

# NXP Investor Presentation

## Fourth Quarter 2022

January 2023



SECURE CONNECTIONS  
FOR A SMARTER WORLD

PUBLIC

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## USE OF NON-GAAP FINANCIAL MEASURES

In this presentation, we have included certain non-GAAP financial information, including (i) Gross profit, (ii) Gross margin, (iii) Research and development, (iv) Selling, general and administrative, (v) Amortization of acquisition-related intangible assets, (vi) Other income, (vii) Operating income (loss), (viii) Operating margin, (ix) Financial Income (expense), (x) EBITDA (Non-GAAP), adjusted EBITDA (Non-GAAP) and trailing 12 month adjusted EBITDA (Non-GAAP) and (xi) free cash flow and 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. 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 Investment Thesis



Market leader with  
**strong revenue growth**

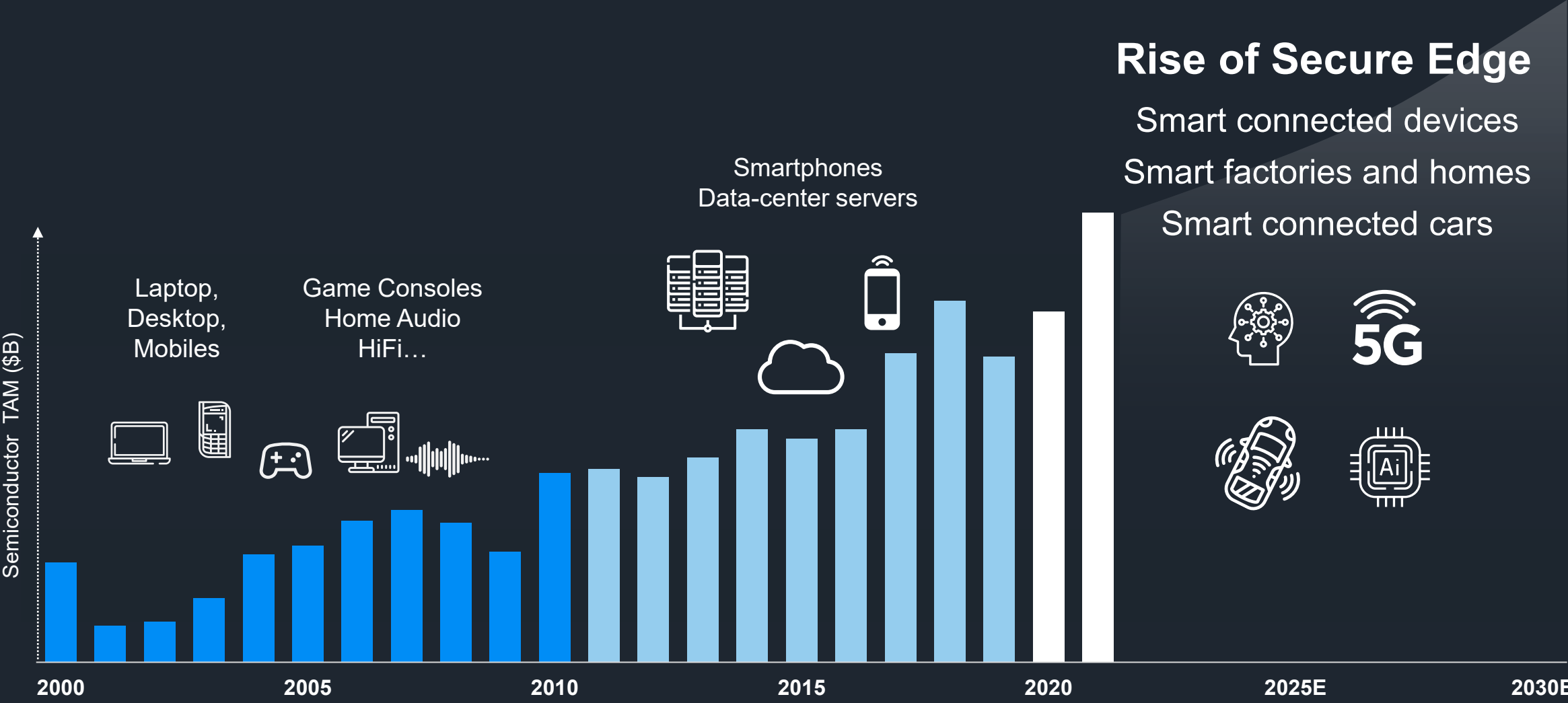


Proven financial model with  
**resilient profitability**



Reliable capital return policy of  
**robust free cash flow**

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

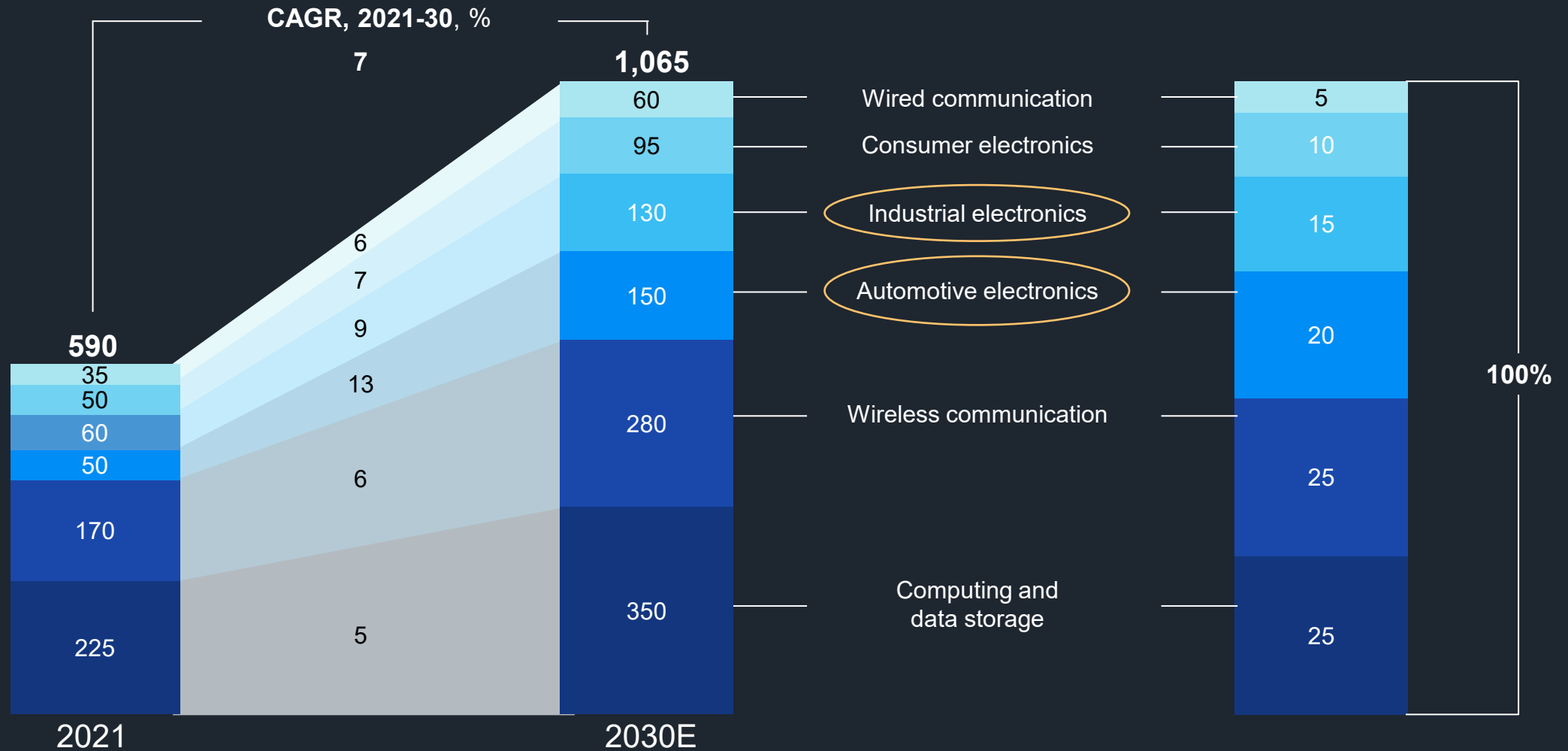


1. Omdia Application Market Forecast Tool 3Q21

# Semiconductor Industry – a \$1 Trillion Opportunity in 2030

Global Semiconductor market value by vertical, indicative, \$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	Industrial & IoT	Mobile	Communications Infrastructure
 <p data-bbox="142 786 644 882"><b>Safety, Electrification &amp; Driver Interaction</b></p> <p data-bbox="208 986 575 1148">System solutions innovation drives revenue growth</p>	 <p data-bbox="726 786 1228 882"><b>Edge Processing, Connectivity &amp; Security</b></p> <p data-bbox="715 986 1235 1148">Scalable processing and solutions as a differentiator</p>	 <p data-bbox="1319 786 1821 882"><b>Virtualized Secure Transactions &amp; Access</b></p> <p data-bbox="1337 986 1803 1086">Growth driven by increased attach rate</p>	 <p data-bbox="1911 772 2412 868"><b>Capex-driven Wireless Infrastructure Market</b></p> <p data-bbox="1898 986 2418 1086">Growth as result of new cellular standards</p>

# Accelerating Profitable Growth of 8-12% CAGR <sup>(1,2,3,4)</sup>

Automotive	Industrial & IoT	Mobile	Communications Infrastructure
			
<b>50% of Total</b> <b>+9 to 14% 3-yr. CAGR</b>	<b>22% of Total</b> <b>+9 to 14% 3-yr. CAGR</b>	<b>13% 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

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

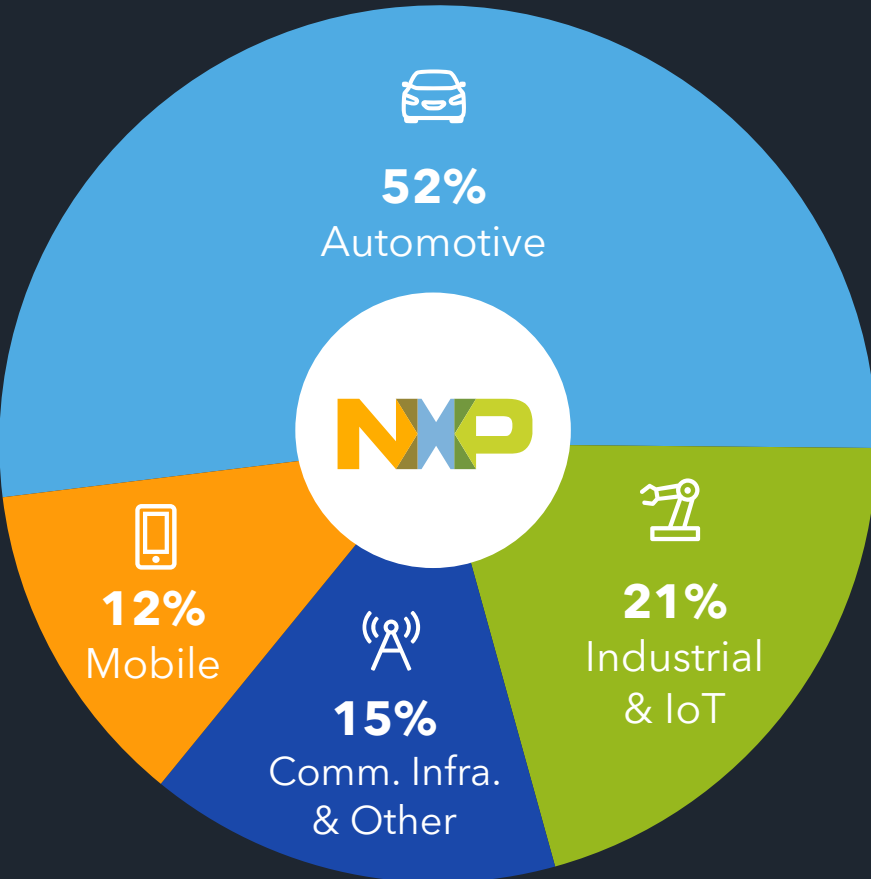
3. 2021E based on 1Q21 - 3Q21 actual results and the mid-point of 4Q21 estimated guidance as of Nov. 2, 2021

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

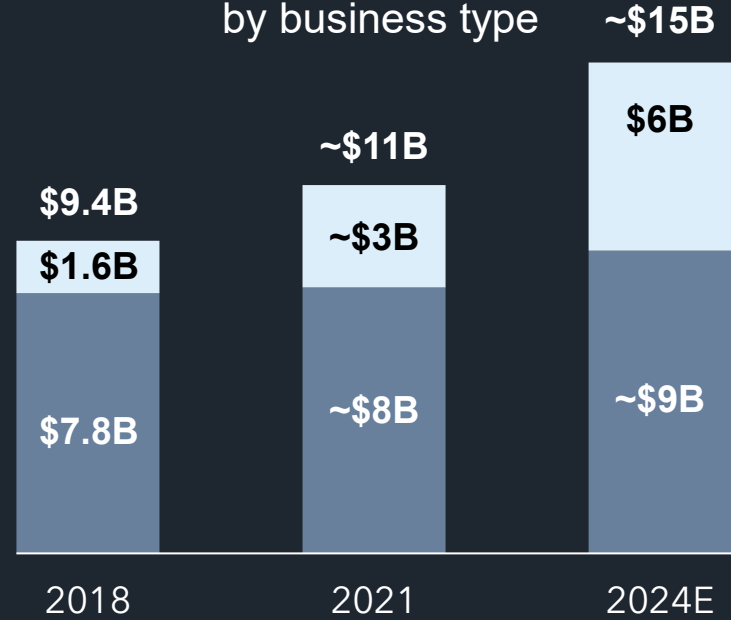


# Our Secular Growth Drivers Expected to Scale Rapidly <sup>(1,2,3,4)</sup>

2022 Revenue  
by end-market exposure



Revenue  
by business type



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

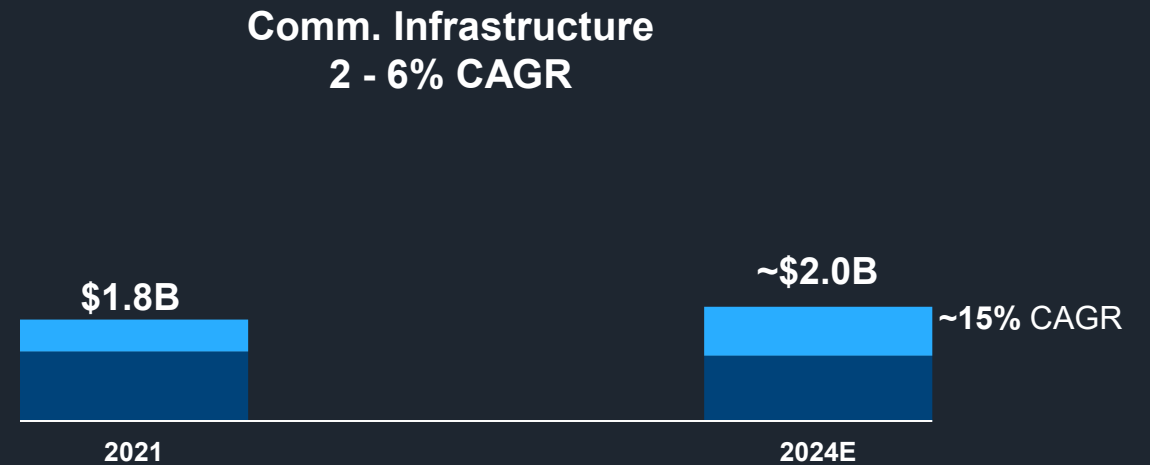
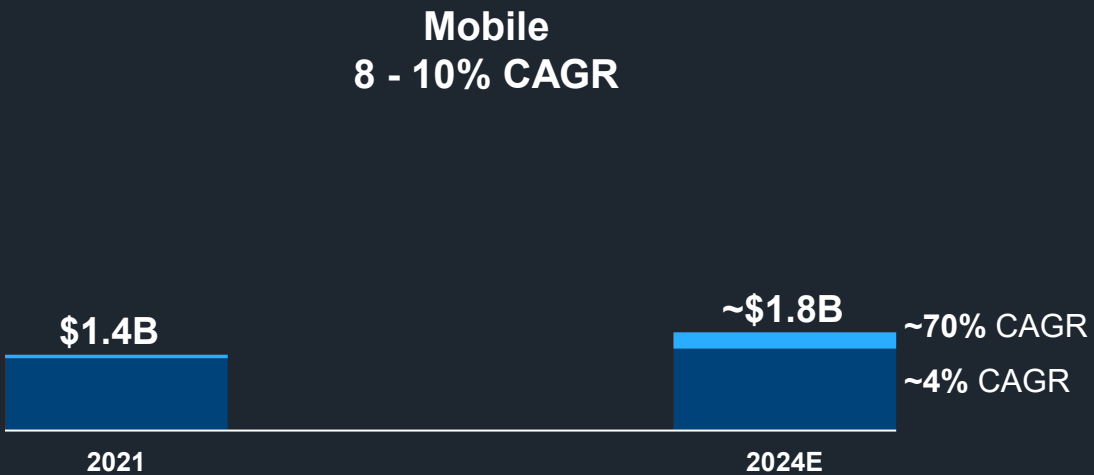
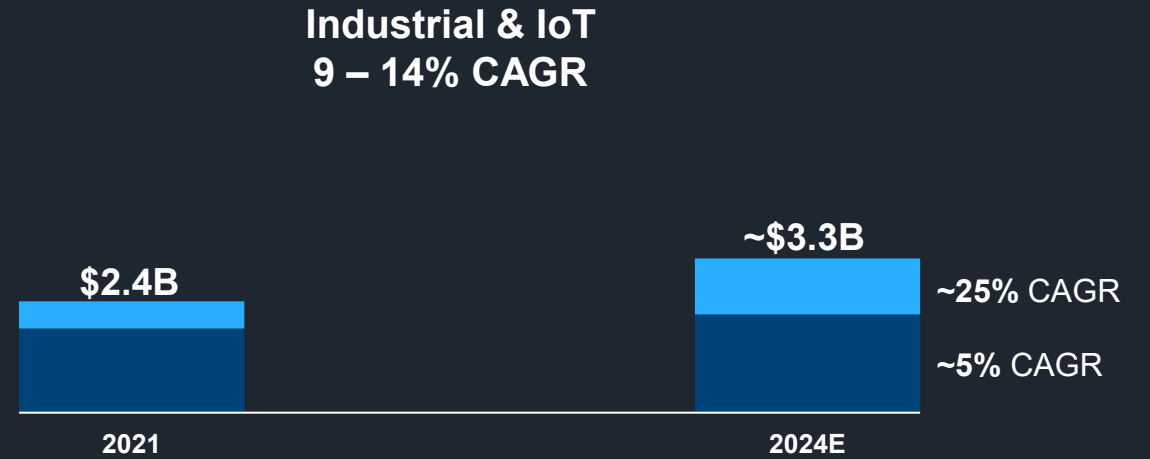
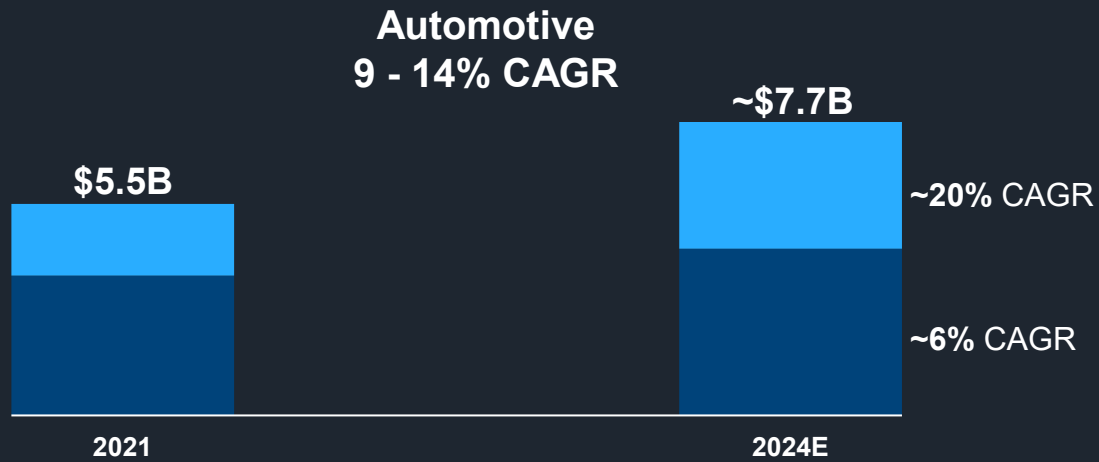
**High RMS Core Businesses**  
~5%  
2021-24 CAGR

**Accelerated growth drivers**

- Auto radar systems
- Auto domain and zonal processors
- Auto electrification systems
- Secure connected edge solutions
- UWB secure access solutions
- RF Power for 5G Infrastructure

1. 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. All growth rates are 3-year CAGR based on 2021 actuals through 2024 estimates  
 3. The sum of the percentages shown may not add to 100% due to rounding  
 4. NXP Strategy Office

# Accelerating Secular Profitable Revenue Growth <sup>1,2,3,4</sup>

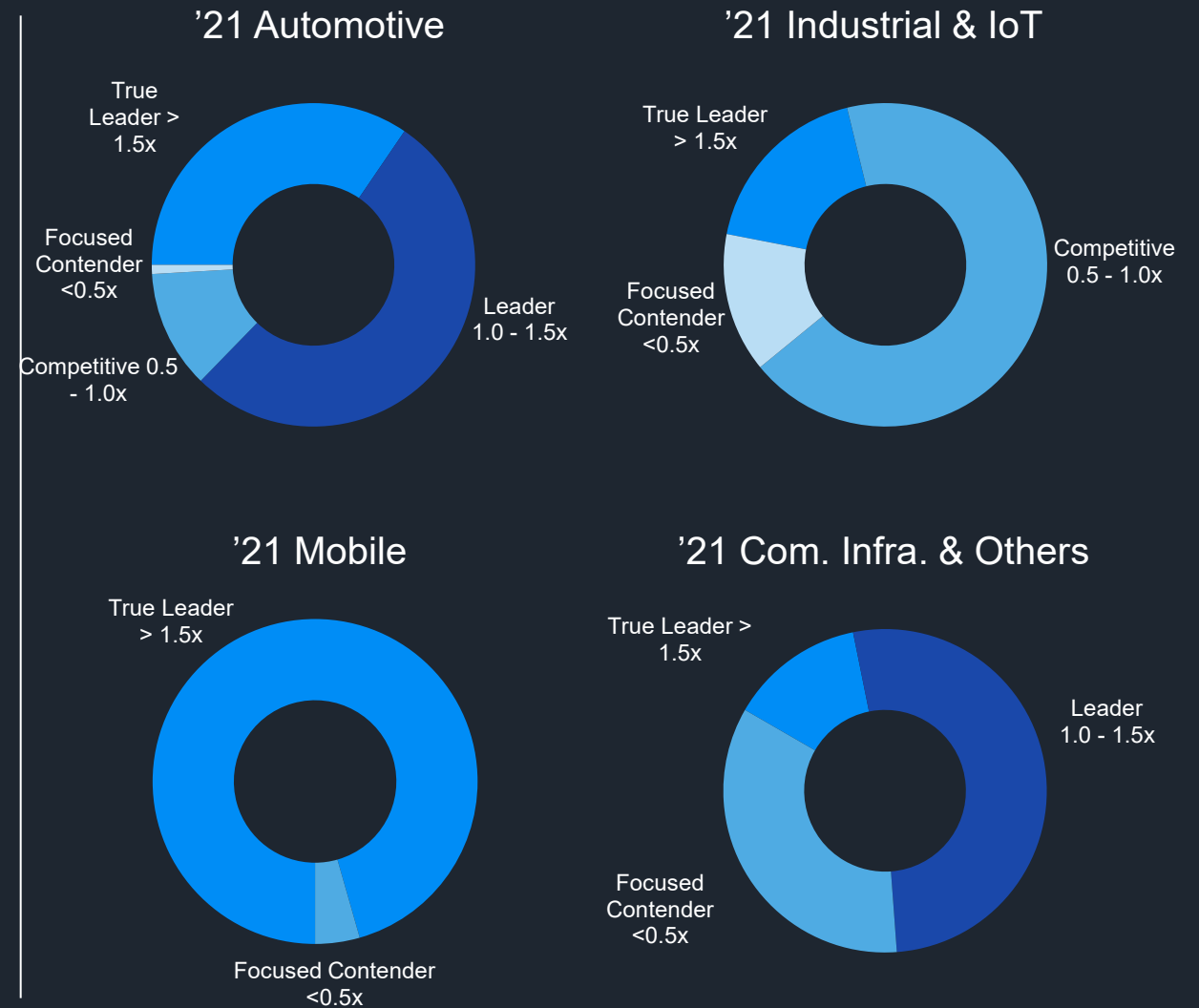
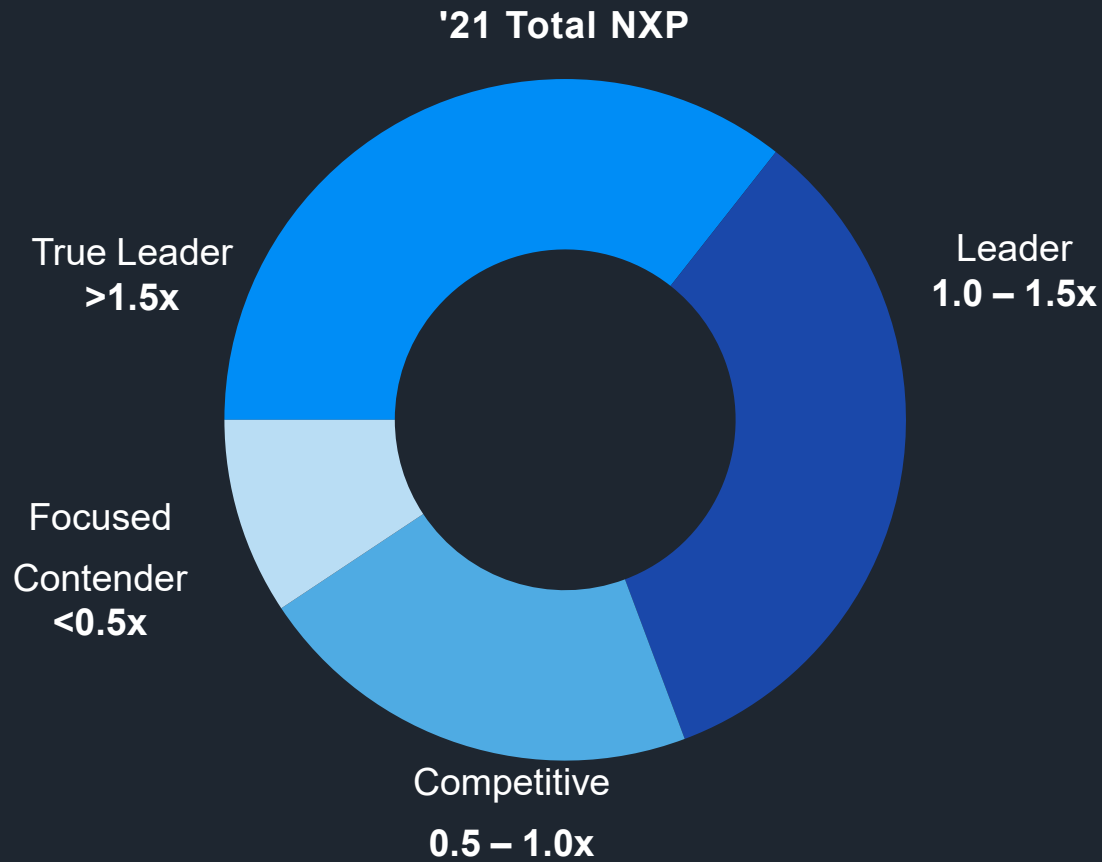


High RMS Core Revenue

Accelerated Growth Revenue Drivers

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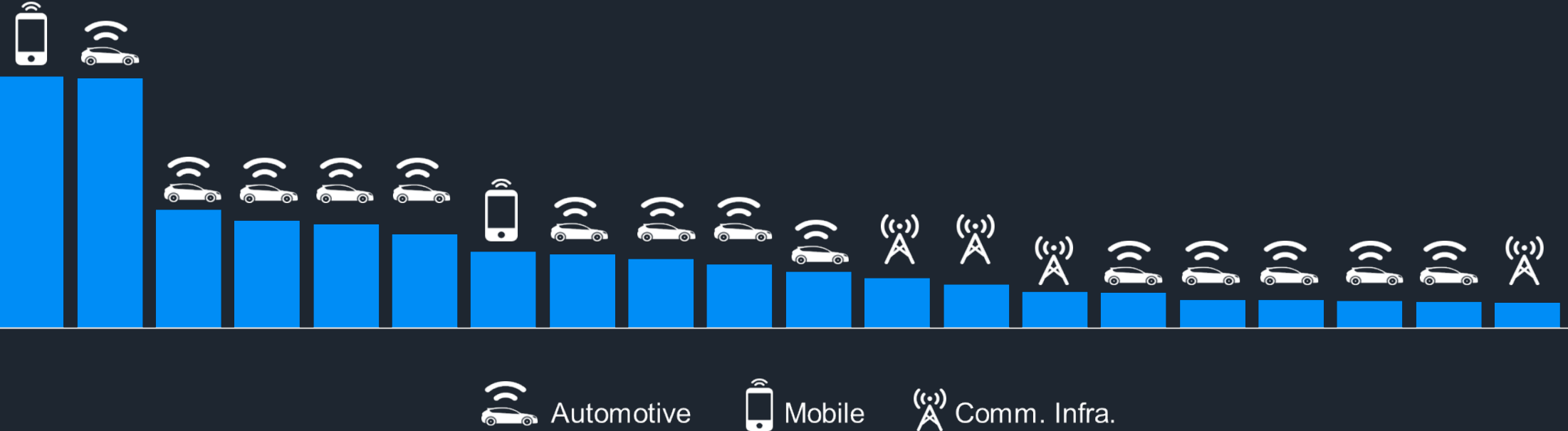
# NXP End Market Relative Market Share (“RMS”) <sup>(1,2)</sup>



1. Source: NXP Semiconductors CMI Group, based on 2021 reported end market revenue and competitive positions; Updated Sept 2022  
 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”)

# Diverse End-Customer Base with High Barriers to Entry <sup>(1,2)</sup>

Top 20 End-customers <45% of 2021 Revenue  
>25,000 Total Customers  
No 10% Customers

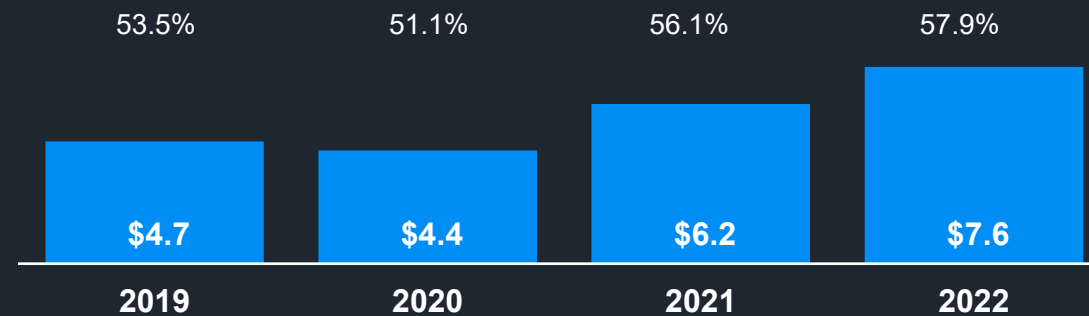
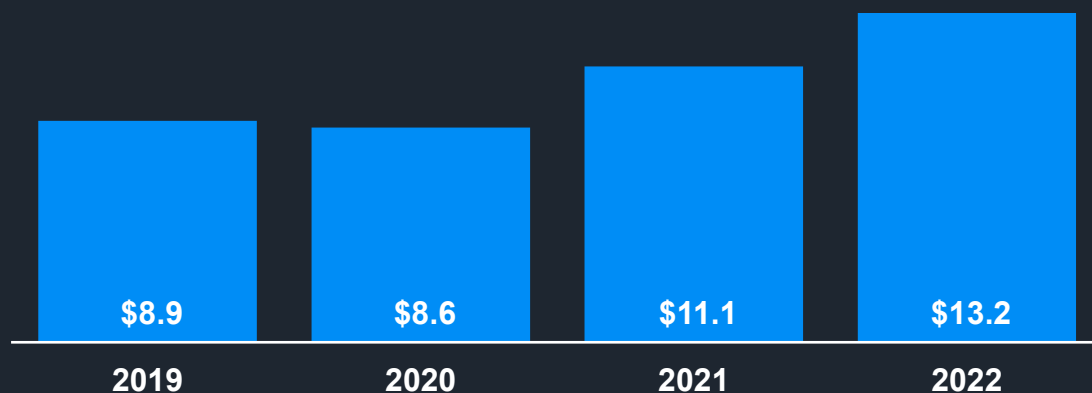


1. Reflects 2022 sales through all channels  
2. Reflects spin out of Vitesco Technologies from Continental AG

# Driving Profitable Growth in Excess of Addressable Market <sup>(1,2,3)</sup>

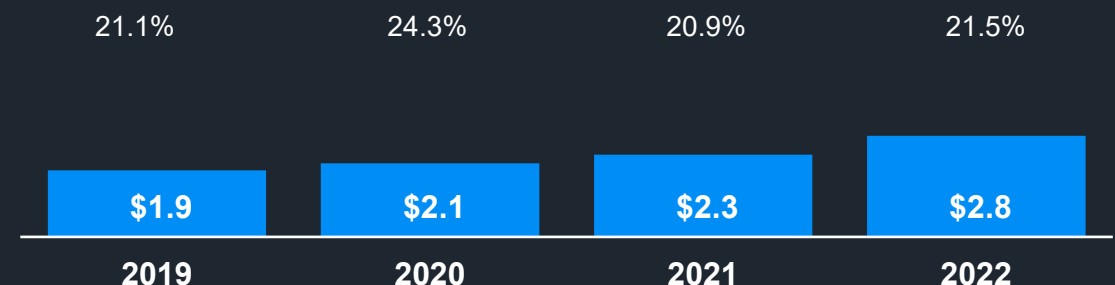
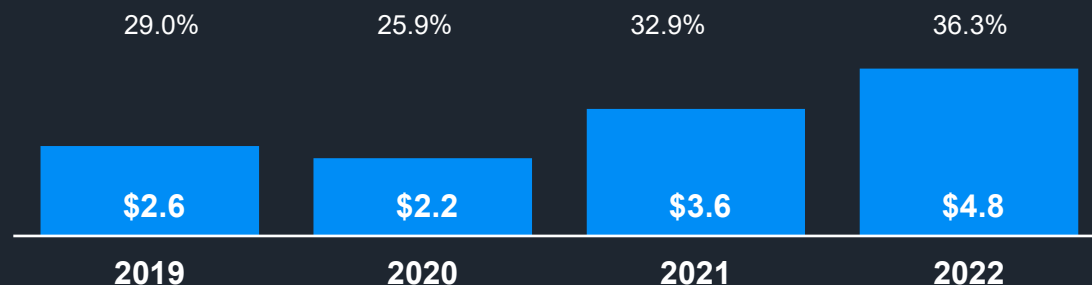
As Reported Revenue  
Up 14% 3-yr. CAGR (\$B)

Non-GAAP Gross Profit / Non-GAAP Gross Margin  
Up 17% 3-yr. CAGR (\$B)



Non-GAAP Operating Profit / Non-GAAP Operating Margin  
Up 23% 3-yr. CAGR (\$B)

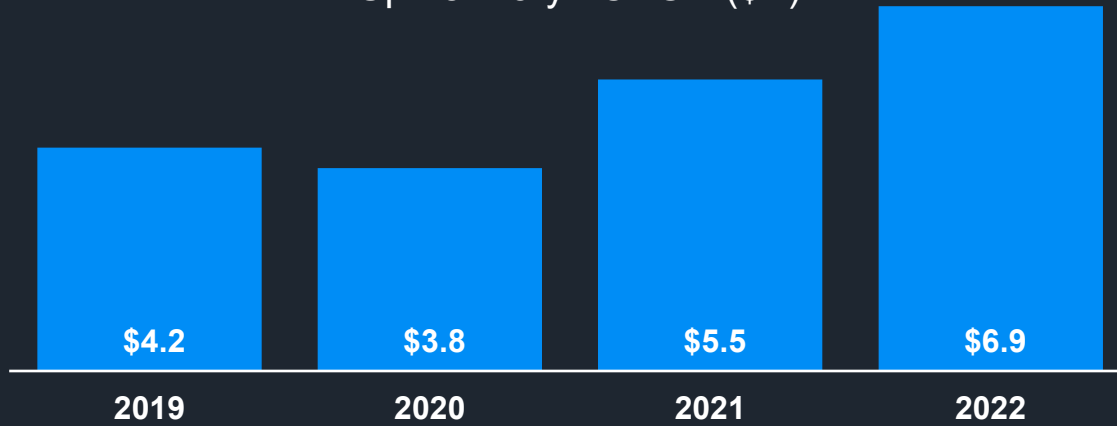
Non-GAAP Free Cash Flow / Non-GAAP Free Cash Flow Margin  
Up 15% 3-yr. CAGR (\$B)



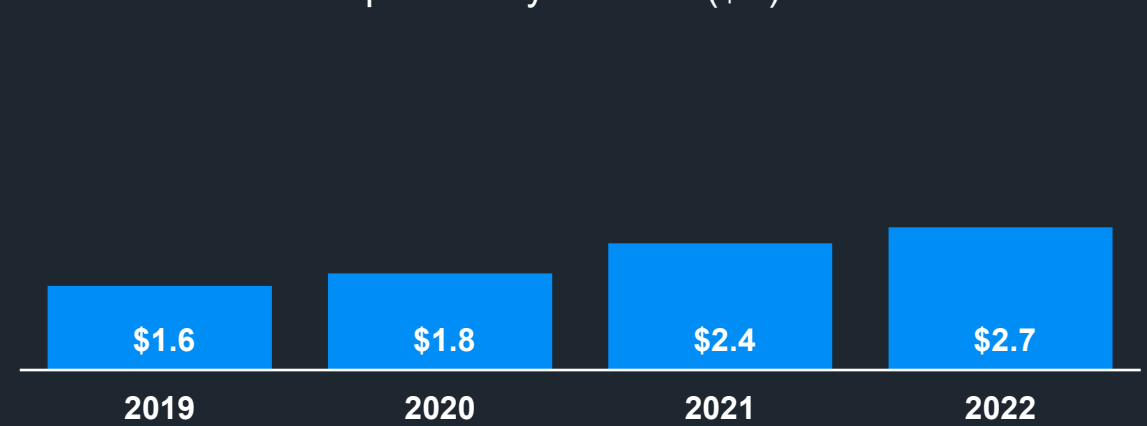
1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures  
2. Gross Profit, Gross Margin, Operating Profit, Operating Margin, Free Cash Flow (FCF), are all non-GAAP figures, 3-yr. CAGR reflect the period 2019 – 2022

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

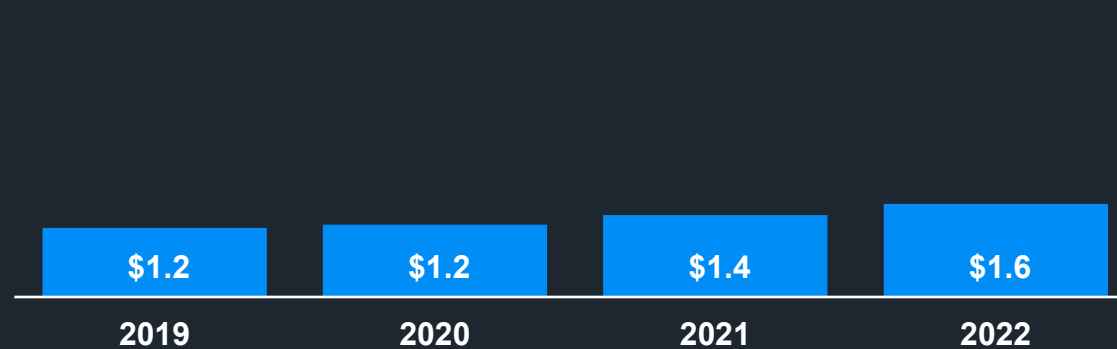
Automotive  
Up 18% 3-yr. CAGR (\$B)



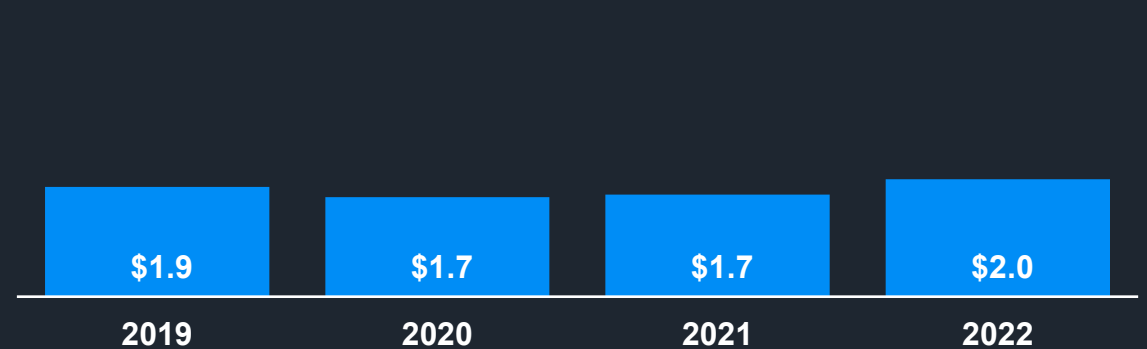
Industrial & IoT  
Up 19% 3-yr. CAGR (\$B)



Mobile  
Up 11% 3-yr. CAGR (\$B)



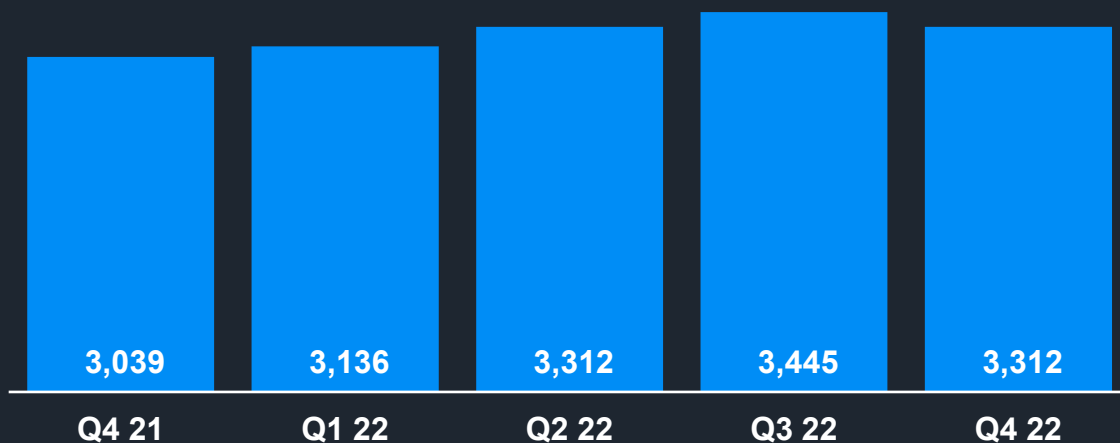
Communication Infrastructure & Other  
Up 2% 3-yr. CAGR (\$B)



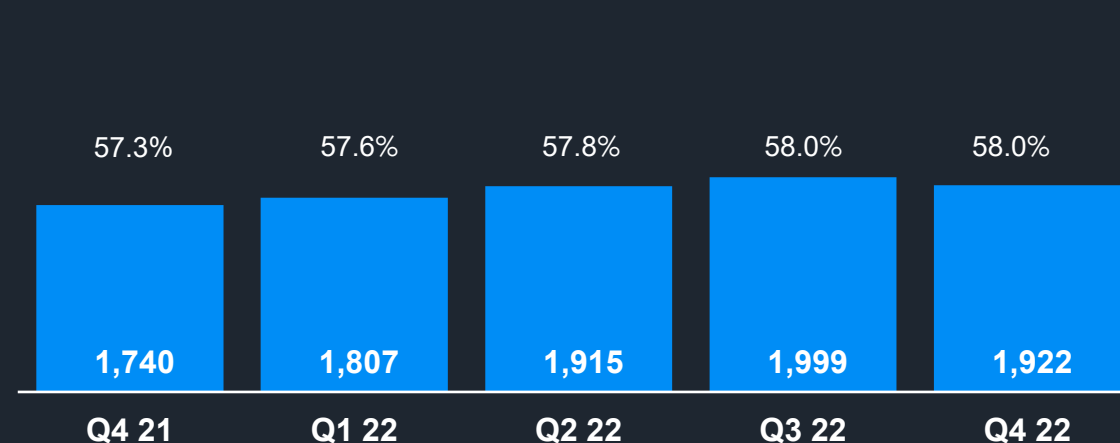
1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures

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

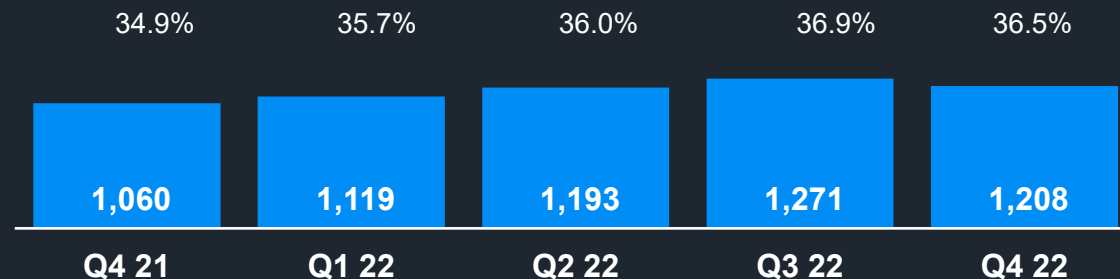
As Reported Revenue (\$M)



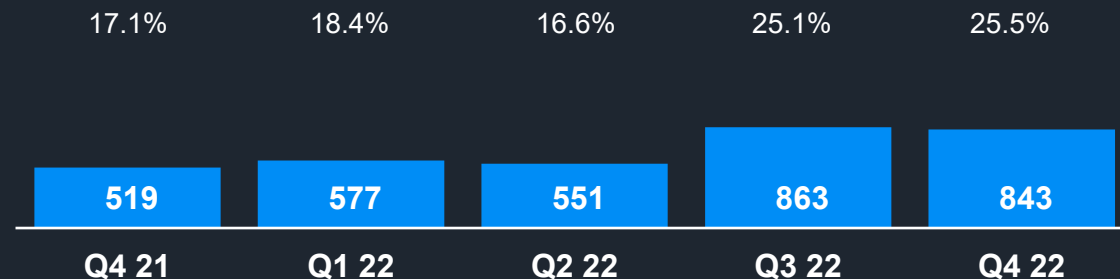
Non-GAAP Gross Profit / Non-GAAP Gross Margin



Non-GAAP Operating Profit / Non-GAAP Operating Margin



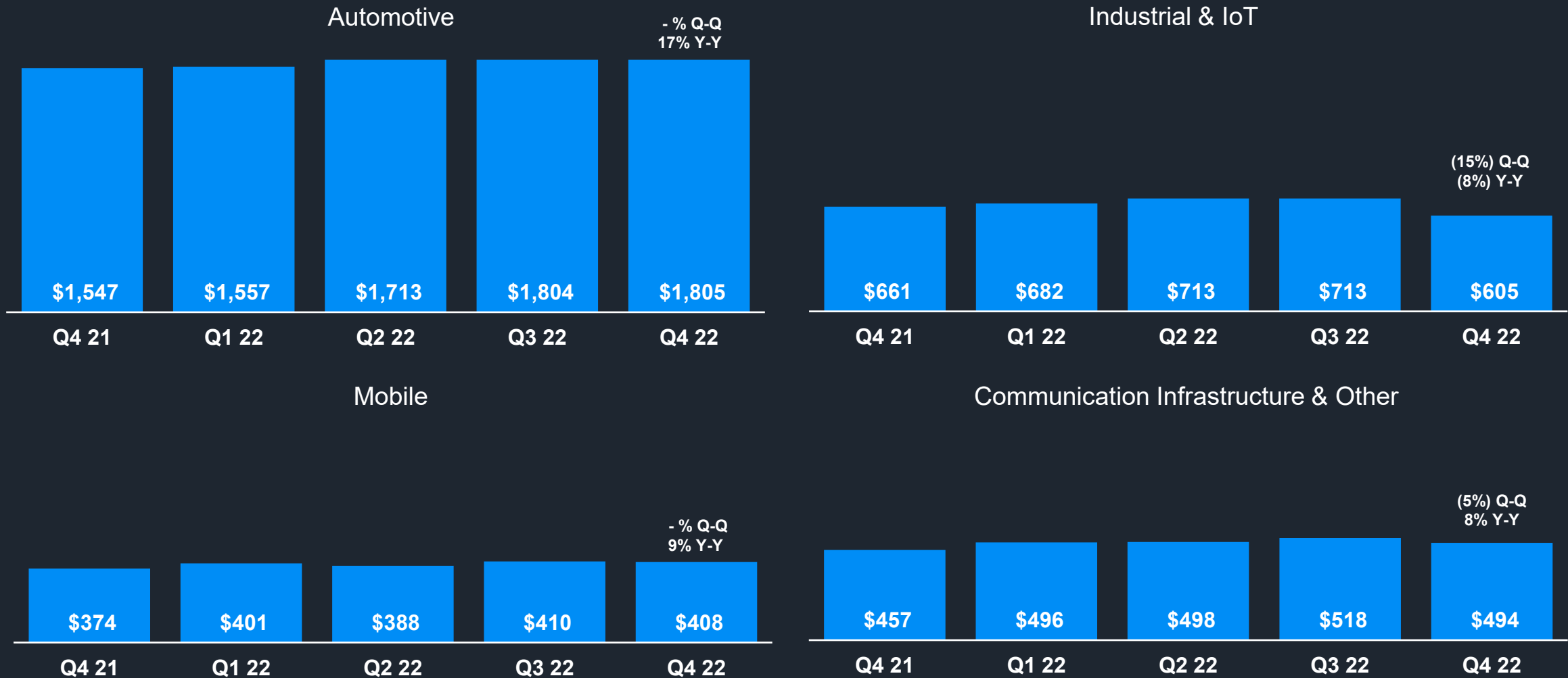
Non-GAAP Free Cash Flow / Non-GAAP Free Cash Flow Margin



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

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



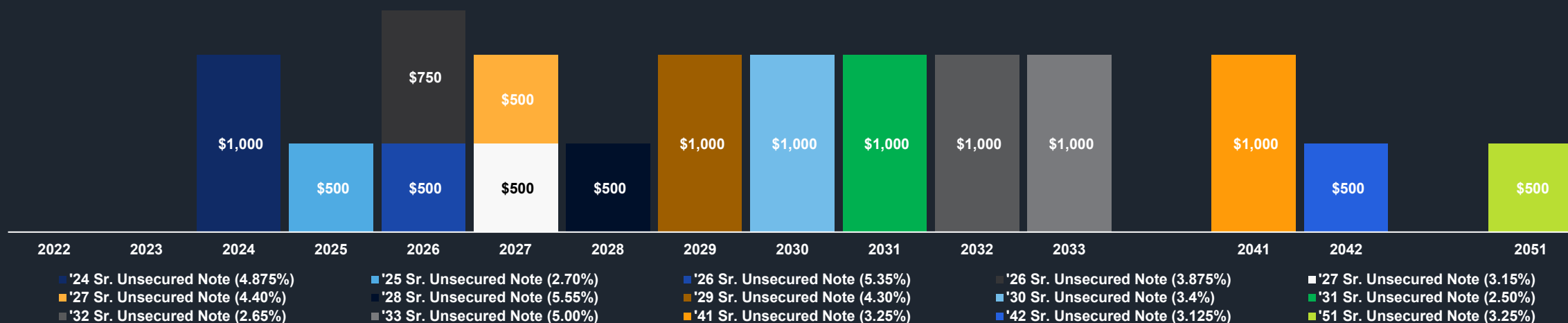
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# Debt Summary at the End of 4Q22<sup>(1,2)</sup>

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	Sr. Unsecured Notes	Revolving Credit Facility
Issue Date	Dec-18	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	Mar-24	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)	\$ 1,000	\$ 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)	\$ 998.2	\$ 498	\$ 498	\$ 747	\$ 497	\$ 496	\$ 497	\$ 993	\$ 994	\$ 992	\$ 993	\$ 989	\$ 988	\$ 492	\$ 491	\$ -
Coupon	4.875%	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 + 112.5 bps
Rating																
Moody's	Baa3	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	BBB	NR
Fitch	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	NR

Total Leverage	
Total Debt (\$M)	\$ 11,165
Total Cash (\$M)	\$ 3,845
Net Debt (\$M)	\$ 7,320
TTM Adj. EBITDA	\$ 5,469
Cost of Debt	3.79%
Reported Gross Leverage	2.0X
Reported Net Leverage	1.3X
TTM Adj. EBITDA/TTM net Interest	14.9x

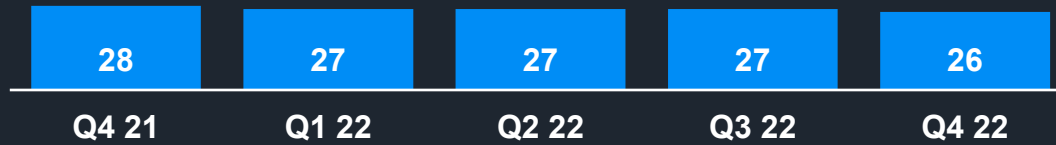


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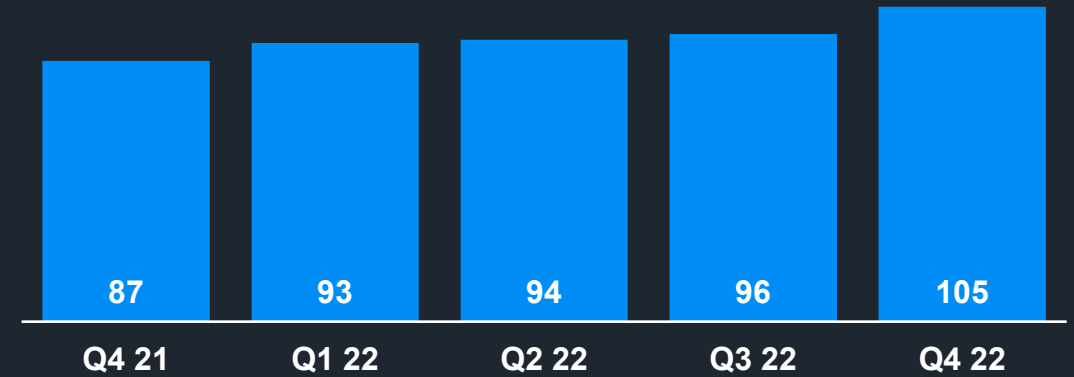
2. For the fourth quarter ended December 31, 2022, Interest expense, net of (\$76) million is comprised of interest expense of (\$108) million, less interest income of (\$32) million. Interest expense, net is a component of Financial income (expense) of (\$103) million as reported in the NXP Historic Financial Model file found on the Financial Information page. Historical information along with the calculation of TTM Adj. EBITDA/TTM net interest, can be found in the file referenced in footnote 1 on the P&L tab.

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

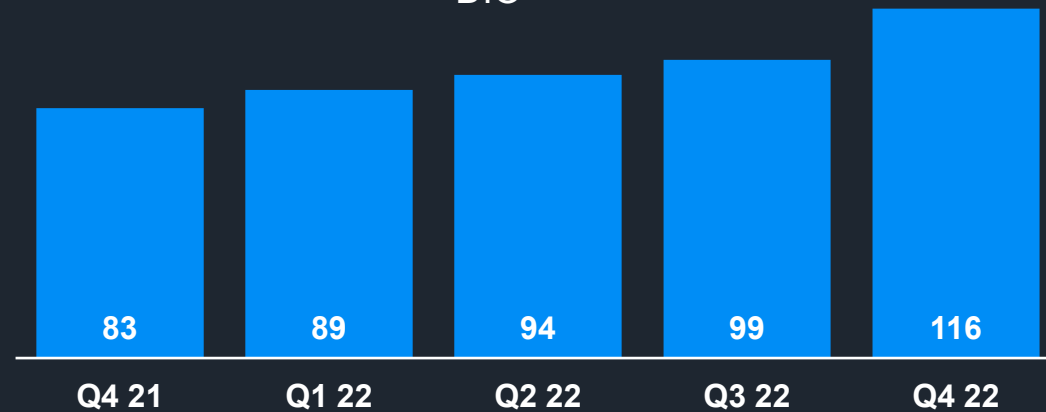
DSO



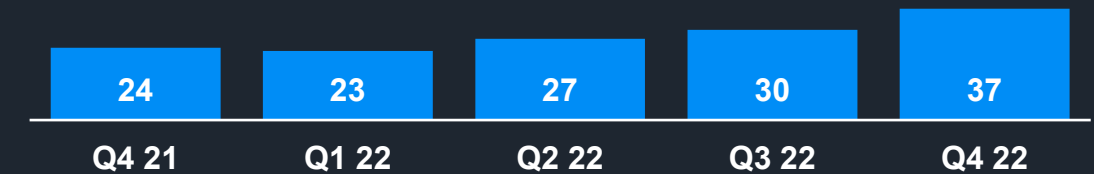
DPO



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 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

# Proven, Resilient and Profitable Financial Model (1,2,3,4)

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

# Updated 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

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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 First Quarter of 2023 <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>2,900</b>	<b>3,000</b>	<b>3,100</b>		<b>2,900</b>	<b>3,000</b>	<b>3,100</b>			
Q-Q	-12%	-9%	-6%		-12%	-9%	-6%			
Y-Y	-8%	-4%	-1%		-8%	-4%	-1%			
<b>Gross Profit</b>	<b>1,634</b>	<b>1,706</b>	<b>1,780</b>	(34)	<b>1,668</b>	<b>1,740</b>	<b>1,814</b>			
Gross Margin	56.3%	56.9%	57.4%		57.5%	58.0%	58.5%			
<b>Operating Income (loss)</b>	<b>758</b>	<b>820</b>	<b>884</b>	(210)	<b>968</b>	<b>1,030</b>	<b>1,094</b>			
<b>Operating Margin</b>	<b>26.1%</b>	<b>27.3%</b>	<b>28.5%</b>		<b>33.4%</b>	<b>34.3%</b>	<b>35.3%</b>			
Financial income (expense)	(80)	(80)	(80)	(3)	(77)	(77)	(77)			
Tax rate		16.5%-17.5%				16.0%-17.0%				
NCI & Other	(10)	(10)	(10)	(2)	(8)	(8)	(8)			
Shares	261.4	261.4	261.4		261.4	261.4	261.4			
<b>Earnings per share - diluted</b>	<b>2.12</b>	<b>2.31</b>	<b>2.51</b>		<b>2.82</b>	<b>3.01</b>	<b>3.22</b>			

1. GAAP Gross Profit is expected to include Purchase Price Accounting ("PPA") effects, \$(13) million; Stock Based Compensation, \$(12) million; Other Incidentals, \$(9) million;

2. GAAP Operating Income (loss) is expected to include PPA effects, \$(99) million; Stock Based Compensation, \$(98) million; Restructuring and Other Incidentals, \$(13) million;

3. GAAP Financial Income (expense) is expected to include Other financial expense \$(3) million;

4. GAAP Non-Controlling Interest (NCI) and Other includes non-controlling interest \$(8) million and Other \$(2) million;

5. GAAP diluted EPS is expected to include the adjustments noted above for PPA effects, Stock 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.

# Annual Financial Reconciliation (GAAP to non-GAAP)<sup>(1)</sup>

(\$ in millions, unless otherwise stated)	2019	2020	2021	2022
Total Revenue	8,877	8,612	11,063	13,205
GAAP Gross Profit	4,618	4,235	6,067	7,517
Gross profit adjustments	(131)	(165)	(138)	(126)
Non - GAAP Gross Profit	4,749	4,400	6,205	7,643
GAAP Gross Margin	52.0%	49.2%	54.8%	56.9%
Non-GAAP Gross Margin	53.5%	51.1%	56.1%	57.9%
GAAP Operating income (loss)	641	418	2,583	3,797
Operating income adjustments	(1,932)	(1,810)	(1,058)	(994)
Non - GAAP Operating income (loss)	2,573	2,228	3,641	4,791
GAAP Operating Margin	7.2%	4.9%	23.3%	28.8%
Non-GAAP Operating Margin	29.0%	25.9%	32.9%	36.3%
GAAP Financial income (expense)	(350)	(417)	(403)	(434)
Financial income adjustments	(85)	(60)	(38)	(48)
Non - GAAP Financial income (expense)	(265)	(357)	(365)	(386)

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

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

(\$ in millions, unless otherwise stated)	2019	2020	2021	2022
Net cash provided by (used for) operating activities	2,373	2,482	3,077	3,895
Net cash provided by (used for) investing activities	(2,284)	(418)	(934)	(1,249)
Net cash provided by (used for) financing activities	(1,831)	(835)	(1,585)	(1,619)
Effects of changes in exchange rates on cash position	(2)	1	(3)	(12)
Increase (decrease) in cash and cash equivalents	(1,744)	1,230	555	1,015
Cash and cash equivalents at beginning of the period	2,789	1,045	2,275	2,830
Cash and cash equivalents at end of period	1,045	2,275	2,830	3,845
Net cash provided by (used for) operating activities	2,373	2,482	3,077	3,895
Net capital expenditures on property, plant and equipment	(503)	(388)	(766)	(1,061)
Non-GAAP free cash flow	1,870	2,094	2,311	2,834
Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue	21%	24%	21%	21%

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

(\$ in millions, unless otherwise stated)	2019	2020	2021	2022
GAAP Net income (loss)	272	80	1,906	2,833
Reconciling items to EBITDA (Non-GAAP)				
Financial (income) expense	350	417	403	434
(Benefit) provision for income taxes	20	(83)	272	529
Depreciation	518	547	551	605
Amortization	1,529	1,441	711	645
EBITDA (Non-GAAP)	2,689	2,402	3,843	5,046
Reconciling items to Adjusted EBITDA (Non-GAAP)				
Results of equity-accounted investees	(1)	4	2	1
Purchase accounting effect on inventory	8	17	-	-
Restructuring	28	78	1	(7)
Stock-based compensation	346	384	353	364
Merger-related costs	33	8	-	-
Other incidental items	(3)	(101)	33	65
Trailing 12-month Adjusted EBITDA (Non-GAAP)	3,100	2,792	4,232	5,469
1) Excluding amortization related to other incidental items	-	8	-	-

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# Quarterly Financial Reconciliation (GAAP to non-GAAP)<sup>(1)</sup>

(\$ in millions, unless otherwise stated)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Total Revenue	3,039	3,136	3,312	3,445	3,312
GAAP Gross Profit	1,707	1,777	1,882	1,967	1,891
Gross profit adjustments	(33)	(30)	(33)	(32)	(31)
Non - GAAP Gross Profit	1,740	1,807	1,915	1,999	1,922
GAAP Gross Margin	56.2%	56.7%	56.8%	57.1%	57.1%
Non-GAAP Gross Margin	57.3%	57.6%	57.8%	58.0%	58.0%
GAAP Operating income (loss)	807	873	943	1,001	980
Operating income adjustments	(253)	(246)	(250)	(270)	(228)
Non - GAAP Operating income (loss)	1,060	1,119	1,193	1,271	1,208
GAAP Operating Margin	26.6%	27.8%	28.5%	29.1%	29.6%
Non-GAAP Operating Margin	34.9%	35.7%	36.0%	36.9%	36.5%
GAAP Financial income (expense)	(123)	(105)	(128)	(98)	(103)
Financial income adjustments	(30)	(2)	(31)	(7)	(8)
Non - GAAP Financial income (expense)	(93)	(103)	(97)	(91)	(95)

## Other Information for Q4 2022:

- PPA effects: (\$125M)
- Restructuring: \$2M
- Stock-based compensation: (\$97M)
- Other incidentals: (\$8M)
- Foreign exchange loss: (\$8M)
- Gain (loss) on extinguishment of debt: -
- Other financial expense: -

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

(\$ in millions, unless otherwise stated)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Net cash provided by (used for) operating activities	785	856	819	1,144	1,076
Net cash provided by (used for) investing activities	(316)	(329)	(288)	(360)	(272)
Net cash provided by (used for) financing activities	55	(674)	342	(559)	(728)
Effects of changes in exchange rates on cash position	3	-	(11)	(11)	10
Increase (decrease) in cash and cash equivalents	527	(147)	862	214	86
Cash and cash equivalents at beginning of the period	2,303	2,830	2,683	3,545	3,759
Cash and cash equivalents at end of period	2,830	2,683	3,545	3,759	3,845
Net cash provided by (used for) operating activities	785	856	819	1,144	1,076
Net capital expenditures on property, plant and equipment	(266)	(279)	(268)	(281)	(233)
Non-GAAP free cash flow	519	577	551	863	843
Trailing 12-month Non-GAAP free cash flow	2,311	2,306	2,371	2,510	2,834
Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue	21%	20%	19%	19%	21%

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

(\$ in millions, unless otherwise stated)	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
Net income (loss)	610	666	683	750	734
Reconciling items to adjusted net income					
Financial (income) expense	123	105	128	98	103
(Benefit) provision for income taxes	72	114	129	149	137
Depreciation	145	142	149	156	158
Amortization	165	168	168	165	144
Adjusted net income	1,115	1,195	1,257	1,318	1,276
Reconciling items to adjusted EBITDA					
Results of equity-accounted investees	2	(12)	3	4	6
Restructuring	-	(1)	(4)	-	(2)
Stock-based compensation	88	89	89	89	97
Other incidental items	10	8	16	33	8
Adjusted EBITDA	1,215	1,279	1,361	1,444	1,385
Trailing 12-month Adjusted EBITDA	4,232	4,576	4,961	5,299	5,469

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# NXP Investment Thesis



Market leader with  
**strong revenue growth**



Proven financial model with  
**resilient profitability**



Reliable capital return policy of  
**robust free cash flow**



SECURE CONNECTIONS  
FOR A SMARTER WORLD