

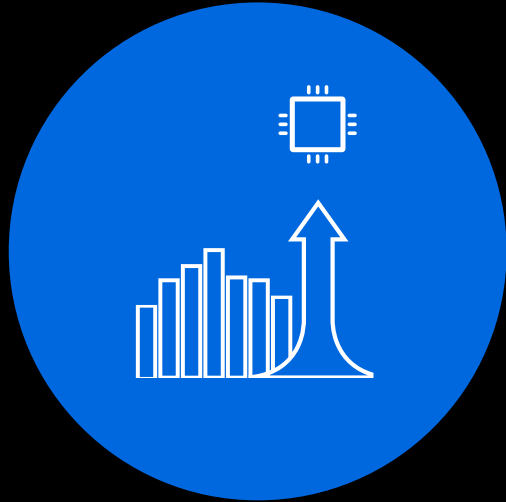


# NXP Investor Presentation

**First Quarter 2024**

May 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; easing 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](http://www.nxp.com/investor) or from the SEC website, [www.sec.gov](http://www.sec.gov).

## No offer of solicitation

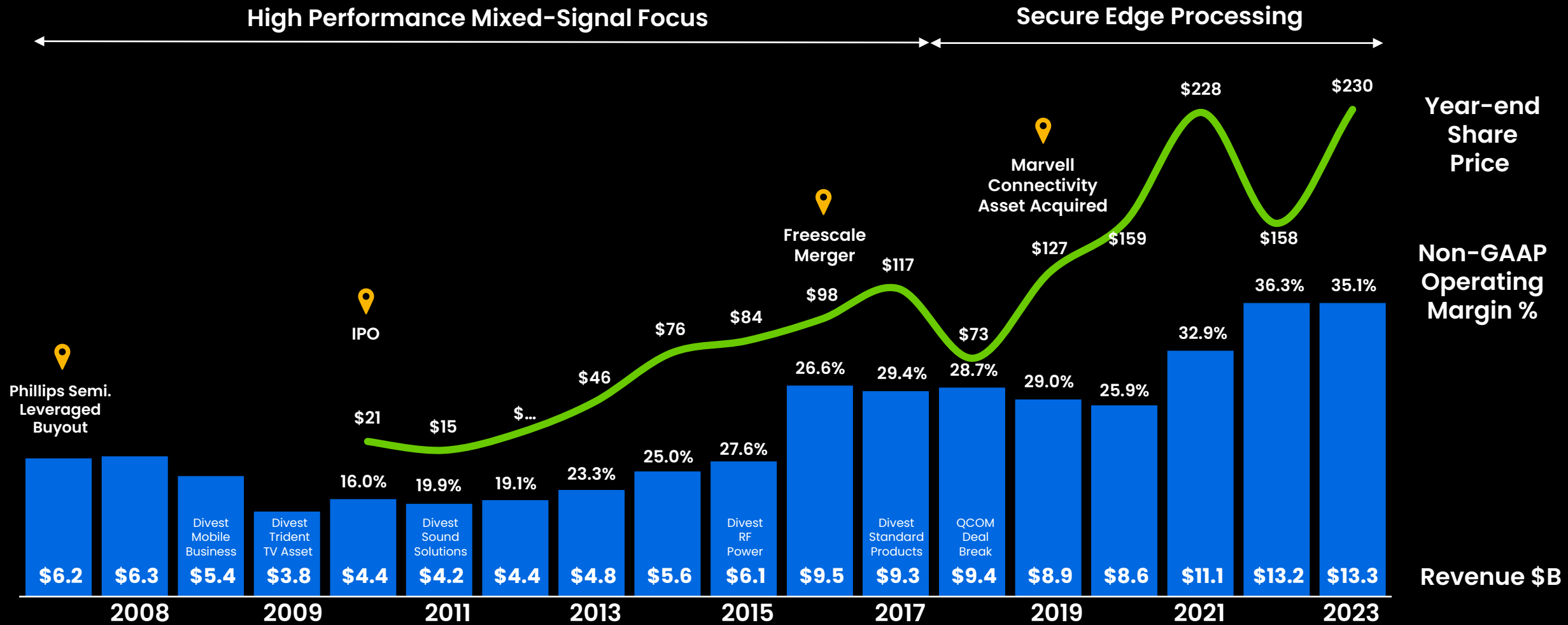
The Presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of NXP, or an inducement to enter into investment activity in the United States or in any other jurisdiction in which such offer, solicitation, inducement or sale would be unlawful prior to registration, exemption from registration or qualification under the securities laws of such jurisdiction. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

The Presentation is not for publication, release or distribution in any jurisdiction where such publication, release or distribution would constitute a violation of the relevant laws of such jurisdiction, nor should it be taken or transmitted into such jurisdiction.

## Use of Non-GAAP Financial Measures

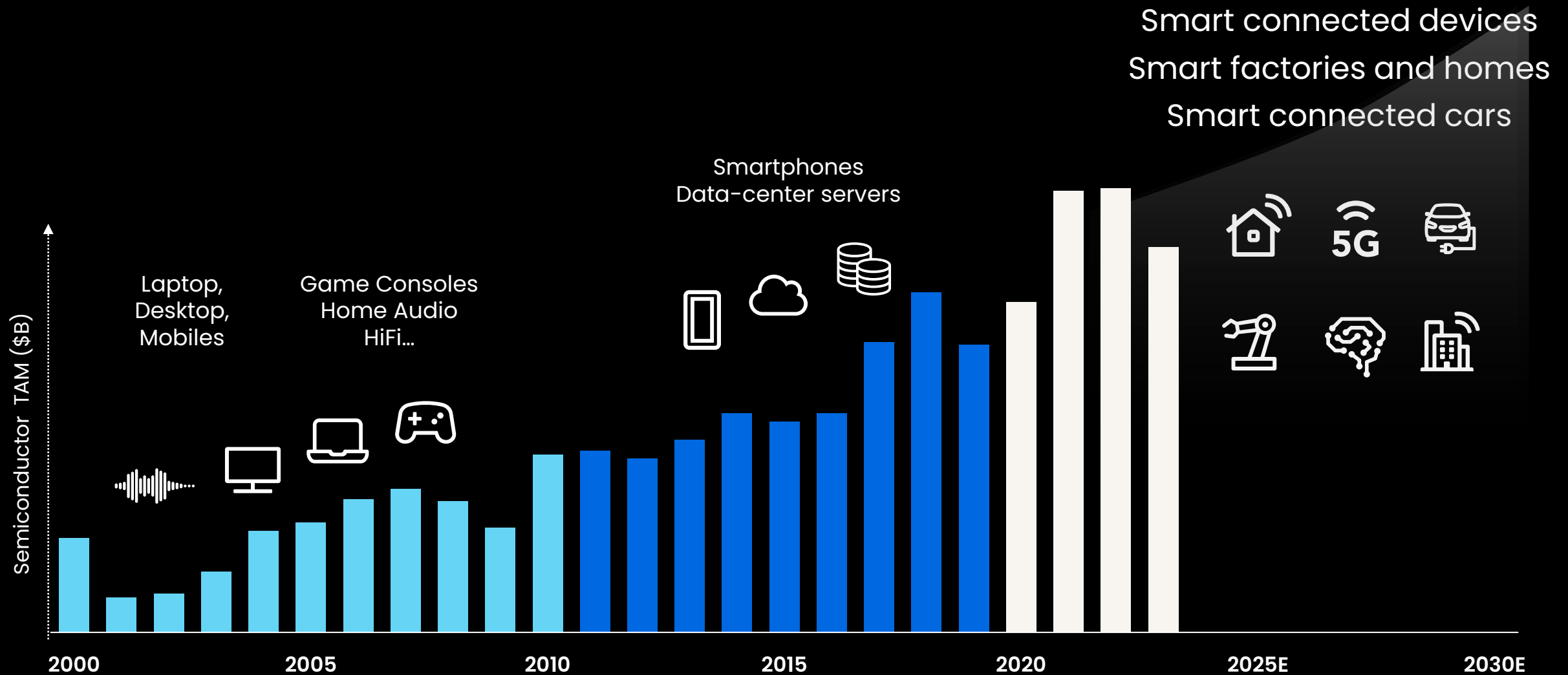
In this presentation, we have included certain non-GAAP financial information, including (i) Gross profit, (ii) Gross margin, (iii) Research and development, (iv) Selling, general and administrative, (v) Amortization of acquisition-related intangible assets, (vi) Other income, (vii) Operating income (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](http://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](http://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

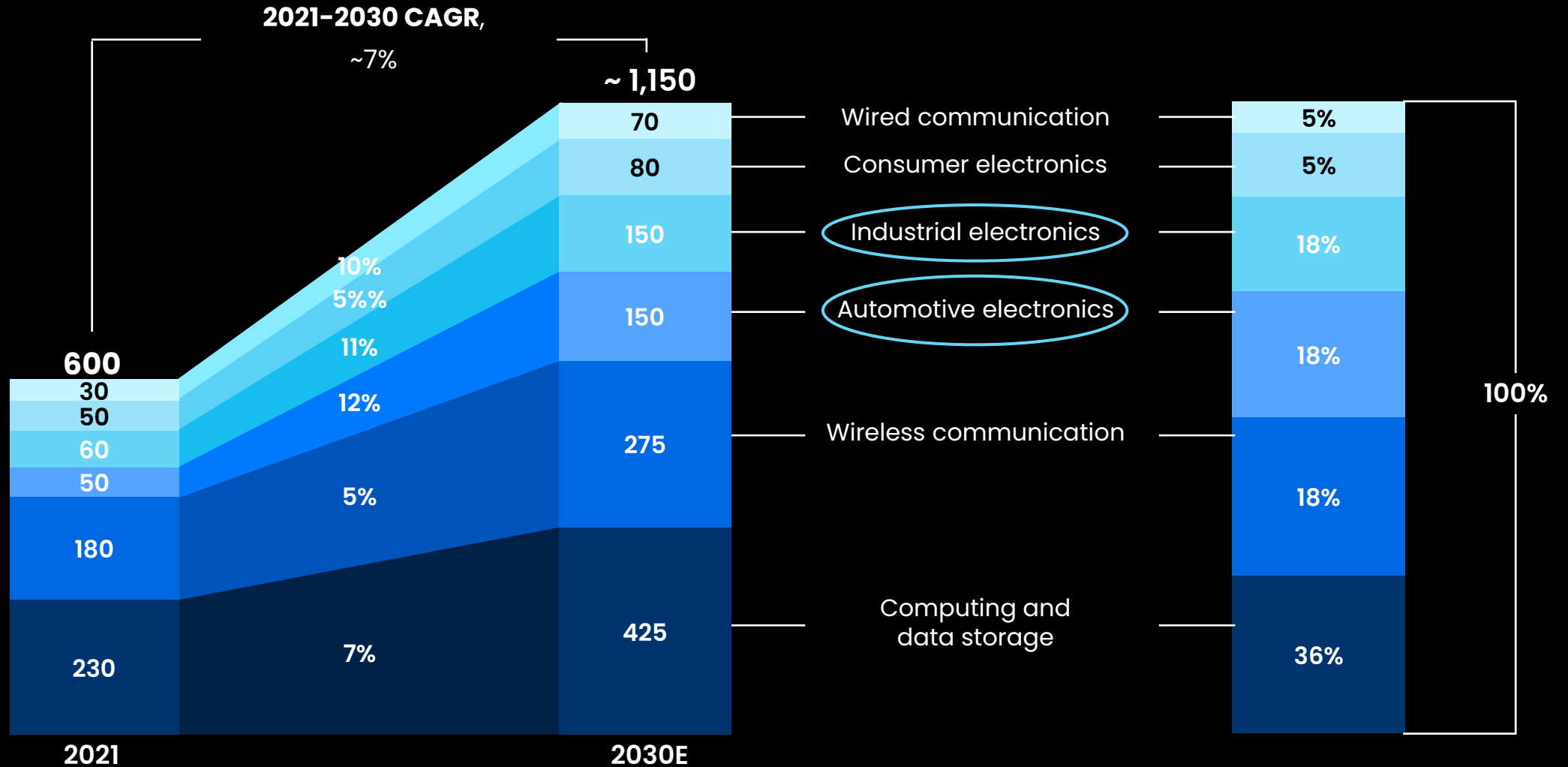
# Macrotrends Driving Waves of Semi Growth<sup>(1)</sup>



# Semiconductor Industry – a \$1.2 Trillion Opportunity<sup>(1)</sup>

Global Semiconductor market value by vertical, \$billion

Growth contribution per vertical, 2021-30, %



# 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




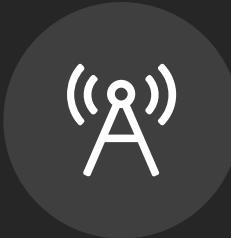


**Capex-driven wireless infrastructure market**

Growth as result of new cellular standards



# Analyst Day 2021: Accelerating Profitable Growth of 8–12% CAGR<sup>(1,2,3,4)</sup>

Automotive	Industrial & IoT	Mobile	Communications Infrastructure
			
<b>56% of Total</b> <b>+9 to 14% 3-yr. CAGR</b>	<b>18% of Total</b> <b>+9 to 14% 3-yr. CAGR</b>	<b>10% of Total</b> <b>+8 to 10% 3-yr. CAGR</b>	<b>16% of Total</b> <b>+2 to 6% 3-yr. CAGR</b>
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

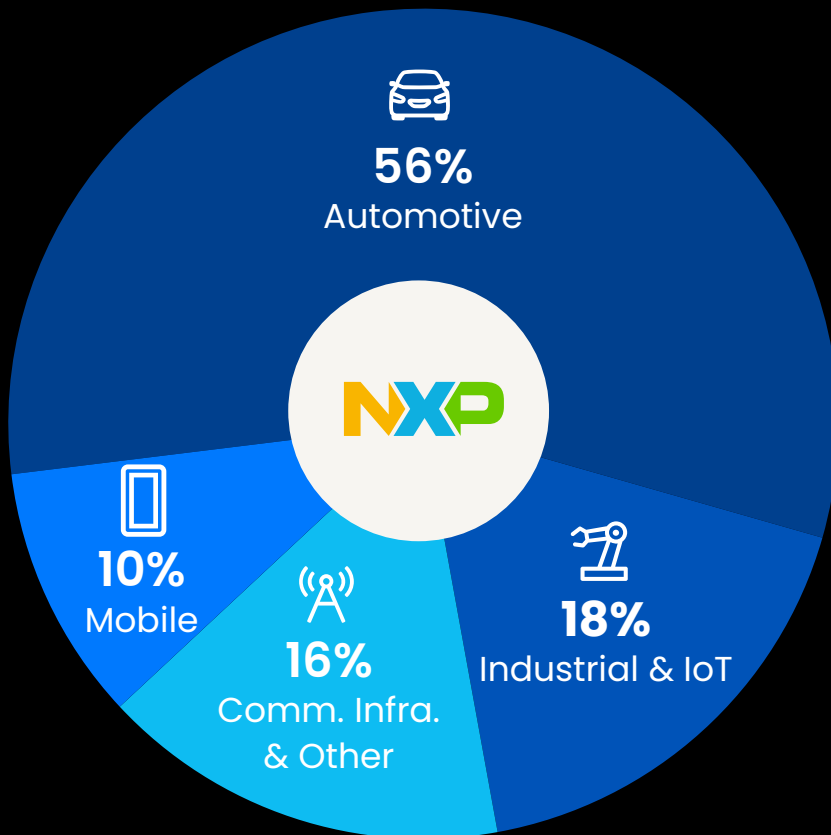
2. Communication Infrastructure includes "Other" consolidated revenue associated with NXP joint ventures

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

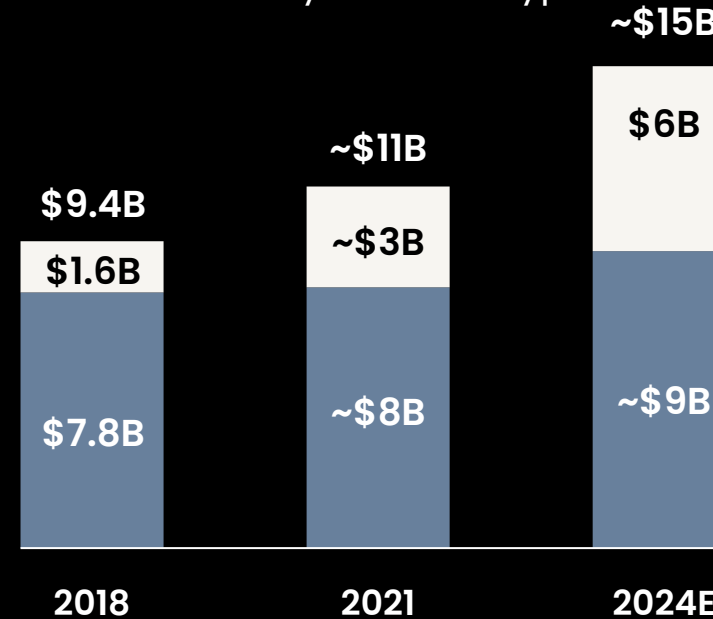
4. Reconciliations of non-GAAP measures to the most comparable measures calculated in accordance with GAAP are provided in the appendix to the presentation sources

# Analyst Day 2021: Our Secular Growth Drivers Expected to Scale Rapidly<sup>(1,2,3,4)</sup>

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



Revenue  
by business type



**Accelerated Growth Drivers**  
20-25%  
2021-24 CAGR

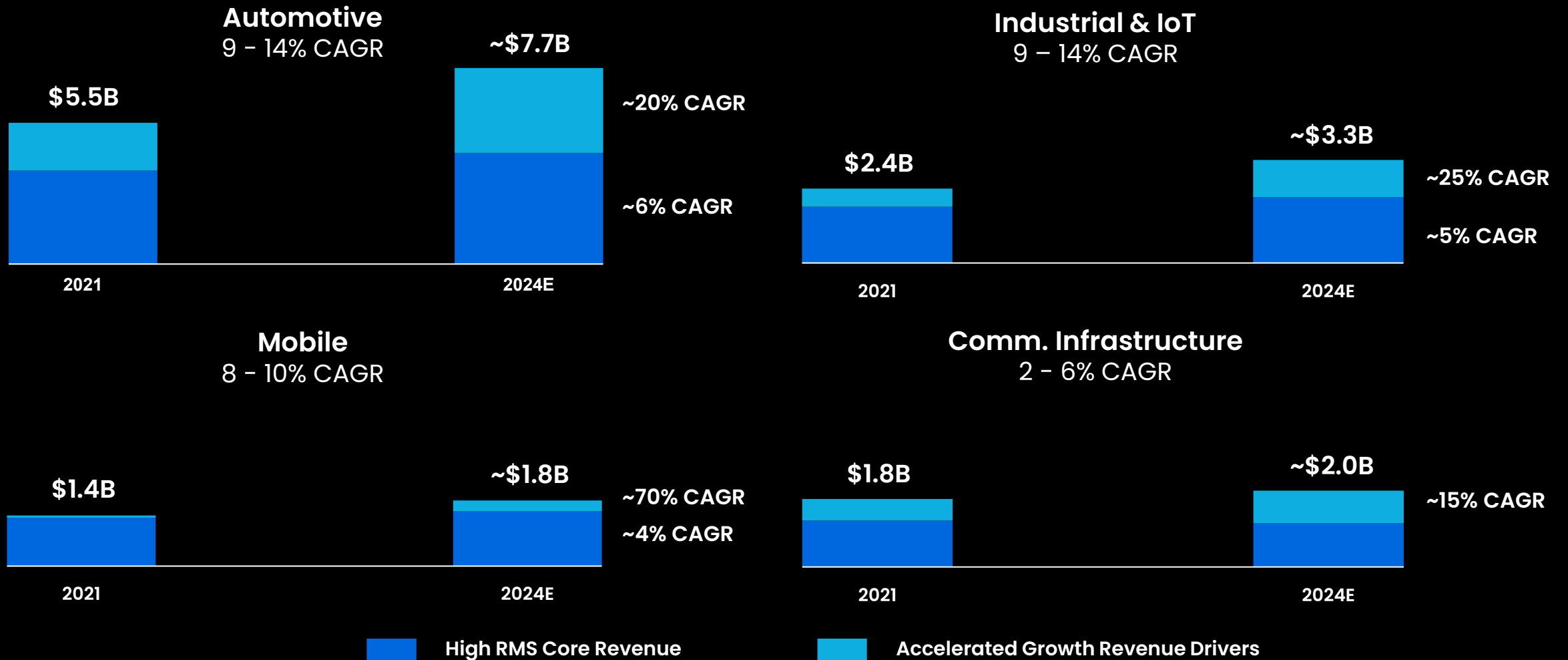
**High RMS Core Businesses**  
~5%  
2021-24 CAGR

## Accelerated growth drivers

- |                                  |                                 |
|----------------------------------|---------------------------------|
| Auto radar systems               | Secure connected edge solutions |
| Auto domain and zonal processors | UWB secure access solutions     |
| Auto electrification systems     | 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](http://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  
 4. The sum of the percentages shown may not add to 100% due to rounding

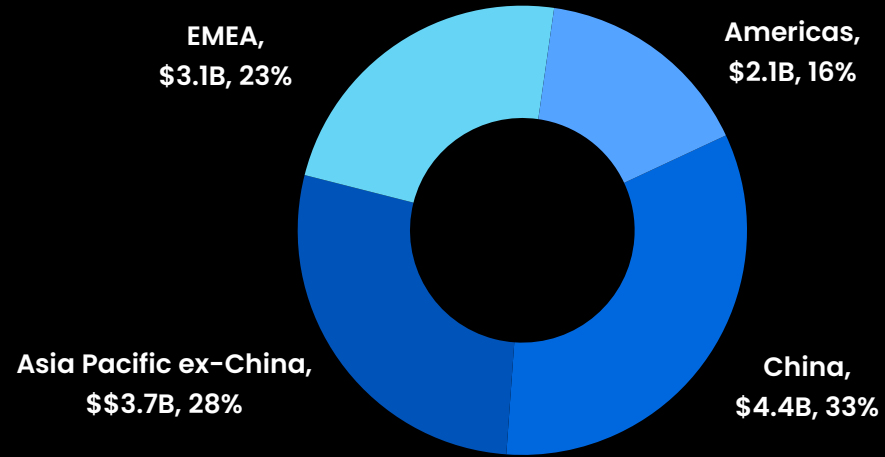
# Analyst Day 2021: Accelerating Secular Profitable Revenue Growth <sup>(1,2,3,4)</sup>



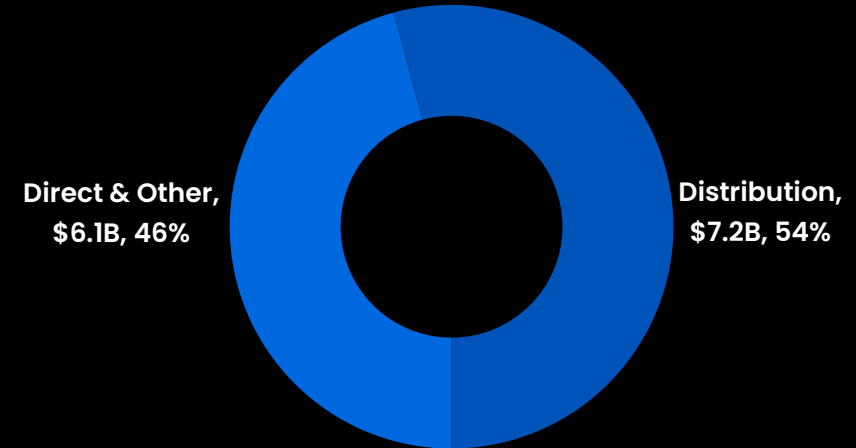
1. NXP Strategy Office, as of NXP Analyst Day November 2021  
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# NXP Semiconductors – At a Glance <sup>(1,2,3)</sup>

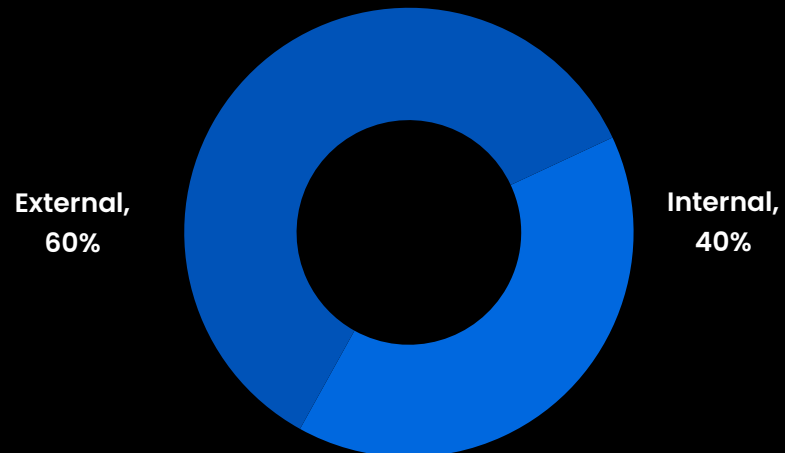
## 2023 Geographic Revenue Ship-To by Region



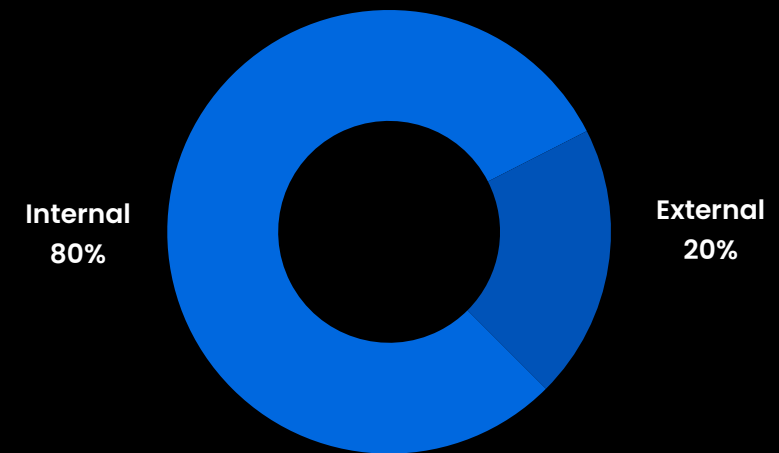
## 2023 Revenue Ship-To by Channel



## Hybrid Manufacturing – Front-end Sourcing

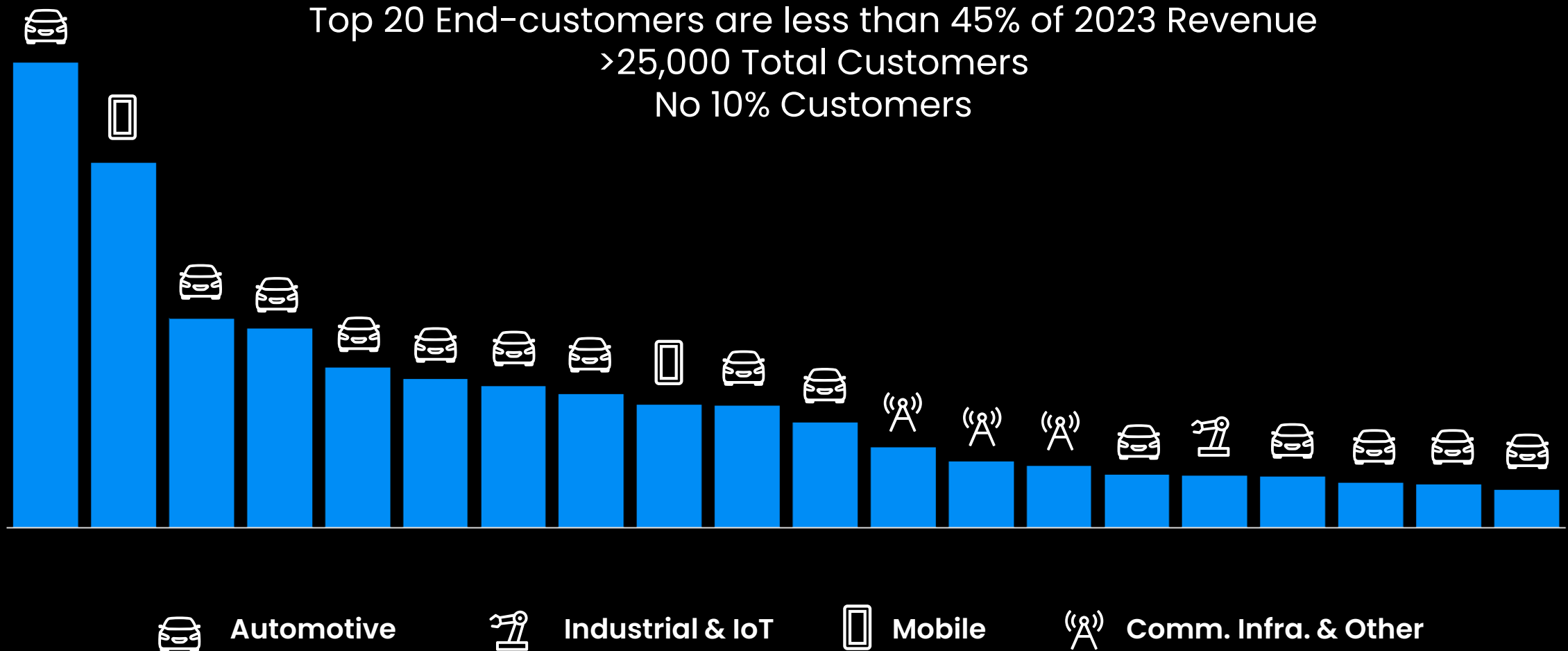


## Hybrid Manufacturing – Back-end Sourcing



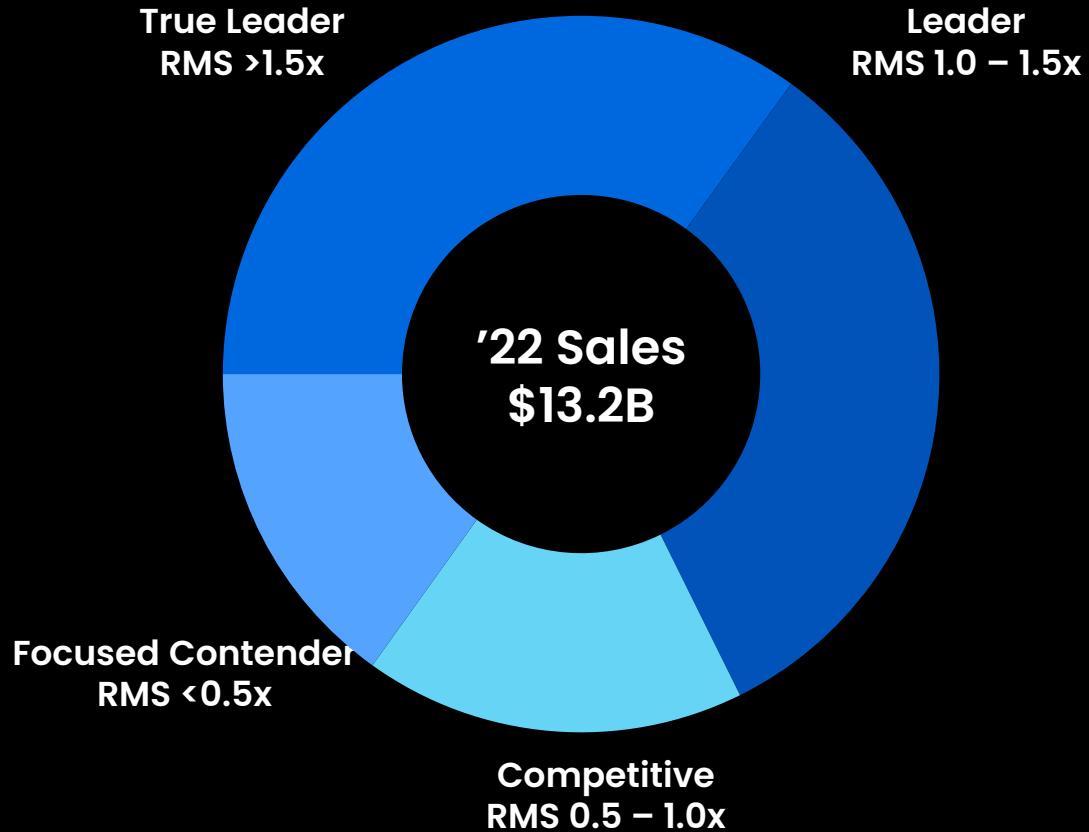
1. All data as of end 2023;  
2. Revenue by Geographic Ship-To, and Channel from NXP Semiconductors 2023 Annual 10-K Report;  
3. Hybrid manufacturing reflects both internal and external sourcing for front-end and back-end manufacturing, presented as a percentage of revenue.

# Diverse End-Customer Base with High Barriers to Entry<sup>(1)</sup>

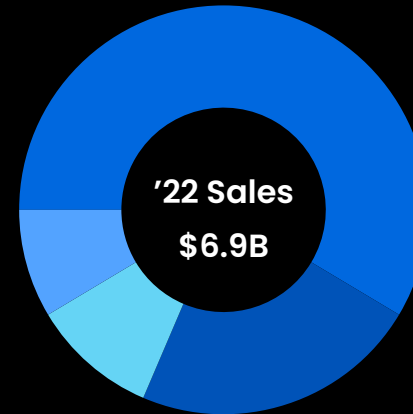


# NXP End Market Relative Market Share ("RMS")<sup>(1,2)</sup>

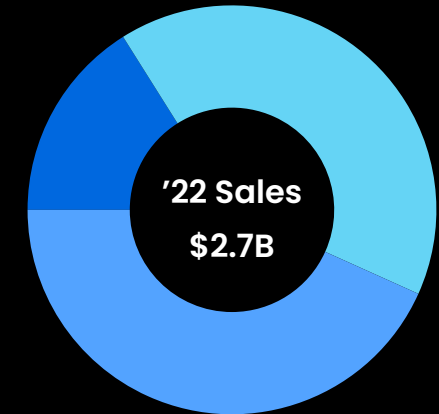
'22 Total NXP Product Revenue



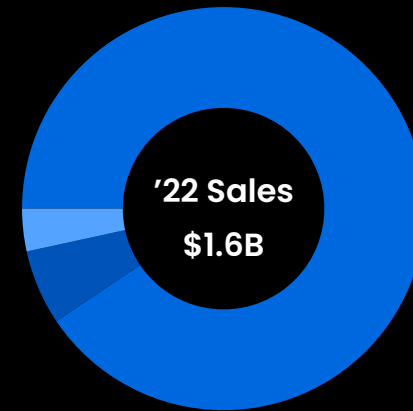
'22 Automotive



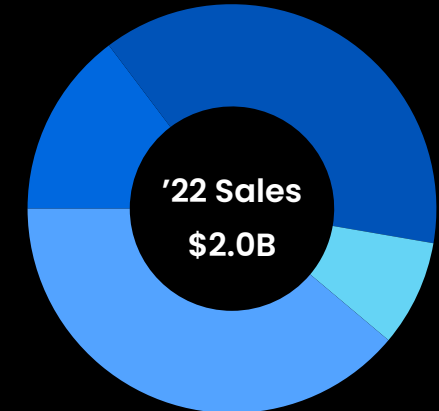
'22 Industrial & IoT



'22 Mobile



'22 Com. Infra. & Others

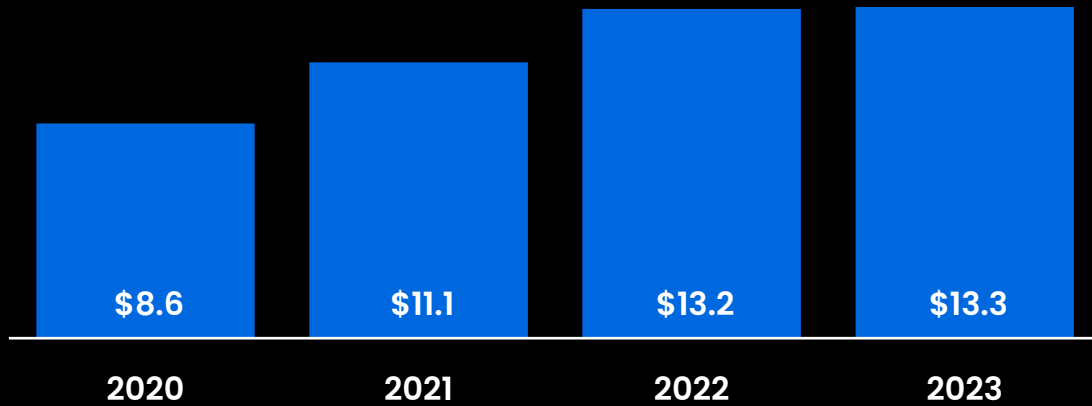


■ True Leader 
 ■ Leader 
 ■ Competitive 
 ■ Focused Contender

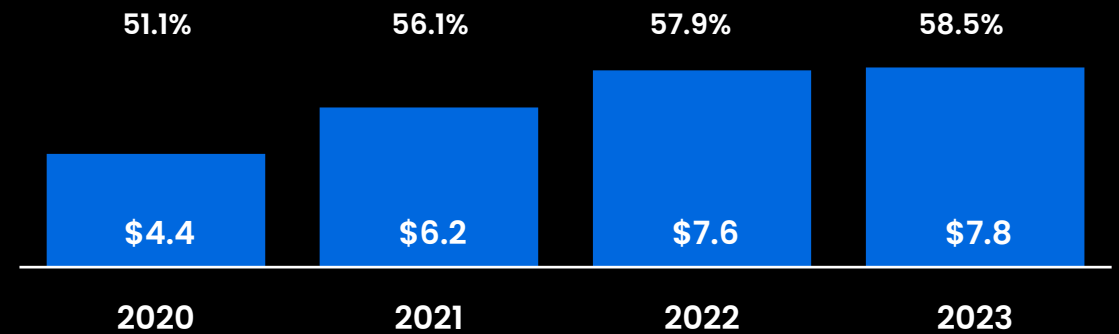
1. Source: NXP Semiconductors CMI Group, based on 2022 reported end market revenue and competitive positions;  
 2. Relative Market Share (RMS) is defined as NXP market share as a percentage of the second largest competitor market share in defined serviceable addressable markets ("SAM")

# Driving Profitable Growth in Excess of Addressable Market<sup>(1,2)</sup>

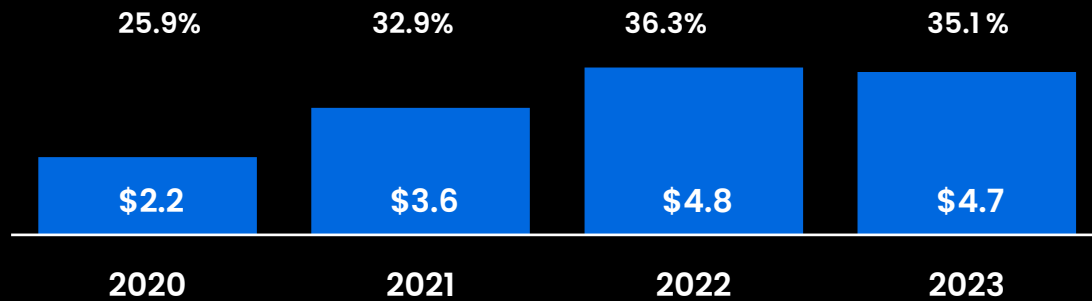
**As Reported Revenue**  
Up 16% 3-yr. CAGR (\$B)



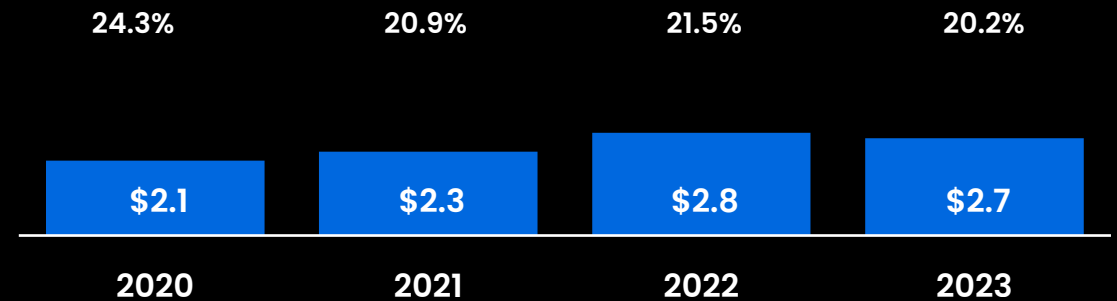
**Non-GAAP Gross Profit / Non-GAAP Gross Margin**  
Up 21% 3-yr. CAGR (\$B)



**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)

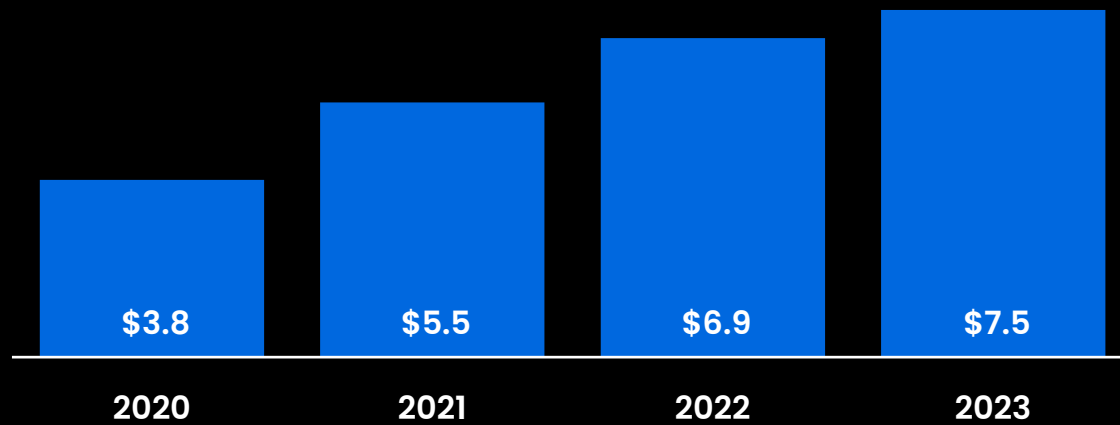


1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures

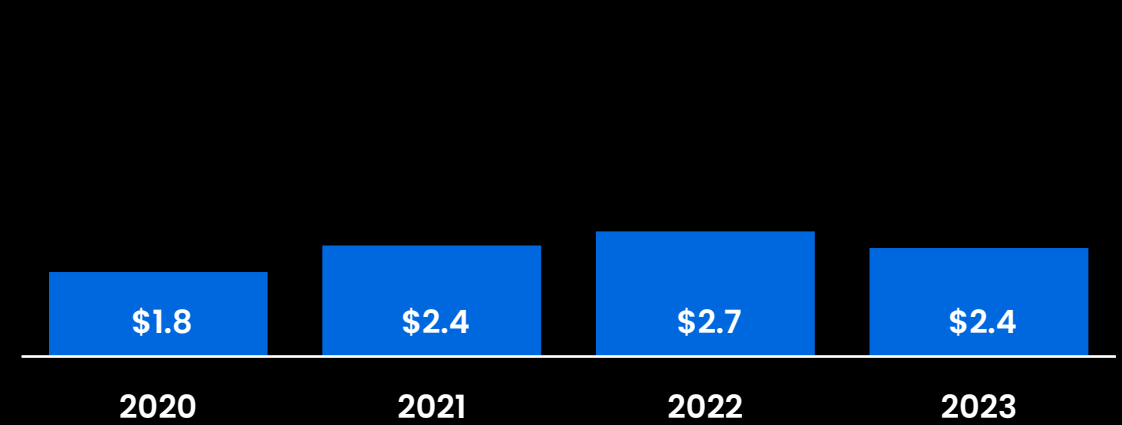
2. Gross Profit, Gross Margin, Operating Profit, Operating Margin, Free Cash Flow (FCF), are all non-GAAP figures, 3-yr. CAGR reflect the period 2020 - 2023

# Annual Revenue by End Market (\$B)<sup>(1)</sup>

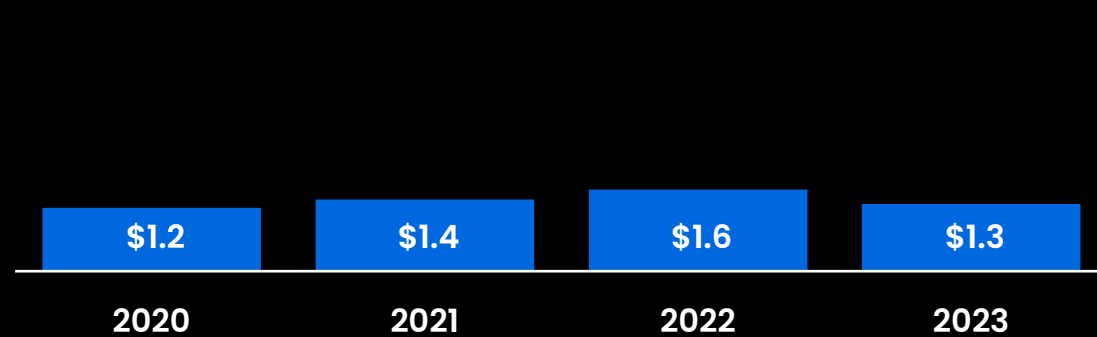
**Automotive**  
Up 25% 3-yr. CAGR (\$B)



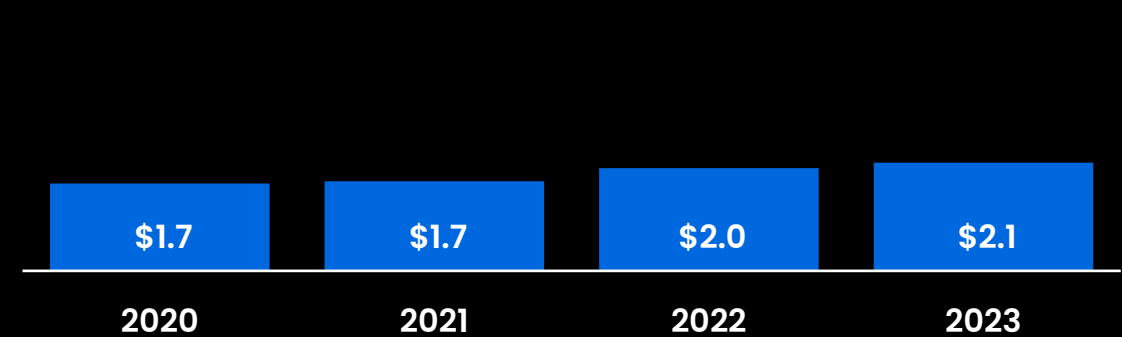
**Industrial & IoT**  
Up 9% 3-yr. CAGR (\$B)



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



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

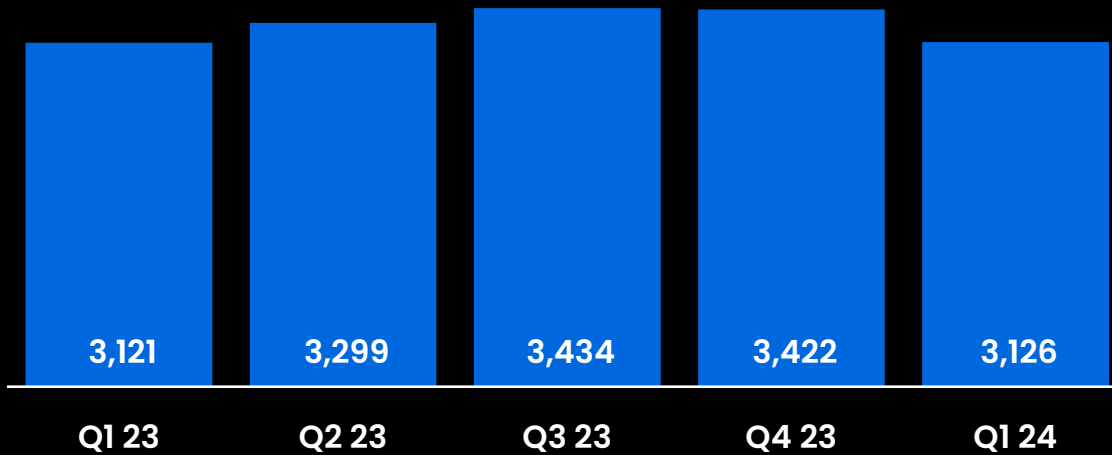


<sup>1.</sup> Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures

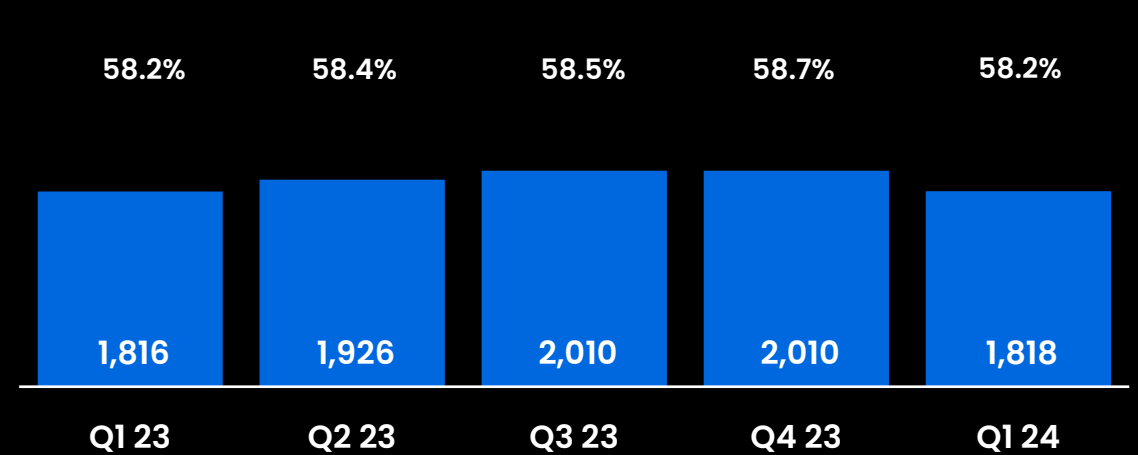


# Recent Quarterly Business Trends<sup>(1,2)</sup>

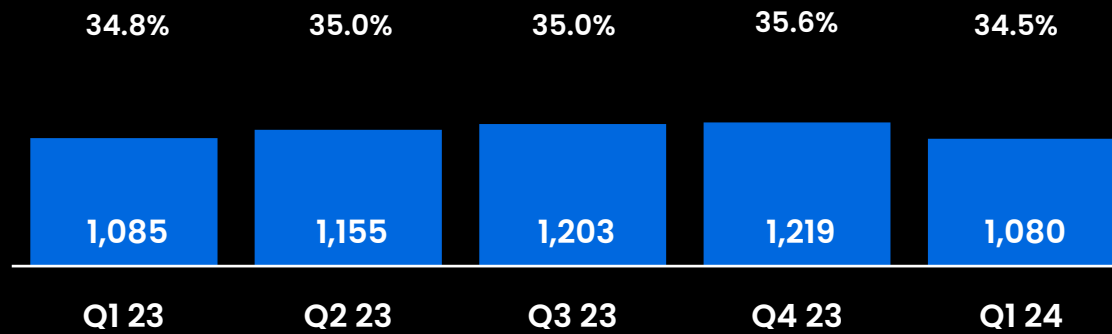
As Reported Revenue (\$M)



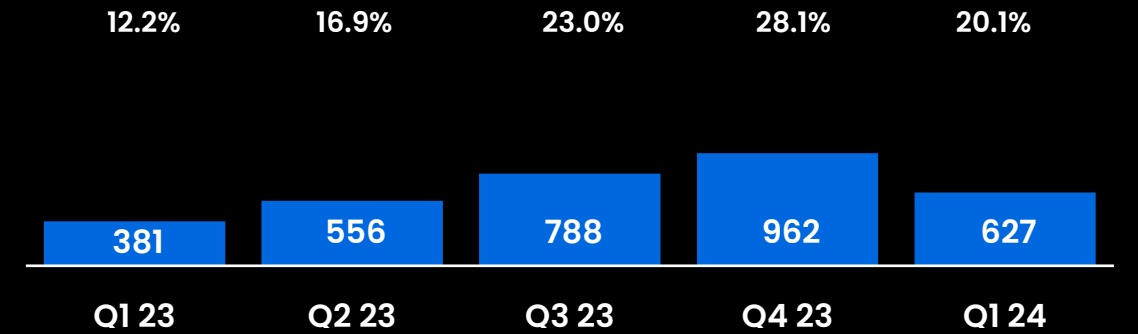
Non-GAAP Gross Profit / Non-GAAP Gross Margin



Non-GAAP Operating Profit / Non-GAAP Operating Margin



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

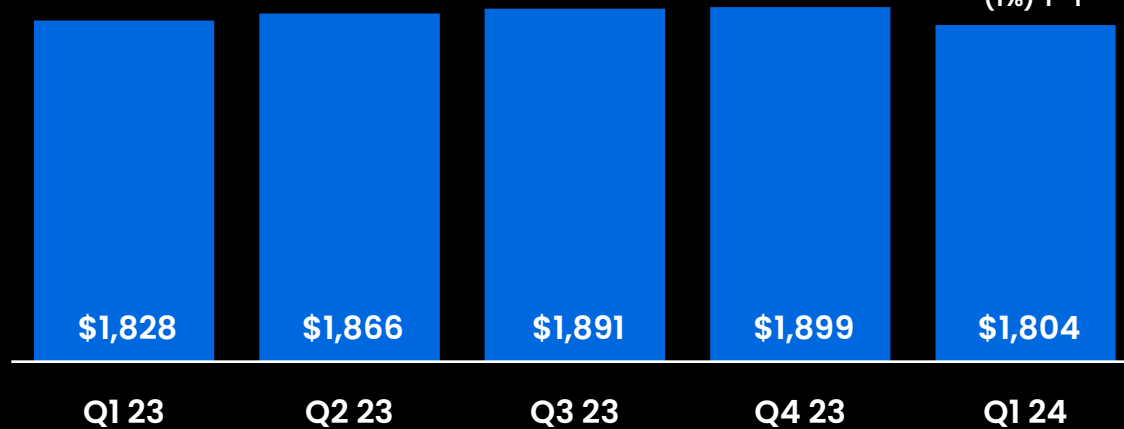


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# Quarterly Revenue by End Market (\$M)<sup>(1)</sup>

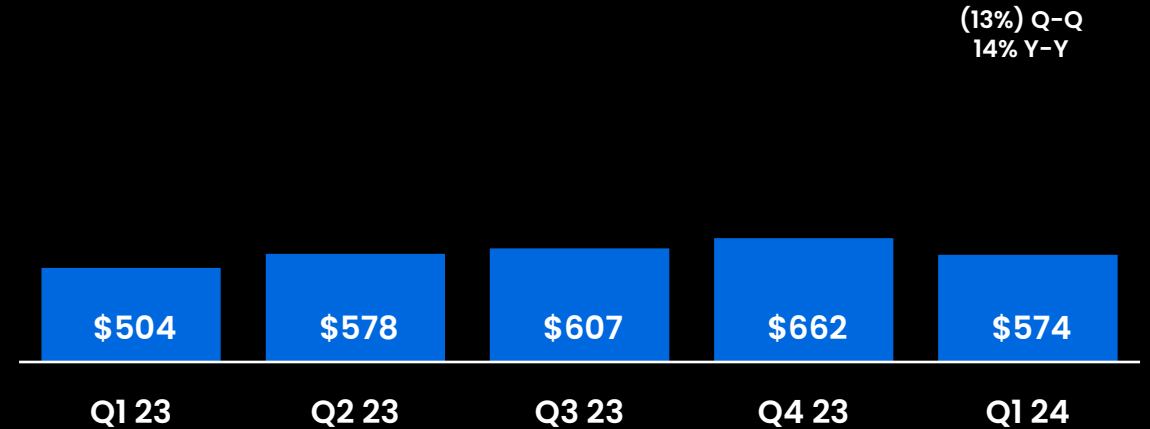
## Automotive

(5%) Q-Q  
(1%) Y-Y



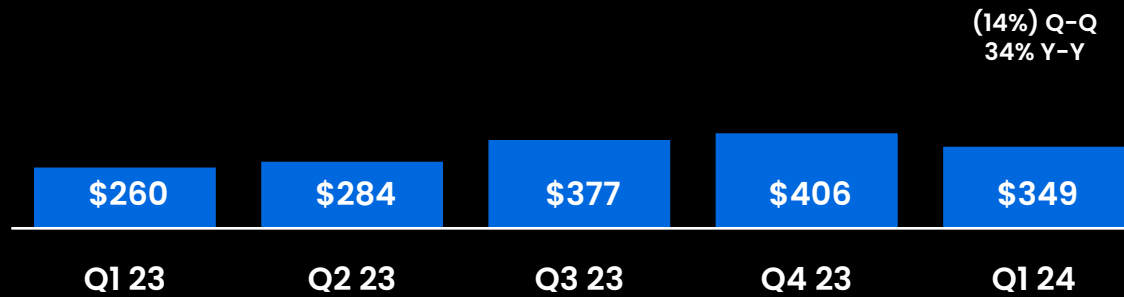
## Industrial & IoT

(13%) Q-Q  
14% Y-Y



## Mobile

(14%) Q-Q  
34% Y-Y



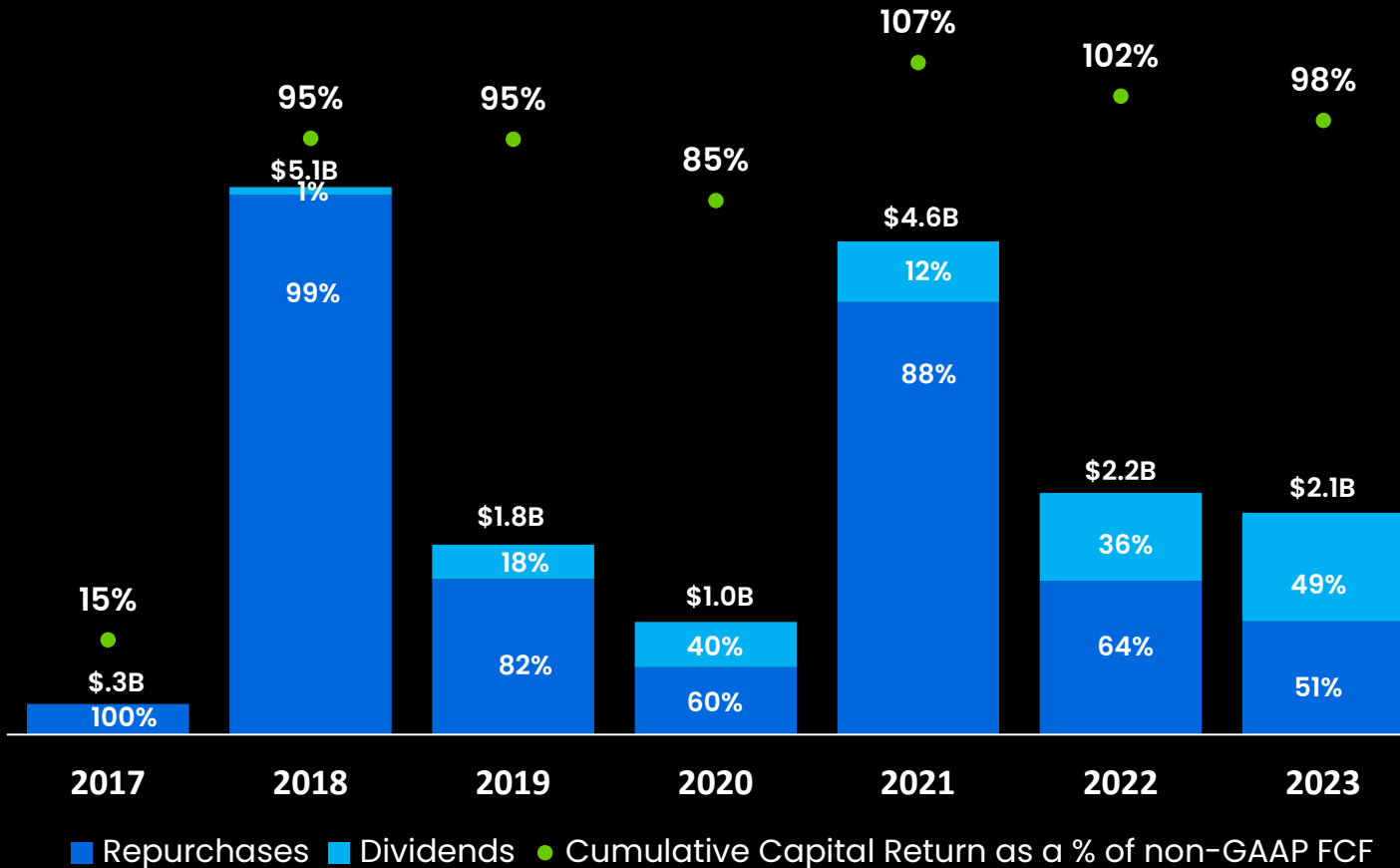
## Communication Infrastructure & Other

(12%) Q-Q  
(25%) Y-Y



# A Robust Shareholder Centric Capital Return Policy<sup>(1,2)</sup>

**Capital Return (\$B)**  
Increased 48% 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 48% CAGR
- **Cumulative Repurchases 2017 – 2023:**
  - \$13.9B or 81% of Capital Return
  - Repurchase Growth of 30% 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

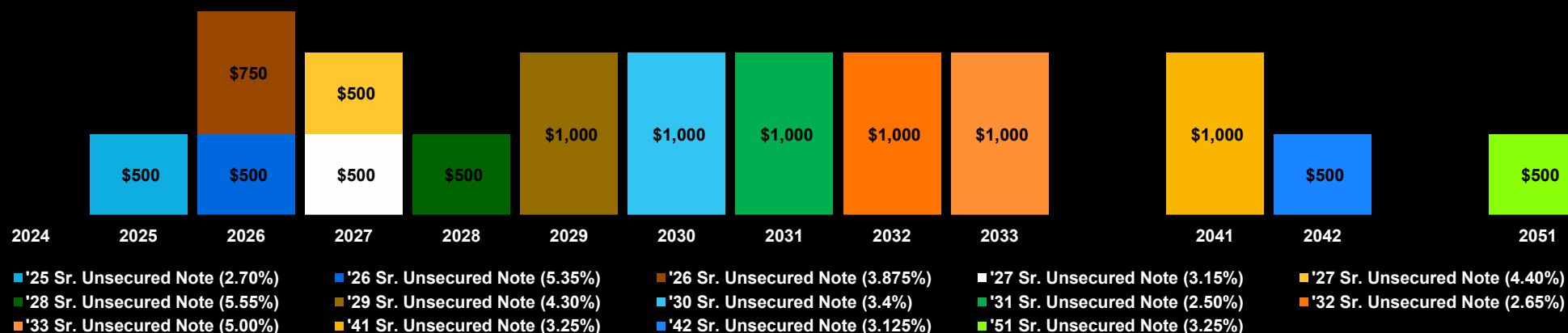
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2. Non-GAAP Free Cash Flow (FCF), = Cash Flow from Operations less Net Capex

# Debt Summary at the End of 1Q24<sup>(1,2)</sup>

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	Apr-20	Dec-18	Jun-19	Apr-20	May-22	Dec-18	Jun-19	Apr-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)	\$ 499	\$ 499	\$ 748	\$ 498	\$ 497	\$ 497	\$ 994	\$ 994	\$ 993	\$ 994	\$ 989	\$ 988	\$ 492	\$ 491	\$ -
Coupon	2.700%	5.350%	3.875%	3.150%	4.400%	5.550%	4.300%	3.40%	2.50%	2.65%	5.00%	3.25%	3.125%	3.250%	Adj. Fwd. 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

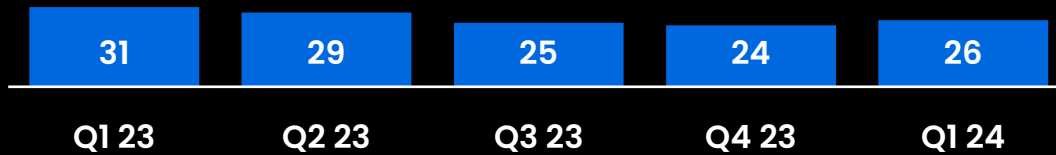
Total Leverage	
Long and short Term Debt (\$M)	\$ 10,178
Cash and Equivalents + ST Deposits (\$M)	\$ 3,308
Net Debt (\$M)	\$ 6,870
TTM Adj. EBITDA	\$ 5,395
Cost of Debt	3.68%
Reported Gross Leverage	1.9X
Reported Net Leverage	1.3X
TTM Adj. EBITDA/TTM net Interest	22.8x



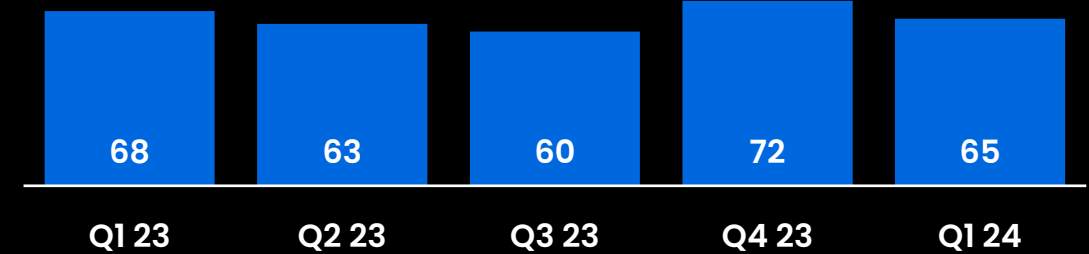
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- For the first quarter ended March 31, 2024, interest expense, net of (\$55) million is comprised of interest expense of (\$105) million, less interest income of \$50 million. Interest expense, net is a component of Financial income (expense) of (\$70) million as reported in the NXP Historic Financial Model file found on the Financial Information page.

# Working Capital Ratios (\$M)<sup>(1,2)</sup>

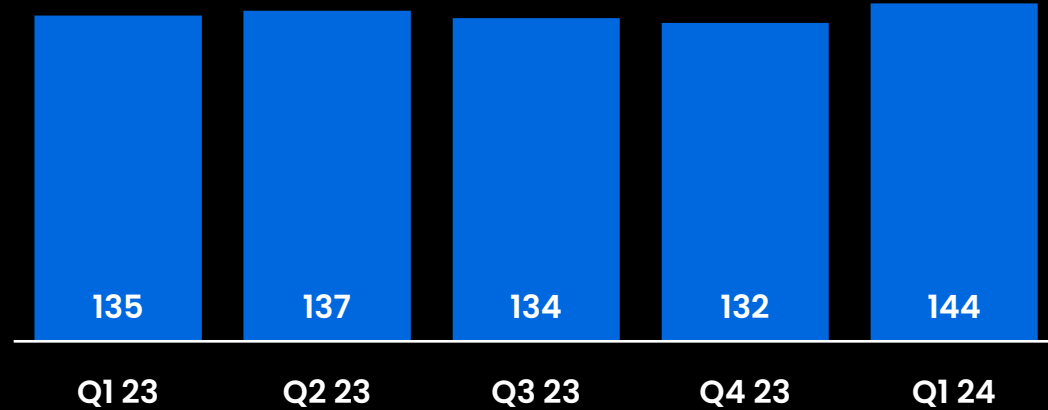
DSO



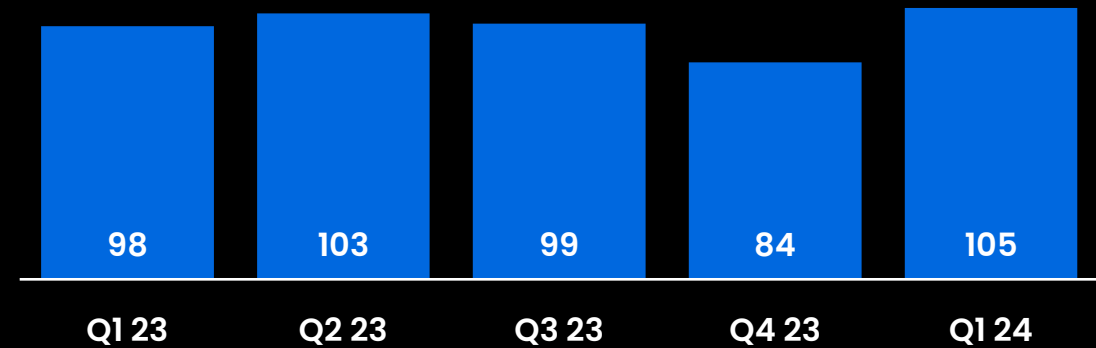
DPO



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](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures and the reclassified Account payable amounts.

# Proven, Resilient and Profitable<sup>(1,2,3,4)</sup>

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

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<sup>(1,2,3)</sup>

	Analyst Day 2021 2021 – 2024 CAGR
<b>NXP growth</b>	<b>+8 to 12%</b>
<b>Non-GAAP gross margin</b>	<b>55 to 58%</b>
<i>Non-GAAP R&amp;D</i>	~16%
<i>Non-GAAP SG&amp;A</i>	~7%
<b>Non-GAAP operating margin</b>	<b>32 to 36%</b>
<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
<b>Non-GAAP free-cash flow</b>	<b>Target 25% of revenue</b>
<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](http://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 Second Quarter of 2024 <sup>(1,2,3,4,5)</sup>





	<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>
<b>Total Revenue</b>	<b>3,025</b>	<b>3,125</b>	<b>3,225</b>		<b>3,025</b>	<b>3,125</b>	<b>3,225</b>
Q-Q	-3%	0%	3%		-3%	0%	3%
Y-Y	-8%	-5%	-2%		-8%	-5%	-2%
<b>Gross Profit</b>	<b>1,715</b>	<b>1,788</b>	<b>1,863</b>	(40)	<b>1,755</b>	<b>1,828</b>	<b>1,903</b>
Gross Margin	56.7%	57.2%	57.8%		58.0%	58.5%	59.0%
<b>Operating Income (loss)</b>	<b>821</b>	<b>884</b>	<b>949</b>	(179)	<b>1,000</b>	<b>1,063</b>	<b>1,128</b>
<b>Operating Margin</b>	<b>27.1%</b>	<b>28.3%</b>	<b>29.4%</b>		<b>33.1%</b>	<b>34.0%</b>	<b>35.0%</b>
Financial income (expense)	(69)	(69)	(69)	(6)	(63)	(63)	(63)
Tax rate		17.2% - 18.2%				16.3% - 17.3%	
NCI & Other	(9)	(9)	(9)	(4)	(5)	(5)	(5)
<b>Net Income</b>	<b>610</b>	<b>662</b>	<b>715</b>		<b>775</b>	<b>827</b>	<b>881</b>
Shares	258.5	258.5	258.5		258.5	258.5	258.5
<b>Earnings per share - diluted</b>	<b>2.36</b>	<b>2.56</b>	<b>2.77</b>		<b>3.00</b>	<b>3.20</b>	<b>3.41</b>

1. GAAP Gross Profit is expected to include Purchase Price Accounting ("PPA") effects, \$(12) million; Share-based Compensation, \$(15) million; Other Incidentals, \$(13) million;
2. GAAP Operating Income (loss) is expected to include PPA effects, \$(42) million; Share-based Compensation, \$(115) million; Restructuring and Other Incidentals, \$(22) million;
3. GAAP Financial Income (expense) is expected to include Other financial expense \$(6) million;
4. GAAP Non-Controlling Interest (NCI) and Other includes non-controlling interest \$(5) million and Other \$(4) million;
5. 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


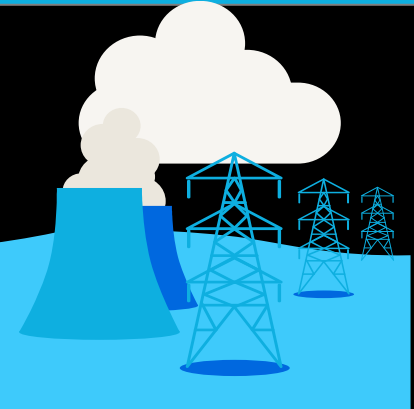

*NXP has based the guidance included in this release on judgments and estimates that management believes are reasonable given its assessment of historical trends and other information reasonably available as of the date of this release. Please note, the guidance included in this release consists of predictions 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

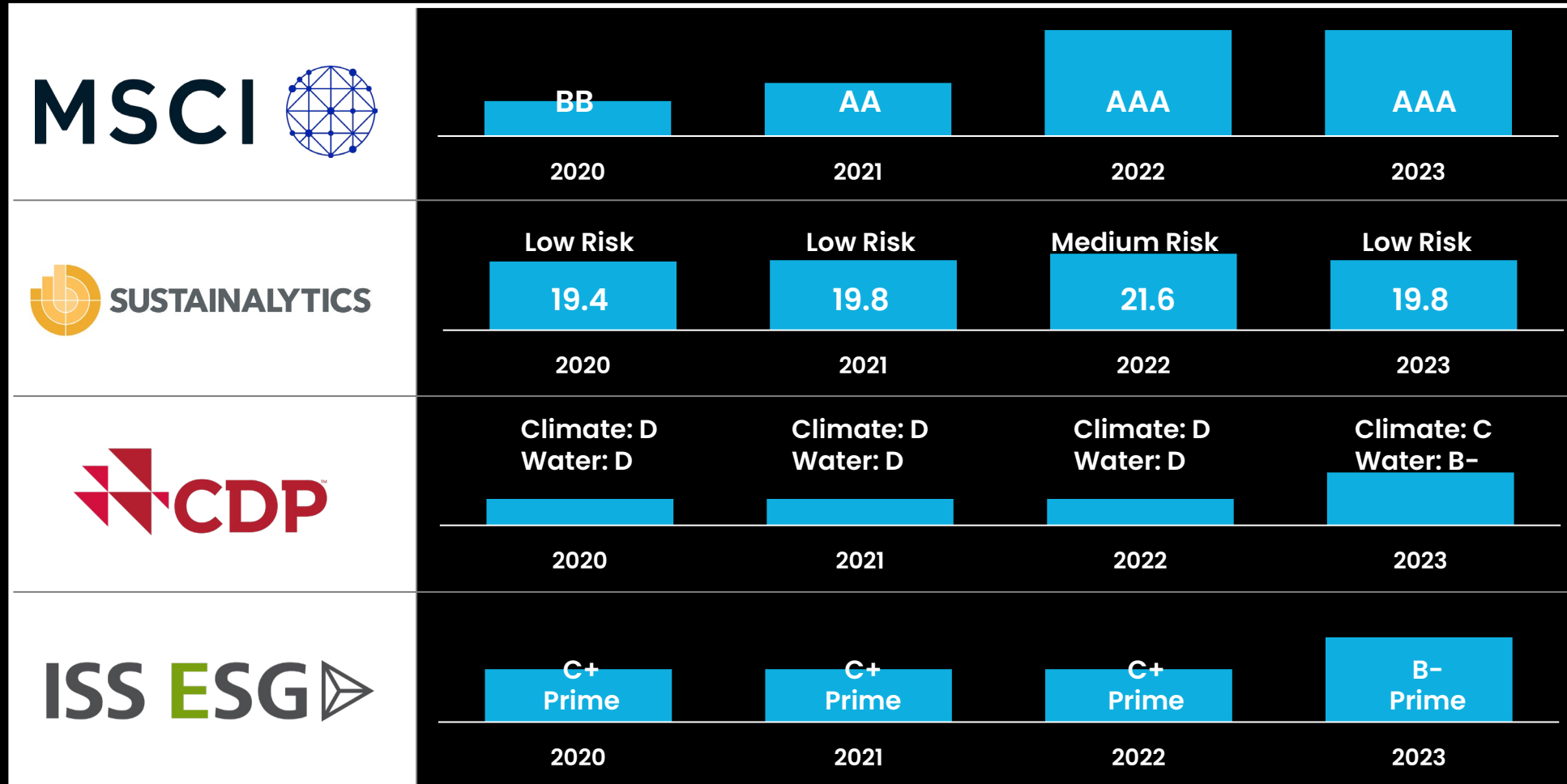
	Strategy	Guiding Principles	Goals
 <p><b>Innovation</b></p>	Innovate advancements that enable a better, safer, more secure and more sustainable world.	Push boundaries and explore new approaches to develop innovative and sustainable products and solutions.	Develop higher-performing, energy-efficient solutions that positively impacts the planet and society.
 <p><b>Environment</b></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><b>Social</b></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><b>Governance</b></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
		
<b>30% decrease</b> from 2022	<b>17% decrease</b> from 2022	<b>36% decrease</b> from 2022

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

# NXP Sustainability Ratings



# GAAP Condensed Consolidated Statement of Operations (\$M)<sup>(1)</sup>

(\$ in millions, unless otherwise stated)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
<b>Revenue</b>	<b>3,121</b>	<b>3,299</b>	<b>3,434</b>	<b>3,422</b>	<b>3,126</b>
Cost of Revenue	(1,351)	(1,418)	(1,469)	(1,485)	(1,343)
<b>Gross Profit</b>	<b>1,770</b>	<b>1,881</b>	<b>1,965</b>	<b>1,937</b>	<b>1,783</b>
Research and development	(577)	(589)	(601)	(651)	(564)
Selling, general and administrative	(280)	(274)	(294)	(311)	(306)
Amortization of acquisition-related intangible assets	(85)	(81)	(71)	(63)	(51)
Total operating expenses	(942)	(944)	(966)	(1,025)	(921)
Other income (expense)	(3)	-	(7)	(5)	(6)
<b>Operating income (loss)</b>	<b>825</b>	<b>937</b>	<b>992</b>	<b>907</b>	<b>856</b>
Financial income (expense)	(82)	(74)	(75)	(78)	(70)
Income (loss) before taxes	743	863	917	829	786
Benefit (provision) for income taxes	(118)	(158)	(123)	(124)	(141)
Results relating to equity-accounted investees	(2)	(1)	(2)	(2)	(1)
Net income (loss)	623	704	792	703	644
Less: Net Income (loss) attributable to non-controlling interests	(8)	(6)	(5)	(6)	(5)
Net income (loss) attributable to stockholders	615	698	787	697	639
Basic earnings per share	2.37	2.69	3.06	2.71	2.49
Diluted earnings per share	2.35	2.67	3.01	2.68	2.47
Basic - weighted average number of shares	259,576	259,160	257,488	257,285	256,567
Diluted - weighted average number of shares	261,210	261,303	261,095	260,298	258,954

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

# Quarterly GAAP to non-GAAP Reconciliation (\$M)<sup>(1)</sup>

(\$ in millions, unless otherwise stated)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	
GAAP Gross Profit	1,770	1,881	1,965	1,937	1,783	615	698	787	697	639	
Gross profit adjustments	(46)	(45)	(45)	(73)	(35)	(99)	(95)	(85)	(77)	(63)	
Non - GAAP Gross Profit	1,816	1,926	2,010	2,010	1,818	(18)	-	4	(84)	(7)	
GAAP Gross Margin	56.7%	57.0%	57.2%	56.6%	57.0%	(99)	(102)	(103)	(107)	(115)	
Non-GAAP Gross Margin	58.2%	58.4%	58.5%	58.7%	58.2%	(44)	(21)	(27)	(44)	(39)	
GAAP Operating income (loss)	825	937	992	907	856	41	20	33	43	23	
Operating income adjustments	(260)	(218)	(211)	(312)	(224)	(3)	(3)	(3)	(6)	(1)	
Non - GAAP Operating income (loss)	1,085	1,155	1,203	1,219	1,080	(3)	2	(7)	(3)	(5)	
GAAP Operating Margin	26.4%	28.4%	28.9%	26.5%	27.4%	49	22	45	54	30	
Non-GAAP Operating Margin	34.8%	35.0%	35.0%	35.6%	34.5%	(2)	(1)	(2)	(2)	(1)	
GAAP Provision for income taxes	(118)	(158)	(123)	(124)	(141)	834	896	965	966	840	
Income tax effect	49	22	45	54	30	GAAP net income(loss) per common share attributable to shareholders - diluted	2.35	2.67	3.01	2.68	2.47
Non-GAAP Provision for income tax	(167)	(180)	(168)	(178)	(171)	Total GAAP to Non-GAAP adjustments per common share	(0.84)	(0.76)	(0.69)	(1.03)	(0.77)
GAAP Net income (loss) attributable to stockholders	615	698	787	697	639	Non-GAAP net income(loss) per common share attributable to shareholders - diluted	3.19	3.43	3.70	3.71	3.24
Non-GAAP Net income (loss) attributable to stockholders	834	896	965	966	840	GAAP Financial income / (expense)	(82)	(74)	(75)	(78)	(70)
GAAP Diluted earnings per share	2.35	2.67	3.01	2.68	2.47	Financial income / (expense) adjustments	(6)	(1)	(10)	(9)	(6)
Non-GAAP Diluted earnings per share	3.19	3.43	3.70	3.71	3.24	Non-GAAP Financial income / (expense)	(76)	(73)	(65)	(69)	(64)

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

# Quarterly Cash Flow Overview (\$M)<sup>(1)</sup>

(\$ in millions, unless otherwise stated)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Net cash provided by (used for) operating activities	632	756	988	1,137	851
Net cash provided by (used for) investing activities	(351)	(255)	(273)	(629)	(274)
Net cash provided by (used for) financing activities	(198)	(565)	(533)	(694)	(1,528)
Effects of changes in exchange rates on cash position	2	(3)	(3)	6	(3)
Increase (decrease) in cash and cash equivalents	85	(67)	179	(180)	(954)
Cash and cash equivalents at beginning of the period	3,845	3,930	3,863	4,042	3,862
Cash and cash equivalents at end of period	3,930	3,863	4,042	3,862	2,908
Net cash provided by (used for) operating activities	632	756	988	1,137	851
Net capital expenditures on property, plant and equipment	(251)	(200)	(200)	(175)	(224)
Non-GAAP free cash flow	381	556	788	962	627
Trailing 12-month Non-GAAP free cash flow	2,638	2,643	2,568	2,687	2,933
Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue	20%	20%	20%	20%	22%

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# Quarterly Adjusted EBITDA (\$M)<sup>(1)</sup>

(\$ in millions, unless otherwise stated)

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024
Net income (loss)	623	704	792	703	644
Reconciling items to adjusted net income					
Financial (income) expense	82	74	75	78	70
(Benefit) provision for income taxes	118	158	123	124	141
Depreciation	160	162	163	167	145
Amortization	123	119	110	102	90
Adjusted net income	1,106	1,217	1,263	1,174	1,090
Reconciling items to adjusted EBITDA					
Results of equity-accounted investees	2	1	2	2	1
Restructuring	18	-	(4)	84	7
Stock-based compensation	99	102	103	107	115
Other incidental items	42	21	27	44	39
Adjusted EBITDA	1,267	1,341	1,391	1,411	1,252
Trailing 12-month Adjusted EBITDA	5,457	5,437	5,384	5,410	5,395
1) Excluding amortization and depreciation related to other incidental items	2	-	-	-	-

# Notable Public Press Announcements

[NXP Extends Industry-First 28 nm RFCMOS Radar One-Chip Family to Enable ADAS Architectures for Software-Defined Vehicles](#)

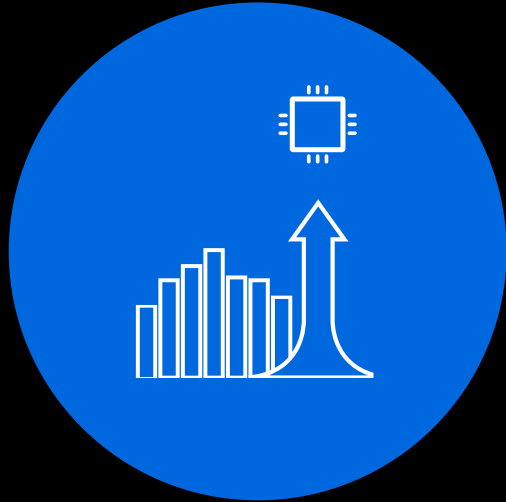
[Honeywell and NXP Semiconductors Collaborate to Help Enhance Building Energy Management](#)

[NXP Breaks Through Integration Barriers for Software-Defined Vehicle Development with Open S32 CoreRide Platform](#)

[NXP Publishes Annual Corporate Sustainability Report, Highlights Progress Toward Environmental, Social and Governance Goals](#)



# 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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