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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
Washington, DC 20549

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AMENDMENT NO. 1

to

**SCHEDULE 14D-9**  
(RULE 14d-101)

SOLICITATION/RECOMMENDATION STATEMENT UNDER  
SECTION 14(D)(4) OF THE SECURITIES EXCHANGE ACT OF 1934

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**NXP Semiconductors N.V.**  
(Name of Subject Company)

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**Elliott Associates, L.P.**  
**Elliott International, L.P.**  
**Paul E. Singer**  
**Elliott Capital Advisors, L.P.**  
**Elliott Special GP, LLC**  
**Braxton Associates, Inc.**  
**Elliott Asset Management LLC**  
**Elliott International Capital Advisors Inc.**  
**Hambledon, Inc.**  
**Elliott Management Corporation**  
**The Liverpool Limited Partnership**  
**Liverpool Associates Ltd.**  
**Elliott Advisors (UK) Limited**  
**Manchester Securities Corp.**  
(Name of Person(s) Filing Statement)

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**Common Shares, par value EUR 0.20 per share**  
(Title of Class of Securities)

**N6596X109**  
(CUSIP Number of Class of Securities)

**Richard M. Brand, Esq.**  
**Braden K. McCurrach, Esq.**  
**Cadwalader, Wickersham & Taft LLP**  
**200 Liberty Street**  
**New York, New York 10281**  
**(212) 504-6000**

(Name, address and telephone number of person authorized to receive notices  
and communications on behalf of the person filing statement)

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Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

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This Amendment No. 1 (“Amendment No. 1”) amends and supplements the Solicitation/Recommendation Statement on Schedule 14D-9 filed with the Securities and Exchange Commission (the “SEC”) by the undersigned on December 11, 2017 (together with any subsequent amendments and supplements thereto, the “Schedule 14D-9”). The Schedule 14D-9 relates to the Tender Offer by Qualcomm River Holdings B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of The Netherlands (the “Purchaser”), a wholly owned subsidiary of QUALCOMM Incorporated, a Delaware corporation, as disclosed in the Tender Offer Statement on Schedule TO, filed by the Purchaser with the SEC on November 18, 2016, to purchase all outstanding common shares, par value €0.20 per share (the “Shares”), of NXP Semiconductors N.V., a public limited liability company (*naamloze vennootschap*) organized under the laws of The Netherlands, at a price of \$110.00 per Share, less any applicable withholding taxes and without interest to the holders thereof, payable in cash, upon the terms and conditions set forth in the Purchaser’s Offer to Purchase dated November 18, 2016, and in the related Letter of Transmittal.

The information in the Schedule 14D-9, including all exhibits and annexes that were previously filed with the Schedule 14D-9, is incorporated in this Amendment No. 1 by reference, except that such information is hereby amended or supplemented to the extent specifically provided herein. Capitalized terms used herein and not defined shall have the meaning ascribed to such terms in the Schedule 14D-9.

**Item 4. The Solicitation or Recommendation.**

Item 4 is hereby amended to add the following:

On December 13, 2017, the Filing Persons released the UBS Valuation Report delivered to EAUUK by UBS Investment Bank and issued a press release announcing the release of the UBS Valuation Report.

The UBS Valuation Report and the press release are attached hereto as Exhibit 4 and Exhibit 5, respectively, and are incorporated by reference herein.

**Item 9. Exhibits.**

Item 9 is hereby amended to add the following:

- |   |  |
|---|--|
| 4 | UBS Valuation Report                   |
| 5 | Press Release, dated December 13, 2017 |

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**SIGNATURE**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: December 13, 2017

ELLIOTT ASSOCIATES, L.P.

By: Elliott Capital Advisors, L.P., as General Partner

By: Braxton Associates, Inc., as General Partner

By: /s/ Elliot Greenberg

Name: Elliot Greenberg

Title: Vice President

ELLIOTT INTERNATIONAL, L.P.

By: Elliott International Capital Advisors Inc., as Attorney-in-Fact

By: /s/ Elliot Greenberg

Name: Elliot Greenberg

Title: Vice President

ELLIOTT CAPITAL ADVISORS, L.P.

By: Braxton Associates, Inc., as General Partner

By: /s/ Elliot Greenberg

Name: Elliot Greenberg

Title: Vice President

ELLIOTT SPECIAL GP, LLC

By: /s/ Elliot Greenberg

Name: Elliot Greenberg

Title: Vice President

BRAXTON ASSOCIATES INC.

By: /s/ Elliot Greenberg

Name: Elliot Greenberg

Title: Vice President

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ELLIOTT ASSET MANAGEMENT LLC

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

ELLIOTT INTERNATIONAL CAPITAL ADVISORS INC.

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

HAMBLEDON, INC.

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

ELLIOTT MANAGEMENT CORPORATION

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

THE LIVERPOOL LIMITED PARTNERSHIP

By: Liverpool Associates, Ltd., as General Partner

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

LIVERPOOL ASSOCIATES LTD.

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

MANCHESTER SECURITIES CORP.

By: /s/ Elliot Greenberg  
Name: Elliot Greenberg  
Title: Vice President

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By: /s/ Gordon Singer

Name: Gordon Singer

Title: Director

/s/ Paul E. Singer

Paul E. Singer

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# NXP Semiconductors N.V.

The UBS Valuation Report



8 December 2017

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## DISCLAIMER

This Valuation Report does not address the relative merits of any transaction involving any of the companies discussed herein as compared to other business strategies or transactions that might be available to such entities. This Valuation Report does not constitute a recommendation to any shareholder as to how such shareholder should vote, tender or act with respect to any transaction. UBS expresses no opinion as to the price at which any securities of NXP Semiconductors N.V. ("NXP") will trade at any time. In connection with this Valuation Report, UBS has, among other things: (i) reviewed certain publicly available business and financial information relating to NXP and other companies we believe to be generally relevant; (ii) reviewed current and historical market prices of the common stock of NXP and certain other companies we believe to be generally relevant; and (iii) compared the financial terms of the QUALCOMM Incorporated's tender offer for NXP with the publicly available financial terms of other transactions we believe to be generally relevant; and (iv) conducted such other financial studies, analyses and investigations, and considered such other information, as we deemed necessary or appropriate. UBS has not reviewed any of NXP's internal financial information, forecasts or other data that is not publicly available, nor has UBS conducted any discussions with management of NXP. In addition, UBS has not made any independent evaluation or appraisal of any of the assets or liabilities (contingent or otherwise) of NXP, nor has it been furnished with any such evaluation or appraisal. This Valuation Report is provided solely pursuant to Elliott's engagement of UBS in connection with, and for the purpose of, Elliott's evaluation of NXP's common stock.

This Valuation Report has been prepared by UBS AG and/or its subsidiaries, branches or affiliates (together, "UBS") for the use of Elliott Associates, L.P., Elliott International, L.P., and their affiliates (collectively, "Elliott") pursuant to Elliott's engagement of UBS. The information in this Valuation Report has been obtained from publicly available sources and has not been independently verified by UBS or any of its directors, officers, employees, agents, representatives or advisers or any other person. No representation, warranty or undertaking, express or implied, is or will be given by UBS or its directors, officers, employees and/or agents as to or in relation to the accuracy, completeness, reliability or sufficiency of the information contained in this Valuation Report or as to the reasonableness of any assumption contained therein, and to the maximum extent permitted by law and except in the case of fraud, UBS and each of its directors, officers, employees and agents expressly disclaim any liability which may arise from this Valuation Report and any errors contained therein and/or omissions therefrom or from any use of the contents of this Valuation Report.

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**This Valuation Report has been prepared solely pursuant to Elliott's engagement of UBS in connection with, and for the purpose of, Elliott's evaluation of NXP's common stock.** UBS shall be free to disclose all or part of the Valuation Report as required by any law, regulation or order of a court or pursuant to an order, requirement or request of a regulatory body having authority over UBS (including the Prudential Regulation Authority and the Financial Conduct Authority), or pursuant to governmental action, or necessary in the view of UBS to seek to establish a defence in any legal or regulatory proceeding or investigation or otherwise to comply with its own regulatory obligations.

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# Basis of preparation and sources of information

Forecast financials underpinning the UBS Valuation Report have been derived from published analyst consensus<sup>1</sup>

<b>Preparation</b>	<ul style="list-style-type: none"> <li>The UBS Valuation Report, dated as of 8 December 2017 and delivered to Elliott on 10 December 2017, has undergone all internal reviews by UBS that are customary in relation to providing such a valuation report or opinion</li> </ul>
<b>NXP historical financials</b>	<ul style="list-style-type: none"> <li>Historical financials of NXP Semiconductors N.V. ("NXP") are based on publicly disclosed annual and quarterly consolidated financial statements until Q3 2017 (published on 25 October 2017)               <ul style="list-style-type: none"> <li>where noted, data have been adjusted for the divestiture of Standard Products which closed on 7 February 2017, removing Standard Products revenue, gross profit, EBITDA, EBIT and OpFCF<sup>2</sup> from total revenue, gross profit, EBITDA, EBIT and OpFCF, respectively                   <ul style="list-style-type: none"> <li>for EBITDA, we estimated Standard Products depreciation &amp; amortization ("D&amp;A") assuming same percentage of sales as NXP total D&amp;A</li> <li>for OpFCF, we estimated Standard Products capex assuming same percentage of sales as NXP total capex</li> </ul> </li> </ul> </li> </ul>
<b>NXP forecast financials</b>	<ul style="list-style-type: none"> <li>Forecast financials are based on published analyst consensus ("Analyst Consensus")<sup>1</sup> <ul style="list-style-type: none"> <li>revenue: based on mean for each segment (Automotive, Secure Identification Solution, Secure Connected Devices, Secure Interfaces and Infrastructure, Other) up to 2018E; 2019E computed by applying average of expected growth rate for each segment; 2020-22 based on growth rate linearly declining to 2.75% by 2022</li> <li>gross profit: based on mean of expected margins up to 2019; 2020-22 based on constant margin as of 2019</li> <li>EBIT: based on mean of expected margins up to 2019; 2020-22 based on constant opex as percentage of sales as of 2019</li> <li>EPS: based on current fully diluted number of shares outstanding (including options, excluding RSUs and PSUs<sup>3</sup>)</li> <li>capex: based on mean of expected percentage of sales up to 2019; 2020-22 based on constant percentage of sales as of 2019</li> </ul> </li> <li>The consensus has been benchmarked against industry peers (as defined below) and Management Projections as set forth in NXP's Schedule 14D-9 filed on 18 November 2016 ("Management Projections")</li> </ul>
<b>NXP peers set</b>	<ul style="list-style-type: none"> <li>Two set of peers have been used consistently throughout the UBS Valuation Report—peers used by NXP in its financial reports filed with the SEC ("20-F peers") and peers from the automotive semiconductor industry ("Auto Semi peers"):               <ul style="list-style-type: none"> <li>20-F peers: Analog Devices (ADI), Broadcom (AVGO), Cavium (CAVM), Infineon (IFX), Intel Corporation (INTC), Maxim Integrated Products (MXIM), Microchip Technology (MCHP), Power Integrations (POWI), Renesas (RNS), Silicon Laboratories (SLAB), STMicroelectronics (STM) and Texas Instruments (TXN)</li> <li>Auto Semi peers: Analog Devices (ADI), Infineon (IFX), Maxim Integrated Products (MXIM), ON Semiconductor (ON), Renesas (RNS), STMicroelectronics (STM) and Texas Instruments (TXN)</li> </ul> </li> </ul>

Source: Company Information, Analyst Consensus

Notes:

1 Consensus based on available analyst research reports published after NXP's H1 2017 results (Bank of America Merrill Lynch, Bernstein, BMO Capital Markets, Citi, Deutsche Bank, Jefferies, J.P. Morgan, Morgan Stanley and Oppenheimer)

2 Defined as EBITDA less Capex

3 RSUs: Restricted Stock Units; PSUs: Performance Stock Units

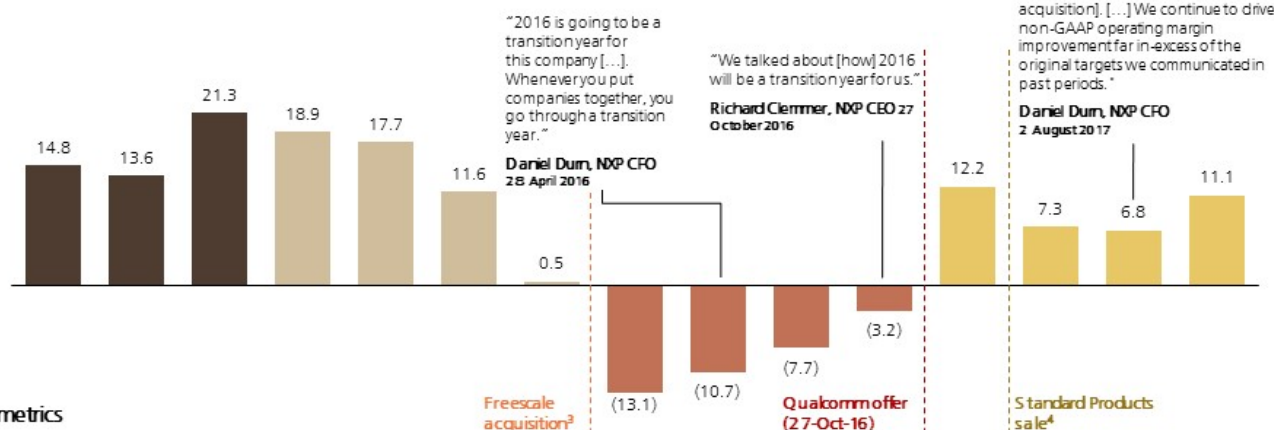




# Historical financials

NXP has experienced like-for-like revenue growth of 7-12% over the last four quarters

## NXP YoY revenue growth (%)<sup>1</sup>



## Key operating metrics

(US\$m)	Q 1 2014	Q 2 2014	Q 3 2014	Q 4 2014	Q 1 2015	Q 2 2015	Q 3 2015	Q 4 2015	Q 1 2016	Q 2 2016	Q 3 2016	Q 4 2016	Q 1 2017	Q 2 2017	Q 3 2017
Revenue	1,246	1,349	1,515	1,537	1,467	1,506	1,522	1,606	2,224	2,365	2,469	2,440	2,211	2,202	2,387
YoY growth (%)	14.8%	13.6%	21.3%	18.9%	17.7%	11.6%	0.5%	4.5%	51.6%	57.0%	62.2%	51.9%	(0.6%)	(6.9%)	(3.3%)
YoY like-for-like growth (%) <sup>1</sup>	14.8%	13.6%	21.3%	18.9%	17.7%	11.6%	0.5%	(13.1%)	(10.7%)	(7.7%)	(3.2%)	12.2%	7.3%	6.8%	11.1%
QoQ growth (%)	(3.6%)	8.3%	12.3%	1.5%	(4.6%)	2.7%	1.1%	5.5%	38.5%	6.3%	4.4%	(1.2%)	(9.4%)	(0.4%)	8.4%
Gross profit	617	655	725	716	711	734	748	806	1,112	1,183	1,247	1,248	1,144	1,167	1,283
margin (%)	49.5%	48.6%	47.9%	46.6%	48.5%	48.7%	49.1%	50.2%	50.0%	50.0%	50.5%	51.1%	51.7%	53.0%	53.7%
EBITDA <sup>2</sup>	357	391	451	451	447	482	514	515	632	716	800	833	707	730	846
margin <sup>2</sup> (%)	28.7%	29.0%	29.8%	29.3%	30.5%	32.0%	33.8%	32.1%	28.4%	30.3%	32.4%	34.1%	32.0%	33.2%	35.4%
EBIT	301	334	390	389	385	418	449	433	519	606	691	715	599	625	735
margin (%)	24.2%	24.8%	25.7%	25.3%	26.2%	27.8%	29.5%	27.0%	23.3%	25.6%	28.0%	29.3%	27.1%	28.4%	30.8%
OpFCF	306	302	369	344	367	391	436	423	544	645	701	702	546	634	684
margin (%)	24.6%	22.4%	24.4%	22.4%	25.0%	26.0%	28.6%	26.3%	24.5%	27.3%	28.4%	28.8%	24.7%	28.8%	28.7%

Source: Company filings

Notes:

1 Adjusted for Freescale acquisition and Standard Products disposal in Q4 2015-Q3 2017

2 Adjusted for results of equity-accounted investees, purchase accounting effect on inventory, restructuring, stock-based compensation, merger-related costs, other incidental items

3 Closed on 7-Dec-15

4 Closed on 7-Feb-17



# Forecast financials—profit and loss

Analyst Consensus expects NXP to grow revenue at a CAGR of 4.9%<sup>1</sup> in 2017–19, with gross margin trending to 54.6% and EBITDA margin reaching 38.0% by 2019

(US\$m, Dec-YE)	2014A	2015A	2016A	2017E	2018E	2019E	2017–19 CAGR (%)
<b>Revenue</b>	<b>5,647</b>	<b>6,101</b>	<b>9,498</b>	<b>9,115</b>	<b>9,506</b>	<b>9,894</b>	<b>4.9<sup>1</sup></b>
<i>growth (%)</i>	17.3	8.0	55.7	(4.0)	4.3	4.1	
<i>like-for-like growth (%)<sup>2</sup></i>	17.3	8.0	(2.9)	8.7	5.7	4.1	
<b>COGS</b>	<b>2,934</b>	<b>3,102</b>	<b>4,708</b>	<b>4,285</b>	<b>4,365</b>	<b>4,488</b>	<b>2.3</b>
<i>% of sales</i>	52.0	50.8	49.6	47.0	45.9	45.4	
<b>Gross profit<sup>4</sup></b>	<b>2,713</b>	<b>2,999</b>	<b>4,790</b>	<b>4,830</b>	<b>5,141</b>	<b>5,405</b>	<b>5.8</b>
<i>margin (%)</i>	48.0	49.2	50.4	53.0	54.1	54.6	
<b>OPEX</b>	<b>1,299</b>	<b>1,314</b>	<b>2,259</b>	<b>2,161</b>	<b>2,117</b>	<b>2,135</b>	<b>(0.6)</b>
<i>% of sales</i>	23.0	21.5	23.8	23.7	22.3	21.6	
<b>EBITDA<sup>3</sup></b>	<b>1,650</b>	<b>1,958</b>	<b>2,981</b>	<b>3,138</b>	<b>3,552</b>	<b>3,764</b>	<b>9.5</b>
<i>margin (%)</i>	29.2	32.1	31.4	34.4	37.4	38.0	
<b>EBIT<sup>4</sup></b>	<b>1,414</b>	<b>1,685</b>	<b>2,531</b>	<b>2,670</b>	<b>3,024</b>	<b>3,270</b>	<b>10.7</b>
<i>margin (%)</i>	25.0	27.6	26.6	29.3	31.8	33.1	
<b>Interest</b>	<b>(139)</b>	<b>(172)</b>	<b>(347)</b>	<b>(249)</b>	<b>(226)</b>	<b>(213)</b>	
<b>Taxes</b>	<b>(24)</b>	<b>(40)</b>	<b>(67)</b>	<b>(114)</b>	<b>(244)</b>	<b>(346)</b>	
<i>tax rate (%)</i>	1.9	2.6	3.1	4.7	8.7	11.3	
<b>Minorities</b>	<b>(68)</b>	<b>(73)</b>	<b>(59)</b>	<b>(57)</b>	<b>(60)</b>	<b>(61)</b>	
<b>Net income<sup>4</sup></b>	<b>1,183</b>	<b>1,400</b>	<b>2,058</b>	<b>2,250</b>	<b>2,494</b>	<b>2,650</b>	<b>8.5</b>
Diluted shares (m) <sup>5</sup>	248.6	250.1	347.1	345.5	345.5	345.5	
<b>EPS (US\$)</b>	<b>4.76</b>	<b>5.60</b>	<b>5.93</b>	<b>6.51</b>	<b>7.22</b>	<b>7.67</b>	<b>8.5</b>
<i>growth (%)</i>		17.6	5.9	9.8	10.8	6.3	

• Revenue are expected to grow at a 2017–19 CAGR of 4.9%<sup>1</sup>, mainly driven by Automotive and Secure Connected Devices

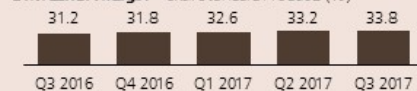
• Gross margin has improved by 45bps between Q3 2016 and Q3 2017 and is expected to increase to 54.6% by 2019 resulting from high-ROI investments in R&D and improved productivity at manufacturing level

**LTM gross margin—excl. Standard Products (%)<sup>7</sup>**



• EBITDA margin has improved by 266bps between Q3 2016 and Q3 2017 and is expected to increase to 38.0% by 2019 with realization SG&A synergies and R&D optimisation

**LTM EBITDA margin—excl. Standard Products (%)<sup>8</sup>**



• Tax rate is expected to increase from 3.1% in 2016 to 11.3% by 2019

• EPS is expected to increase at a 2017–19E CAGR of 8.5% assuming no buybacks in future years

Source: Company filings and Analyst Consensus as of 8-Dec-17

Notes:

1 Adjusted to exclude Standard Products revenue in 1Q17 (adjusted 2017E revenue of US\$8,997m)

2 Adjusted for Freescale acquisition and Standard Products sale in 2016A–2018E

3 Adjusted for results of equity-accounted investees, purchase accounting effect on inventory, restructuring, stock-based compensation, merger-related costs, other incidental items

4 Non-GAAP gross profit, operating profit and net income, respectively

5 Including options, excluding RSUs and PSUs

6 Computed as the sum of LTM gross profit divided by the sum of LTM revenue

7 Adjusted for Standard Products divestiture removing Standard Products revenue, gross profit and EBITDA from total revenue, gross profit and EBITDA. For EBITDA, assuming Standard Products D&A as same % of revenue as total D&A

8 Computed as the sum of LTM EBITDA divided by the sum of LTM revenue



# Forecast financials—cash flow

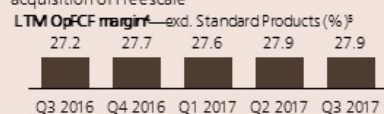
Analyst Consensus expects NXP to grow OpFCF at a CAGR of 12.1% in 2017-19, with OpFCF margin exceeding 33%

(US\$m, Dec-YE)	2014A	2015A	2016A	2017E	2018E	2019E	2017-19 CAGR (%)
<b>Net income</b>	<b>1,183</b>	<b>1,400</b>	<b>2,058</b>	<b>2,250</b>	<b>2,494</b>	<b>2,650</b>	<b>8.5</b>
Minority interest	68	73	59	57	60	61	
Depreciation and amortization <sup>6</sup>	236	273	450	469	528	493	
% of capex	71.7	80.1	115.7	90.4	113.5	104.5	
Change in net working capital	82	131	361	79	(25)	(19)	
% of revenue	1.5	2.1	3.8	0.9	(0.3)	(0.2)	
<b>Operating cash flow</b>	<b>1,569</b>	<b>1,877</b>	<b>2,928</b>	<b>2,854</b>	<b>3,056</b>	<b>3,185</b>	<b>5.6</b>
Capex	(329)	(341)	(389)	(519)	(465)	(472)	(4.6)
% of revenue	5.8	5.6	4.1	5.7	4.9	4.8	
<b>Investing cash flow</b>	<b>(329)</b>	<b>(341)</b>	<b>(389)</b>	<b>(519)</b>	<b>(465)</b>	<b>(472)</b>	<b>(4.6)</b>
<b>OpFCF<sup>2</sup></b>	<b>1,321</b>	<b>1,617</b>	<b>2,592</b>	<b>2,620</b>	<b>3,086</b>	<b>3,291</b>	<b>12.1</b>
margin (%)	23.4	26.5	27.3	28.7	32.5	33.3	
Debt repurchase	(92)	(3,586)	(3,295)	(2,728) <sup>3</sup>	-	-	
Dividends <sup>7</sup>	(50)	(51)	(126)	-	-	-	
Share repurchases	(1,435)	(475)	(1,280)	-	-	-	
<b>Financing cash flow</b>	<b>(1,577)</b>	<b>(4,112)</b>	<b>(4,701)</b>	<b>(2,728)</b>	<b>-</b>	<b>-</b>	
Other items <sup>1</sup>	852	3,005	2,442	2,277	-	-	
<b>Increase / (decrease) in cash</b>	<b>515</b>	<b>429</b>	<b>280</b>	<b>1,796</b>	<b>2,591</b>	<b>2,713</b>	
Cash	1,185	1,614	1,894	3,690	6,280	8,993	
Gross debt	3,999	9,212	9,187	6,556	6,556	6,556	
<b>Net debt / (cash)</b>	<b>2,814</b>	<b>7,598</b>	<b>7,293</b>	<b>2,866</b>	<b>276</b>	<b>(2,437)</b>	
Net debt / EBITDA	1.71x	3.88x	2.45x	0.91x	0.08x	(0.65x)	

• Depreciation and amortization are expected to remain broadly in line with capex forecasts at around US\$500m p.a.

• Capex is expected to remain at approximately 5% of revenue which is in line with historical trends

• OpFCF margin has improved by 73bps between Q3 2016 and Q3 2017 and is expected to further increase to 33.3% by 2019 mainly driven by synergies from the acquisition of Freescale



• No dividend payments or share repurchases are expected in 2017-19E; the previous share repurchase programme was discontinued following the Qualcomm offer

• Cash expected to be used for reducing net debt position assuming no buybacks in future years

Source: Company filings and Analyst Consensus as of 8-Dec-17

Notes:

1 Including extraordinary items and other GAAP – Non-GAAP reconciliations

2 OpFCF defined as EBITDA less Capex

3 Long-term debt repurchased in 1Q17

4 Computed as the sum of LTM OpFCF divided by the sum of LTM revenue

5 Adjusted for Standard Products divestiture removing Standard Products revenue and OpFCF from total revenue and OpFCF. For OpFCF assuming Standard Products D&A and capex as same % of revenue as total D&A and capex

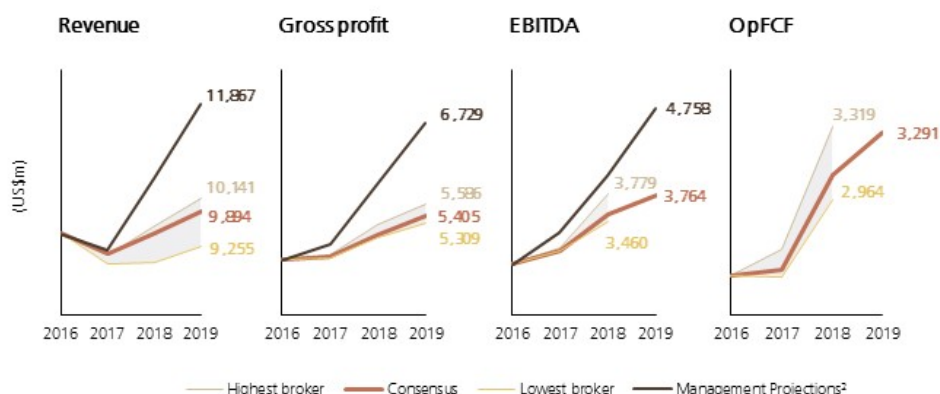
6 Calculated as difference between EBITDA and EBIT

7 Dividends paid to non-controlling interests



# Operational benchmarking

Analyst Consensus expects a 2017-19E revenue CAGR of 4.9%<sup>1</sup>, 2019E gross margin of 54.6%, 2019E EBITDA margin of 38.0%, 2019E OpFCF margin of 33.3% and 2019E cash conversion<sup>6</sup> of 87.5% for NXP



		Revenue CAGR		Gross margin		EBITDA margin		OpFCF	
		20 17E-2019E	20 19E	20 19E	20 19E	Margin 2019E	Cash conversion <sup>6</sup> 2019E		
NXP Analyst Consensus <sup>3</sup>		4.9 <sup>1</sup>	54.6	38.0	33.3	87.5			
NXP Management Projections <sup>2</sup>		13.6	56.7	40.1	na	na			
20-F Peers <sup>4</sup>	Mean	7.5	58.0	37.2	31.0	83.4			
	Median	7.8	61.7	42.6	32.4	75.9			
Auto Semi Peers <sup>5</sup>	Mean	6.0	53.0	33.8	27.0	79.7			
	Median	6.0	47.1	27.4	19.6	71.4			

Source: Company Information and Analyst Consensus as of 8-Dec-17

Notes:

1 Excludes Standard Products revenue starting in 1Q17

2 Management projections set forth in NXP's Schedule 14D-9 filed on 18 November 2016. Excludes Standard Products segment

3 Brokers considered: Bank of America Merrill Lynch, Bernstein, BMO Capital Markets, Cit, Deutsche Bank, Jefferies, J.P. Morgan, Morgan Stanley and Oppenheimer

4 Including: Analog Devices (ADI), Broadcom (AVGO), Cavium (CAVM), Infineon (IFX), Intel Corporation (INTC), Maxim Integrated Products (MXIM), Microchip Technology (MCHP), Power Integrations (POWI), Renesas (RNS), Silicon Laboratories (SLAB), STMicroelectronics (STM) and Texas Instruments (TXN)

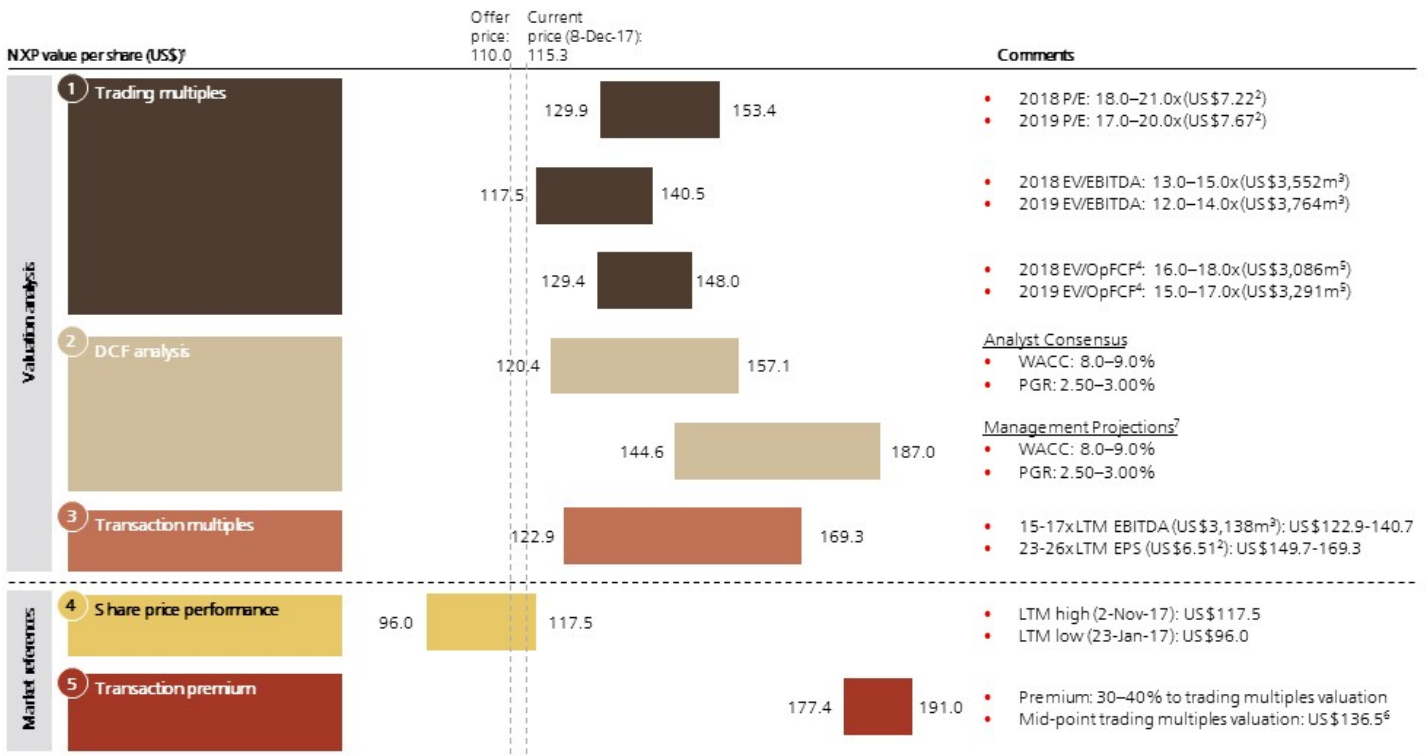
5 Including: Analog Devices (ADI), Infineon (IFX), Maxim Integrated Products (MXIM), ON Semiconductor (ON), Renesas (RNS), STMicroelectronics (STM) and Texas Instruments (TXN)

6 Calculated as OpFCF margin divided by EBITDA margin



# Valuation summary

The UBS Valuation Report estimates as of the date of this report that the value range of NXP shares on a trading basis is approximately US\$120-150 per share, which is supported by the DCF analysis



Source: Company Information, FactSet and Analyst Consensus as of 8-Dec-17

Notes:

- 1 Based on 363m fully diluted shares (including options, RSUs and PSUs), US\$6,556m gross debt, US\$3,065m cash and US\$174m minority interest (as of 30-Sep-17)
- 2 EPS as per Analyst Consensus
- 3 EBITDA as per Analyst Consensus
- 4 OpFCF defined as EBITDA less Capex

5 OpFCF as per Analyst Consensus

6 Mid-point of trading multiples valuation ranges (average of 2018/19 P/E, EV/EBITDA and EV/OpFCF)

7 Management Projections set forth in NXP's Schedule 140-9 filed on 18 November 2016. Excludes Standard Products segment





# 1 Trading multiples—P/E

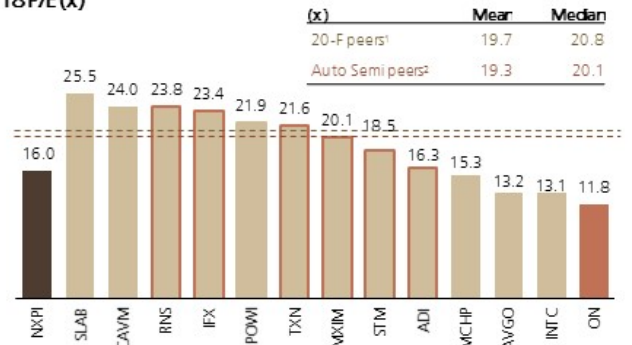
The UBS Valuation Report estimates as of the date of this report the value of NXP on a P/E trading multiples basis at 18.0-21.0x 2018 P/E (US\$7.22) and 17.0-20.0x 2019 P/E (US\$7.67), implying a value range of approximately US\$129.9-153.4 per share

## Historical NTM P/E evolution

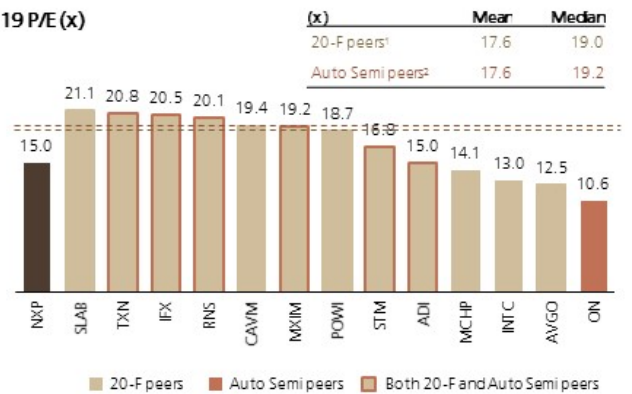
Last 3 years



## 2018 P/E (x)



## 2019 P/E (x)



Source: FactSet and Analyst Consensus as of 8-Dec-17

Notes:

- Including: Analog Devices (ADI), Broadcom (AVGO), Cavium (CAVM), Infineon (IFX), Intel Corporation (INTC), Maxim Integrated Products (MXIM), Microchip Technology (MCHP), Power Integrations (POWI), Renesas (RNS), Silicon Laboratories (SLAB), STMicroelectronics (STM) and Texas Instruments (TXN)
- Including: Analog Devices (ADI), Infineon (IFX), Maxim Integrated Products (MXIM), ON Semiconductor (ON), Renesas (RNS), STMicroelectronics (STM) and Texas Instruments (TXN)



# 1 Trading multiples—EV/EBITDA

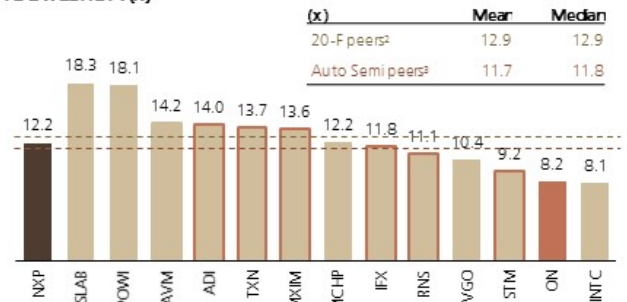
The UBS Valuation Report estimates as of the date of this report the value of NXP on an EV/EBITDA trading multiples basis at 13.0-15.0x 2018 EV/EBITDA (US\$3,552m<sup>1</sup>) and 12.0-14.0x 2019 EV/EBITDA (US\$3,764m<sup>1</sup>), implying a value range of approximately US\$117.5-140.5 per share

## Historical NTM EV/EBITDA evolution

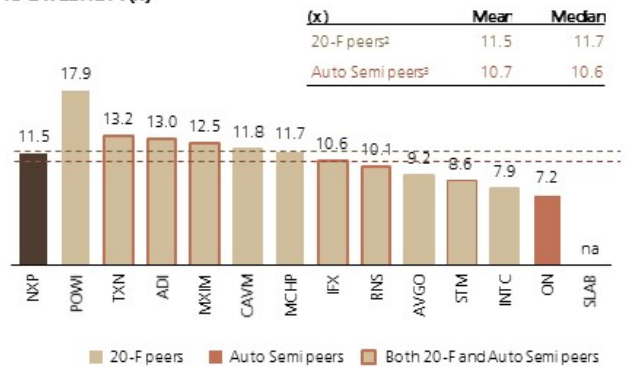
Last 3 years



## 2018 EV/EBITDA (x)



## 2019 EV/EBITDA (x)



Source: FactSet and Analyst Consensus as of 8-Dec-17

Notes:

1 For informational purposes, according to Schedule 14D-9 filed on 18 November 2016, NXP management projections for 2018 / 2019 EBITDA are US\$3,991 / 4,758m

2 Including: Analog Devices (ADI), Broadcom (AVGO), Cavium (CAVM), Infineon (IFX), Intel Corporation (INTC), Maxim Integrated Products (MXIM), Microchip Technology (MCHP), Power Integrations (POWI), Renesas (RNS), Silicon Laboratories (SLAB), STMicroelectronics (STM) and Texas Instruments (TXN)

3 Including: Analog Devices (ADI), Infineon (IFX), Maxim Integrated Products (MXIM), ON Semiconductor (ON), Renesas (RNS), STMicroelectronics (STM) and Texas Instruments (TXN)

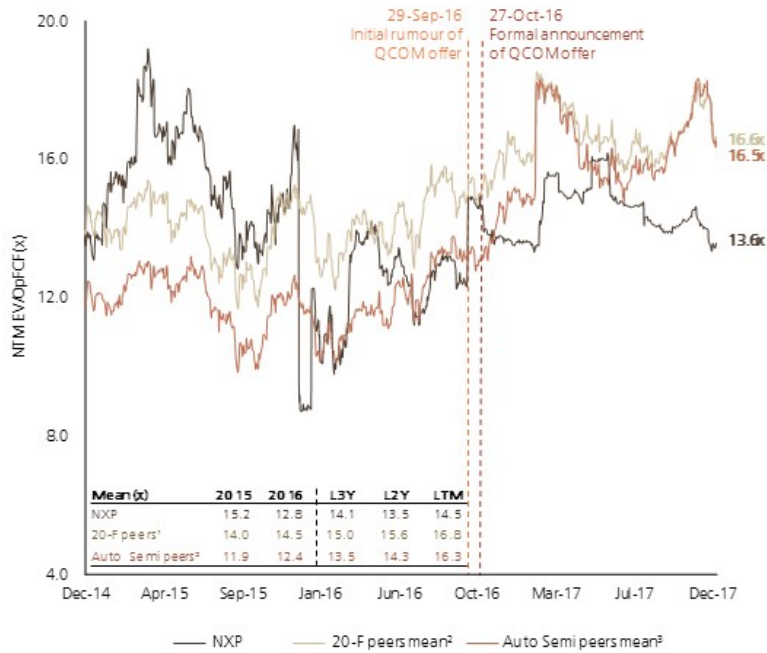


# 1 Trading multiples—EV/OpFCF<sup>1</sup>

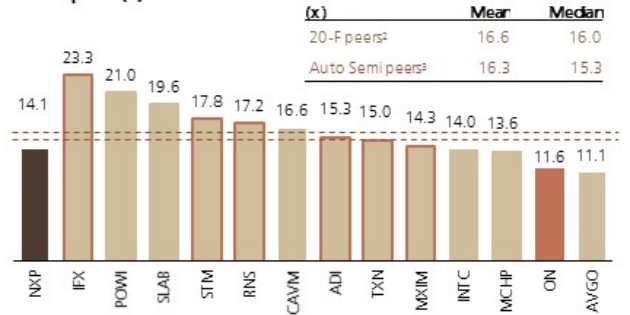
The UBS Valuation Report estimates as of the date of this report the value of NXP on an EV/OpFCF trading multiples basis at 16.0-18.0x 2018 EV/OpFCF (US\$3,086m) and 15.0-17.0x 2019 EV/OpFCF (US\$3,291m), implying a value range of approximately US\$129.4-148.0 per share

## Historical NTM EV/OpFCF evolution

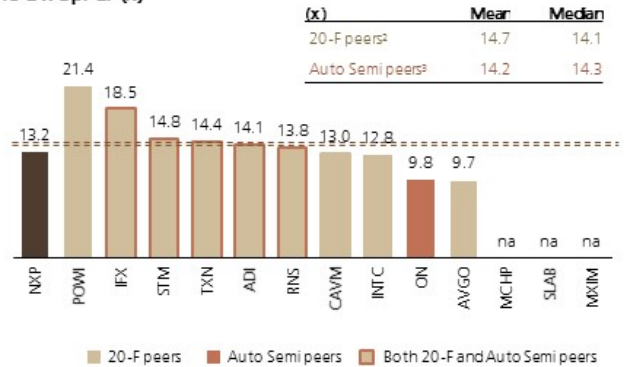
Last 3 years



## 2018 EV/OpFCF (x)



## 2019 EV/OpFCF (x)



Source: FactSet and Analyst Consensus as of 8-Dec-17

Notes:

1 OpFCF defined as EBITDA less Capex

2 Including: Analog Devices (ADI), Broadcom (AVGO), Cavium (CAVM), Infineon (IFX), Intel Corporation (INTC), Maxim Integrated Products (MXIM), Microchip Technology (MCHP), Power Integrations (POWI), Renesas (RNS), Silicon Laboratories (SLAB), STMicroelectronics (STM) and Texas Instruments (TXN)

3 Including: Analog Devices (ADI), Infineon (IFX), Maxim Integrated Products (MXIM), ON Semiconductor (ON), Renesas (RNS), STMicroelectronics (STM) and Texas Instruments (TXN)





## 2 DCF analysis—NPV calculation

The UBS Valuation Report estimates as of the date of this report the value range of NXP on a DCF basis at approximately US\$120.4-157.1 per share (using Analyst Consensus) and US\$144.6-187.0 per share (using Management Projections)

### Summary DCF analysis<sup>1</sup>

(US\$m)	Analyst Consensus	Management Projections
Present value of cash flows 2017-2022	12,391	14,199
Terminal value	57,306	68,494
Present value of terminal value	39,491	47,201
<b>Net present value ("NPV")</b>	<b>51,882</b>	<b>61,400</b>
Less: net debt and minority interest <sup>2</sup>	(3,665)	(3,665)
Equity value	48,217	57,735
<b>Value per share (US\$)<sup>3</sup></b>	<b>136.3</b>	<b>163.0</b>

### NXP value per share—sensitivity analysis (US\$)

	Analyst Consensus			Management Projections		
	PGR			PGR		
	2.50%	2.75%	3.00%	2.50%	2.75%	3.00%
<b>WACC</b>						
<b>8.0%</b>	143.3	149.9	157.1	172.1	179.2	187.0
<b>8.5%</b>	130.9	136.3	142.3	157.2	163.0	169.4
<b>9.0%</b>	120.4	124.9	129.9	144.6	149.4	154.7

Source: Company Information, FactSet and Analyst Consensus as of 8-Dec-17

Notes:

1 Valuation date: 8-Dec-17

2 US\$6,556m gross debt, US\$3,065m cash and US\$174m minority interest (as of 30-Sep-17)

3 Based on 358m fully diluted shares (including options, RSUs and PSUs)

4 WACC and PGR calculated based on mean of available broker reports for 20-F peers and Auto Semi peers published since 1-Jan-2016

### WACC and PGR benchmarking<sup>4</sup>

Peer	20-F Peers		WACC		PGR	
	Mean	# of brokers	Mean	# of brokers	Mean	# of brokers
	ADI	8.5%	1	4.5%	1	4.5%
AVGO	7.2%	2	4.5%	1	4.5%	1
CAVM	9.4%	2	3.0%	1	3.0%	1
IFX	8.1%	8	2.4%	7	2.4%	7
INTC	8.7%	3	2.0%	2	2.0%	2
MCHP	na	na	na	na	na	na
MXIM	8.6%	1	na	na	na	na
POWI	na	na	na	na	na	na
RNS	5.9%	1	1.0%	1	1.0%	1
SLAB	na	na	na	na	na	na
STM	8.7%	3	2.0%	3	2.0%	3
TXN	8.8%	1	na	na	na	na
<b>Mean</b>	<b>8.2%</b>		<b>2.8%</b>		<b>2.8%</b>	

Peer	Auto Semi Peers		WACC		PGR	
	Mean	# of brokers	Mean	# of brokers	Mean	# of brokers
	ADI	8.5%	1	4.5%	1	4.5%
IFX	8.1%	8	2.4%	7	2.4%	7
MXIM	8.6%	1	na	na	na	na
ON	na	na	na	na	na	na
RNS	5.9%	1	1.0%	1	1.0%	1
STM	8.5%	4	2.0%	3	2.0%	3
TXN	8.8%	1	na	na	na	na
<b>Mean</b>	<b>8.1%</b>		<b>2.5%</b>		<b>2.5%</b>	



## 2 DCF analysis—Unlevered FCF (Analyst Consensus)

(US\$m, Dec-YE)	2014A	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E
<b>Revenue</b>	<b>5,647</b>	<b>6,101</b>	<b>9,498</b>	<b>9,115</b>	<b>9,506</b>	<b>9,894</b>	<b>10,253</b>	<b>10,581</b>	<b>10,872</b>
<i>growth (%)</i>		8.0	55.7	(4.0)	4.3	4.1	3.6	3.2	2.8
<i>like-for-like growth (%)<sup>1</sup></i>		8.0	(2.9)	8.7	5.7	4.1	3.6	3.2	2.8
<b>Gross profit</b>	<b>2,713</b>	<b>2,999</b>	<b>4,790</b>	<b>4,830</b>	<b>5,141</b>	<b>5,405</b>	<b>5,602</b>	<b>5,781</b>	<b>5,940</b>
<i>gross margin (%)</i>	48.0	49.2	50.4	53.0	54.1	54.6	54.6	54.6	54.6
Opex	1,299	1,314	2,259	2,161	2,117	2,135	2,213	2,284	2,346
<i>as % of revenue</i>	23.0	21.5	23.8	23.7	22.3	21.6	21.6	21.6	21.6
<b>EBIT</b>	<b>1,414</b>	<b>1,685</b>	<b>2,531</b>	<b>2,670</b>	<b>3,024</b>	<b>3,270</b>	<b>3,389</b>	<b>3,497</b>	<b>3,593</b>
Taxes on EBIT	(27)	(45)	(78)	(126)	(264)	(371)	(384)	(396)	(407)
<i>Tax rate</i>	1.9	2.6	3.1	4.7	8.7	11.3	11.3	11.3	11.3
<b>NOPAT</b>	<b>1,387</b>	<b>1,640</b>	<b>2,453</b>	<b>2,543</b>	<b>2,760</b>	<b>2,900</b>	<b>3,005</b>	<b>3,101</b>	<b>3,186</b>
D&A	236	273	450	469	528	493	511	528	542
Change in Net Working Capital	82	131	361	79	(25)	(19)	-	-	-
<i>as % of revenue</i>	1.5	2.1	3.8	0.9	(0.3)	(0.2)	0.0	0.0	0.0
Capex	(329)	(341)	(389)	(519)	(465)	(472)	(489)	(505)	(519)
<i>as % of revenue</i>	5.8	5.6	4.1	5.7	4.9	4.8	4.8	4.8	4.8
<b>Unlevered FCF</b>				<b>2,572</b>	<b>2,797</b>	<b>2,902</b>	<b>3,027</b>	<b>3,124</b>	<b>3,210</b>
Stub (%) <sup>2</sup>	-	-	-	6	100	100	100	100	100
Discount factor (@ 8.5% WACC) <sup>2</sup>				1.00	0.96	0.88	0.81	0.75	0.69
<b>Discounted Unlevered FCF</b>				<b>162</b>	<b>2,672</b>	<b>2,554</b>	<b>2,456</b>	<b>2,336</b>	<b>2,212</b>

Source: Company information and Analyst Consensus as of 8-Dec-17  
 Notes:  
 1 Adjusted for Freescale acquisition and Standard Products sale in 2016A-2018E  
 2 Valuation date: 8-Dec-17



## 2 DCF analysis—Unlevered FCF (Management Projections<sup>1</sup>)

(US\$m, Dec-YE)	2014A	2015A	2016A	2017E	2018E	2019E	2020E	2021E	2022E
<b>Revenue</b>	<b>5,647</b>	<b>6,101</b>	<b>9,498</b>	<b>9,195</b>	<b>10,511</b>	<b>11,867</b>	<b>12,935</b>	<b>13,840</b>	<b>14,671</b>
<i>growth (%)</i>		8.0	55.7	(3.2)	14.3	12.9	9.0	7.0	6.0
<i>like-for-like growth (%)<sup>2</sup></i>		8.0	(2.9)	11.1	14.3	12.9	9.0	7.0	6.0
<b>Gross profit</b>	<b>2,713</b>	<b>2,999</b>	<b>4,790</b>	<b>5,020</b>	<b>5,865</b>	<b>6,729</b>	<b>7,334</b>	<b>7,847</b>	<b>8,318</b>
<i>gross margin (%)</i>	48.0	49.2	50.4	54.6	55.8	56.7	56.7	56.7	56.7
Opex	1,299	1,314	2,259	2,137	2,399	2,564	2,794	2,989	3,169
<i>as % of revenue</i>	23.0	21.5	23.8	23.2	22.8	21.6	21.6	21.6	21.6
<b>EBIT</b>	<b>1,414</b>	<b>1,685</b>	<b>2,531</b>	<b>2,883</b>	<b>3,466</b>	<b>4,165</b>	<b>4,540</b>	<b>4,858</b>	<b>5,149</b>
<b>Unlevered FCF</b>				<b>2,483</b>	<b>2,918</b>	<b>3,458</b>	<b>3,462</b>	<b>3,694</b>	<b>3,833</b>
Stub (%) <sup>3</sup>	-	-	-	6	100	100	100	100	100
Discount factor (@ 8.5% WACC) <sup>3</sup>				1.00	0.96	0.88	0.81	0.75	0.69
<b>Discounted Unlevered FCF</b>				<b>156</b>	<b>2,787</b>	<b>3,044</b>	<b>2,809</b>	<b>2,762</b>	<b>2,641</b>

Source: Company Information, Analyst Consensus as of 8-Dec-17 and NXP Schedule 14D-9

Notes:

1 Management projections set forth in NXP's Schedule 14D-9 filed on 18 November 2016. Excludes Standard Products segment

2

Adjusted for Freescale acquisition and Standard Products sale in 2016A-2016E

3

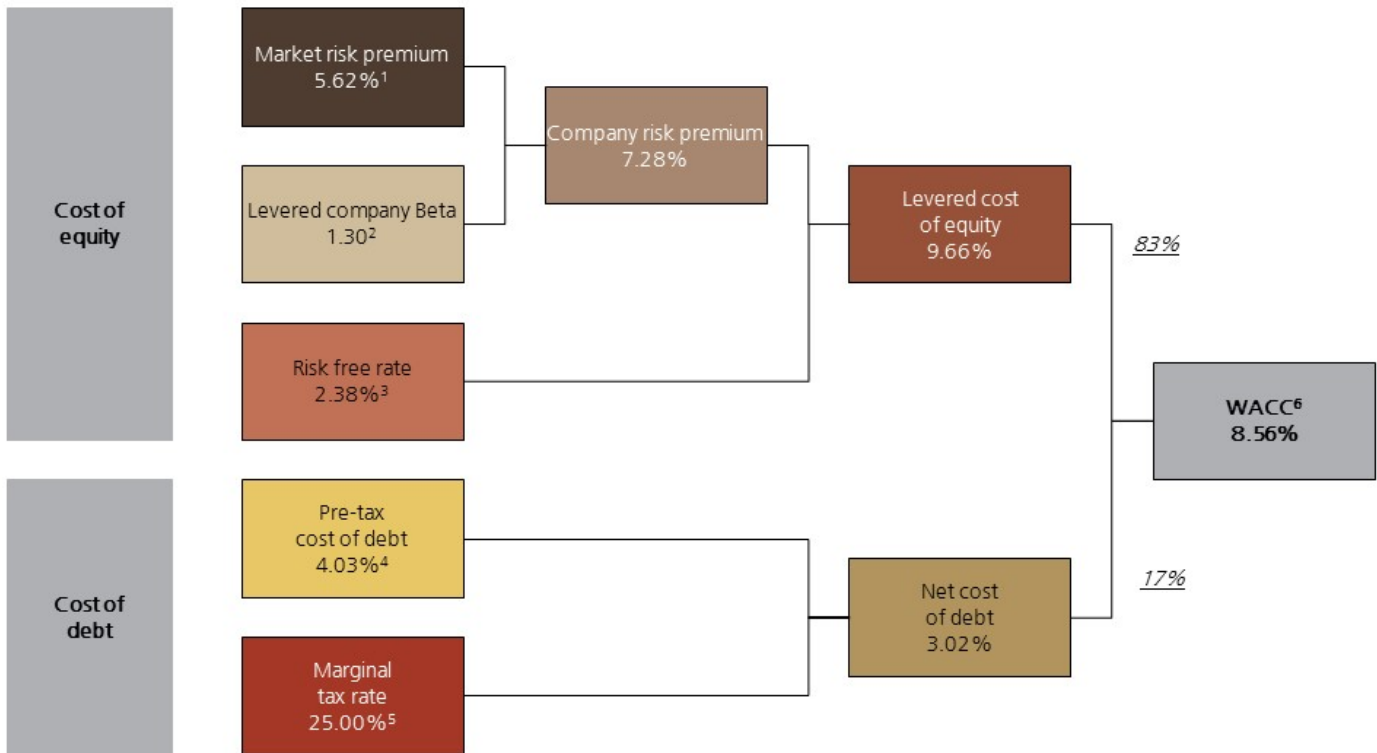
Valuation date: 8-Dec-17



## 2 DCF analysis—WACC calculation

Weighed average cost of capital ("WACC") of 8.56% has been derived based on a bottom-up analysis

### WACC calculation



Source: Bloomberg, Company information, Duff & Phelps, KPMG as of 8-Dec-17

Notes:

- 1 Duff & Phelps 2017 Valuation Handbook (estimated based on "long-horizon expected equity risk premium (supply-side)" of 5.97% applying -0.35% size discount for companies with a market capitalization larger than US\$24.4bn)
- 2 Based on peers average unlevered Beta of 1.13 (5 year Weekly Bloomberg Adjusted Beta), levered based on NXP's estimated Debt/ (Debt + Equity) of 17% (based on NXP L3V average EV/EBITDA trading multiple of 12x and NXP target leverage of 2x ND/EBITDA)
- 3 10-year US Treasury Bond rates as of 08 December 2017
- 4 Pre-announced YTM of NXP bonds (3.6%), adjusted for changes in YTM of Peers' bonds from 28 September 2016 to 08 December 2017 (spread vs. risk free rate on average declined by 7%)
- 5 Netherlands corporate tax rate per KPMG (2017)
- 6 Based on NXP L3V average EV/EBITDA trading multiple of 12x and NXP target leverage of 2x ND/EBITDA



## 2 DCF analysis—Beta calculation

Unlevered beta of 1.13 has been derived based on NXP's 20-F peers and Auto Semi peers

### Beta calculation

	Debt (US\$m) <sup>1</sup>	Equity (US\$m) <sup>2</sup>	Debt/ (Debt + Equity)	Debt/ Equity	Equity / (Debt + Equity)	5-Year Weekly Bloomberg Adj. Beta <sup>3</sup>	
						Levered	Unlevered
<b>20-F Peers</b>							
Intel Corporation	31,640	203,260	13%	16%	87%	1.11	1.01
Broadcom Limited	17,548	114,120	13%	15%	87%	1.28	1.13
Texas Instruments Incorporated	3,583	99,538	3%	4%	97%	1.18	1.16
Infineon Technologies AG	2,155	30,249	7%	7%	93%	1.15	1.10
Analog Devices, Inc.	7,851	31,790	20%	25%	80%	1.21	1.04
Renesas Electronics Corporation	2,044	19,662	9%	10%	91%	1.29	1.21
Microchip Technology Incorporated	3,018	20,470	13%	15%	87%	1.26	1.15
STMicroelectronics NV	2,175	16,155	12%	13%	88%	1.23	1.11
Maxim Integrated Products, Inc.	1,488	14,670	9%	10%	91%	1.04	0.97
Cavium, Inc.	640	5,963	10%	11%	90%	1.40	1.31
Silicon Laboratories	339	3,815	8%	9%	92%	1.19	1.13
Power Integrations, Inc.	0	2,228	0%	0%	100%	1.16	1.16
<b>20-F Peers Mean</b>	<b>6,040</b>	<b>46,827</b>	<b>10%</b>	<b>11%</b>	<b>90%</b>	<b>1.21</b>	<b>1.12</b>
<b>20-F Peers Median</b>	<b>2,165</b>	<b>20,066</b>	<b>10%</b>	<b>11%</b>	<b>90%</b>	<b>1.20</b>	<b>1.13</b>
<b>Auto Semi Peers</b>							
Texas Instruments Incorporated	3,583	99,538	3%	4%	97%	1.18	1.16
Infineon Technologies AG	2,155	30,249	7%	7%	93%	1.15	1.10
Analog Devices, Inc.	7,851	31,790	20%	25%	80%	1.21	1.04
Renesas Electronics Corporation	2,044	19,662	9%	10%	91%	1.29	1.21
STMicroelectronics NV	2,175	16,155	12%	13%	88%	1.23	1.11
Maxim Integrated Products, Inc.	1,488	14,670	9%	10%	91%	1.04	0.97
ON Semiconductor Corporation	2,943	9,159	24%	32%	76%	1.42	1.18
<b>Auto Semi Peers Mean</b>	<b>3,177</b>	<b>31,603</b>	<b>12%</b>	<b>15%</b>	<b>88%</b>	<b>1.22</b>	<b>1.11</b>
<b>Auto Semi Peers Median</b>	<b>2,175</b>	<b>19,662</b>	<b>9%</b>	<b>10%</b>	<b>91%</b>	<b>1.21</b>	<b>1.11</b>
<b>All Peers Mean</b>	<b>5,802</b>	<b>43,929</b>	<b>11%</b>	<b>13%</b>	<b>89%</b>	<b>1.23</b>	<b>1.13</b>
<b>All Peers Median</b>	<b>2,175</b>	<b>19,662</b>	<b>10%</b>	<b>11%</b>	<b>90%</b>	<b>1.21</b>	<b>1.13</b>
<b>NXP</b>	<b>6,556</b>	<b>39,890</b>	<b>14%</b>	<b>16%</b>	<b>86%</b>	<b>1.18</b>	<b>1.05</b>



Source: Bloomberg, FactSet, KPMG as of 8-Dec-17

Notes:

- 1 Market capitalisation as of 8-Dec-17
- 2 Total debt as last reported
- 3 Assumes corporate tax rates per KPMG (2017)

### 3 Transaction multiples

The UBS Valuation Report estimates as of the date of this report the value of NXP on a transaction multiples basis at 15-17x LTM EBITDA (US\$3,138m) and 23-26x LTM EPS (US\$6.51), implying a value range of approximately US\$122.9-169.3 per share

Date	Target	Acquiror	Transaction EV (US\$m)	Equity Value (US\$m)	LTM Sales (US\$m)	LTM EBITDA (US\$m)	LTM EBITDA Margin (%)	LTM Earnings (US\$m)	LTM EV / EBITDA (x)	LTM P/E (x)
20-Nov-17	Cavium Inc	Marvell Technology Group	6,078	5,591	950	301	31.7%	186	20.2	30.0
14-Nov-16	Harman International	Samsung	8,654	7,830	7,041	866	12.3%	480	10.0	16.3
02-Nov-16	Brocade FC SAN business <sup>1</sup>	Broadcom Corp	5,834	5,391	1,292	344	26.6%	233	16.9	23.1
13-Sep-16	Intersil Corp <sup>1</sup>	Renesas	2,820	3,077	518	120	23.2%	94	23.4	32.9
26-Jul-16	Linear Technology Corp <sup>2</sup>	Analog Devices Inc	13,313	14,761	1,424	764	53.6%	556	17.4	26.6
15-Jun-16	QLogic Corp	Cavium Inc	988	1,343	459	134	29.1%	84	7.4	15.9
19-Jan-16	Atmel Corp <sup>1</sup>	Microchip Technology Inc	3,364	3,515	1,257	222	17.7%	163	15.1	21.6
18-Nov-15	Fairchild Semiconductor Intl Inc	ON Semiconductor Corp	2,352	2,397	1,390	181	13.0%	62	13.0	38.4
21-Oct-15	SanDisk Corp <sup>1</sup>	Western Digital Corp	18,393	17,954	5,757	1,584	27.5%	787	11.6	22.8
19-Oct-15	PMC-Sierra Inc <sup>1</sup>	Microsemi Corp	2,329	2,402	530	110	20.8%	84	21.1	28.6
01-Jun-15	Altera Corp <sup>2</sup>	Intel Corp	15,702	16,585	1,906	661	34.7%	533	23.7	31.1
28-May-15	Broadcom Corp <sup>3</sup>	Avago Technologies Ltd	32,838	34,196	8,502	2,224	26.2%	1,604	14.8	21.3
02-Mar-15	Freescale Semiconductor Ltd	NXP Semiconductors NV	16,452	11,578	4,634	1,088	23.5%	473	15.1	24.5
01-Dec-14	Spansion Inc	Cypress Semiconductor Corp	1,829	1,747	1,256	147	11.7%	58	12.5	30.3
15-Oct-14	CSR	Qualcomm Inc	2,471	2,470	795	102	12.9%	(1)	24.2	nm
20-Aug-14	International Rectifier Corp <sup>1</sup>	Infineon Technologies AG	2,410	3,019	1,107	199	18.0%	70	12.1	43.0
09-Jun-14	Hittite Microwave Corp <sup>2</sup>	Analog Devices Inc	2,018	2,510	277	130	46.8%	77	15.6	32.6
24-Feb-14	TriQuint Semiconductor Inc <sup>1</sup>	RF Micro Devices Inc	1,625	1,704	893	126	14.1%	14	12.9	nm
16-Dec-13	LSI Corp	Avago Technologies Ltd	5,938	6,603	2,365	403	17.0%	372	14.7	17.7
17-Oct-12	Cymer Inc <sup>2</sup>	ASML Holding NV	2,433	2,703	584	111	19.0%	78	22.0	34.7
22-Jun-12	MStar Semiconductor Inc	MediaTek Inc	2,908	3,840	1,247	279	22.3%	200	10.4	19.2
12-Sep-11	NetLogic Microsystems Inc	Broadcom Corp	3,693	3,912	403	130	32.3%	124	28.4	31.6
04-Apr-11	National Semiconductor Corp <sup>2</sup>	Texas Instruments Inc	6,543	6,400	1,563	614	39.3%	350	10.7	18.3
05-Jan-11	Atheros Communications Inc <sup>1</sup>	Qualcomm Inc	2,934	3,450	927	206	22.2%	181	14.3	19.1
<b>Mean</b>			<b>6,830</b>	<b>6,874</b>					<b>16.1</b>	<b>26.3</b>
<b>Median</b>			<b>3,149</b>	<b>3,678</b>					<b>14.9</b>	<b>25.5</b>

Source: Company filings, Dealogic, FactSet as of 8-Dec-17

Notes:

- 1 LTM Adjusted EBITDA and LTM Adjusted Earnings calculated based on FC SAN business revenue contribution to total Brocade revenue
- 2 LTM Adjusted EBITDA calculated by adding D&A to non-GAAP operating income (including share-based compensation add-back)
- 3 LTM Adjusted Earnings calculated by adding after-tax share-based compensation to GAAP net income (non-GAAP net income not disclosed)
- 4 LTM Adjusted EBITDA calculated by adding D&A, taxes, interest expense, and share-based compensation to non-GAAP net income





# 4 Share price performance

NXP has been trading in the range of US\$96.0-117.5 (+42.8%) since the Qualcomm offer; during the same time period, 20-F peers have traded up +54.5% and Auto Semi peers have traded up +68.6%

## Historical share price performance

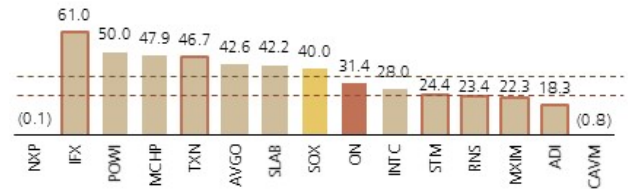
Since LTM prior to QCOM offer<sup>4</sup>



## Share price performance

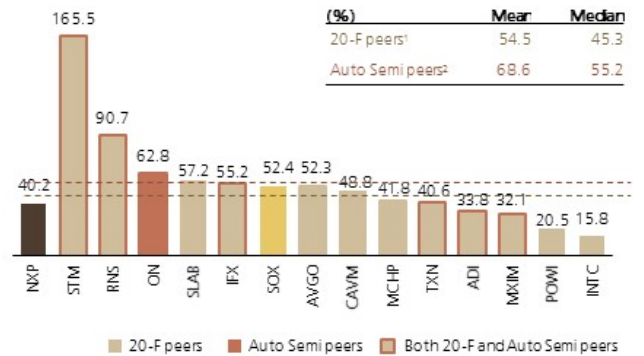
LTM prior to QCOM offer<sup>4</sup>

(%)	Mean	Median
20-F peers <sup>1</sup>	33.8	35.1
Auto Semi peers <sup>2</sup>	32.5	24.4



Since QCOM offer<sup>3</sup> (%)

(%)	Mean	Median
20-F peers <sup>1</sup>	54.5	45.3
Auto Semi peers <sup>2</sup>	68.6	55.2



Source: FactSet as of 8-Dec-17

Notes:

- 1 Including: Analog Devices (ADI), Broadcom (AVGO), Cavium (CAVM), Infineon (IFX), Intel Corporation (INTC), Maxim Integrated Products (MXIM), Microchip Technology (MCHP), Power Integrations (POWI), Renesas (RNS), Silicon Laboratories (SLAB), STMicroelectronics (STM) and Texas Instruments (TXN)
- 2 Including: Analog Devices (ADI), Infineon (IFX), Maxim Integrated Products (MXIM), ON Semiconductor (ON), Renesas (RNS), STMicroelectronics (STM) and Texas Instruments (TXN)
- 3 Since 29 Sept 2016
- 4 Since 29 Sept 2015



## 5 Transaction premium

The UBS Valuation Report estimates as of the date of this report the value of NXP on a transaction premium basis at a 30-40% premium to the mid-point of the trading multiples-based price per share (US\$136.5<sup>1</sup>) in an assumed all cash transaction, implying a value range of approximately US\$177.4-191.0 per share

Date	Target	Acquirer	Transaction EV (US\$m)	Form of Consideration	Offer Price (US\$/share)	Premium			
						1 day	1 Week	1 Month	
20-Nov-17	Cavium Inc	Marvell Technology Group	6,078	Mixed	80.27	40.00 Cash / 40.27 Stock	5.9%	3.8%	16.5%
14-Nov-16	Harman International	Samsung	8,654	Cash	112.00		27.8%	32.6%	39.6%
02-Nov-16	Brocade FC SAN business	Broadcom Corp	5,834	Cash	12.75		13.4%	44.9%	36.9%
13-Sep-16	Intersil Corp	Renesas	2,820	Cash	22.50		13.9%	13.9%	47.5%
26-Jul-16	Linear Technology Corp	Analog Devices Inc	13,313	Mixed	60.00	46.00 Cash / 14.00 Stock	23.8%	24.1%	31.8%
15-Jun-16	QLogic Corp	Cavium Inc	988	Mixed	15.50	11.00 Cash / 4.50 Stock	13.4%	12.2%	16.5%
19-Jan-16	Atmel Corp	Microchip Technology Inc	3,364	Mixed	8.15	7.00 Cash / 1.15 Stock	nm	nm	nm
18-Nov-15	Fairchild Semiconductor Intl Inc	ON Semiconductor Corp	2,352	Cash	20.00		11.9%	12.9%	20.8%
21-Oct-15	SanDisk Corp	Western Digital Corp	18,393	Mixed	86.50	67.50 Cash / 19.00 Stock	15.0%	25.9%	63.5%
19-Oct-15	PMC-Sierra Inc	Microsemi Corp	2,354	Mixed	12.10	9.22 Cash / 2.88 Stock	18.2%	17.0%	93.3%
01-Jun-15	Altera Corp	Intel Corp	15,702	Cash	54.00		10.5%	14.0%	18.0%
28-May-15	Broadcom Corp	Avago Technologies Ltd	32,838	Mixed	54.50	27.25 Cash / 27.25 Stock	(4.6%)	15.1%	22.0%
02-Mar-15	Freeseal Semiconductor Ltd	NXP Semiconductors NV	16,452	Mixed	36.14	6.25 Cash / 29.89 Stock	0.1%	0.4%	12.6%
01-Dec-14	Spansion Inc	Cypress Semiconductor Corp	1,829	Stock	26.04		11.4%	17.7%	26.6%
15-Oct-14	CSR	Qualcomm Inc	2,471	Cash	14.45		37.9%	26.3%	15.4%
20-Aug-14	International Rectifier Corp	Infineon Technologies AG	2,410	Cash	40.00		50.6%	57.1%	42.0%
09-Jun-14	Hittite Microwave Corp	Analog Devices Inc	2,018	Cash	78.00		28.8%	34.7%	38.2%
24-Feb-14	TriQuint Semiconductor Inc	RF Micro Devices Inc	1,625	Stock	9.73		5.4%	5.9%	13.0%
16-Dec-13	LSI Corp	Avago Technologies Ltd	5,938	Cash	11.15		41.0%	37.7%	35.6%
17-Oct-12	Cymer Inc	ASML Holding NV	2,433	Mixed	81.89	20.00 Cash / 61.89 Stock	71.2%	70.5%	43.6%
22-Jun-12	MStar Semiconductor Inc	MediaTek Inc	2,908	Mixed	7.23	0.03 Cash / 7.20 Stock	19.8%	21.6%	22.6%
12-Sep-11	NetLogic Microsystems Inc	Broadcom Corp	3,693	Cash	50.00		56.7%	67.3%	58.4%
04-Apr-11	National Semiconductor Corp	Texas Instruments Inc	6,543	Cash	25.00		75.7%	74.3%	61.2%
05-Jan-11	Atheros Communications Inc	Qualcomm Inc	2,934	Cash	45.00		2.3%	26.8%	31.1%
<b>Mean Cash Transactions</b>			<b>5,114</b>				<b>30.9%</b>	<b>36.9%</b>	<b>37.1%</b>
<b>Mean Mixed Transactions</b>			<b>9,912</b>				<b>18.1%</b>	<b>21.2%</b>	<b>35.8%</b>
<b>Mean Stock Transactions</b>			<b>1,727</b>				<b>8.4%</b>	<b>11.6%</b>	<b>19.8%</b>



Source: Company filings, Dealogic, FactSet as of 8-Dec-17  
 Note: 1 Mid-point of trading multiples valuation ranges (P/E, EV/EBITDA and EV/OpCF)



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## **Elliott Makes Public UBS Valuation Report**

*UBS Valuation Report supports Elliott's view that NXP's standalone value is well in excess of Qualcomm's offer*

*Elliott responds to Qualcomm's statement regarding the fair value of NXP*

*The report can be viewed at [www.FairValueForNXP.com](http://www.FairValueForNXP.com)*

**NEW YORK (December 13, 2017)** – Elliott Advisors (UK) Limited (“Elliott”), which advises funds that collectively hold an economic interest in NXP Semiconductors N.V. (NASDAQ: NXPI) (“NXP” or the “Company”) of approximately 6%, today released the UBS Valuation Report delivered to it by UBS Investment Bank (“UBS”) in which UBS estimates, as of the date of the report, that the midpoint of the trading multiples valuation of NXP’s shares is approximately \$136.5<sup>1</sup> per share. Prior to the UBS Valuation Report being delivered to Elliott, the report underwent all UBS internal reviews that are customary in relation to UBS providing such a valuation report or opinion. Elliott encourages fellow shareholders to review the UBS Valuation Report and consider the analyses presented.

In response to Qualcomm’s claim that Elliott’s value assertion is “unsupported,” Elliott directs Qualcomm and other interested parties to Elliott’s presentation released shortly before Qualcomm’s statement on Monday, December 11, which is available to view and download at [www.FairValueForNXP.com](http://www.FairValueForNXP.com). As detailed in the presentation, Elliott’s assessment of NXP’s valuation is based on extensive due diligence which has included input from numerous industry experts and advisors.

In addition, Elliott has today released the UBS Valuation Report, in which UBS estimates the value range of NXP’s shares on a trading basis to be approximately \$120 to \$150 per share. Elliott believes this report provides further evidence that its valuation is well supported and fair.

Elliott has now published both its own analysis and the analysis of UBS, each of which supports its assessment of NXP’s valuation. Elliott encourages Qualcomm to publish the analysis it has undertaken to support its assertion that \$110 is “full and fair.”

Interested parties are invited to visit Elliott’s website, [www.FairValueForNXP.com](http://www.FairValueForNXP.com), to receive additional information and to sign up for future updates.

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<sup>1</sup> Mid-point of trading multiples valuation ranges (average of 2018/19 P/E, EV/EBITDA and EV/OpFCF) as set forth in more detail in the UBS Valuation Report

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**About Elliott**

Elliott Management Corporation manages two multi-strategy funds which combined have approximately \$34 billion of assets under management. Its flagship fund, Elliott Associates, L.P., was founded in 1977, making it one of the oldest funds of its kind under continuous management. The Elliott funds' investors include pension plans, sovereign wealth funds, endowments, foundations, funds-of-funds, high net worth individuals and families, and employees of the firm.

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