LEGAL NOTICE

This document has been prepared by NXP Semiconductors N.V. ("NXP") solely for informational purposes. The presentation includes the following slides, the oral presentation of the slides by NXP or any person on its behalf, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed at, or in connection with the presentation (collectively, the “Presentation”). By attending the meeting at which the Presentation is made, or by reading the Presentation, you will be deemed to have (i) agreed to all of the following restrictions and made the following undertakings and (ii) acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of the Presentation.

Information relating to markets, market size, market share, market position, growth rates and other industry data contained in the Presentation relating to our industry and business is partly based on our estimates and is provided solely for illustrative purposes. We have also compiled, extracted and reproduced market or other industry data from external sources, including third parties or industry or general publications. Any such information contained in the Presentation has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions. NXP, its companies in the NXP group or any of their respective directors, officers, employees, agents or any other person shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of the Presentation or its contents or otherwise arising in connection with the Presentation. The information and opinions contained in this Presentation do not purport to be comprehensive, are provided as at the date of the document and are subject to change without notice. While we believe our internal estimates to be reasonable, they have not been verified by any independent sources, and we cannot assure you as to their accuracy or that other persons would agree with our calculations and estimates. The industry and market data included in the Presentation may be subject to significant uncertainty due to differing definitions of the relevant markets described, as well as the other uncertainties. NXP is not under any obligation to update or keep current the information contained in the Presentation.

Non-GAAP Financial Measures

In addition to providing financial information on a basis consistent with U.S. generally accepted accounting principles ("GAAP"), the Presentation also contains the following selected financial measures on a non-GAAP basis: (i) Gross profit, (ii) Gross margin, (iii) Research and development, (iv) Selling, general and administrative, (v) Other income, (vi) Operating income (loss), (vii) Operating margin, (viii) Financial Income (expense), (ix) Cash tax expense, (x) Results relating to equity-accounted investees, (xi) Net income (loss), (xii) Net income (loss) attributable to stockholders, (xiii) Weighted average shares – diluted, (xiv) Diluted net income (loss) attributable to stockholders per share, (xv) EBITDA, adjusted EBITDA and trailing 12 month adjusted EBITDA, and (xvi) non-GAAP free cash flow. The non-GAAP information excludes 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, process and product transfer costs, non-cash interest expense on convertible notes, extinguishment of debt, changes in the fair value of the warrant liability prior to January 1, 2016, foreign exchange gains and losses and the non-cash impact on income tax expense.

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

Forward-Looking Statement
This presentation includes forward-looking statements which include statements regarding our business strategy, financial condition, results of operations, and 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 our products are incorporated, our ability to generate sufficient cash, raise sufficient capital or refinance our debt at or before maturity to meet both our 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, our access to production from third-party outsourcing partners, and any events that might affect our business or our 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 rectify them quickly, our ability to form strategic partnerships and joint ventures and successfully cooperate with our alliance partners, our ability to win competitive bid selection processes to develop products for use in our customers' equipment and products, our ability to successfully establish a brand identity, our ability to successfully hire and retain key management and senior product architects; and, our ability to maintain good relationships with our suppliers. In addition, this document contains information concerning the semiconductor industry and our business segments generally, which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the semiconductor industry, our market segments and product areas will develop. We have based these assumptions on information currently available to us, if any one or more of these assumptions turn out to be incorrect, actual market results may differ from those predicted. While we do not know what impact any such differences may have on our business, if there are such differences, our future results of operations and financial condition, and the market price of the notes, 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; and, except for any ongoing obligation to disclose material information as required by the United States federal securities laws, we do 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 filings are available from our Investor Relations department or from the SEC website, www.sec.gov.

No Offer or 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.
AGENDA

8:00 – 8:30AM  RICK CLEMMER
2016 Analyst Day Introduction

8:30 – 9:00AM  DAN DURN
Financial Overview

9:00 – 9:15AM
Finance Q&A

9:15 – 10:45AM  RUDY STROH
Security – Connectivity

10:45 – 11:00AM
Security – Connectivity Q&A

11:00 – 11:30AM
Break
AGENDA

11:30AM – 1:00PM  KURT SIEVERS
Automotive

1:00 – 1:15PM
Automotive Q&A

1:15 – 1:30PM  RICK CLEMMER
Summary and Q&A

1:30 – 2:30PM
Lunch with Management

2:30 – 3:30PM
NXP Product Demonstrations and Management Discussions
COVISION IPAD ENGAGEMENT

PLEASE LOGIN TO THE iPAD USING YOUR EMAIL ADDRESS

USER NAME [YOUR EMAIL ADDRESS]
NXP Semiconductors
2016 ANALYST DAY

RICK CLEMMER
President & Chief Executive Officer
Secure Connections for the Smarter World

**Everything Smart**
- 40B+ devices with intelligence shipped in 2020

**Everything Connected**
- 1B+ additional consumers online, 30B+ connected devices

**Everything Secure**
- Potential economy savings up to half trillion dollars

Processing
- Automotive
- Industrial

Connectivity
- Connected Devices

Security
- IoT
NXP Value Proposition

Multiple High Growth Markets + RMS >1.5x
PROFITABLE GROWTH

World-Class Expertise and Team
CUSTOMER-FOCUSED PASSION TO WIN

Operational Excellence + Benchmark Cost Structure
STRONG CASH GENERATION

MAXIMIZE SHAREHOLDER VALUE
The New NXP – Strategically and Financially Compelling

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

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

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

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

NXP Non-GAAP 2015 Adjusted Revenue by Operating Segment

- Auto 32%
- SCD 23%
- SI&I 20%
- SIS 10%
- STDP 13%
- Corp & Other 2%

NXP: the HPMS leader
- Deliver growth >1.5x market
- #5 global non-memory semi supplier
- #1 global auto semi supplier
- #1 non-auto MCU
- #1 secure identification

Focused on 2x the serviceable market
- Complimentary portfolios and customers
- Opportunities to cross sell
- Ability to deliver complete solutions

Deliver >1.5x market growth

Note: Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint-ventures. 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.
RMS Philosophy – Focus on Product and Application Leadership

Market Focus – achieve RMS > 1.5x
- Focus on large, faster growing markets
- Engage market leaders early
- Deliver product and application leadership
- Focused execution

Benefits of RMS leadership
- First mover advantage
- Out-grow, out-invest competition
- Drive disproportionate profit
- Thought leadership for OEMs
- Sustainable barriers to entry

Note: Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint ventures. 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.
Focused Leadership – End Markets

NXP Non-GAAP 2015 Adjusted Product Revenue by End-market Exposure

- Automotive 41%
- Industrial & Other 24%
- Mobile 15%
- Comm. Infra. 11%
- Consumer 7%
- Computing 2%

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

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

Panasonic

Note: Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint-ventures. 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.
Focus to Drive Growth

**Strategic Focus**

<table>
<thead>
<tr>
<th>2015</th>
<th>2016E</th>
</tr>
</thead>
<tbody>
<tr>
<td>STDP</td>
<td></td>
</tr>
<tr>
<td>SIS</td>
<td></td>
</tr>
<tr>
<td>SI&amp;I</td>
<td></td>
</tr>
<tr>
<td>SCD</td>
<td></td>
</tr>
<tr>
<td>Auto</td>
<td></td>
</tr>
</tbody>
</table>

**Auto**
- Extend current leadership
- Investment focus to ADAS and security

**SCD**
- Mobile Transactions: true leadership, transit
- MCU: 32bit ARM leadership, drive applications
- i.MX: solutions focus with security

**SI&I**
- Leverage high speed interface leadership, USB Type C
- RF Power: leverage leadership, GaN, mMIMO
- Digital Networking: WIP – focus investment

**SIS**
- Extend security leadership
- Balanced participation in profitable end-markets
- Leverage IP across entire portfolio

(1) First Call estimate as of April 19, 2016.
(2) Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint ventures. 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.
Ability to Deliver Connected System Solutions

Future connected device requirements

- Ultra-low power processing
- End-to-end security
- Ultra-low power connectivity
- Secure firmware, middleware, protocols
- Environmental sensing
### The New NXP – Accelerating Secure Connections Vision

#### NXP – Product & Application Leadership

<table>
<thead>
<tr>
<th>Secure Identification Solutions</th>
<th>Secure Connected Devices</th>
<th>Secure Interface &amp; Infrastructure</th>
<th>Automotive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (~$1.0B)</td>
<td>Revenue (~$2.2B)</td>
<td>Revenue (~$2.0B)</td>
<td>Revenue (~$3.2B)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Standard Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue (~$1.3B)</td>
</tr>
</tbody>
</table>

#### Leverage product leadership
- Leader in automotive
- Leverage security and MCU leadership

#### Pivot to application leadership / influence
- Evolution of secure ADAS solutions
- System requirements of IoT / Smarter World

#### Focused product and application leadership
- Drives growth >1.5x market
- Significant earnings power and cash flow

---

(1) Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint-ventures. 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.
Communication Infrastructure – Solid Leadership

RF Power

Market position
- #1 Provider of PA solutions to BTS industry
- RF technology and innovation leader

Market strategy
- Invest to lead transition to GaN as market develops
- Capture thought leadership in mMIMO
- Drive system integration from baseband to antenna, spanning frequency & power
- Positioned for leadership in new white goods markets

Digital Networking

Market position
- #1 in communications segment in 2015

Market strategy
- Transition to faster growth segments – IoT, V2I
- Maintain leadership in packet acceleration and security

Recent market success
- Broad ARM/64 LS – portfolio well received
- Gaining share with ARM/64 in enterprise
- Control plane processor white box switching
### Focus on Product and Application Leadership

#### APPLICATIONS FOCUS

<table>
<thead>
<tr>
<th>Technology Leadership</th>
<th>Auto Core</th>
<th>Auto ADAS</th>
<th>Mobile TX &amp; Interfaces</th>
<th>Core ID</th>
<th>Industrial</th>
<th>Infrastructure</th>
<th>IoT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardware Security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software Security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RF Connectivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wired Connectivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analog Power Mgt.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RF Power</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Focus on Product and Application Leadership

#### APPLICATIONS FOCUS

<table>
<thead>
<tr>
<th>Hardware Security</th>
<th>Auto Core</th>
<th>Auto ADAS</th>
<th>Mobile TX &amp; Interfaces</th>
<th>Core ID</th>
<th>Industrial</th>
<th>Infrastructure</th>
<th>IoT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Processing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RF Connectivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wired Connectivity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analog Power Mgt.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RF Power</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### TECHNOLOGY LEADERSHIP

- Auto Core
- Auto ADAS
- Mobile TX & Interfaces
- Core ID
- Industrial
- Infrastructure
- IoT
NXP Value Proposition

True Leadership Driving RMS

FOCUSED ON RMS > 1.5x

Multiple High Growth Markets

PROFITABLE GROWTH

World-Class Expertise and Team

CUSTOMER-FOCUSED PASSION TO WIN

Operational Excellence + Benchmark Cost Structure

STRONG CASH GENERATION

MAXIMIZE SHAREHOLDER VALUE
SECURE CONNECTIONS FOR A SMARTER WORLD
Financial Overview

DAN DURN
Executive Vice President and Chief Financial Officer
NXP – Focused Industry Powerhouse

• Leadership in high growth markets
  – Portfolio drives above market growth opportunity

• Target model drives superior growth
  – ~15%+ Non-GAAP EPS growth

• Strong cash flow
  – Margin expansion + operating discipline = $4B+ Non-GAAP Adjusted EBITDA\(^{(1)}\)
  – Low capital intensity

• Total return strategy
  – Disciplined capital allocation
  – Excess cash returned to shareholders

Note: (1) Assumes 2019E, midpoint of growth range, midpoint of EBIT range
Focused Industry Powerhouse

Portfolio Drives Above Market Growth Opportunity

Target Model Drives 15%+ Non-GAAP EPS Growth

Margin Expansion + Operating Discipline = $4B+ Non-GAAP Adjusted EBITDA
NXP – Top 5 Semiconductor Company

2015 REVENUES (1), $B

(1) Source: public filings (2) For NXP, reference is made to the Combined Non-GAAP Adjusted Revenue which is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint ventures. 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.
Focused Leadership – End Markets

NXP Non-GAAP 2015 Adjusted Product Revenue by End-market Exposure

- **Automotive**: 41%
- **Industrial & Other**: 24%
- **Mobile**: 15%
- **Comm. Infra.**: 11%
- **Consumer**: 7%
- **Computing**: 2%

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

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

---

Note: Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint-ventures. 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.
Top 20 Customers ~40% of 2016E Revenue

>25,000 Total Customers

Note: (1) Through all channels,
Merger Momentum

Driving synergy capture

- $200M in 2016; $500M in 2017
- Management team integrated and executing
- Product roadmaps aligned
- High customer engagement
- Portfolio attracting new customers
- Early cross sell and solutions success

Industry powerhouse with diversification, scale and above market earnings growth potential
<table>
<thead>
<tr>
<th>Focused Industry Powerhouse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target Model Drives 15%+ Non-GAAP EPS Growth</td>
</tr>
</tbody>
</table>

| Portfolio Drives Above Market Growth Opportunity |
| Margin Expansion + Operating Discipline = $4B+ Non-GAAP Adjusted EBITDA |
Driving Above Market Growth Opportunity

Outgrow the broader market by >1.5x

- Leverage portfolio scale and reach
- Aligned with key market drivers
  - Auto: ADAS, security and infotainment
  - Everything smart, secure and connected
- High growth – high profit segments

Expected Growth 2016E – 2019E

<table>
<thead>
<tr>
<th>Semi Industry</th>
<th>NXP</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-4%</td>
<td>5-7%</td>
</tr>
</tbody>
</table>
Focused Industry Powerhouse

Target Model Drives 15%+ Non-GAAP EPS Growth

Portfolio Drives Above Market Growth Opportunity

Margin Expansion + Operating Discipline = $4B+ Non-GAAP Adjusted EBITDA
Generating Significant Shareholder Value

Non-GAAP Adjusted Revenue ($B)

2012 2013 2014 2015

7% CAGR

NXP “classic” 12% CAGR

Non-GAAP Adjusted EBIT ($B)

2012 2013 2014 2015

21% CAGR

Stock Price Performance

2012 2015

NXP 608%

S&P 500 165%

Note: Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint ventures. 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.
## Starting From a Position of Strength

<table>
<thead>
<tr>
<th></th>
<th>Annualized 1Q15 ($M)(^{(1)})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-GAAP Revenue</td>
<td>$9,960</td>
</tr>
<tr>
<td>Non-GAAP Gross Profit</td>
<td>$4,764</td>
</tr>
<tr>
<td>Non-GAAP Gross Margin</td>
<td>47.8%</td>
</tr>
<tr>
<td>Non-GAAP EBIT</td>
<td>$2,252</td>
</tr>
<tr>
<td>Non-GAAP EBIT Margin</td>
<td>22.6%</td>
</tr>
</tbody>
</table>

### Complementary product portfolio
- Enabling increased share of wallet
- Growth above market

### Improve gross profit
- $100 million of cost synergies in COGS
- FSL “classic” operational improvement

### EBIT expansion
- $500 million of total cost synergies
- NXP “classic” OpEx discipline

---

Note: 1Q2015 annualized results for NXP and Freescale, less divesture of NXP RF Power and NXP Bipolar.
## Compelling Financial Model

<table>
<thead>
<tr>
<th></th>
<th>2016E – 2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Focused Market Growth</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>3 - 4%</td>
</tr>
<tr>
<td><strong>NXP Growth</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>5 - 7%</td>
</tr>
<tr>
<td><strong>Non-GAAP Gross Margin</strong></td>
<td>51 - 55%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>13 - 15%</td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>6 - 8%</td>
</tr>
<tr>
<td><strong>Non-GAAP EBIT Margin</strong></td>
<td>30 - 33%</td>
</tr>
<tr>
<td><strong>Non-GAAP EPS Growth</strong>&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>~15%+</td>
</tr>
<tr>
<td><strong>Non-GAAP Adjusted EBITDA 2019E</strong></td>
<td>$4B+</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> 3 Year CAGR 2016E-2019E
NXP Non-GAAP Financial Model

<table>
<thead>
<tr>
<th></th>
<th>HPMS</th>
<th>STDP</th>
<th>NXP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-GAAP GM%</td>
<td>54 - 58%</td>
<td>30 - 34%</td>
<td>51 - 55%</td>
</tr>
<tr>
<td>Non-GAAP R&amp;D%</td>
<td>14 - 16%</td>
<td>3 - 4%</td>
<td>13 - 15%</td>
</tr>
<tr>
<td>Non-GAAP SG&amp;A%</td>
<td>6 - 8%</td>
<td>6 - 8%</td>
<td>6 - 8%</td>
</tr>
<tr>
<td>Non-GAAP EBIT%</td>
<td>32 - 35%</td>
<td>20 - 24%</td>
<td>30 - 33%</td>
</tr>
</tbody>
</table>

Assumptions
- NXP growth >1.5x industry
- Significant margin improvement
  - R&D investment driving future growth
- Additional metrics
  - Tax
    - 2016E: ~$20M / Qtr
    - 2017E: ~$35-$40M / Qtr
    - 2018E/19E: ~10% / ~12%
  - SBC / year
    - 2016E/19E: ~$350M / ~$275M
  - Capex: ~5% of revenue
  - Leverage: <=2x by 2Q17
Operating Segment Growth Rates

<table>
<thead>
<tr>
<th>Segment</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPMS</td>
<td>Up mid to high single digit</td>
</tr>
<tr>
<td>Auto</td>
<td>Up mid to high single digit</td>
</tr>
<tr>
<td>SIS</td>
<td>Up low to mid single digit</td>
</tr>
<tr>
<td>SCD</td>
<td>Up low double digit to mid teens</td>
</tr>
<tr>
<td>SI&amp;I</td>
<td>Up mid to high single digit</td>
</tr>
<tr>
<td>STDP</td>
<td>Growth in line with discrete market</td>
</tr>
<tr>
<td>Total</td>
<td>5 - 7%</td>
</tr>
</tbody>
</table>

Note: Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint-ventures. 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.
Focused Industry Powerhouse

Target Model Drives 15%+ Non-GAAP EPS Growth

Portfolio Drives Above Market Growth Opportunity

Margin Expansion + Operating Discipline = $4B+ Non-GAAP Adjusted EBITDA
Strong Free Cash Flow and Capital Returns

1) Combined Non-GAAP Free Cash Flow is the combination of Non-GAAP Free Cash Flows of NXP and Freescale. Non-GAAP Free Cash Flows of NXP represent Net cash provided by (used for) operating activities less net capital expenditures on property, plant and equipment. Non-GAAP Free Cash Flows of Freescale represent Net cash provided by (used for) operating activities, less capital expenditures on property, plant and equipment, less excess tax benefits from share-based compensation. 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.

Cumulative Non-GAAP FCF (1)
- NXP “classic” cumulative (1)

Share Repurchases
- NXP “classic” cumulative share repurchase
2019E – Illustrative Sensitivities to Revenue Growth

Non-GAAP Earnings / Share

<table>
<thead>
<tr>
<th>2%</th>
<th>4%</th>
<th>6%</th>
<th>8%</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$7.50</td>
<td>~$8.00</td>
<td>~$8.50</td>
<td>~$9.00</td>
<td>~$9.50</td>
</tr>
</tbody>
</table>

2016E – 2019E Revenue CAGR

Cash Generation / Share

<table>
<thead>
<tr>
<th>2%</th>
<th>4%</th>
<th>6%</th>
<th>8%</th>
<th>10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>~$10.75</td>
<td>~$11.50</td>
<td>~$12.25</td>
<td>~$13.00</td>
<td>~$13.75</td>
</tr>
</tbody>
</table>

2016E – 2019E Revenue CAGR

Note: Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint-ventures. 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.
Total Return Strategy

Creating long term shareholder value

- Cash generation yield: ~30 – 33%
- Disciplined capital allocation
- Debt reduction – target 2x leverage
- Continue aggressive share repurchase
- Implement dividend exiting 2017

Non-GAAP Cash Generation Per Share

$-


$6 $12

~15%+ CAGR

Note: (1) Non-GAAP Adj. EBITDA less net Capex / diluted per share
Focus on Driving Execution

• Deliver on synergy targets
• Execute on margin expansion
• Drive R&D – fuel growth
• Shaping a high performing culture

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue CAGR</td>
<td>5-7%</td>
</tr>
<tr>
<td>Non-GAAP Adj. EBITDA</td>
<td>$4B+</td>
</tr>
<tr>
<td>Non-GAAP EPS CAGR</td>
<td>~15%+</td>
</tr>
</tbody>
</table>

Industry powerhouse with diversification, scale and above market earnings growth potential
Focused Industry Powerhouse

Portfolio Drives Above Market Growth Opportunity

Target Model Drives 15% + Non-GAAP EPS Growth

Margin Expansion + Operating Discipline = $4B+ Non-GAAP Adjusted EBITDA
Secure Connections for a Smarter World

RUDY STROH
Executive Vice President and General Manager
AGENDA

01 INTRODUCTION

02 SECURITY AND CONNECTIVITY LEADERSHIP

03 EMBEDDED PROCESSING LEADERSHIP

04 SUMMARY & OUTLOOK
Accelerating Secular Trends Drive Growth Opportunities

Everything Smart
- 40B+ devices with intelligence shipped in 2020

Everything Connected
- 1B+ additional consumers online,
  30B+ connected devices

Everything Secure
- Potential economy savings up to half trillion dollars

Processing

Connectivity

Security
Outgrowing the Market through Technology & Application Leadership

Deep Application & System Knowledge

- Ecosystem Relationships
- Trusted Advisor
- Thought Leadership

Product & Technology Leadership

- Processing
- Connectivity
- Security

- Payments
- Secure Identification
- Mobile Transactions
- Wearables
- Smart Home
- Smart Cities
- Smart Industry
- Smart Objects
Unique Capability to Serve Diverse Customer Base

Position of Strength

NXP + freescale

25k+ end customers

#2

High performance mixed signal semiconductor supplier to distribution

Unique Customer Enablement

Runtime Software

Support

Application Specific

Software Development Tools

Hardware Development Tools
Immediate Cross-Sell Opportunities Based on Combined Portfolio

Example

Point-Of-Sales (POS)

<table>
<thead>
<tr>
<th>USB Type-C</th>
<th>i.MX Main Controller Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Reader</td>
<td>Power Management</td>
</tr>
<tr>
<td>NFC Reader</td>
<td></td>
</tr>
</tbody>
</table>

Applications

Deep System Knowledge

One-Stop-Shop
Easy to Design NXP
SAM Outgrows the Semiconductor Industry

2016E – 2019E
SAM, 3-Year CAGR

<table>
<thead>
<tr>
<th></th>
<th>2016E</th>
<th>2019E</th>
<th>2016E CAGR</th>
<th>2019E CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>SIS</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>SCD</td>
<td>4-7%</td>
<td>4-7%</td>
<td>4-7%</td>
<td>4-7%</td>
</tr>
<tr>
<td>SII</td>
<td>4-7%</td>
<td>4-7%</td>
<td>4-7%</td>
<td>4-7%</td>
</tr>
</tbody>
</table>

SAM

- Secure Connected Devices (SCD) ~50%
- Secure Interfaces & Infrastructure (SI&I) ~40%
- Secure Identification Solutions (SIS) ~10%

2016E SAM ~$30B
## Technology & Application Markets Mapped to Operating Segments

<table>
<thead>
<tr>
<th>Secure Identification Solutions (SIS)</th>
<th>Secure Connected Devices (SCD)</th>
<th>Secure Interfaces &amp; Infrastructure (SI&amp;I)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment Cards</td>
<td>Mobile Transaction</td>
<td>Wired Connectivity</td>
</tr>
<tr>
<td>Secure Identification</td>
<td>Smart Home</td>
<td>Wireless Infrastructure</td>
</tr>
<tr>
<td>Smart Cities</td>
<td>Wearables</td>
<td>Digital Networking</td>
</tr>
<tr>
<td>Smart Objects</td>
<td>Industrial</td>
<td></td>
</tr>
</tbody>
</table>

**Secure Identification Solutions (SIS):**
- Payment Cards
- Secure Identification
- Smart Cities
- Smart Objects

**Secure Connected Devices (SCD):**
- Mobile Transaction
- Smart Home
- Wearables
- Industrial

**Secure Interfaces & Infrastructure (SI&I):**
- Wired Connectivity
- Wireless Infrastructure
- Digital Networking

<table>
<thead>
<tr>
<th>Feature</th>
<th>Secure SIS</th>
<th>Secure SCD</th>
<th>Secure SI&amp;I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certified Secure MCU</td>
<td>Secure OS &amp; Applets</td>
<td>Secure Keys</td>
<td>Secure OS</td>
</tr>
<tr>
<td>Secure OS &amp; Applets</td>
<td>Contactless</td>
<td>Crypto accelerators</td>
<td>NFC</td>
</tr>
<tr>
<td>Trust Provisioning</td>
<td>Biometric Authentication</td>
<td>Multi-Application</td>
<td>BLE</td>
</tr>
<tr>
<td>Tamper detection</td>
<td>MIFARE</td>
<td>DESFire</td>
<td>NFMI</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>eSE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>MCU</td>
</tr>
</tbody>
</table>

**Technology & Application Markets Mapped to Operating Segments**

- **Certified Secure MCU:**
- **Secure Keys:**
- **Crypto accelerators:**

- **Secure OS & Applets:**
- **Contactless:**
- **Multi-Application:**

- **Trust Provisioning:**
- **Biometric Authentication:**
- **LH, HF, UHF, NTAG:**

- **Tamper detection:**
- **MIFARE:**
- **DESFire:**

- **BLE:**
- **NFC:**
- **ZigBee / Thread:**

- **Application Processor:**
- **eUICC:**
- **Secure Keys:**

- **Secure OS:**
- **Loader Service:**
- **Service Management:**

- **Authentication:**
- **High-Speed Switches:**
- **AC-DC:**

- **I2C:**
- **OVP / Load switch:**
- **USB PD PHY:**

- **Re-timer:**
- **Direct Charging:**
- **LNA:**

- **WLAN FEIC:**
- **Power Amplifier:**
- **Digital Networking:**
AGENDA

01 INTRODUCTION

02 SECURITY AND CONNECTIVITY LEADERSHIP

03 EMBEDDED PROCESSING LEADERSHIP

04 SUMMARY & OUTLOOK
Leading in Payment Cards and Secure Identity

Technology Leadership

True Leader
RMS > 1.5

- Contactless performance
- Advanced security
- Richest portfolio

Market ($B)

- 2012: $0.8B
- 2015: $1.3B
- 2016E: $1.3B
- 2019E: $1.4B

Key Drivers

Payment
- EMV migration
- Transition to dual interface

Secure identity
- Digitization of documents
- Adoption of national eID
- Government spending

CAGR
- 2016E – 2019E
- 3%
- (10%)
Continued EMV Migration and Dual Interface Transition

**USA**
- Cards installed base (Bpcs): 1.3B (2015), 0.6B (2015)

**Europe**
- Cards installed base (Bpcs): 1.3B (2015), 0.5B (2015)

**Latin America (LATAM)**
- Cards installed base (Bpcs): 0.9B (2015), 0.3B (2015)

**Middle East and Africa (MEA)**
- Cards installed base (Bpcs): 1.2B (2015), 0.1B (2015)

**China**
- Cards installed base (Bpcs): 2.8B (2015), 0.8B (2015)

**Asia Pacific (APAC)**
- Cards installed base (Bpcs): 2.4B (2015), 0.3B (2015)
World Leader in Smart Cities & Smart Objects

Technology Leadership

True Leader
RMS > 1.5

- #1 in smart cities application
- #1 tagging applications
- Complete LF to UHF portfolio

Market ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Transport</th>
<th>Access Management</th>
<th>Loyalty</th>
<th>Tagging</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.3</td>
<td>0.1</td>
<td>0.1</td>
<td>0.3</td>
</tr>
<tr>
<td>2015</td>
<td>0.4</td>
<td>0.1</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td>2016</td>
<td>0.4</td>
<td>0.1</td>
<td>0.1</td>
<td>0.4</td>
</tr>
<tr>
<td>2019</td>
<td>0.5</td>
<td>0.1</td>
<td>0.1</td>
<td>0.5</td>
</tr>
</tbody>
</table>

2016E–2019E CAGR 7%

Key Drivers

- Multi-applications migration require shift to MCU-based solutions in smart mobility
- UHF retail and NFC brand engagement driving growth in tagging market
**Leader and Trusted Partner in Secure Identification Solutions**

### Technology Leadership
- SmartMX
  - #1 in secure identification
  - #1 in payment card
  - #1 in transit application
  - #1 tagging applications
  - Contactless performance
  - Advanced security
  - Richest portfolio

### Ecosystem Relationships
- Relationships with all players
  - Financial institutions
  - National printing houses
  - Transport operators
  - System integrators
  - Certification bodies
  - Retailers
  - Card & label manufacturers
  - Inlay manufacturers

### Trusted Advisor
- Trusted solution partner
  - Governments
  - Top tier banks
  - Public transport authorities
  - Municipalities
  - Standard bodies
  - Driving convergence
  - Enable emerging applications
Physical & Functional Security Leadership

**Physical Security**
- Leader in tamper proof, physically secure MCU & tags
- Cards and devices resistant against physical attacks
- Enabling secure edge to cloud communication
- Industry certified hardware & software security
- Cryptographic blocks
- Trusted execution environment

**Functional Security**
- Trust
- Crypto
- Cloud Services

**Security**
- Tamper Resistant Circuits
- Hardened Silicon
- Software Immune to Fault Injection

**Differentiation**
- SmartMX
- MCU, i.MX & LayerScape
- Apps Processors
- Cloud Services

**Experimental**
# Innovation in Secure Microcontroller for Smart Card and Mobile Transactions

## Technology

**Faster**
- Payment transaction time
- Contactless performance
- NFC & UHF interfaces
- MIFARE for mobile
- FeliCa

**Higher Security**
- New secure core
- Secure FLASH loader
- Advanced crypto accelerator
- Physically uncloneable function
- Next-gen tamper resistance

**SmartMX**
- Dual interface
- High-performance
- Multi-application

**Simplified Lifecycle Management**
- FLASH
- Unified tool chain
- Over-the-air update (mobile)

**Smaller Footprint**
- 40nm non-volatile memory

## Application

- **Payment**
- **Transportation**
- **Mobile Transaction**
- **Access**

## Ecosystem

- **Banks**
- **Certification**
- **Transport Authorities**
- **Government**
Proximity Technology – World Leader in NFC

Market ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Contactless Cards</th>
<th>NFC</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.9</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>2016E</td>
<td>1.8</td>
<td>2.3</td>
</tr>
<tr>
<td>2019E</td>
<td>2.3</td>
<td></td>
</tr>
</tbody>
</table>

2016E-2019E CAGR

- 5%
- 10%
- 17%

Application

- Identification
- Payment
- Transit
- Access
- Mobile
- Wearables

Providing best end-user experience
- Highest Tx power and lowest Rx sensitivity enable
  - Highest degree of flexibility for antenna form factors
  - Best operating distance
- Seamless interoperability in the field
- Fastest secure contactless transaction time
- NXP NFC software the reference in all major OS
Mobile Transactions: Continued Growth From Increasing Attach Rate

Technology Leadership

True Leader
RMS > 1.5

- #1 in NFC/eSE solutions
- #1 in contactless readers
- Seamless interoperability

Key Drivers

Continued eSE/NFC penetration
- Adoption on lower-end smartphones
- Use-case expansion into transit

<table>
<thead>
<tr>
<th>Year</th>
<th>Smartphones volume (Bpcs)</th>
<th>NFC/eSE attach-rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>0.7</td>
<td>15%</td>
</tr>
<tr>
<td>2015</td>
<td>1.5</td>
<td>15%</td>
</tr>
<tr>
<td>2016E</td>
<td>1.6</td>
<td>60%</td>
</tr>
<tr>
<td>2019E</td>
<td>1.8</td>
<td>60%</td>
</tr>
</tbody>
</table>
China Leads in Mobile Transit

WW Mobile Ticketing Market

1-3B Mobile Tickets by 2019

China Readiness

CONSUMER CONTACTLESS HABIT is already there

ECOSYSTEM READY

• Easy & seamless
• Care-free commute
• Improved user experience

Top 10 City Adoption

Trusted Partner & Advisor

Shanghai
Beijing
Nanjing
Hangzhou
Shenzhen
Guangzhou
Chongqing
Wuhan
Suzhou
Chengdu

CONSUMER CONTACTLESS HABIT is already there

ECOSYSTEM READY
Trusted Partner for Mobile Transactions

Technology Leadership
- Recognized leader
  - #1 in NFC/eSE solutions
  - #1 in contactless readers
  - Seamless interoperability

Ecosystem Relationships
- Relationships with all players
  - Easy access for service providers
  - Support for infrastructure operators

Trusted Advisor
- Easy to design in NXP
  - Educated all mobile OEMs
  - Reference design platform
  - Supporting China mobile transit

CUBIC • NXP • HID • QUALCOMM
Wired Data & Power Delivery – Complete Technology Portfolio

Market ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Power</th>
<th>Interfaces</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.2</td>
<td>1.2</td>
<td>3.4</td>
</tr>
<tr>
<td>2015</td>
<td>3.0</td>
<td>1.0</td>
<td>4.0</td>
</tr>
<tr>
<td>2016E</td>
<td>3.8</td>
<td>0.3</td>
<td>4.1</td>
</tr>
<tr>
<td>2019E</td>
<td>4.5</td>
<td>0.5</td>
<td>5.0</td>
</tr>
</tbody>
</table>

2016E-2019E CAGR 6%

3%

11%

Application

- Mobile
- Charging
- Computing Servers
- Industrials

Full portfolio offering
- Industry leader in high-speed (e.g. switches, re-timer)
- Efficient power delivery (e.g. AC-DC, controllers)
- Wired authentication
Mobile Fast Charging and Seamless Connectivity Enabled by USB Type-C

Market ($B)

- 2012: 0
- 2015: 0.04
- 2016E: 0.3
- 2019E: 1.6

2016E - 2019E
- CAGR 87%
- 210%
- 75%
- 80%
- 90%

Application
- 100W
- Reversible
- 10Gbs

End-to-end solution
- Complete portfolio from wall-to-device
  - Industry leader in high-speed (switches, re-timer...)
  - High voltage process technology
  - Highest power density (AC-DC, controllers, USB PD...)
  - Secure authentication enables safe charging
- Proven expertise in custom mobile solutions

AC Adapters | Smartphone | Computing | Peripherals
---|---|---|---
- | - | - | -
AGENDA

01 INTRODUCTION

02 SECURITY AND CONNECTIVITY LEADERSHIP

03 EMBEDDED PROCESSING LEADERSHIP

04 SUMMARY & OUTLOOK
Embedded Processing Leadership

GEOFF LEES
Senior Vice President and General Manager
Everything Smart – Industry Leading Embedded Portfolio

Technology

- i.MX Apps Processors
- KINETIS MCUs
- LPC MCUs

Deep System & Application Knowledge

Portfolio
- Leading non-automotive MCU supplier
- Broadest range of embedded processing from lowest power 32-bit MCUs to high performance multi-core 32/64-bit APs
- Differentiated software ecosystem

Customers and markets
- Highly diversified customer base
- Global multi-market focus
- Strong presence in emerging applications
Leadership in Microcontrollers and Application Processors

#1 in non-Automotive Microcontrollers

- 2012: Competitive
  - RMS > 0.5
- 2015: Leader
  - RMS > 1

NXP RMS

#2 in Industrial & Auto Application Processors

- 2012: Focus Contender
  - RMS < 0.5
- 2015: Competitive
  - RMS > 0.5

NXP RMS

$10B to $11B

$3.8B to $4.4B
MCU Market Growth Driven by 32-bit and Specific Applications

Market ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2015</th>
<th>2016E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/16-bit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32-bit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2016E-2019E CAGR 3%

8%

--

Application

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016E Market</th>
<th>2016E-2019E CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation</td>
<td>$2.0B</td>
<td>9%</td>
</tr>
<tr>
<td>Power &amp; Energy</td>
<td>$0.8B</td>
<td>12%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>$0.8B</td>
<td>8%</td>
</tr>
<tr>
<td>Building Control</td>
<td>$0.7B</td>
<td>9%</td>
</tr>
<tr>
<td>POS</td>
<td>$0.1B</td>
<td>16%</td>
</tr>
<tr>
<td>Appliances</td>
<td>$0.5B</td>
<td>5%</td>
</tr>
<tr>
<td>Wearables</td>
<td>$0.1B</td>
<td>7%</td>
</tr>
<tr>
<td><strong>SUM</strong></td>
<td><strong>$4.9B</strong></td>
<td><strong>9%</strong></td>
</tr>
<tr>
<td>Others</td>
<td><strong>$6.9B</strong></td>
<td><strong>(2%)</strong></td>
</tr>
</tbody>
</table>
# Application Processor Business in High-growth Non-Mobile Segments

**Focus on growth segments**

## Technology

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer</th>
<th>Industrial</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1.6B</td>
<td>$0.0B</td>
<td>$1.6B</td>
</tr>
<tr>
<td>2015</td>
<td>$2.7B</td>
<td>$0.0B</td>
<td>$2.7B</td>
</tr>
<tr>
<td>2016E</td>
<td>$3.1B</td>
<td>$0.6B</td>
<td>$3.7B</td>
</tr>
<tr>
<td>2019E</td>
<td>$4.7B</td>
<td>$0.6B</td>
<td>$5.3B</td>
</tr>
</tbody>
</table>

2016E-2019E CAGR: 15%

## Application

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016E Market</th>
<th>2016E-2019E CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Watch</td>
<td>$0.7B</td>
<td>31%</td>
</tr>
<tr>
<td>OTT Set-Top-Box</td>
<td>$0.4B</td>
<td>14%</td>
</tr>
<tr>
<td>Building Control</td>
<td>$0.2B</td>
<td>11%</td>
</tr>
<tr>
<td>Automation</td>
<td>$0.9B</td>
<td>10%</td>
</tr>
<tr>
<td>Medical</td>
<td>$0.4B</td>
<td>9%</td>
</tr>
<tr>
<td>POS</td>
<td>$0.5B</td>
<td>4%</td>
</tr>
<tr>
<td>SUM</td>
<td>$3.1B</td>
<td>15%</td>
</tr>
</tbody>
</table>
Solution Platform for the Growing Media IoT

Addressable Market ($B)

Entry into Growth Market

<table>
<thead>
<tr>
<th>Year</th>
<th>Audio</th>
<th>OTT</th>
<th>Camera &amp; Surveillance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016E</td>
<td>1.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019E</td>
<td>2.3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2016E-2019E CAGR

- 9%
- 8%
- 14%
- 7%

Applications

- Media Streaming
- Voice Control
- Video OTT
- Video Surveillance
- Game Streaming
- Video Conference

NXP Unique Capabilities

<table>
<thead>
<tr>
<th>Media Processing</th>
<th>Security</th>
<th>Go-To-Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>4K Video &amp; 3D Audio Processing</td>
<td>Authentication</td>
<td>Distribution</td>
</tr>
<tr>
<td>Transcoding</td>
<td>Secure OS</td>
<td>Easy to Design</td>
</tr>
<tr>
<td>Voice Recognition &amp; Natural Language</td>
<td>HDCP Digital Rights Management</td>
<td>Partners &amp; Ecosystem</td>
</tr>
</tbody>
</table>
End-to-End Secure Hardware + Software Ecosystem

**Hardware**

- Broad range of hardware security configurations

**Software Ecosystem**

- Close partnerships with industry leaders

- Consumer, industrial and IoT ecosystem

- Secure connectivity

- Secure operating systems

- Secure update & lifecycle management layer

---

**Hardware Configurations**

- MCU
- MCU / AP
- MCU / AP / SE

- OS
- TEE
- HWA
- SE
- OS

**Secure Components**

- Cryptographic blocks
- Secure storage
- Authentication
- Trusted execution environment
- Tamper resistance

Source: TSR, Connectivity Report, Q1 2016, ABI, 802.15.4 Wireless Sensor Network Market Data, Q3 2015
Delivering Full Secure Smart Connected Portfolio to the IOT

Technology Focus

Physical and Functional Security

- Trust
- Crypto
- Tamper

MCUs, i.MX & Layerscape Apps Processors

Cloud Services

Embedded Processing Leadership

Low Power Wireless Connectivity

Security Enabled Software Ecosystem

IOT Application Focus

- Industrial
- Smart Home
- Wearables
- Hearables
Solution Platform for Smart Home

Addressable Market ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Node</th>
<th>Gateway</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016E</td>
<td>0.2</td>
<td></td>
</tr>
<tr>
<td>2019E</td>
<td>0.5</td>
<td></td>
</tr>
</tbody>
</table>

Entry into High Growth Market

<table>
<thead>
<tr>
<th>CAGR</th>
<th>2016E-2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5</td>
<td>33%</td>
</tr>
<tr>
<td>0.2</td>
<td>25%</td>
</tr>
<tr>
<td>0.3</td>
<td>37%</td>
</tr>
</tbody>
</table>

Unique ability to provide interoperability, seamless security and fit-for-purpose processing

Ecosystem Partnership

Smart Secure Connected Portfolio

<table>
<thead>
<tr>
<th>Interoperability</th>
<th>Seamless Security</th>
<th>Fit for Purpose Processing</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZigBee / Thread</td>
<td>Lifecycle Management</td>
<td>i.MX</td>
</tr>
<tr>
<td>Bluetooth Smart</td>
<td>Secure OS</td>
<td>Kinetis</td>
</tr>
<tr>
<td>NFC</td>
<td>Secure MCU</td>
<td>LPC</td>
</tr>
</tbody>
</table>
Solution Platform for Wearables

Addressable Market ($B)
Entry into High Growth Market

<table>
<thead>
<tr>
<th></th>
<th>2016E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smart Watch</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>Trackers</td>
<td></td>
<td>1.8</td>
</tr>
<tr>
<td>2016E-2019E CAGR</td>
<td>32%</td>
<td>14%</td>
</tr>
<tr>
<td>2016E-2019E CAGR</td>
<td>37%</td>
<td></td>
</tr>
</tbody>
</table>

Technology

Unique ability to deliver integrated solutions with best-in-class power, performance and security

Software
- RTOS Porting
- Power Optimization
- Smart Wallet (via BLE)
- Mobile App Middleware
- Activity Tracking

Hardware
- Low Power Connectivity
- Secure High-Performance Processing
- BLE
- MCU
- NFC
- Secure Element

• Multi component integration
• System level optimization
• Hassle free payment solution
• Ecosystem compliance & integration
Unique Capability to Serve Diverse Customer Base

MCU/AP Customer Base

- 25k+ end-customer
- 100%
- ~60% Distribution
- ~40% Direct

Share of Revenue

Unique Customer Enablement

- Runtime Software
- Support
- Application Specific
- Hardware Development Tools
- Software Development Tools
Easy to Design with NXP
Easy to Design with NXP

Software and support

- SDK with Thread stack
- Thread extensions and accelerations
- Reference projects
- i.MX 6D based gateway
- Freedom boards for prototyping
- Test tool application for checking connectivity between MCU & WiFi
- Custom SPI bootloader
- Technical consulting & partnership

+ NXP Wireless MCU

Febreze Home™ with Febreze Connect™ Scent + motion sensing night light
AGENDA

01 INTRODUCTION

02 SECURITY AND CONNECTIVITY LEADERSHIP

03 EMBEDDED PROCESSING LEADERSHIP

04 SUMMARY & OUTLOOK
Outgrowing the Market through Technology & Application Leadership

Deep Application & System Knowledge

- Ecosystem Relationships
- Trusted Advisor
- Thought Leadership

Payments
Secure Identification
Mobile Transactions
Wearables
Smart Home
Smart Cities
Smart Industry
Smart Objects

Product & Technology Leadership

- Processing
- Connectivity
- Security
## Winning in Selected Growth Markets

<table>
<thead>
<tr>
<th>Growth Drivers</th>
<th>Secure Connected Devices (SCD)</th>
<th>Secure Interfaces &amp; Infrastructure (SI&amp;I)</th>
<th>Secure Identification Solutions (SIS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Penetration of NFC/eSE</td>
<td>USB Type-C</td>
<td>Contactless migration</td>
</tr>
<tr>
<td></td>
<td>Consumer &amp; industrial AP</td>
<td>Fast charging</td>
<td>eID cards</td>
</tr>
<tr>
<td></td>
<td>32-bit MCU applications</td>
<td>RF content increase</td>
<td>Smart transit and tagging</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NXP Differentials</th>
<th>Secure Connected Devices (SCD)</th>
<th>Secure Interfaces &amp; Infrastructure (SI&amp;I)</th>
<th>Secure Identification Solutions (SIS)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leader in NFC/eSE solutions</td>
<td>Full portfolio and customization</td>
<td>Contactless performance</td>
</tr>
<tr>
<td></td>
<td>Complete MCU &amp; AP portfolio</td>
<td>capability for wall-to-device solutions</td>
<td>Advanced security</td>
</tr>
<tr>
<td></td>
<td>Power efficient processing and</td>
<td>High performance, proprietary</td>
<td>Richest portfolio</td>
</tr>
<tr>
<td></td>
<td>connectivity</td>
<td>RF technologies: SiGe, GaN</td>
<td>Trusted solution advisor</td>
</tr>
<tr>
<td></td>
<td>Customer enablement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# Sustainable Profitable Growth via Leadership in Growth Markets

## 2016E – 2019E 3-Year CAGR

<table>
<thead>
<tr>
<th></th>
<th>SAM</th>
<th>Secure Connected Devices (SCD)</th>
<th>Secure Interfaces &amp; Infrastructure (SI&amp;I)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SIS</strong></td>
<td>Revenue</td>
<td><em>Low to mid single digit</em></td>
<td>~50%</td>
</tr>
<tr>
<td>SAM</td>
<td>1-4%</td>
<td></td>
<td>~40%</td>
</tr>
<tr>
<td><strong>SCD</strong></td>
<td>Revenue</td>
<td><em>Low double digit to mid teens</em></td>
<td>~10%</td>
</tr>
<tr>
<td>SAM</td>
<td>4-7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SII</strong></td>
<td>Revenue</td>
<td><em>Mid to high single digit</em></td>
<td></td>
</tr>
<tr>
<td>SAM</td>
<td>4-7%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2016E SAM ~$30B
SECURE CONNECTIONS FOR A SMARTER WORLD
Safe and Secure Mobility

KURT SIEVERS
Executive Vice President and General Manager, Automotive
NXP Leads Automotive Innovation – #1 Global Auto Semi

Car Infotainment
ADAS & Safety
Secure Car Access
Standard Products
Body, Comfort & Networking
Powertrain & Chassis

BMW 7: NXP exceeding $300 per vehicle

BMW 7-series Awarded 2016 World Luxury Car
NY International Auto Show
AGENDA

01 MARKET & STRATEGY
02 CORE BUSINESS GROWTH
03 ADAS & SECURITY
04 SUMMARY
Safe & Secure Mobility – 90% Innovation Through Electronics

Seamlessly Connected Mobility Experience

One hour per day in the vehicle
Enjoying Life

ADAS Towards Self-Driving

1.3M global road fatalities every year
Saving Lives

Energy Efficiency

US mandates 163 grams / mile and 54.5 MPG by 2025
Reducing CO₂
Auto Semi Market Has Outgrown Vehicle Production

GDP and Vehicle Production Highly Correlated (Normalized, % Growth)

R² = 91%


Global Real GDP Growth
Global Vehicle Production Growth

Auto Semi and Vehicle Production Highly Correlated (Normalized, % Growth)

R² = 98%


Global Auto Semi TAM Growth
Global Vehicle Production Growth

2007–2015 Growth Rates (%)

Global Vehicle Production
Global Auto Semi TAM

3% 5%

Growth Rates

3%
This Trend Will Continue: Auto Semi TAM Growth 4-6%

Global Vehicle Production (MU)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2015</th>
<th>2016E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>81</td>
<td>89</td>
<td>91</td>
<td>99</td>
</tr>
</tbody>
</table>

CAGR 2016E - 2019E: 3%

Semi Content / Vehicle ($)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2015</th>
<th>2016E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$297</td>
<td>$332</td>
<td>$344</td>
<td>$382</td>
</tr>
</tbody>
</table>

CAGR 2016E - 2019E: 4%

Auto Semi TAM ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2015</th>
<th>2016E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$24</td>
<td>$29</td>
<td>$31</td>
<td>$34</td>
</tr>
</tbody>
</table>

CAGR 2016E - 2019E: 6%
Auto Semi Market – Focus SAM Growing Ahead of TAM

Global Auto Semi TAM (2015 $29B)

- Power: 10%
- MCU/MPU: 24%
- Analog: 32%
- Sensors: 15%
- Other: 18%

Vehicle Production

- NXP Auto Focus SAM: 5-7%
- Global Auto Semi TAM: 4-6%
- 2016E – 2019E (3-Year CAGR): 1-3%
### Very Sticky Business as Features Proliferate from Luxury to Volume

<table>
<thead>
<tr>
<th>Year of First Introduction</th>
<th>High End Infotainment</th>
<th>Passive Keyless Entry / Go</th>
<th>ADAS – Front Radar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LUXURY</strong></td>
<td>2006</td>
<td>2006</td>
<td>2002</td>
</tr>
<tr>
<td><strong>VOLUME</strong></td>
<td>2012</td>
<td>2014</td>
<td>2018E</td>
</tr>
<tr>
<td><strong>SMALL</strong></td>
<td>2016E</td>
<td>2018E</td>
<td>2022E</td>
</tr>
</tbody>
</table>

**Long Product Life-Cycles**

(Secure Car Access, Revenue Over Time)

- **OEM 1**
- **OEM 2**
- **OEM 3**
- **OEM 4**
## Strategy – Technology Leadership Across Application Domains

<table>
<thead>
<tr>
<th>Infotainment</th>
<th>Car Access</th>
<th>Body &amp; IVN</th>
<th>Safety</th>
<th>Powertrain</th>
<th>ADAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>RF / DSP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MCU / MPU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analog</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sensors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Strategy – Leverage Technology Leadership Towards RMS Leadership

APPLICATIONS FOCUS

<table>
<thead>
<tr>
<th></th>
<th>Infotainment</th>
<th>Car Access</th>
<th>Body &amp; IVN</th>
<th>Safety</th>
<th>Powertrain</th>
<th>ADAS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015 RMS</td>
<td>&gt;1.5x</td>
<td>&gt;1.5x</td>
<td>&gt;1.5x</td>
<td>&gt;1.5x</td>
<td>1x – 1.5x</td>
<td>Innovation Leader</td>
</tr>
<tr>
<td>RF / DSP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MCU / MPU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analog</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sensors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
System Solution Leadership at Work

Industry 1st postage stamp sized radar solution

Field Tested by Google
Strategic Position

Technology Leadership

- #1 Auto Analog / RF / DSP
- #1 Auto Microcontrollers (ex. Japan)
- #1 Merchant Auto MEMS Sensors

Application Focus

- #1 Car Infotainment
- #1 Secure Car Access
- #1 Body & In-Vehicle Networking
- #1 Safety
- #1 Powertrain

Innovation Leader ADAS
Innovation Leader Security

#1 Auto Semi

- #1 2015 Global Auto Semi
- #1 China, North America, Europe

Other 18%
Sensors 15%
Analog 32%
MCU/MPU 24%
Power 10%

Others 51%
TXN 7%
STM 8%
REN 10%
IFX 10%
AGENDA

01  MARKET & STRATEGY

02  CORE BUSINESS GROWTH
   Car Infotainment
   Secure Car Access
   Body & In-vehicle Networking
   Safety

03  ADAS & SECURITY

04  SUMMARY
## Leadership in Core Application Segments

<table>
<thead>
<tr>
<th></th>
<th>Car Infotainment</th>
<th>Secure Car Access</th>
<th>Body &amp; In-Vehicle Network</th>
<th>Safety</th>
<th>Powertrain</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SAM Market Size, 2015</strong></td>
<td>$2.9B</td>
<td>$0.5B</td>
<td>$2.3B</td>
<td>$2.8B</td>
<td>$0.7B</td>
</tr>
<tr>
<td><strong>Market Growth Rate, 2016E – 2019E</strong></td>
<td>6%</td>
<td>7%</td>
<td>4%</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>NXP Rank, 2015</strong></td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
<td>#1</td>
</tr>
<tr>
<td><strong>Relative Market Share, 2015</strong></td>
<td>&gt;1.5x</td>
<td>&gt;1.5x</td>
<td>&gt;1.5x</td>
<td>&gt;1.5x</td>
<td>1x – 1.5x</td>
</tr>
</tbody>
</table>

### OEMs

- Audi
- Daimler
- Ford
- Honda
- Renault
- Nissan
- Toyota
- Tesla
- Volkswagen

### Tier 1 Customers

- Autoliv
- Brose
- Delphi
- Fujitsu Ten
- Mobis
- TRW
- Valeo
- Bosch
- Continental
- Denso
- Lear
- Panasonic
AGENDA

01 MARKET & STRATEGY

02 CORE BUSINESS GROWTH

Car Infotainment
Secure Car Access
Body & In-vehicle Networking
Safety

03 ADAS & SECURITY

04 SUMMARY
Accelerating Consumer Expectations Drive Infotainment Growth

**Bring Your Own**

- Media Source
  - Tape / CD ➔ HDD / USB ➔ Portable ➔ Internet Radio

**Part of Car**

1. **Application Processor**
   - Audio SW ➔ Multimedia ➔ Connectivity

2. **Broadcast Radio**
   - Analog ➔ Digital ➔ Hybrid

3. **Audio Amplifier**
   - Class AB ➔ Class D ➔ # of Speakers

Bring Your Own Part of Car
Underpinned Share Gains in Radio/Audio...

Strong SAM Growth

Outgrowing the Market

NXP vs. Market

1.6X
1.3X
1.2X

True Leadership

MS by Segment

Class-D Amplifier
Terrestrial Digital Radio
Analog Radio


#1 #1 #1 #1 #1 #1

NXP designed into 14 of top 15 OEM customers in 2016
...Enabled by Industry Leading 1-Chip RFCMOS Solutions

From: Multi-Chip Discrete

- 2x Analog Radio Tuner ICs
- 1x Analog Radio DSP
- 1x Digital Radio Tuner IC
- 1x Digital Radio DSP
- 1x Memory IC

To: 1-Chip RFCMOS

- Integrating 6 ICs into 1 SoC
- Minimum externals
- Single PCB, no daughter board
- No shielded tuner modules

Integration: ease of use for customers & SAM expansion
NXP Offers Most Complete Infotainment System

**World leader in car infotainment**
- Most complete infotainment system solution

**Innovation leadership**
- Best performance broadcast reception & audio
- Fully digital amplifier for lowest power dissipation
- Multimedia processors with power management

---

Radio & Audio
- Amplifier

2006
- $5-8 per vehicle

2012
- $15-35 per vehicle
- Power
- Multimedia Processing
- Hybrid SDR & Advanced Audio

2018E
- $18-45 per vehicle
- Power
- Multimedia Processing
- Hybrid SDR & Advanced Audio
- Amplifier
Unique Cross Sell Opportunity with Enhanced Performance

**Car Radio & Audio**
- **1.** Software
- **2.** Audio
- **3.** Power Management
- **4.** Audio Amplifier

**Application Processor**
- **4.** Network Solutions

**Ethernet**
- **1.** Tight system coupling
- **2.** Powerful audio system play
- **3.** Tailored PMIC system
- **4.** Complete IVN solutions

**Leading system performance**
- 1. Tight system coupling
- 2. Powerful audio system play
- 3. Tailored PMIC system
- 4. Complete IVN solutions
AGENDA

01 MARKET & STRATEGY

02 CORE BUSINESS GROWTH
  - Car Infotainment
  - Secure Car Access
  - Body & In-vehicle Networking
  - Safety

03 ADAS & SECURITY

04 SUMMARY
## Security and Convenience Drive Car Access Growth

| Complementary Devices and Services | • Smartphone access  
| | • Cloud-based virtual key management  
| | • Car sharing and fleet management  
| Smart Key | • Passive keyless entry / go  
| | • Personalization  
| | • Display key and diagnostics  
| | • Remote control of car functions  
| Classic Key | • Remote keyless entry  
| | • Immobilization  

---

104
SAM Expansion and True Leadership

<table>
<thead>
<tr>
<th></th>
<th>Classic Key</th>
<th>Smart Key</th>
<th>High End Smart Key</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4 per vehicle</td>
<td>Transmitter</td>
<td>NFC</td>
<td>Motion Sensor</td>
</tr>
<tr>
<td></td>
<td>Immobilizer</td>
<td>Transceiver</td>
<td>NFC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3D Immobilizer</td>
<td>Transceiver</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3D Immobilizer</td>
</tr>
<tr>
<td></td>
<td>Receiver</td>
<td>3 x NFC</td>
<td>Ultra Wide Band</td>
</tr>
<tr>
<td></td>
<td>Immo Reader</td>
<td>Transceiver</td>
<td>3 x NFC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Immo Driver/Reader</td>
<td>Transceiver</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Immo Driver/Reader</td>
</tr>
</tbody>
</table>

**Designed into 19 of top 20 OEMs**

**Best convenience and security**

- Smallest form factor
- Near-field communication
- 1st with ultra-wide-band
- 1st with motion sensors
NXP Powers High End Smart Key

- Passive Keyless Entry / Go
- Microcontroller
- Long Range 2-Way Communication
- Application Processor

BMW 7-Series display key: up to $15 of NXP content per vehicle
Underpinned Share Gains in Secure Car Access

Driving System Value Up
(Penetration Rate)

Value: $4 / Vehicle

Value: $11 - $15 / Vehicle

2014 2018E 2022E

Winning 19 of Top 20 OEMs
(% of OEMs won)

2012 2015 2019 E

% of OEMs won

NXP Other

Classic Key
Smart Key
Complementary Devices and Services
Safe and Secure Mobility

BOB CONRAD
Senior Vice President and General Manager
AGENDA

01 MARKET & STRATEGY

02 CORE BUSINESS GROWTH
- Car Infotainment
- Secure Car Access
- Body & In-vehicle Networking
- Safety

03 ADAS & SECURITY

04 SUMMARY
Comfort Features Drive Body and Networking Market

Comfort Features

Fully Automated HVAC (Penetration rate, %)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2015</th>
<th>2016E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>42%</td>
<td>49%</td>
<td>51%</td>
<td>55%</td>
</tr>
</tbody>
</table>

Physical Constraints

Average Passenger Vehicle Weight (kg)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2015</th>
<th>2016E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1672</td>
<td>1656</td>
<td>1640</td>
<td>1601</td>
</tr>
</tbody>
</table>

Everything Networked

Number of Nodes Per Vehicle (Units)

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2015</th>
<th>2016E</th>
<th>2019E</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23</td>
<td>30</td>
<td>33</td>
<td>40</td>
</tr>
</tbody>
</table>
Networking: More Nodes, More Value

Everything Networked

CAN
1 Mbit/s

ETHERNET
100 Mbit/s

20 kbit/s

Nodes / Vehicle

10-20
20-50
50-100

Feature Up

Secure

Smart

Robust

More Intelligence

Feature Up

10
20
50
100

Ethernet

Nodes / Vehicle

10-20
20-50
50-100

More Intelligence

Secure

Smart

Robust
For Every Node NXP Offers Full Scalability for Easiest Design

For Every Node NXP Offers Full Scalability for Easiest Design

“Fully integrated solutions like S12 MagniV help Brose to deliver superior functionality in a yet cost efficient design.”

Mr. Attila Dalkilic, VP Purchasing Electronics/Drives
New NXP Offers Most Complete Node Solutions

More nodes per vehicle

Higher $ value per node

Scalable solutions for every node
- From discrete to integrated
- From low to high bandwidth
- From 8 bit to 32 bit MCU
- Common tool and software platform
AGENDA

01 MARKET & STRATEGY

02 CORE BUSINESS GROWTH

Car Infotainment
Secure Car Access
Body & In-vehicle Networking
Safety

03 ADAS & SECURITY

04 SUMMARY
Safety Advancements Reducing Road Fatalities

Safety crucial for self-driving car

- Safety, quality & reliability at the heart of automotive engineering
- Trusted technology and functional safety track-record essential
- Safety system adoption accelerated by mandates & NCAP ratings
- ADAS needed to reverse recent increase in fatality rate (texting)

US Fatality Rate per 100-Million Vehicle Miles Traveled

- **Predictive (ADAS)**
- **Active (Anti-Lock Braking & Stability)**
- **Preventive (Tire Pressure Monitoring System)**
- **Reactive (Airbag)**

Leading Position With Top Tier-1 Safety Customers

Key supplier across market leaders

- Trusted partner with broadest portfolio of safety solutions
- Industry first with ISO26262 certification for functional safety
- Foundational position and competence for next wave of safety: ADAS
AGENDA

01 MARKET & STRATEGY

02 CORE BUSINESS GROWTH

03 ADAS & SECURITY
   General
   Radar
   Secure V2X
   Security

04 SUMMARY
Seamlessly Connected Mobility Experience

ADAS Towards Self-Driving

Energy Efficiency

One hour per day in the vehicle

Enjoying Life

1.3M global road fatalities every year

Saving Lives

US mandates 163 grams / mile and 54.5 MPG by 2025

Reducing CO₂
The Race to Self-Driving: Evolution or Revolution?

LEVEL 1
Driver Assistance
- Adaptive cruise control (ACC)
- Automatic braking
- Lane keeping

LEVEL 2
Partial Automation
- Driver
- Vehicle

- Partial automated parking
- Traffic jam assistance
- Emergency brake with steer

LEVEL 3
Conditional Automation
- Driver
- Vehicle

- Semi autonomous:
  - Highway chauffeur
  - Self parking

LEVEL 4
High Automation

- Fully autonomous

ADAS
- Responsibility for safe operation
- Control of complete vehicle
- Control of steering
- Control of vehicle speed

Self-Driving

Driver

Vehicle

119
Higher Levels of Automation Need Many Complementary Sensors

Secure V2X

<table>
<thead>
<tr>
<th>Level</th>
<th>L1</th>
<th>L2</th>
<th>L3</th>
<th>L4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NO</td>
<td>SOME</td>
<td>YES</td>
<td>YES</td>
</tr>
</tbody>
</table>

Radar

<table>
<thead>
<tr>
<th>Level</th>
<th>L1</th>
<th>L2</th>
<th>L3</th>
<th>L4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-3</td>
<td>0-5</td>
<td>3-6</td>
<td>6-20</td>
</tr>
</tbody>
</table>

Units per car

Ultrasonic

<table>
<thead>
<tr>
<th>Level</th>
<th>L1</th>
<th>L2</th>
<th>L3</th>
<th>L4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4-8</td>
<td>8-12</td>
<td>Radar</td>
<td></td>
</tr>
</tbody>
</table>

Units per car

Lidar

Commercial viability to be determined

Camera

<table>
<thead>
<tr>
<th>Level</th>
<th>L1</th>
<th>L2</th>
<th>L3</th>
<th>L4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-1</td>
<td>3-5</td>
<td>3-6</td>
<td>3-6</td>
</tr>
</tbody>
</table>

Units per car
ADAS – Real-Time Network of Sensors, Processors and Actuators

SENSE

THINK

ACT

Non-Line of Sight

V2X

Line of Sight

Radar

Camera

Lidar

Ultrasonic

Vehicle State

Motion

Speed

Instrument cluster

Vehicle Control

Engine
Transmission
Brake
Steering
Airbag
Suspension

Ethernet / CAN
ADAS – Real-Time Network of Sensors, Processors and Actuators

SENSE
- V2X
- Radar
- Camera
- Lidar
- Ultrasonic

THINK

ACT
- Instrument cluster
- Vehicle Control
  - Engine
  - Transmission
  - Brake
  - Steering
  - Airbag
  - Suspension

Line of Sight
- Ethernet / CAN

Non-Line of Sight
- NXP Portfolio

Vehicle State
- Motion
- Speed
Automatic Emergency Braking Accelerating ADAS Market

NHTSA, March 17, 2016

The U.S. DOT … automatic emergency braking a standard feature on virtually all new cars no later than NHTSA’s 2022 reporting year…

Vehicle Control
- Engine
- Transmission
- Brake
- Steering
- Airbag
- Suspension

NXP Portfolio Enabling AEB
Semiconductor Content Scales with Automation Level

- Safety requirements accelerate L3 adoption ahead of self-driving cars
- Majority of safety benefits achieved by L2-3 automation
- L3 captures 80% of growth opportunity
### ADAS: $3.5B Focus TAM by 2025E @ 15% CAGR

#### NXP Focus TAM ($B)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2020E</th>
<th>2025E</th>
</tr>
</thead>
<tbody>
<tr>
<td>TAM</td>
<td>0.8</td>
<td>2.0</td>
<td>3.5</td>
</tr>
</tbody>
</table>

#### Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>CAGR 2015-25E</th>
<th>NXP Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>V2X</td>
<td>~100%</td>
<td>✓</td>
</tr>
<tr>
<td>Radar</td>
<td>~20%</td>
<td>✓</td>
</tr>
<tr>
<td>Vision</td>
<td>~10%</td>
<td>✓</td>
</tr>
<tr>
<td>IR</td>
<td>~10%</td>
<td>✓</td>
</tr>
<tr>
<td>Lidar</td>
<td>~10%</td>
<td>✓</td>
</tr>
<tr>
<td>Ultrasonic</td>
<td>~7.5%</td>
<td></td>
</tr>
<tr>
<td>Sensor Fusion</td>
<td>~20%</td>
<td>n/a</td>
</tr>
</tbody>
</table>
ADAS Processor Leadership

Networking Processors
Infotainment Processors
Radar Processors

Common S/W Architecture
Core Processing and Acceleration Platforms
Safety & Security IP
Automotive Quality & Reliability

Adjacent Opportunities
Vision
Lidar
Fusion
AGENDA

01 MARKET & STRATEGY
02 CORE BUSINESS GROWTH
03 ADAS & SECURITY
  General
  Radar
  Secure V2X
  Security
04 SUMMARY
Radar: Explosive Growth Opportunity

More cars with radar

“Toyota plans to make automatic emergency braking a standard feature by the end of 2017”

Automotive News, March 2016

More radar sensors per vehicle

CAGR: 27%

Additional use-cases emerging

Gesture Control (Infotainment HMI)

Parking (Ultrasonic Replacement)
Leading Radar Innovation

LEVEL 1-2
FRONT

- $15-35 per vehicle
- 1-3 radars per vehicle

Scalable Transceiver Platform
Processor

LEVEL 3
CORNER + FRONT

- $35-60 per vehicle
- 3-6 radars per vehicle

One-Chip Transceiver
Processor

LEVEL 4
360° COCOON

- $120-220 per vehicle
- up to 20 radars per vehicle

RFCMOS One-Chip
Processor
One-Chip Transceiver

1-3 radars per vehicle
3-6 radars per vehicle
up to 20 radars per vehicle
Design Win Pipeline Filled For Radar Leadership by 2019E

9 out of top 10 ADAS Tier-1s are expected to use NXP-based solution by 2019E
Safe and Secure Mobility

KURT SIEVERS
Executive Vice President and General Manager, Automotive
AGENDA

01 MARKET & STRATEGY

02 CORE BUSINESS GROWTH

03 ADAS & SECURITY
   General
   Radar
   Secure V2X
   Security

04 SUMMARY
Secure V2X – ADAS Full Potential

Vehicle Approaching “Do Not Pass!”

Platooning 30 Feet Gap @ 50mph

Roadwork Beyond Line-of-Sight

Emergency Vehicle Warning

Connecting cars
- Beyond-line-of-sight
- From sensing to communicating
- Direct communication, no network
- Fully secure

Societal benefits (US DOT)
- Save >1,000 lives / year
- Reduce 2.3M non-fatal injuries
- Save society $871 billion annually
New NXP Offers Most Complete Secure V2X System Solution

**Strong value proposition**
- Innovation leader in secure V2X
- Highest performance
  - 1.5 Miles distance
  - 5 msec latency
  - Field-tested by Audi

**Powerful system play**
- Integral software + hardware solution
- Scalability
- Secure element

**NXP V2X Smart Antenna Module**

- up to $30 per vehicle
- Processor: i.MX
- Software Defined Radio: 802.11p Modem
- Security
- Ethernet
In Pole Position to Lead in Secure V2X

**Government**

- Mandate expected 2016E
- Corridor test drive (AT, DE, NL)
- ERPII launch 2019E / 2020E
- Plan to mandate for 2020E

**Customers, Partners & Field Trials**

- SoP MY2017 (Delphi)
- EcoTwin truck platooning
- Smart City Challenge USA
- Harman platform design win
AGENDA

01 MARKET & STRATEGY

02 CORE BUSINESS GROWTH

03 ADAS & SECURITY
   General
   Radar
   Secure V2X
   Security

04 SUMMARY
Security Foundational for the Connected Car

- Protect privacy
- Prevent unauthorized access
- Increase safety
New NXP Offers Most Scalable Auto Cybersecurity Solution

NXP #1 Automotive Hardware Security

4-Layer security solution

- Secure wireless interfaces – HW crypto
- Secure gateway – separation of concerns
- Secure in-vehicle network communication
- Secure application processing
AGENDA

01 MARKET & STRATEGY
02 CORE BUSINESS GROWTH
03 ADAS & SECURITY
04 SUMMARY
NXP Auto has outgrown TAM by 1.5x

- RMS leadership
- SAM expansion through innovation
- Trusted partner of global auto industry
Auto Growth Strategy

### ADAS and Security

<table>
<thead>
<tr>
<th>Technology Leadership</th>
<th>Application Leadership</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Infotainment</td>
<td>#1 Car Access</td>
</tr>
<tr>
<td>#1 Body &amp; IVN</td>
<td>#1 Safety</td>
</tr>
</tbody>
</table>

#### New business
- Innovation leader in ADAS & security

#### Core business
- Profitable & sustained growth secured

#### Foundation
- Trusted partner (#1) in attractive market

- Trusted partner of the global auto industry
- 90% of auto innovation through electronics
  - Sticky market, high barriers to entry
Auto Growth Summary

2016E – 2019E 3-Year CAGR

<table>
<thead>
<tr>
<th></th>
<th>2016E – 2019E CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>NXP Auto Revenues</td>
<td>Mid to high single digit</td>
</tr>
<tr>
<td>Global Auto Semi TAM</td>
<td>4-6%</td>
</tr>
<tr>
<td>Car Production</td>
<td>1-3%</td>
</tr>
</tbody>
</table>

NXP outgrows TAM by >1.5x

- Trusted partner
- High RMS franchises
- Innovation leadership

ADAS expected to approach ~10% of total 2019E expected revenues
SECURE CONNECTIONS FOR A SMARTER WORLD
Key Messages Today

Growth drivers

- **Auto**: analog, ADAS, infotainment
- **SIS**: transit & access, eGovernment, banking
- **SCD**: MPU, mobile transactions, MCU
- **SI&I**: high speed I/F, RF Power, smart antennas

Strong financial returns

- Revenue growth: 5-7%
- Non-GAAP EPS CAGR: ~15%+
- 2019E Non-GAAP Adjusted EBITDA: $4B+
- Returning excess cash to shareholders

Note: Combined Non-GAAP Adjusted Revenue is the combined consolidated revenue of NXP and Freescale. The information excludes the divestment of previously announced businesses and the creation of joint-ventures. 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.
NXP Value Proposition

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

MAXIMIZE SHAREHOLDER VALUE
SECURE CONNECTIONS FOR A SMARTER WORLD