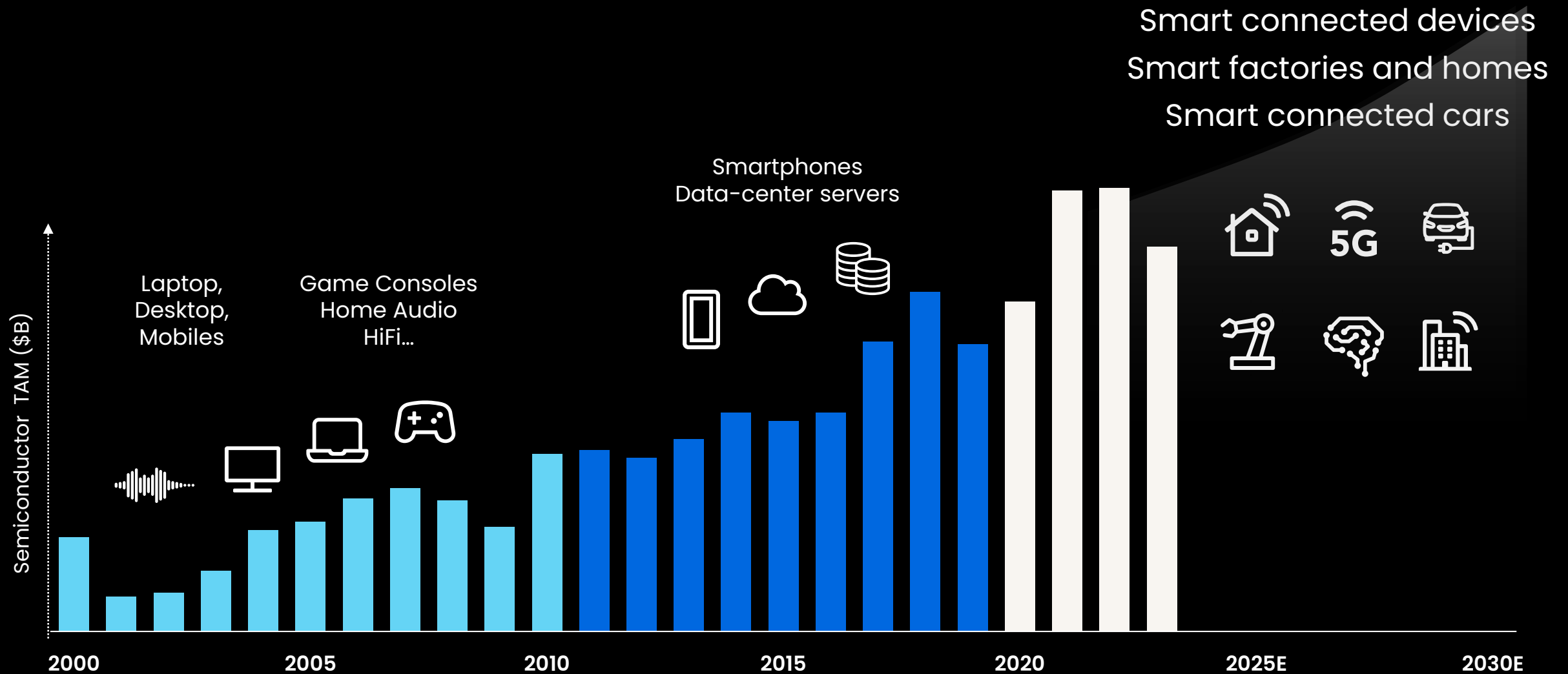
NXP: A Rich History of Innovation



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 for additional information relative to our Non-GAAP Financial Measure with this one "Reconciliations of non-GAAP measures to the most comparable measures calculated in accordance with GAAP are provided in the appendix to the presentation

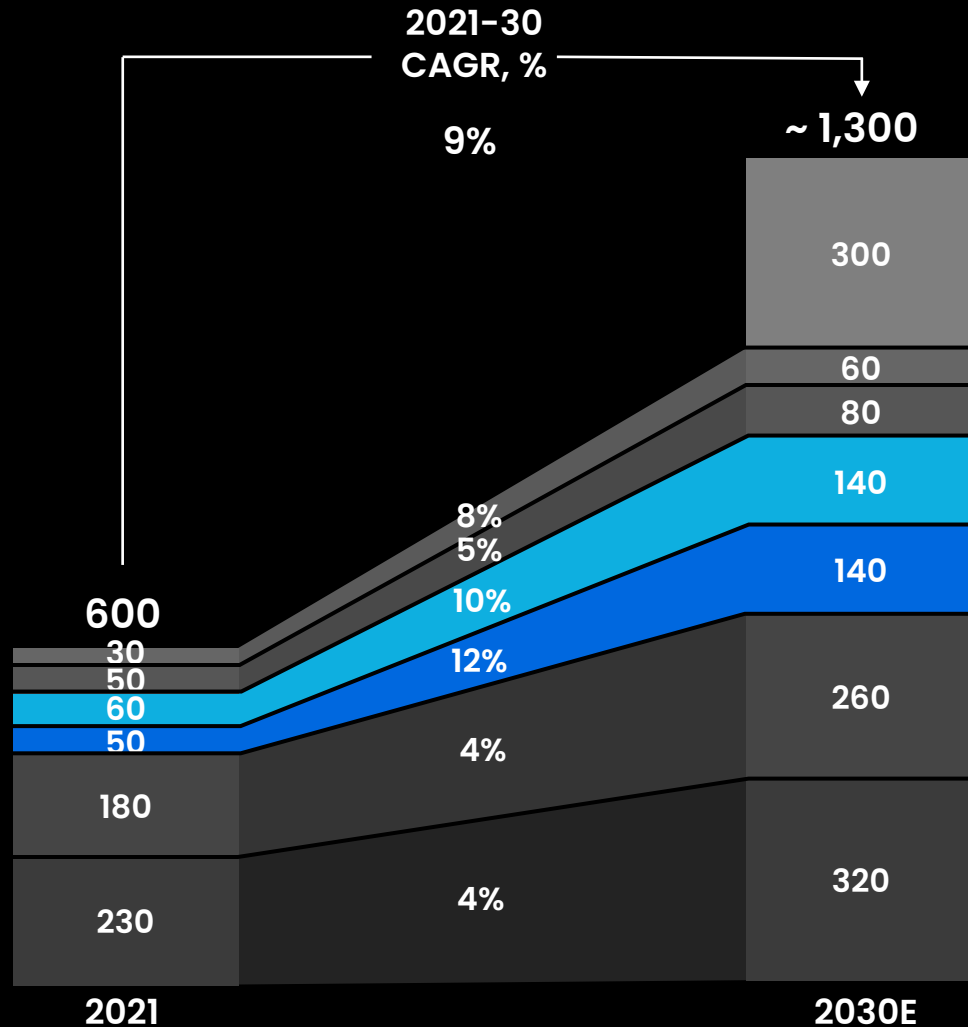
2. Annual Share Price is the closing share price of NXPI in each full or partial year period sourced from FactSet

Macrotrends Driving Waves of Semi Growth⁽¹⁾

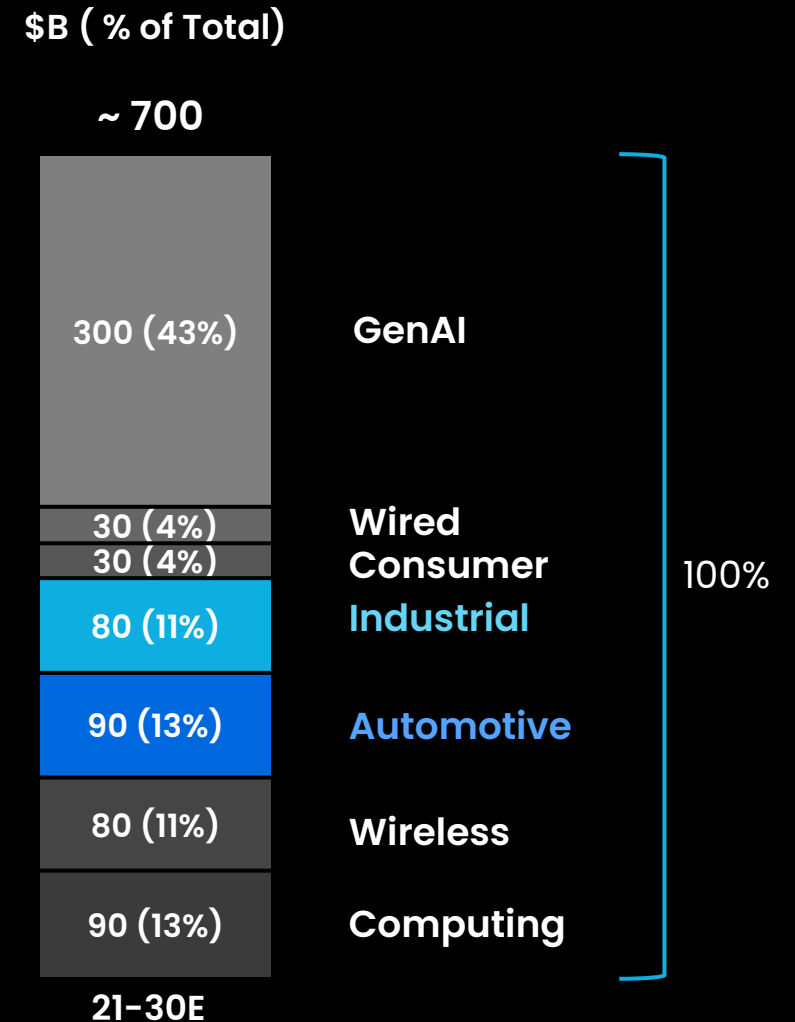


Auto & Industrial Lead Growth at the Intelligent Edge within a \$1.3T Opportunity

Global Semiconductor market value by vertical, \$billion



Growth contribution per vertical



NXP's Unrivaled Technology Portfolio for the Secure Edge

Sense



Everything
Aware

Think



Everything
Smart

Connect



Everything
Connected

Act



Everything
Efficient



Everything **safe and secure**



Easy to implement **scalable system solutions**

NXP Addresses 4 Major End Markets

Automotive



Safety, electrification & driver interaction

System solutions innovation drives revenue growth

Industrial & IoT



Edge processing, connectivity & security

Scalable processing and solutions as a differentiator

Mobile



Virtualized secure transactions & access

Growth driven by increased attach rate





Communications Infrastructure



Capex-driven wireless infrastructure market

Growth as result of new cellular standards

Analyst Day 2021: Accelerating Profitable Growth of 8–12% CAGR^(1,2,3,4)

Automotive	Industrial & IoT	Mobile	Communications Infrastructure
			
56% of Total +9 to 14% 3-yr. CAGR	18% of Total +9 to 14% 3-yr. CAGR	10% of Total +8 to 10% 3-yr. CAGR	16% of Total +2 to 6% 3-yr. CAGR
Leader in sensing, processing and control applications	Leader in connected edge processing	Leader in secure mobile wallet, access, and identification	Leader in high-power RF power

1. NXP Strategy Office, as of NXP Analyst Day November 2021

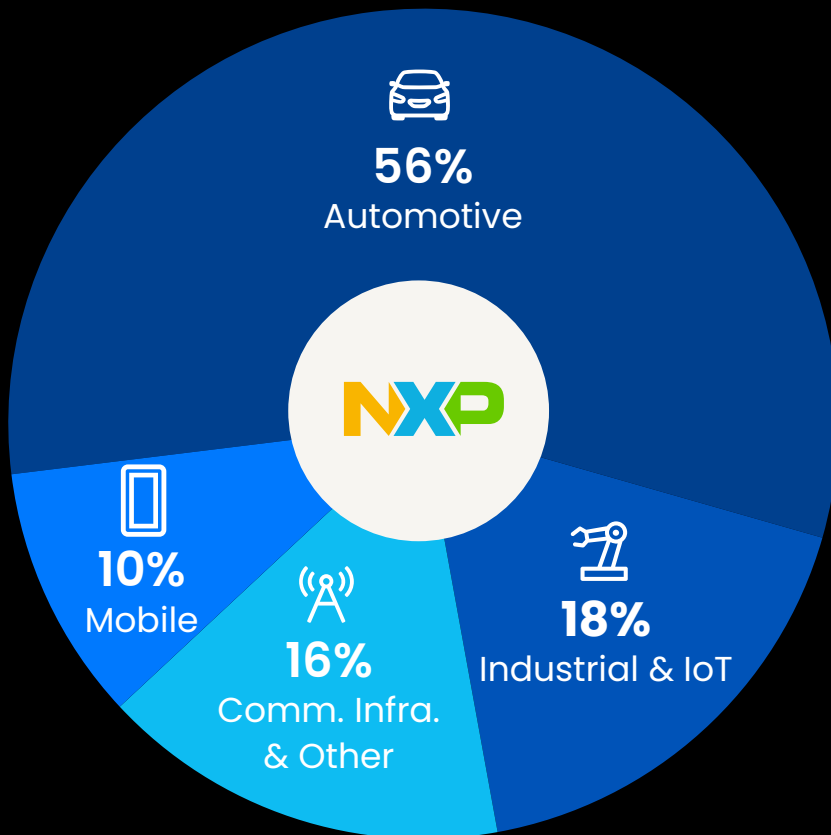
2. Communication Infrastructure includes "Other" consolidated revenue associated with NXP joint ventures

3. Revenue percentage split shown reflect actual end-market split for 2023

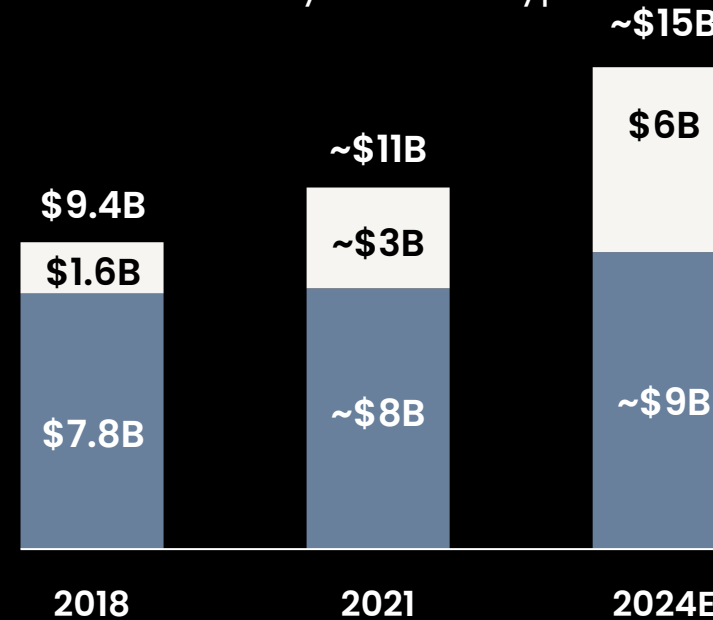
4. Reconciliations of non-GAAP measures to the most comparable measures calculated in accordance with GAAP are provided in the appendix to the presentation sources

Analyst Day 2021: Our Secular Growth Drivers Expected to Scale Rapidly^(1,2,3,4)

2023 revenue: \$13.3B
by end-market exposure



Revenue
by business type



Accelerated Growth Drivers
20-25%
2021-24 CAGR

High RMS Core Businesses
~5%
2021-24 CAGR

Accelerated growth drivers

Auto radar systems

Auto domain and zonal processors

Auto electrification systems

Secure connected edge solutions

UWB secure access solutions

RF Power for 5G infrastructure

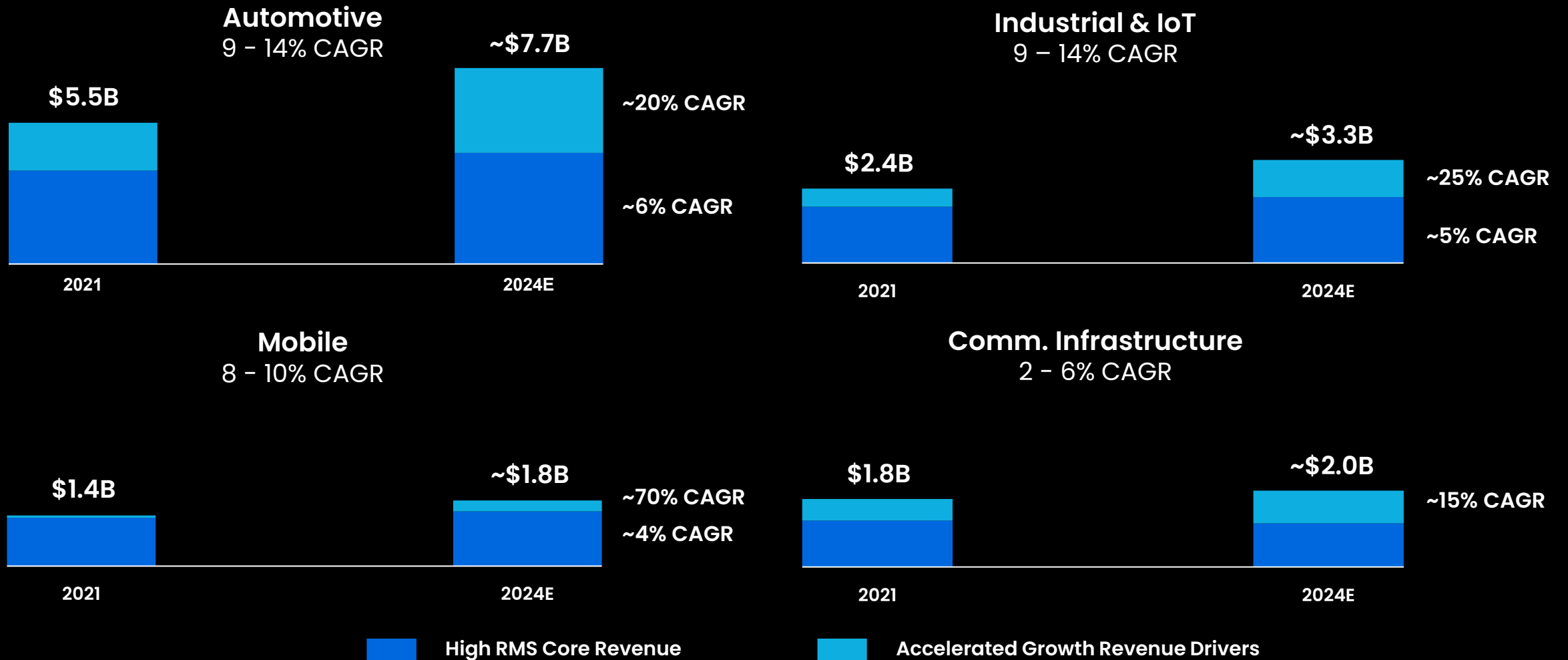
1. NXP Strategy Office, as of NXP Analyst Day November 2021

2. 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

3. All growth rates are 3-year CAGR based on 2021 actuals through 2024 estimates, as of NXP Analyst Day 2021

4. The sum of the percentages shown may not add to 100% due to rounding

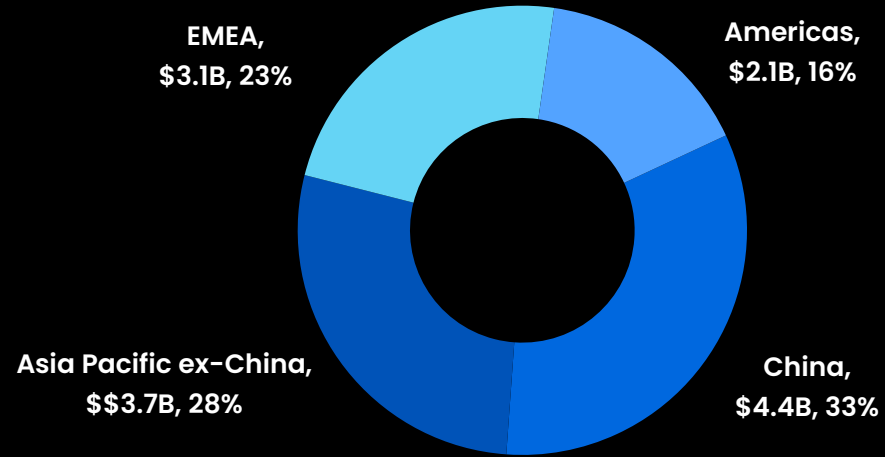
Analyst Day 2021: Accelerating Secular Profitable Revenue Growth ^(1,2,3,4)



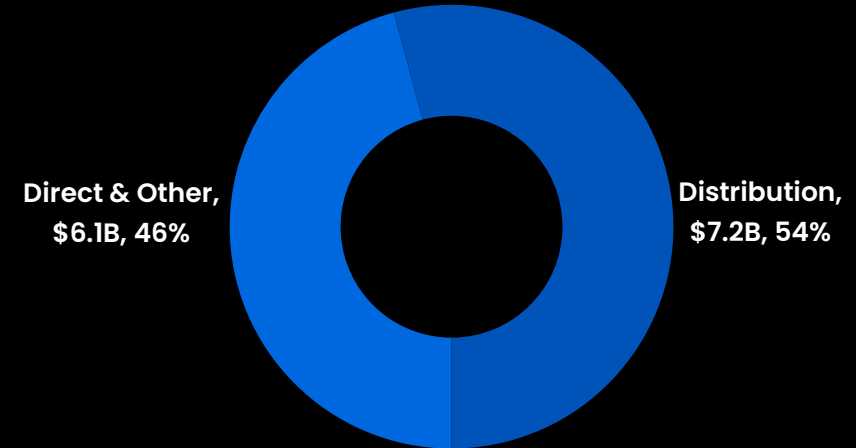
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NXP Semiconductors – At a Glance ^(1,2,3)

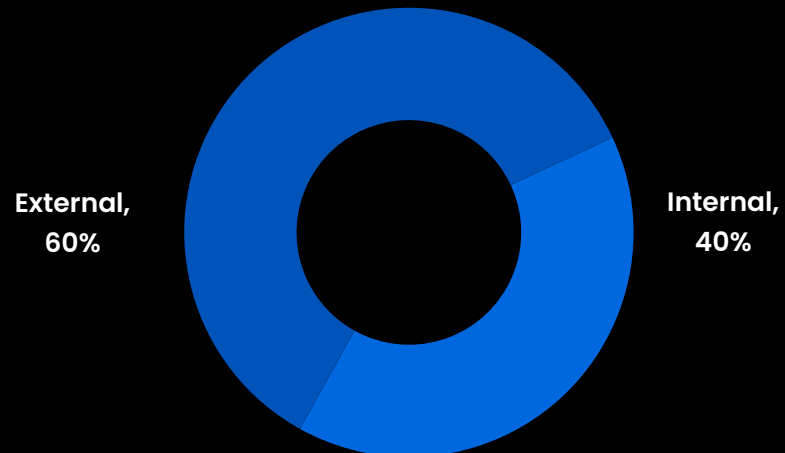
2023 Geographic Revenue Ship-To by Region



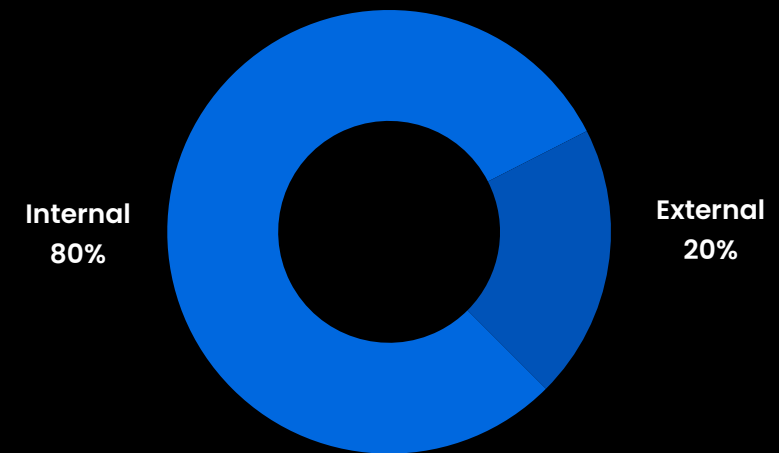
2023 Revenue Ship-To by Channel



Hybrid Manufacturing – Front-end Sourcing

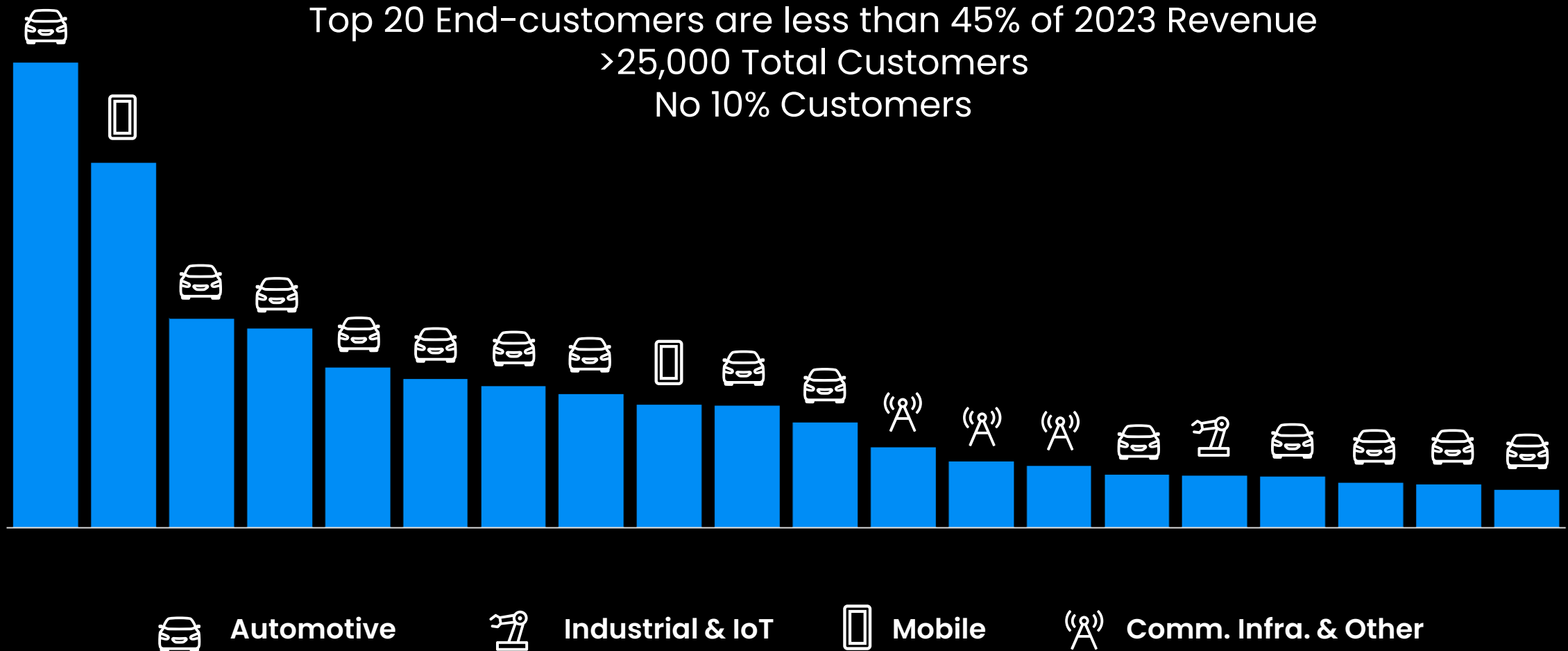


Hybrid Manufacturing – Back-end Sourcing



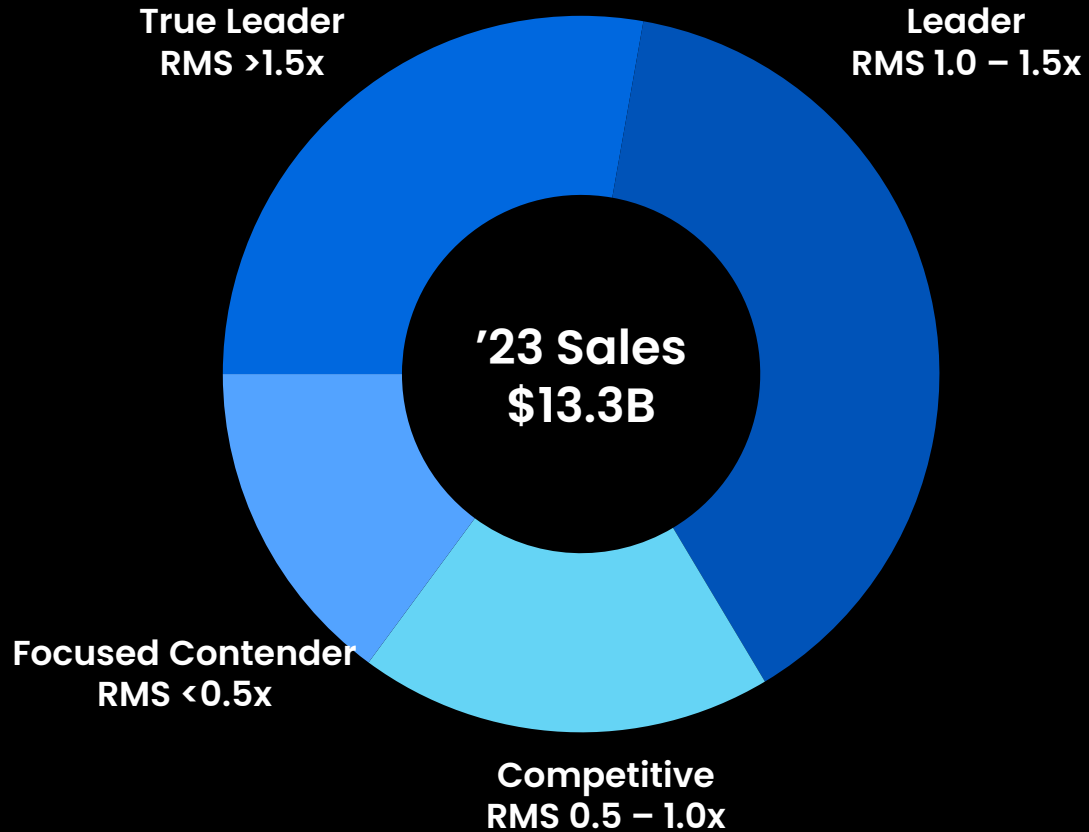
1. All data as of end 2023;
2. Revenue by Geographic Ship-To, and Channel from NXP Semiconductors 2023 Annual 10-K Report;
3. Hybrid manufacturing reflects both internal and external sourcing for front-end and back-end manufacturing, presented as a percentage of revenue.

Diverse End-Customer Base with High Barriers to Entry⁽¹⁾

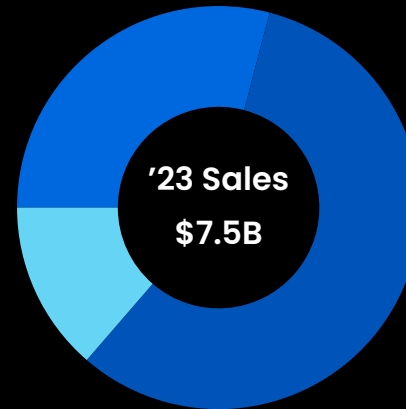


NXP End Market Relative Market Share (“RMS”) ^(1,2)

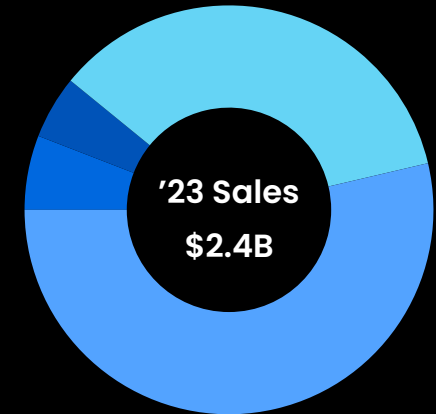
'23 Total NXP Product Revenue



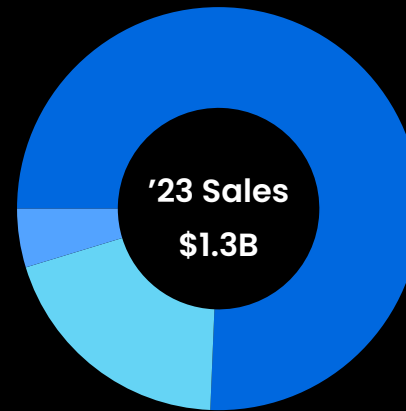
'23 Automotive



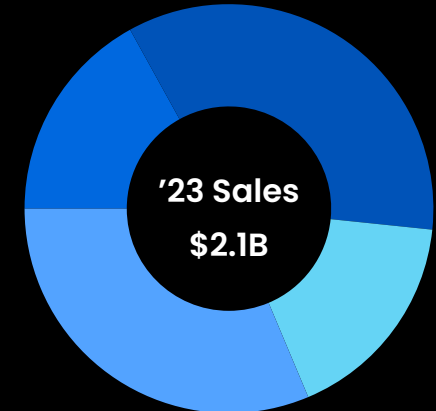
'23 Industrial & IoT



'23 Mobile



'23 Com. Infra. & Others

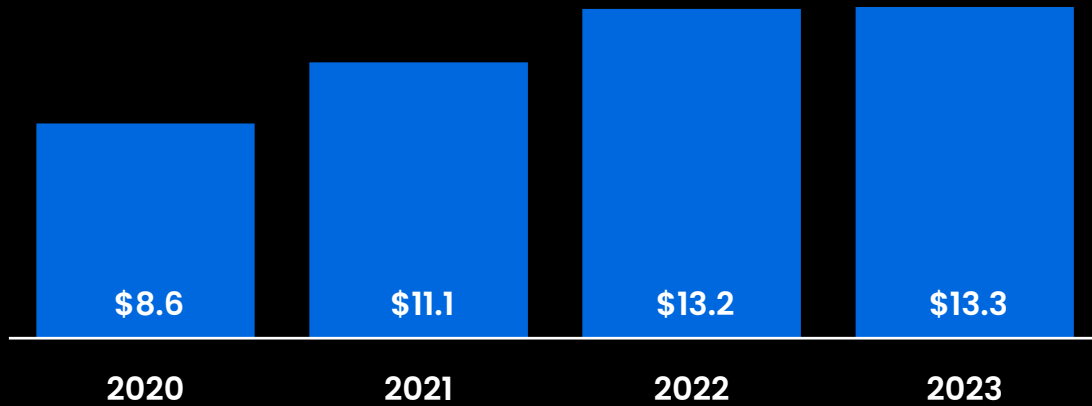


■ True Leader
 ■ Leader
 ■ Competitive
 ■ Focused Contender

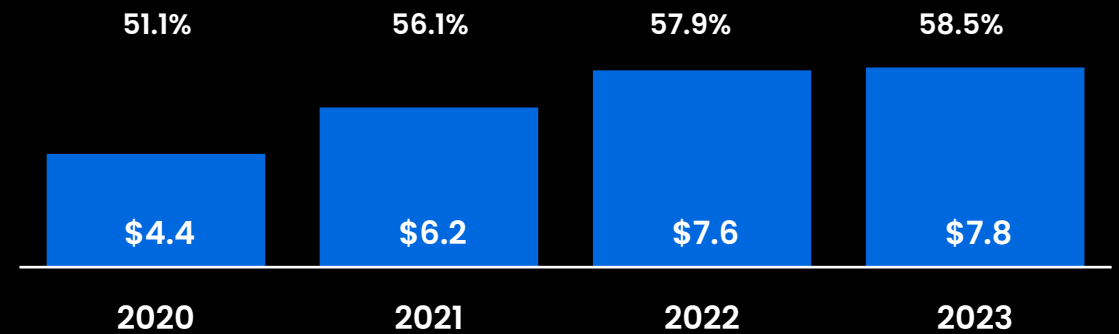
1. Source: NXP Semiconductors CMI Group, based on 2023 reported end market revenue and competitive positions;
 2. Relative Market Share (RMS) is defined as NXP market share as a percentage of the second largest competitor market share in defined serviceable addressable markets (“SAM”)

Driving Profitable Growth in Excess of Addressable Market^(1,2)

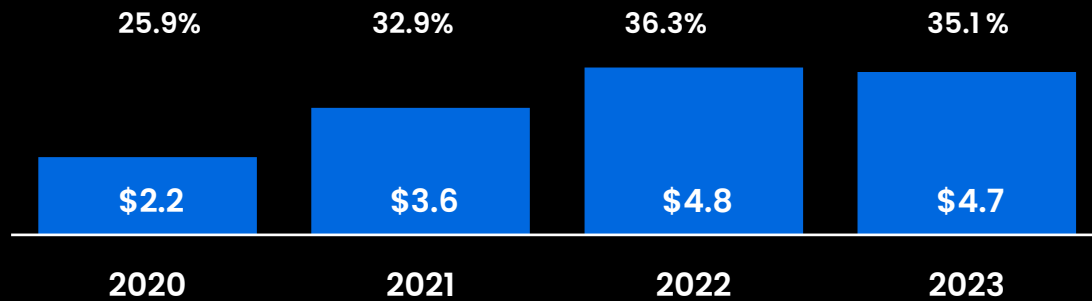
As Reported Revenue
Up 16% 3-yr. CAGR (\$B)



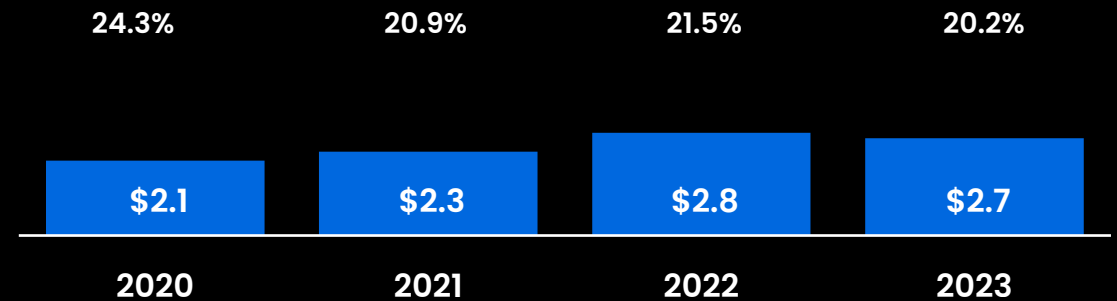
Non-GAAP Gross Profit / Non-GAAP Gross Margin
Up 21% 3-yr. CAGR (\$B)



Non-GAAP Operating Profit / Non-GAAP Operating Margin
Up 28% 3-yr. CAGR (\$B)



Non-GAAP Free Cash Flow / Non-GAAP Free Cash Flow Margin
Up 9% 3-yr. CAGR (\$B)

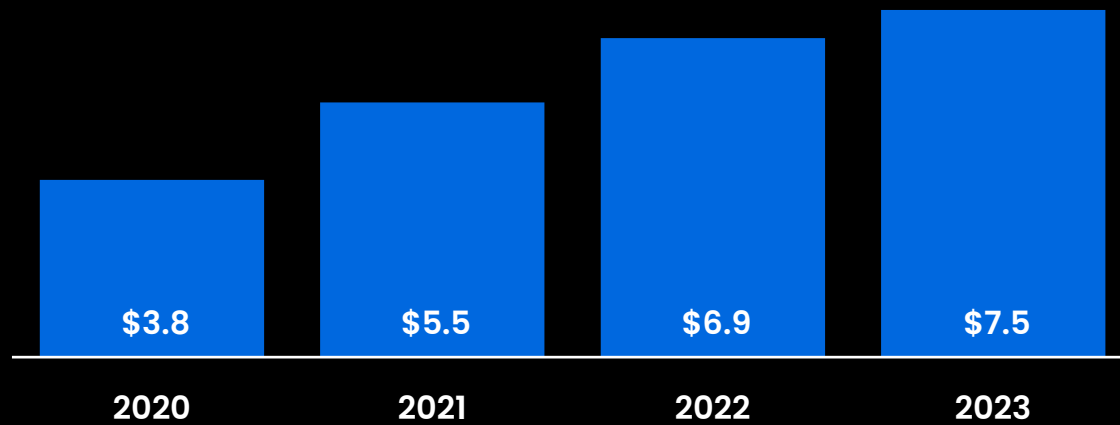


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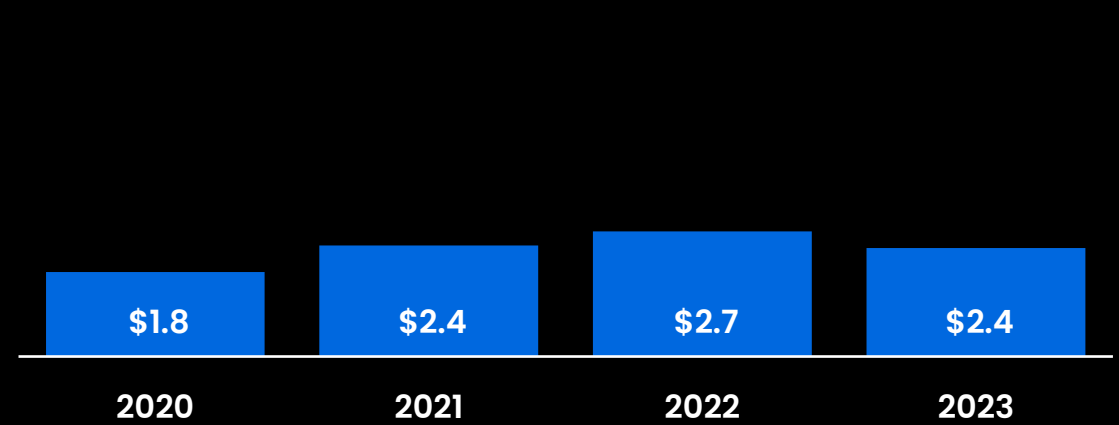
2. Gross Profit, Gross Margin, Operating Profit, Operating Margin, Free Cash Flow (FCF), are all non-GAAP figures, 3-yr. CAGR reflect the period 2020 - 2023

Annual Revenue by End Market (\$B)⁽¹⁾

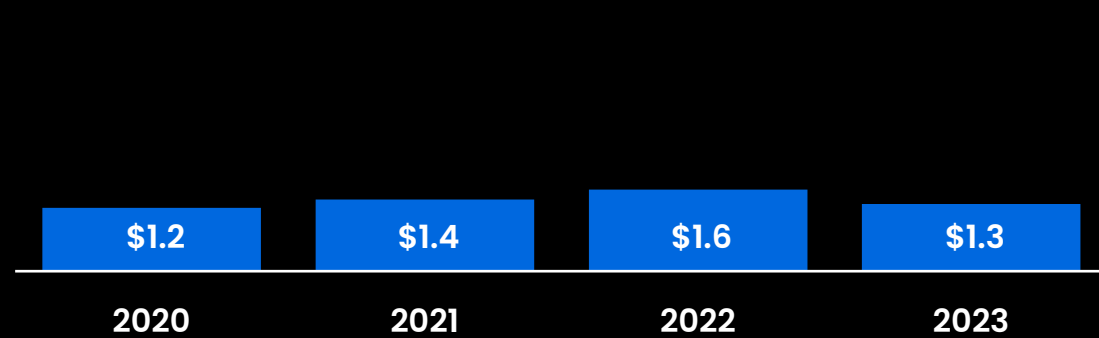
Automotive
Up 25% 3-yr. CAGR (\$B)



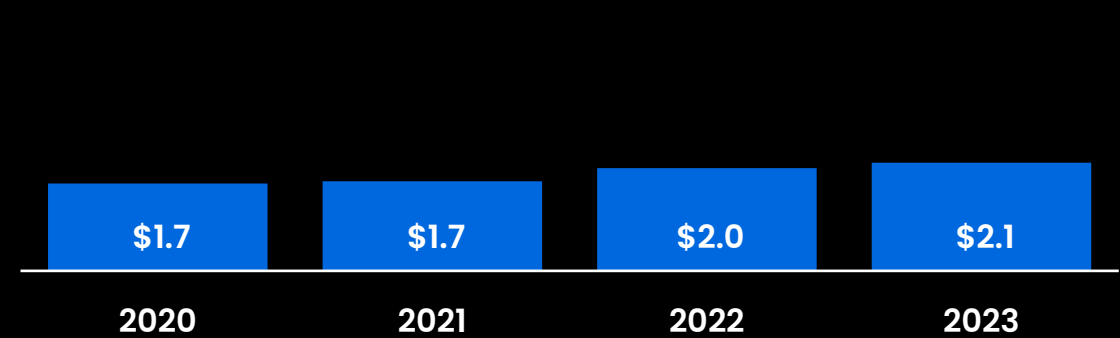
Industrial & IoT
Up 9% 3-yr. CAGR (\$B)



Mobile
Up 2% 3-yr. CAGR (\$B)



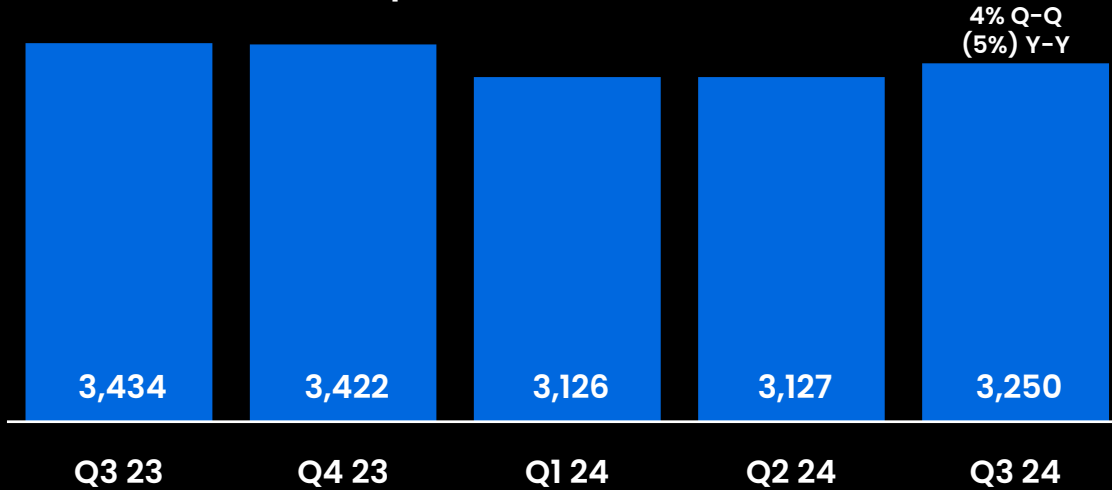
Communication Infrastructure & Other
Up 7% 3-yr. CAGR (\$B)



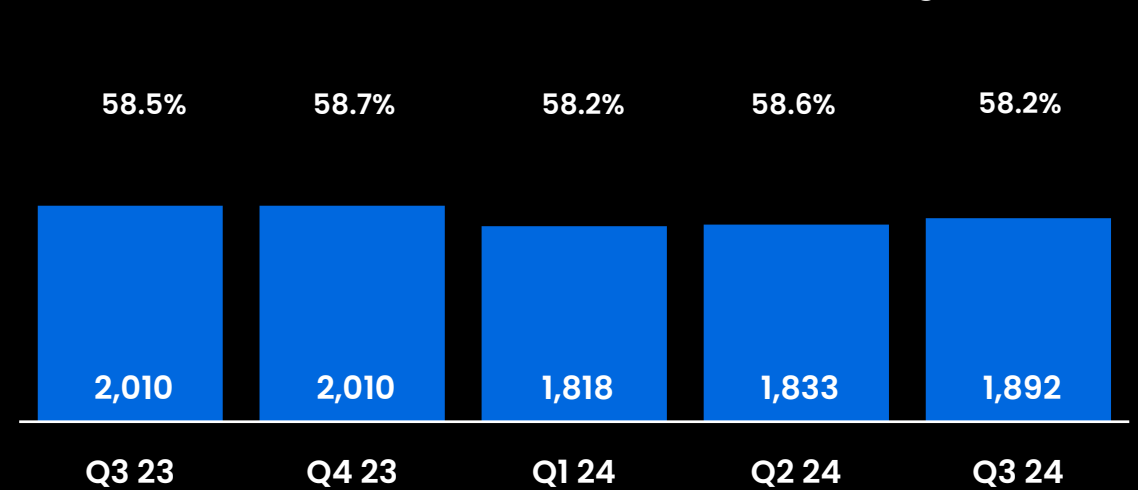
¹ Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at www.nxp.com/investor for additional information relative to our Non-GAAP Financial Measures

Recent Quarterly Business Trends^(1,2)

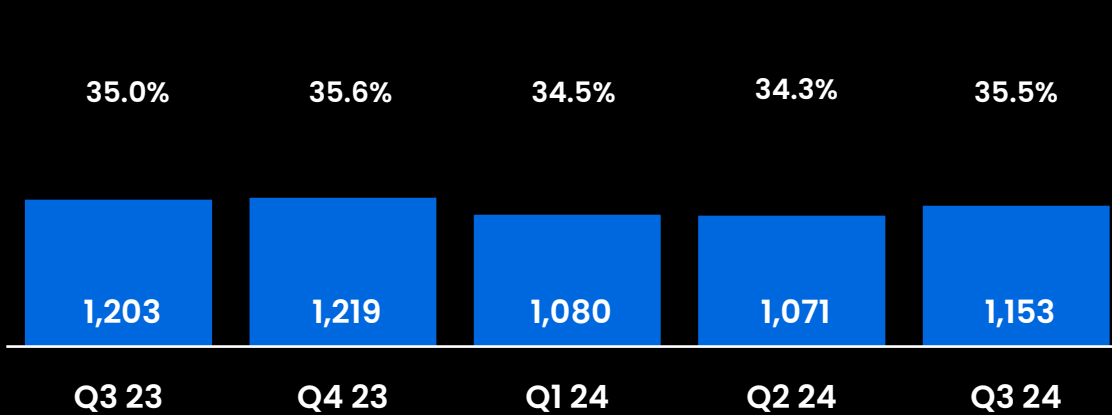
As Reported Revenue (\$M)



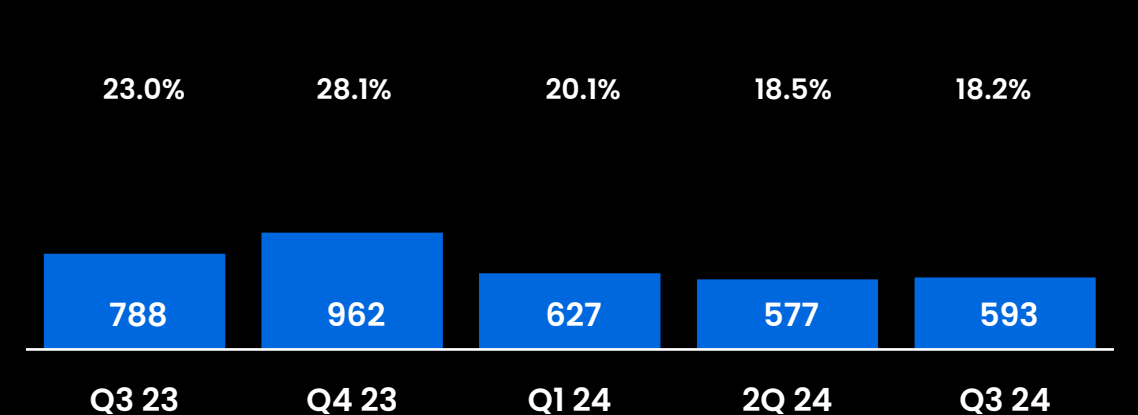
Non-GAAP Gross Profit / Non-GAAP Gross Margin



Non-GAAP Operating Profit / Non-GAAP Operating Margin



Non-GAAP Free Cash Flow / Non-GAAP Free Cash Flow Margin



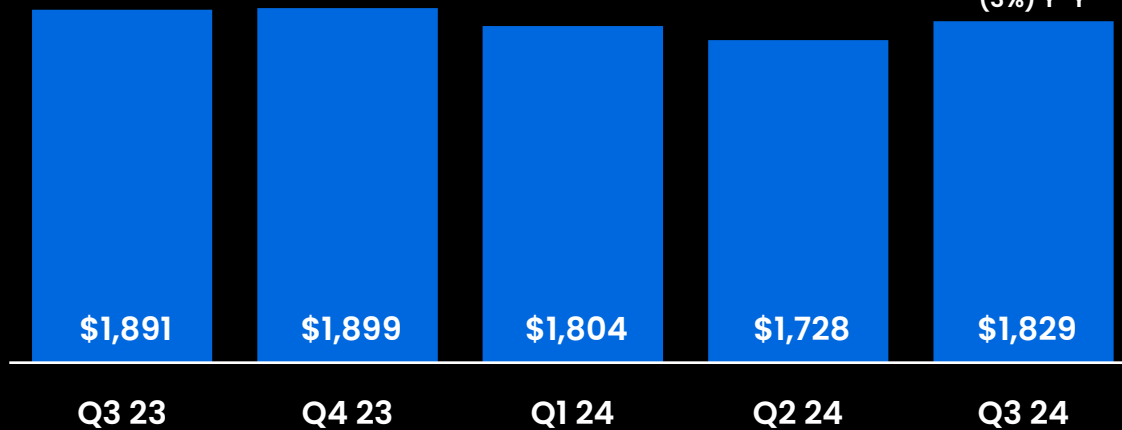
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2. Gross Profit, Gross Margin, Operating Profit, Operating Margin, Free Cash Flow are all non-GAAP figures.

Quarterly Revenue by End Market (\$M)⁽¹⁾

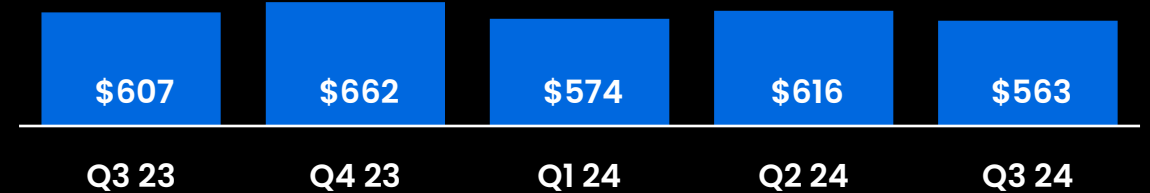
Automotive

6% Q-Q
(3%) Y-Y



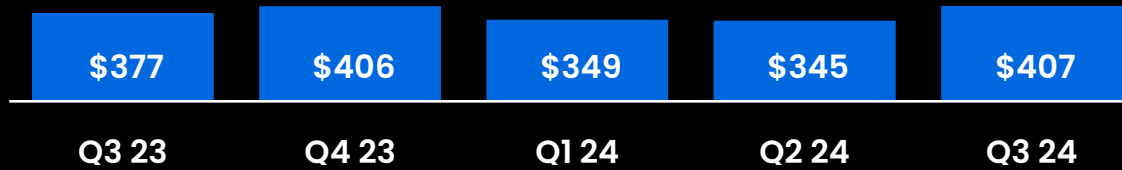
Industrial & IoT

(9%) Q-Q
(7%) Y-Y



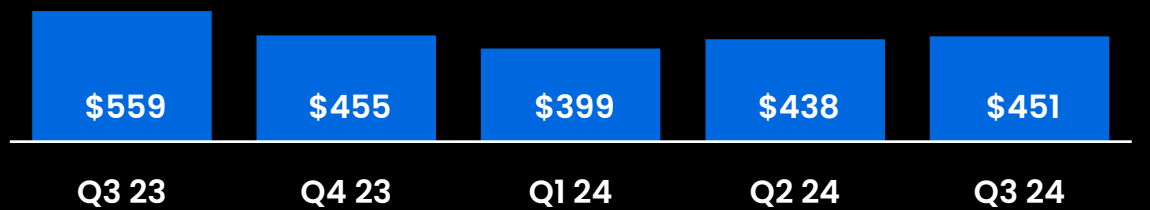
Mobile

18% Q-Q
8% Y-Y



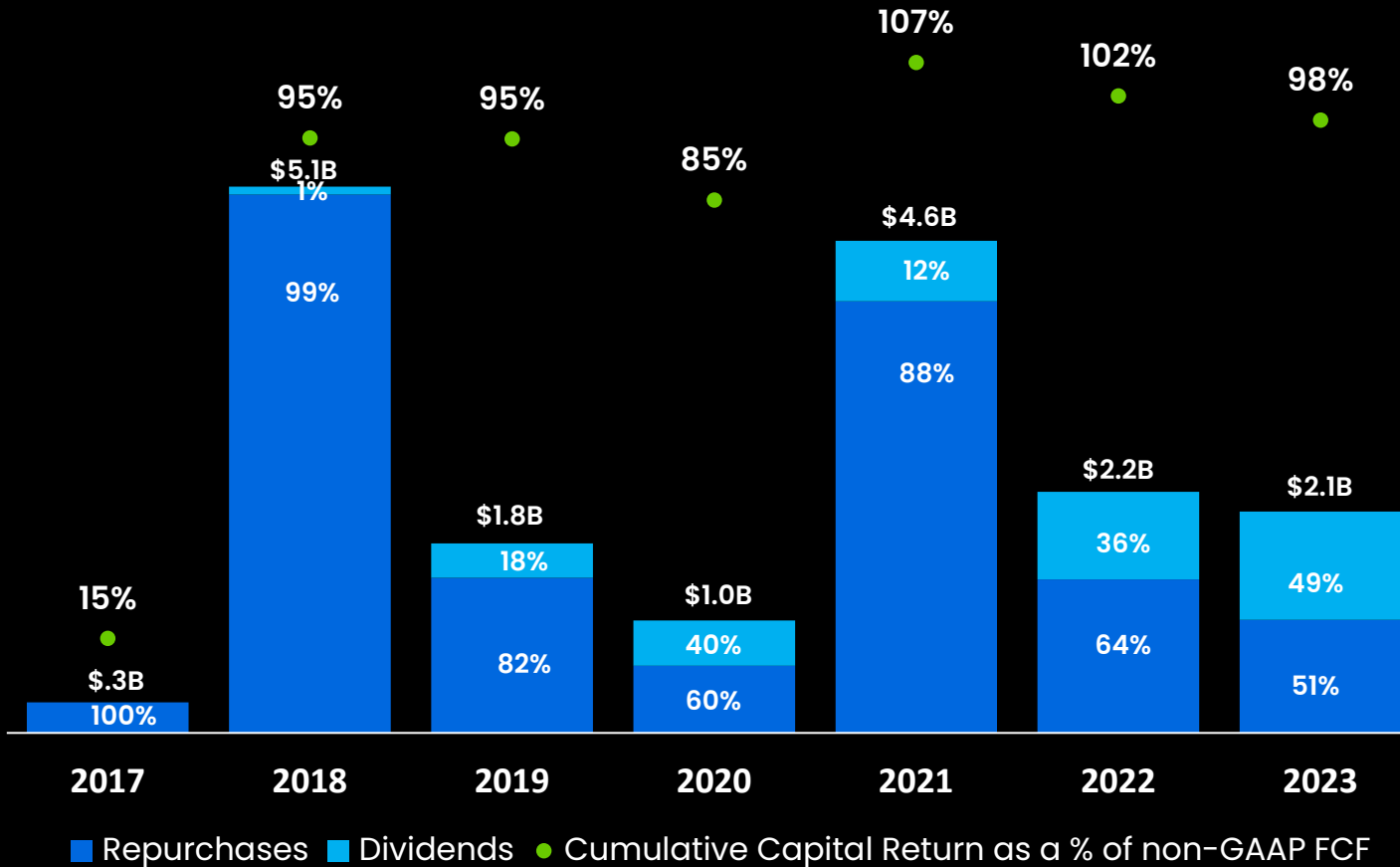
Communication Infrastructure & Other

3% Q-Q
(19%) Y-Y



A Robust Shareholder Centric Capital Return Policy^(1,2)

Capital Return (\$B)
Increased 39% 6-yr. CAGR



Capital Return Policy:

- Return All Excess non-GAAP FCF
- **Cumulative Capital Return 2017 – 2023:**
 - \$17.1B or 98% of non-GAAP FCF
 - Capital Return Growth of 39% CAGR
- **Cumulative Repurchases 2017 – 2023:**
 - \$13.9B or 81% of Capital Return
 - Repurchase Growth of 24% CAGR
 - Reduced Diluted Shares by 5%
- **Cumulative Cash Dividends 2017 – 2023:**
 - \$3.2B or 19% of Capital Return
 - Target 25% Cash Flow from Ops.
 - 5-yr Dividend Growth of 69% CAGR

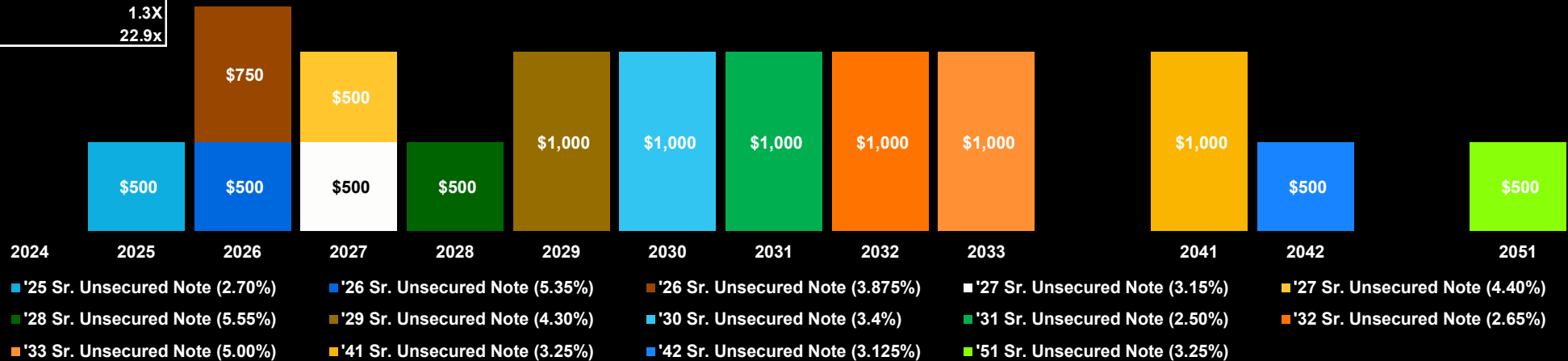
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2. Non-GAAP Free Cash Flow (FCF), = Cash Flow from Operations less Net Capex

Debt Summary at the End of 3Q24^(1,2)

Debt Instrument	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Sr. Unsecured Notes	Revolving Credit Facility
Issue Date	May-20	Dec-18	Jun-19	May-20	May-22	Dec-18	Jun-19	May-20	May-21	Nov-21	May-22	May-21	Nov-21	Nov-21	Aug-22
Maturity Date	May-25	Mar-26	Jun-26	May-27	Jun-27	Dec-28	Jun-29	May-30	May-31	Feb-32	Jan-33	May-41	Feb-42	Nov-51	Aug-27
Issued Amount (M)	\$ 500	\$ 500	\$ 750	\$ 500	\$ 500	\$ 500	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 500	\$ 500	\$ 2,500
Book Value (M)	\$ 500	\$ 499	\$ 749	\$ 498	\$ 498	\$ 498	\$ 995	\$ 995	\$ 994	\$ 994	\$ 990	\$ 989	\$ 493	\$ 492	\$ -
Coupon	2.700%	5.350%	3.875%	3.150%	4.400%	5.550%	4.300%	3.400%	2.500%	2.650%	5.000%	3.250%	3.125%	3.250%	Adj. Fw d. SOFR + 110 bps
Moody's	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	NR
Standard & Poor's	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	NR
Fitch	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	NR

Total Leverage	
Long and short Term Debt (\$M)	\$ 10,182
Cash and Equivalents + ST Deposits (\$M)	\$ 3,148
Net Debt (\$M)	\$ 7,034
TTM Adj. EBITDA	\$ 5,235
Cost of Debt	3.68%
Reported Gross Leverage	1.9X
Reported Net Leverage	1.3X
TTM Adj. EBITDA/TTM net Interest	22.9x

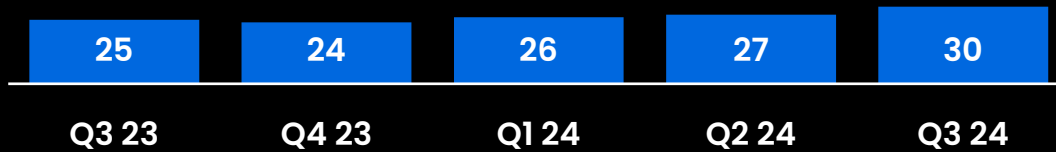


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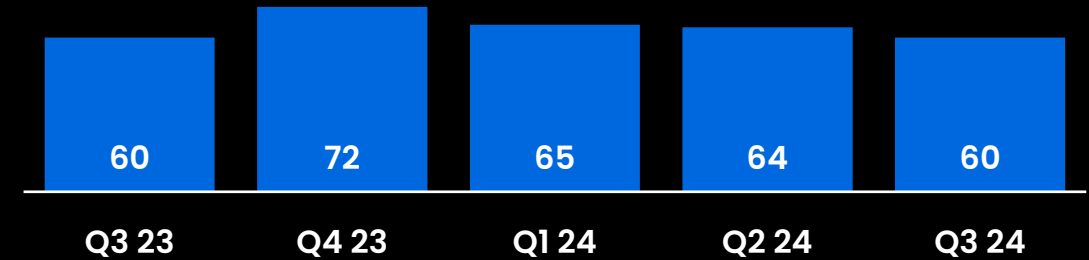
2. For the third quarter ended September 29, 2024, interest expense, net of (\$60) million is comprised of interest expense of (\$96) million, less interest income of \$36 million. Interest expense, net is a component of Financial income (expense) of (\$82) million as reported in the NXP Historic Financial Model file found on the Financial Information page.

Working Capital Ratios (\$M)^(1,2)

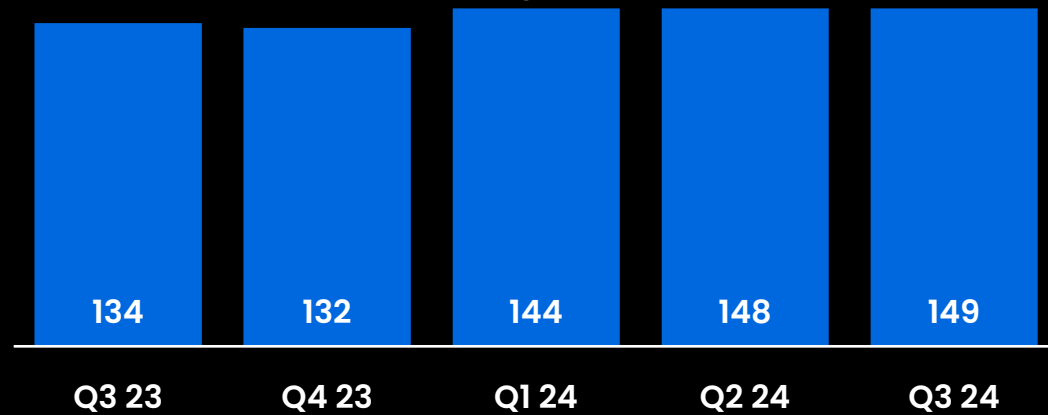
DSO



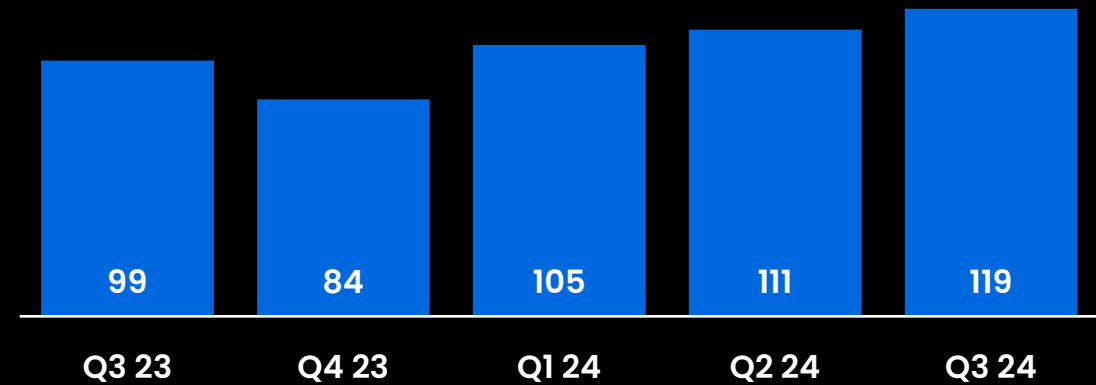
DPO



DIO



Cash Conversion Cycle



$$\text{DSO} = (91.25 \times \text{AR}) / \text{Revenue}$$

$$\text{DPO} = (91.25 \times \text{AP}) / \text{COGS}$$

$$\text{DIO} = (91.25 \times \text{Inventory}) / \text{COGS}$$

$$\text{Cash Conversion Cycle} = \text{DIO} + \text{DSO} - \text{DPO}$$

1. Working capital ratios exclude the effect of purchase price accounting amortization effects on GAAP COGS;
 2. 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.

Proven, Resilient and Profitable^(1,2,3,4)

Financial Metrics	Analyst Day 2018 Forecast	Actual Performance 2018 – 2021A
Total NXP revenue growth	+5 to 7%	5.6%
Non-GAAP gross margin	53 – 57%	56.1%
<i>Non-GAAP R & D %</i>	<i>14 – 16%</i>	<i>16.0%</i>
<i>Non-GAAP SG & A %</i>	<i>6 – 8%</i>	<i>7.2%</i>
Non-GAAP operating profit growth	8 – 14%	10.5%
Non-GAAP operating margin	31 – 34%	32.9%
Non-GAAP cumulative free cash flow	\$7 – \$8B	\$10B

1. Reconciliations of non-GAAP measures to the most comparable measures calculated in accordance with GAAP are provided in the appendix to the presentation

2. 2018 – 2021 Actual Revenue growth reflects rounding

3. Non-GAAP Free Cash Flow defined as cash flow from operations less net capital expenditures on property, plant and equipment

4. Cumulative non-GAAP free cash flow includes the \$2B one-time break up fee associated with failed QCOM acquisition of NXPI received in 2018

Financial Model^(1,2,3)

	Analyst Day 2021 2021 – 2024 CAGR
NXP growth	+8 to 12%
Non-GAAP gross margin	55 to 58%
<i>Non-GAAP R&D</i>	~16%
<i>Non-GAAP SG&A</i>	~7%
Non-GAAP operating margin	32 to 36%
<i>Non-GAAP cash taxes</i>	'22:~15%; '23; ~18%; '24; ~18%
<i>Non-controlling interest</i>	\$35M to \$45M
<i>Net capex</i>	6 to 8%
<i>Stock based compensation</i>	'22: \$380M; '23: \$410M; '24: \$440M
Non-GAAP free-cash flow	Target 25% of revenue
<i>DSO</i>	~30 Days
<i>DPO</i>	~75 Days
<i>DIO</i>	~95 Days

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. Growth rates are compound annual growth rates from 2021 through 2024E; individual annual growth rates will vary across the horizon
3. All percentages are as a percent of revenue, and assume an annual value, quarter to quarter values will vary



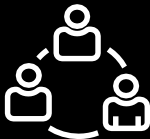

Guidance for the Fourth Quarter of 2024 ^(1,2,3,4,5)

	<u>GAAP</u>			<u>Reconciliation</u>	<u>Non-GAAP</u>		
	<u>Low</u>	<u>Mid</u>	<u>High</u>		<u>Low</u>	<u>Mid</u>	<u>High</u>
Total Revenue	3,000	3,100	3,200		3,000	3,100	3,200
Q-Q	-8%	-5%	-2%		-8%	-5%	-2%
Y-Y	-12%	-9%	-6%		-12%	-9%	-6%
Gross Profit	1,674	1,746	1,820	(35)	1,709	1,781	1,855
Gross Margin	55.8%	56.3%	56.9%		57.0%	57.5%	58.0%
Operating Income (loss)	810	872	936	(184)	994	1,056	1,120
Operating Margin	27.0%	28.1%	29.3%		33.1%	34.1%	35.0%
Financial income (expense)	(87)	(87)	(87)	(10)	(77)	(77)	(77)
Tax rate		17.2%-18.2%				16.3%-17.3%	
NCI & Other	(14)	(14)	(14)	(3)	(11)	(11)	(11)
Shares	257	257	257		257	257	257
Earnings per share - diluted	2.26	2.46	2.66		2.93	3.13	3.33


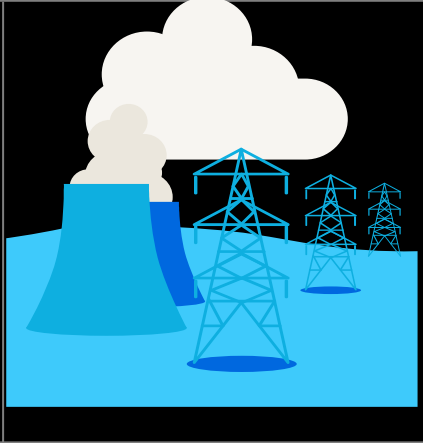

- GAAP Gross Profit is expected to include Purchase Price Accounting ("PPA") effects, \$(10) million; Share-based Compensation, \$(15) million; Other Incidentals, \$(10) million;
- GAAP Operating Income (loss) is expected to include PPA effects, \$(39) million; Share-based Compensation, \$(118) million; Restructuring and Other Incidentals, \$(27) million;
- GAAP Financial Income (expense) is expected to include Other financial expense \$(10) million;
- GAAP Non-Controlling Interest (NCI) and Other is expected to include results relating to non-foundry equity-accounted investee \$(3) million;
- GAAP diluted EPS is expected to include the adjustments noted above for PPA effects, Share-based Compensation, Restructuring and Other Incidentals in GAAP Operating Income (loss), the adjustment for Other financial expense, the adjustment for Non-controlling interest & Other and the adjustment on Tax due to the earlier mentioned adjustments.

NXP has based the guidance included in this release on judgments and estimates that management believes are reasonable given its assessment of historical trends and other information reasonably available as of the date of this release. Please note, the guidance included in this release consists of predictions only and is subject to a wide range of known and unknown risks and uncertainties, many of which are beyond NXP's control. The guidance included in this release should not be regarded as representations by NXP that the estimated results will be achieved. Actual results may vary materially from the guidance we provide today. In relation to the use of non-GAAP financial information see the note regarding "Non-GAAP Financial Measures" below. For the factors, risks, and uncertainties to which judgments, estimates and forward-looking statements generally are subject see the note regarding "Forward-looking Statements." We undertake no obligation to publicly update or revise any forward-looking statements, including the guidance set forth herein, to reflect future events or circumstances.

NXP Sustainability Mission

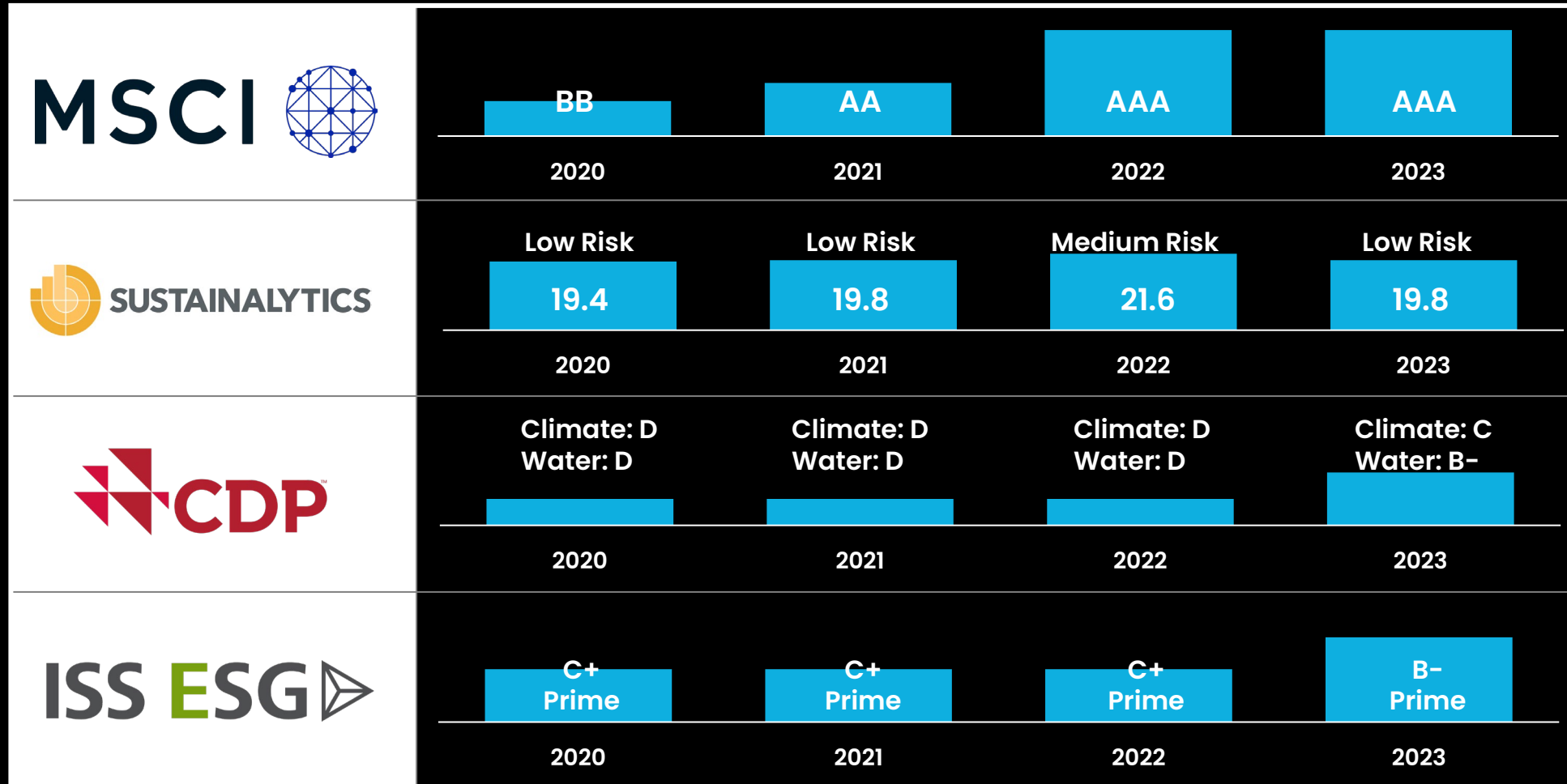
	Strategy	Guiding Principles	Goals
 <p>Innovation</p>	Innovate advancements that enable a better, safer, more secure and more sustainable world.	Push boundaries and explore new approaches to develop innovative and sustainable products and solutions.	Develop higher-performing, energy-efficient solutions that positively impacts the planet and society.
 <p>Environment</p>	Optimize NXP’s use of its resources and the beneficial social impacts of its operations.	Pursue continual improvements to protect our planet.	Carbon neutral by 2035; by 2027 reduce carbon emissions by 35%, drive 50% renewable electricity, 60% of wastewater recycled, and 90% of waste recycled
 <p>Social</p>	Leverage NXP’s global and diverse team to actively drive its sustainability mission	Respect human rights and promote an ethical, safe and healthy work environment where team members collaborate to drive innovation	25% women in R&D by 2025; 50% underrepresented minorities in NXP US workforce; zero tolerance of forced labor and human-rights abuses; zero workplace injuries
 <p>Governance</p>	Collaborate with stakeholders on global sustainability initiatives. Ensure accountability, trust and transparency in NXP business practices and operations.	Actively assess risk and build resilience through robust governance systems, appropriate goals and processes	Work with NXP supply-chain partners to reduce their environmental footprint and to integrate ESG into NXP’s business to foster ownership and accountability

NXP 2023 Sustainability Progress

Scope 1 Direct sources	Scope 2 Indirect sources	Scope 3 Upstream and downstream sources
		
<p>30% decrease from 2022</p>	<p>17% decrease from 2022</p>	<p>36% decrease from 2022</p>

Additional Progress:		
<p>29% decrease PFC emissions from 2022</p>	<p>28% decrease non-GHG emissions from 2022</p>	<p>1% decrease electricity consumption from 2022</p>
<p>57% decrease HTF emissions from 2022</p>	<p>2% decrease fossil fuel emissions from 2022</p>	<p>24% decrease N₂O emissions from 2022</p>
<p>2% Increase in water recycling from 2022</p>	<p>20% Women in R&D positions</p>	<p>100% Certified Conflict free 3TG smelters</p>

NXP Sustainability Ratings



GAAP Condensed Consolidated Statement of Operations (\$M)⁽¹⁾

(\$ in millions, unless otherwise stated)

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Revenue	3,434	3,422	3,126	3,127	3,250
Cost of Revenue	(1,469)	(1,485)	(1,343)	(1,335)	(1,384)
Gross Profit	1,965	1,937	1,783	1,792	1,866
Research and development	(601)	(651)	(564)	(594)	(577)
Selling, general and administrative	(294)	(311)	(306)	(270)	(265)
Amortization of acquisition-related intangible assets	(71)	(63)	(51)	(28)	(29)
Total operating expenses	(966)	(1,025)	(921)	(892)	(871)
Other income (expense)	(7)	(5)	(6)	(4)	(5)
Operating income (loss)	992	907	856	896	990
Financial income (expense)	(75)	(78)	(70)	(75)	(82)
Income (loss) before taxes	917	829	786	821	908
Benefit (provision) for income taxes	(123)	(124)	(141)	(154)	(173)
Results relating to equity-accounted investees	(2)	(2)	(1)	(3)	(6)
Net income (loss)	792	703	644	664	729
Less: Net Income (loss) attributable to non-controlling interests	(5)	(6)	(5)	(6)	11
Net income (loss) attributable to stockholders	787	697	639	658	718
Basic earnings per share	3.06	2.71	2.49	2.58	2.82
Diluted earnings per share	3.01	2.68	2.47	2.54	2.79
Basic - weighted average number of shares	257,488	257,285	256,567	255,478	254,458
Diluted - weighted average number of shares	261,095	260,298	258,954	258,732	257,717

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

Quarterly GAAP to non-GAAP Reconciliation (\$M)⁽¹⁾

(\$ in millions, unless otherwise stated)	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
GAAP Gross Profit	1,965	1,937	1,783	1,792	1,866					
Gross profit adjustments	(45)	(73)	(35)	(41)	(26)					
Non - GAAP Gross Profit	2,010	2,010	1,818	1,833	1,892					
GAAP Gross Margin	57.2%	56.6%	57.0%	57.3%	57.4%					
Non-GAAP Gross Margin	58.5%	58.7%	58.2%	58.6%	58.2%					
GAAP Operating income (loss)	992	907	856	896	990					
Operating income adjustments	(211)	(312)	(224)	(175)	(163)					
Non - GAAP Operating income (loss)	1,203	1,219	1,080	1,071	1,153					
GAAP Operating Margin	28.9%	26.5%	27.4%	28.7%	30.5%					
Non-GAAP Operating Margin	35.0%	35.6%	34.5%	34.3%	35.5%					
GAAP Provision for income taxes	(123)	(124)	(141)	(154)	(173)					
Income tax effect	45	54	30	15	9					
Non-GAAP Provision for income tax	(168)	(178)	(171)	(169)	(182)					
GAAP Net income (loss) attributable to stockholders	787	697	639	658	718					
Non-GAAP Net income (loss) attributable to stockholders	965	966	840	829	890					
GAAP Diluted earnings per share	3.01	2.68	2.47	2.54	2.79					
Non-GAAP Diluted earnings per share	3.70	3.71	3.24	3.20	3.45					
GAAP Net income (loss) attributable to stockholders	787	697	639	658	718	787	697	639	658	718
PPA Effects	(85)	(77)	(63)	(41)	(42)	(85)	(77)	(63)	(41)	(42)
Restructuring	4	(84)	(7)	(6)	-	4	(84)	(7)	(6)	-
Share-based compensation	(103)	(107)	(115)	(114)	(115)	(103)	(107)	(115)	(114)	(115)
Other incidentals	(27)	(44)	(39)	(14)	(6)	(27)	(44)	(39)	(14)	(6)
Other adjustments combined	33	43	23	4	(9)	33	43	23	4	(9)
Foreign exchange loss	(3)	(6)	(1)	(2)	(3)	(3)	(6)	(1)	(2)	(3)
Other financial expense	(7)	(3)	(5)	(6)	(9)	(7)	(3)	(5)	(6)	(9)
Income tax effect	45	54	30	15	9	45	54	30	15	9
Results relating to equity accounted investees	(2)	(2)	(1)	(3)	(6)	(2)	(2)	(1)	(3)	(6)
Non-GAAP Net income (loss) attributable to stockholders	965	966	840	829	890	965	966	840	829	890
GAAP net income(loss) per common share attributable to shareholders - diluted	3.01	2.68	2.47	2.54	2.79	3.01	2.68	2.47	2.54	2.79
Total GAAP to Non-GAAP adjustments per common share	(0.69)	(1.03)	(0.77)	(0.66)	(0.66)	(0.69)	(1.03)	(0.77)	(0.66)	(0.66)
Non-GAAP net income(loss) per common share attributable to shareholders - diluted	3.70	3.71	3.24	3.20	3.45	3.70	3.71	3.24	3.20	3.45
GAAP Financial income / (expense)	(75)	(78)	(70)	(75)	(82)	(75)	(78)	(70)	(75)	(82)
Financial income / (expense) adjustments	(10)	(9)	(6)	(8)	(12)	(10)	(9)	(6)	(8)	(12)
Non-GAAP Financial income / (expense)	(65)	(69)	(64)	(67)	(70)	(65)	(69)	(64)	(67)	(70)

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

Quarterly Cash Flow Overview (\$M)⁽¹⁾

(\$ in millions, unless otherwise stated)

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Net cash provided by (used for) operating activities	988	1,137	851	761	779
Net cash provided by (used for) investing activities	(273)	(629)	(274)	(239)	(371)
Net cash provided by (used for) financing activities	(533)	(694)	(1,528)	(567)	(526)
Effects of changes in exchange rates on cash position	(3)	6	(3)	(4)	7
Increase (decrease) in cash and cash equivalents	179	(180)	(954)	(49)	(111)
Cash and cash equivalents at beginning of the period	3,863	4,042	3,862	2,908	2,859
Cash and cash equivalents at end of period	4,042	3,862	2,908	2,859	2,748
Net cash provided by (used for) operating activities	988	1,137	851	761	779
Net capital expenditures on property, plant and equipment	(200)	(175)	(224)	(184)	(186)
Non-GAAP free cash flow	788	962	627	577	593
Trailing 12-month Non-GAAP free cash flow	2,568	2,687	2,933	2,954	2,759
Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue	20%	20%	22%	23%	21%

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Quarterly Adjusted EBITDA (\$M)⁽¹⁾

(\$ in millions, unless otherwise stated)

	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Net income (loss)	792	703	644	664	729
Reconciling items to adjusted net income					
Financial (income) expense	75	78	70	75	82
(Benefit) provision for income taxes	123	124	141	154	173
Depreciation	163	167	145	146	149
Amortization	110	102	90	67	69
Adjusted net income	1,263	1,174	1,090	1,106	1,202
Reconciling items to adjusted EBITDA					
Results of equity-accounted investees	2	2	1	3	6
Restructuring	(4)	84	7	6	-
Stock-based compensation	103	107	115	114	115
Other incidental items	27	44	39	14	6
Adjusted EBITDA	1,391	1,411	1,252	1,243	1,329
Trailing 12-month Adjusted EBITDA	5,384	5,410	5,395	5,297	5,235

Notable Product Announcements

[ESMC Breaks Ground on Dresden Fab](#)

[VIS and NXP Announce Establishment of VSMC Joint Venture](#)

[NXP Combines Ultra-Wideband Secure Ranging and Short-Range Radar to Enable Autonomous Industrial and IoT Applications](#)

[NXP's MC33777 Revolutionizes Battery Pack Monitoring Technology for Electric Vehicles](#)

[NXP's New i.MX RT700 Crossover MCU with eIQ Neutron NPU Combines High Performance, Low Power for the AI-Enabled Edge](#)

NXP Investment Thesis



Market leader with
strong revenue growth



Proven financial model with
resilient profitability



Reliable capital return policy of
robust free cash flow



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