

# NXP Investor Presentation

## Fourth Quarter 2023

February 2024



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) Income tax benefit (provision), (xi) Results relating to equity-accounted investees, (xii) Income (loss) from continuing operations, (xiii) Net income (loss) attributable to stockholders, (xiv) Diluted earnings per share, (xv) EBITDA (Non-GAAP), adjusted EBITDA (Non-GAAP) and trailing 12 month adjusted EBITDA (Non-GAAP) and (xvi) free cash flow, trailing 12 month free cash flow and trailing 12 month free cash flow as a percent of Revenue. Our non-GAAP results exclude, where applicable, the amortization of acquisition related intangible assets, the purchase accounting effect on inventory and property, plant and equipment, merger related costs (including integration costs), certain items related to divestitures, share-based compensation expense, restructuring and asset impairment charges, non-cash interest expense on convertible notes, extinguishment of debt, and foreign exchange gains and losses, income tax effect on adjustments described above and results from equity-accounted investments. These non-GAAP measures are provided in addition to, and not as a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP. Reconciliations of these non-GAAP measures to the most comparable measures calculated in accordance with GAAP are provided in the appendix to the presentation. For further discussion of our use of non-GAAP measures and information on the reconciliation to most comparable measures calculated in accordance with GAAP, please refer to the NXP Historic Financial Model file found on the Financial Results page of the Investor Relations section of our website at [www.nxp.com](http://www.nxp.com).

# NXP Investment Thesis



Market leader with  
**strong revenue growth**

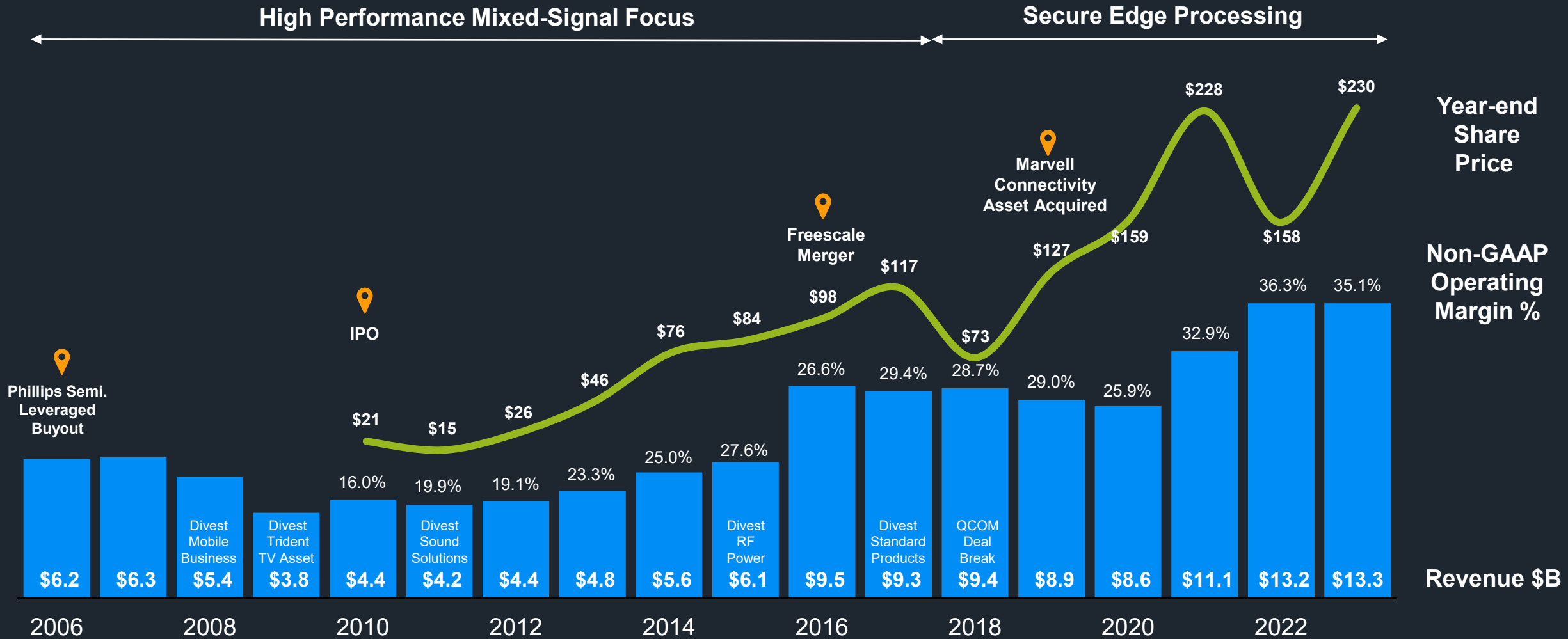


Proven financial model with  
**resilient profitability**



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

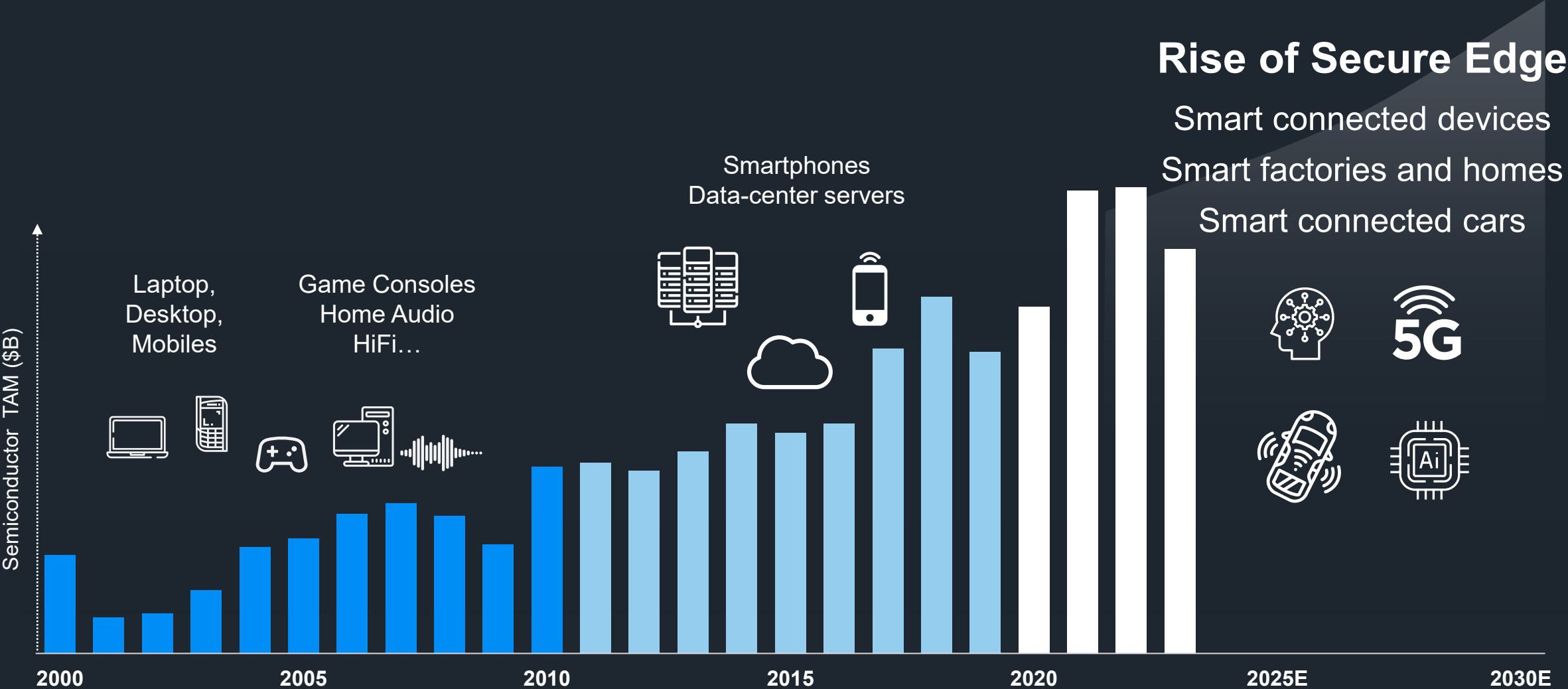
# NXP: A Rich History of Innovation



1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com](http://www.nxp.com) for additional information relative to our Non-GAAP Financial Measure" with this one "Reconciliations of non-GAAP measures to the most comparable measures calculated in accordance with GAAP are provided in the appendix to the presentation

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

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

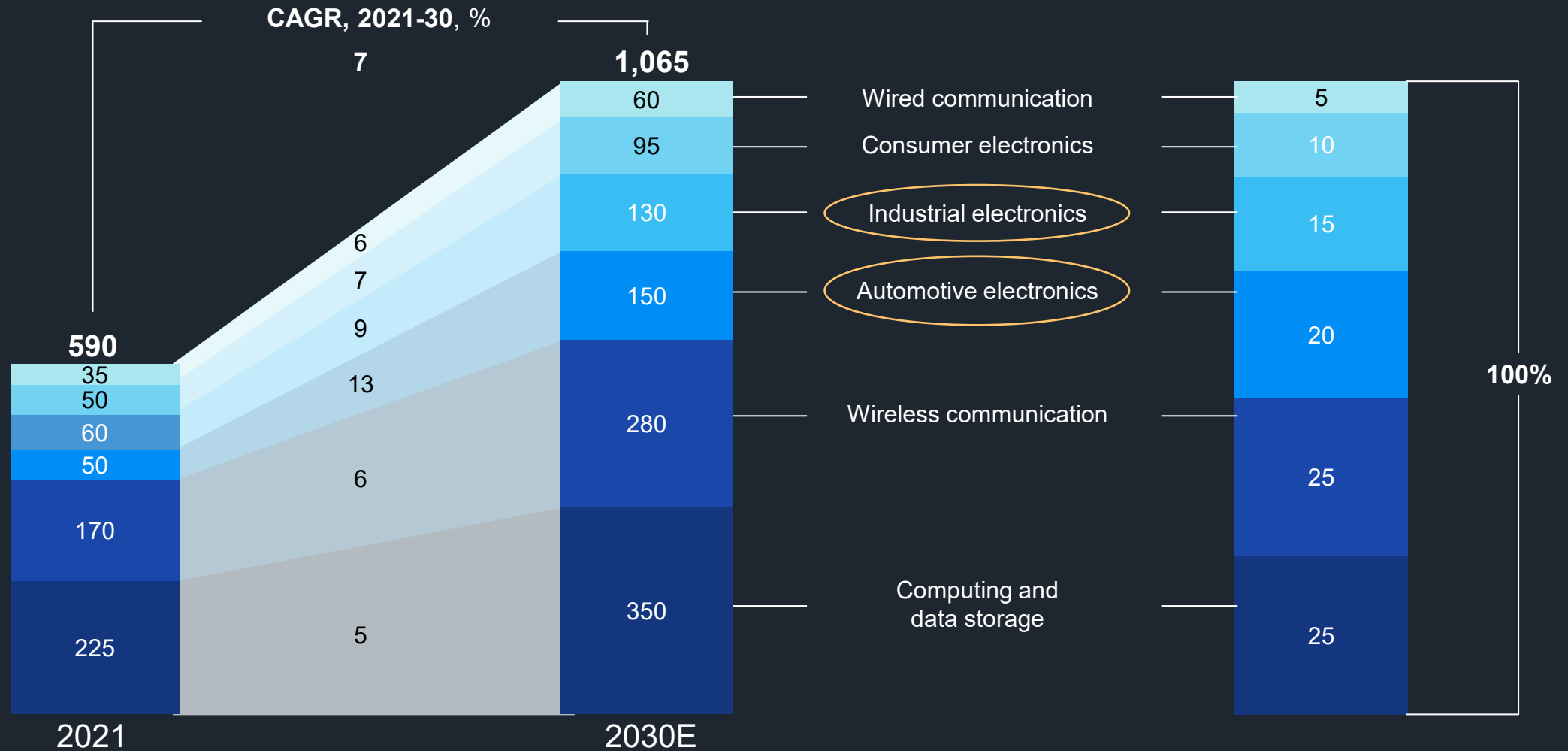


1. Omdia Application Market Forecast Tool, December 2023

# 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="206 986 575 1148">System solutions innovation drives revenue growth</p>	 <p data-bbox="728 786 1230 882"><b>Edge Processing, Connectivity &amp; Security</b></p> <p data-bbox="715 986 1238 1148">Scalable processing and solutions as a differentiator</p>	 <p data-bbox="1314 786 1816 882"><b>Virtualized Secure Transactions &amp; Access</b></p> <p data-bbox="1340 986 1791 1086">Growth driven by increased attach rate</p>	 <p data-bbox="1900 772 2402 868"><b>Capex-driven Wireless Infrastructure Market</b></p> <p data-bbox="1900 986 2402 1086">Growth as result of new cellular standards</p>



# Accelerating Profitable Growth of 8-12% CAGR

(as Analyst Day November 2021) <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

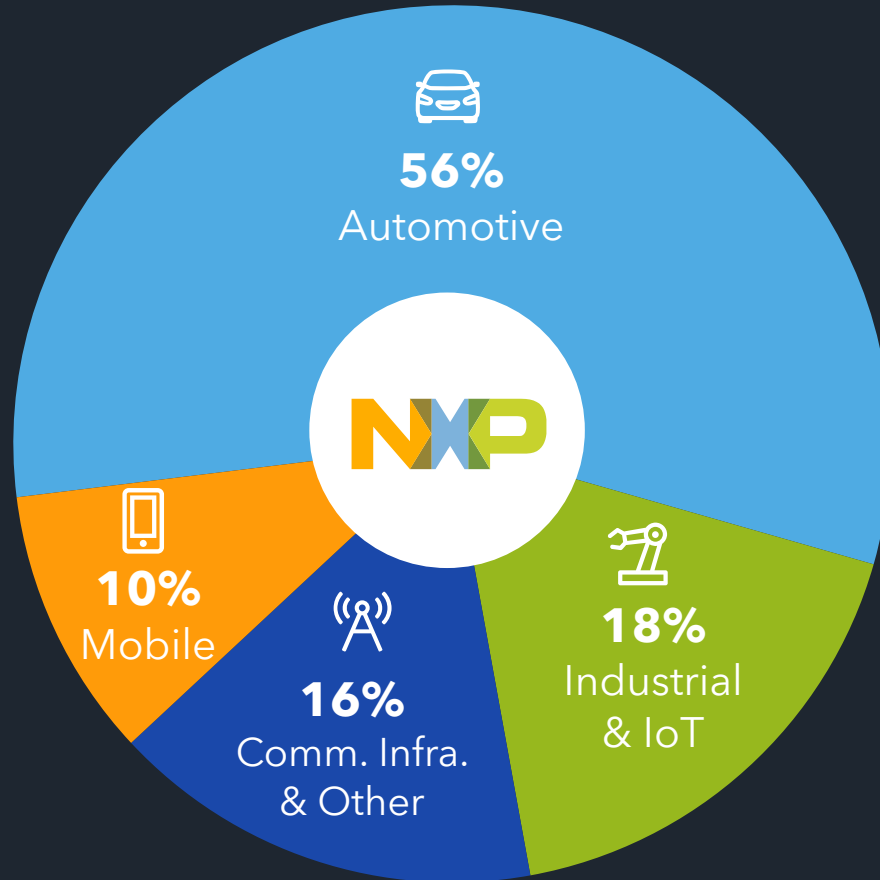
3. 2021E based on 1Q21 - 3Q21 actual results and the mid-point of 4Q21 estimated guidance as of Nov. 2, 2021

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

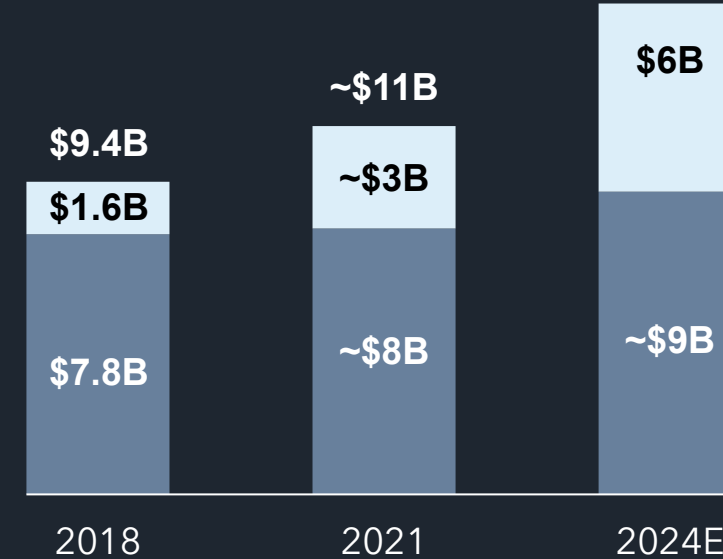
# Our Secular Growth Drivers Expected to Scale Rapidly

(as Analyst Day November 2021) <sup>(1,2,3,4)</sup>

**2023 Revenue: \$13.3B**  
by end-market exposure



**Revenue**  
by business type **~\$15B**



**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

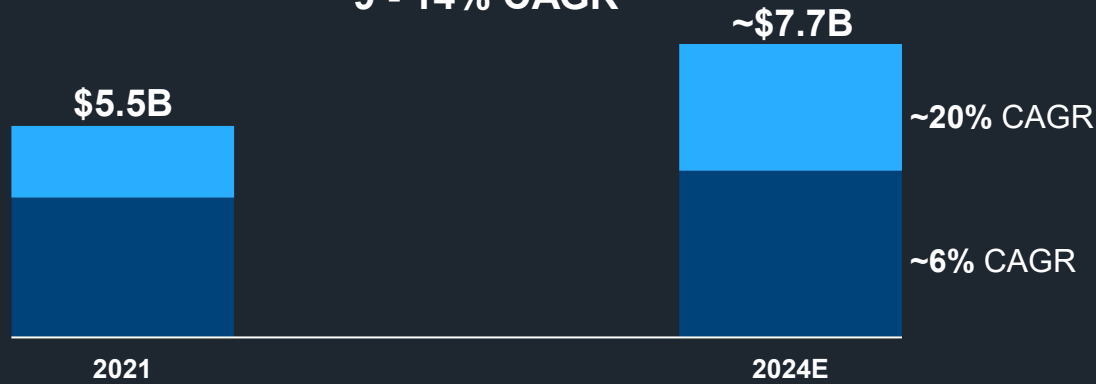
RF Power for 5G Infrastructure

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

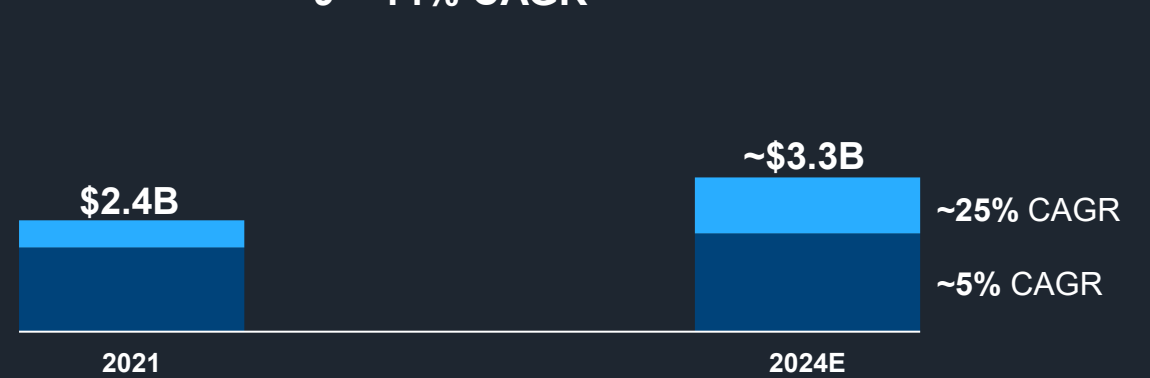
# Accelerating Secular Profitable Revenue Growth

(as Analyst Day November 2021) <sup>(1,2,3,4)</sup>

## Automotive 9 - 14% CAGR



## Industrial & IoT 9 - 14% CAGR



## Mobile 8 - 10% CAGR



## Comm. Infrastructure 2 - 6% CAGR



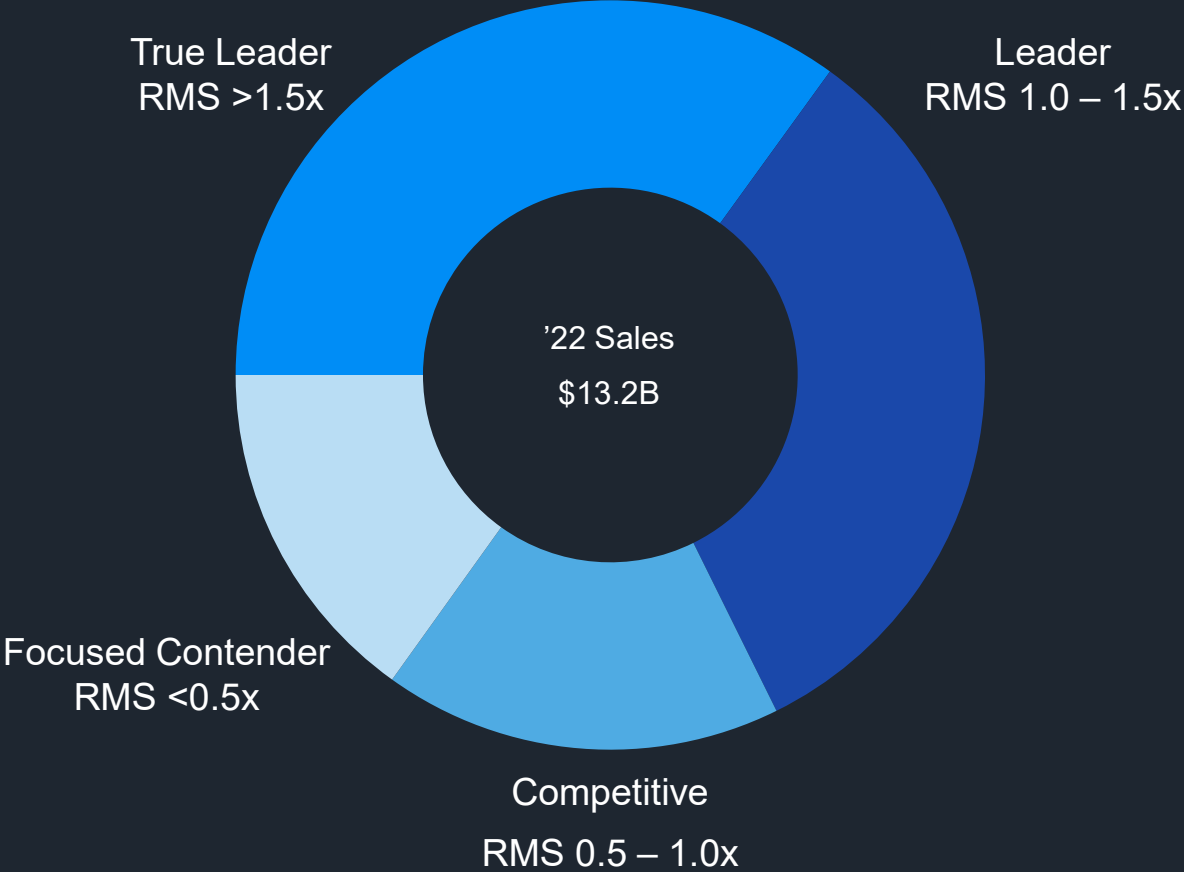
High RMS Core Revenue

Accelerated Growth Revenue Drivers

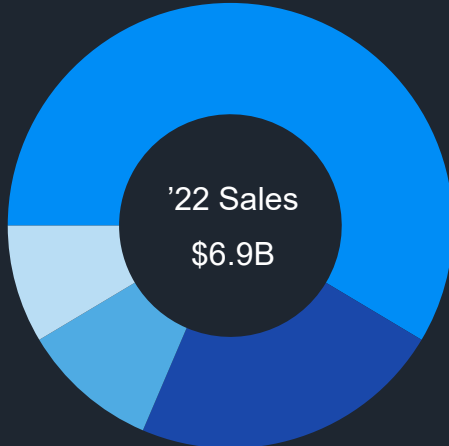
1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures  
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 3. The sum of the percentages shown may not add to 100% due to rounding  
 4. NXP Strategy Office

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

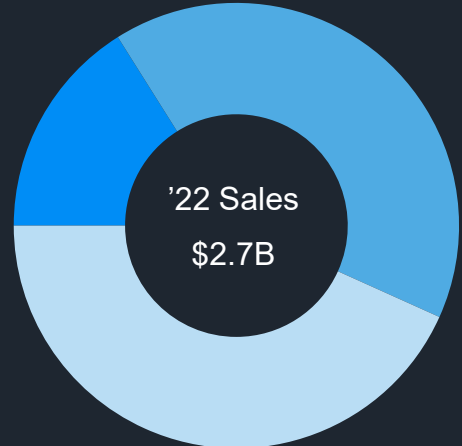
'22 Total NXP Product Revenue



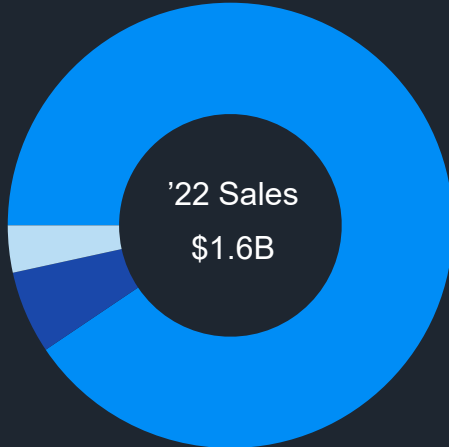
'22 Automotive



'22 Industrial & IoT



'22 Mobile



'22 Com. Infra. & Others

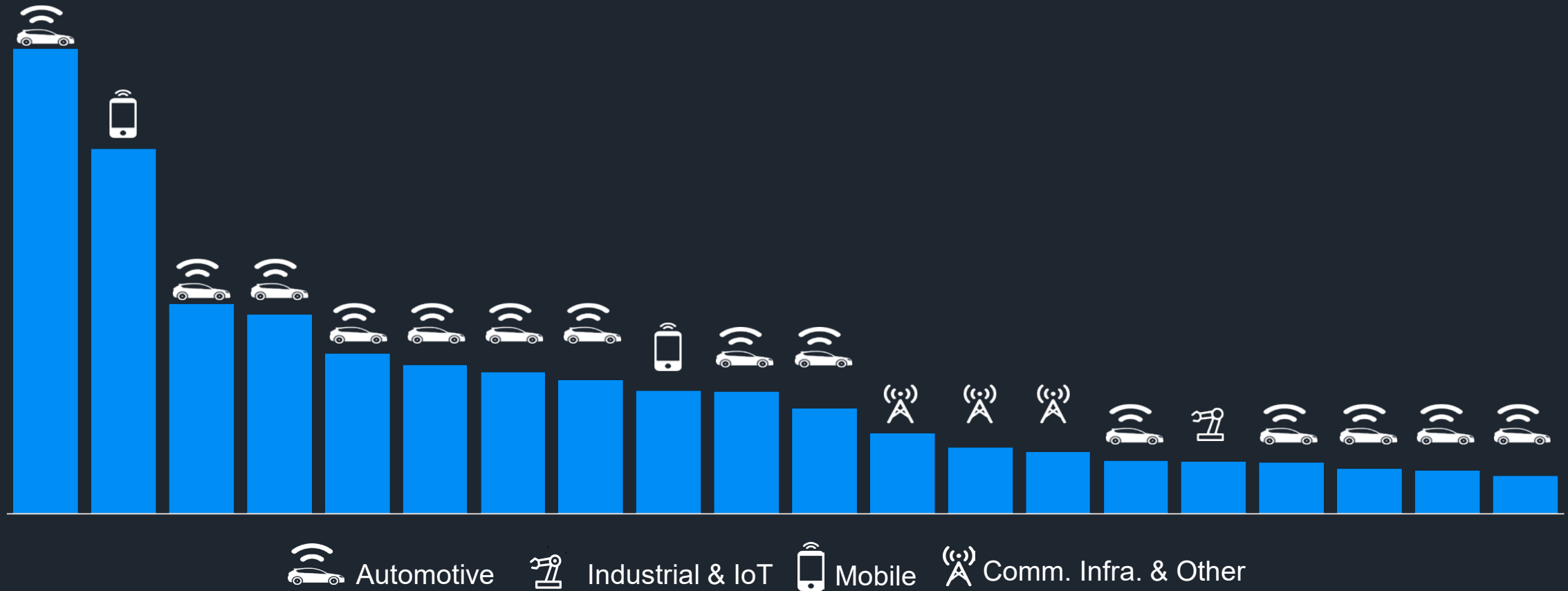


■ True Leader   
 ■ Leader   
 ■ Competitive   
 ■ Focused Contender

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

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

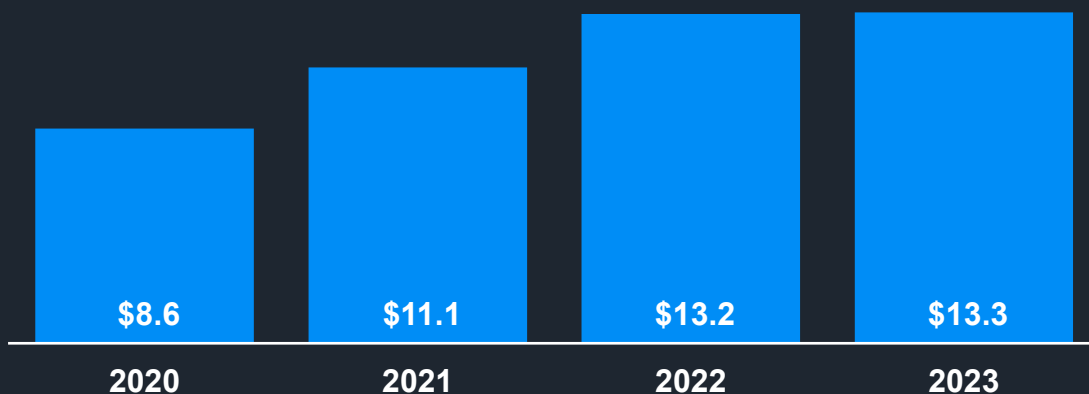
Top 20 End-customers are less than 45% of 2023 Revenue  
>25,000 Total Customers  
No 10% Customers



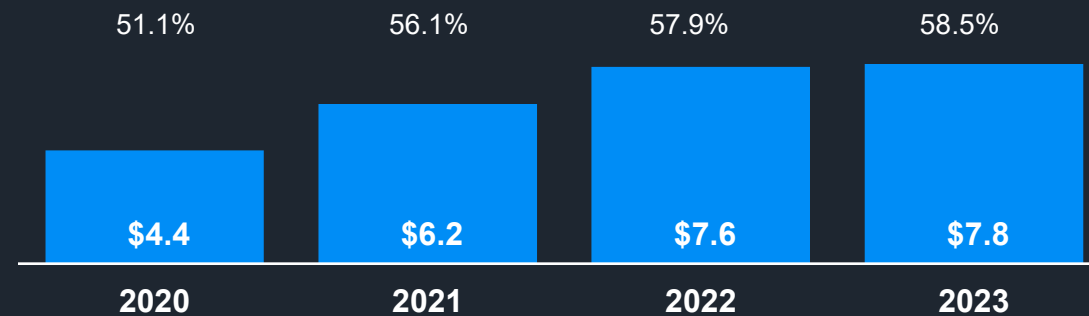
1. Reflects 2023 sales through all channels

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

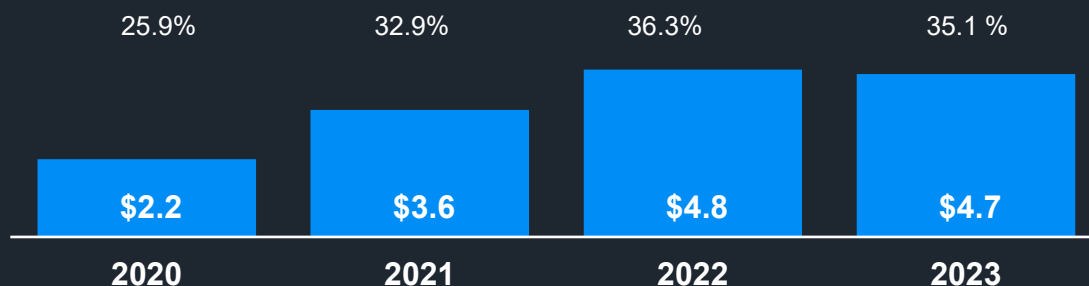
As Reported Revenue  
Up 16% 3-yr. CAGR (\$B)



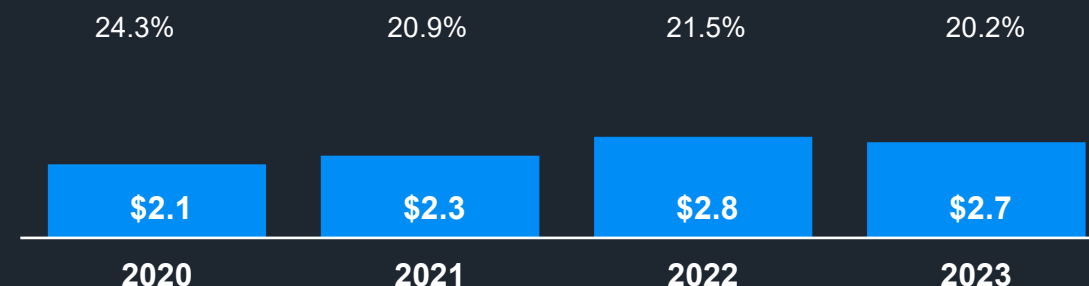
Non-GAAP Gross Profit / Non-GAAP Gross Margin  
Up 21% 3-yr. CAGR (\$B)



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



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

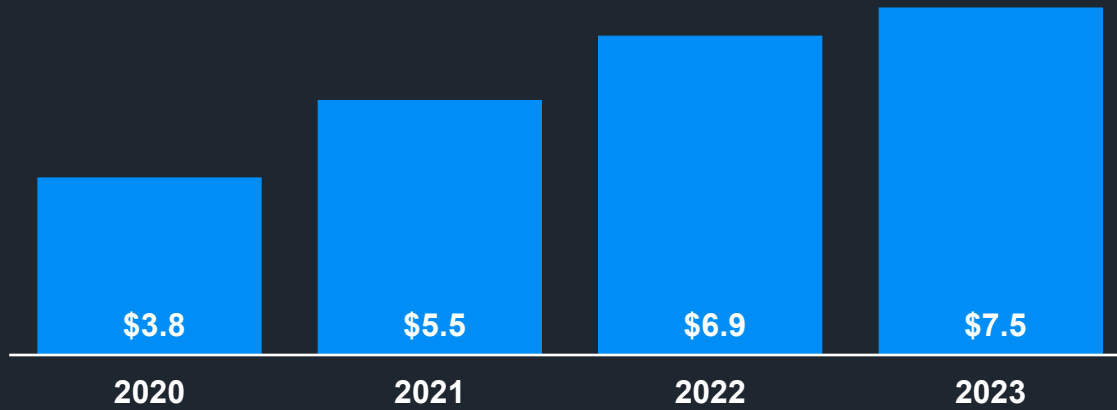


1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures

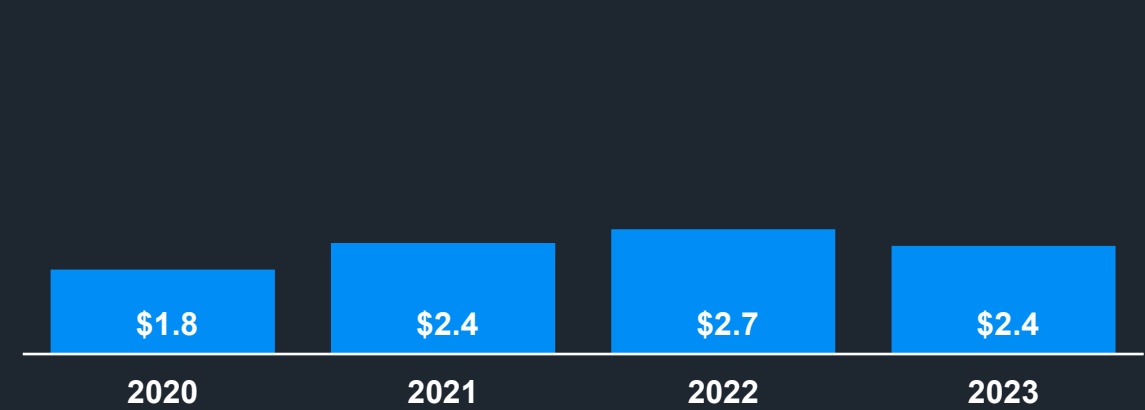
2. Gross Profit, Gross Margin, Operating Profit, Operating Margin, Free Cash Flow (FCF), are all non-GAAP figures, 3-yr. CAGR reflect the period 2020 – 2023

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

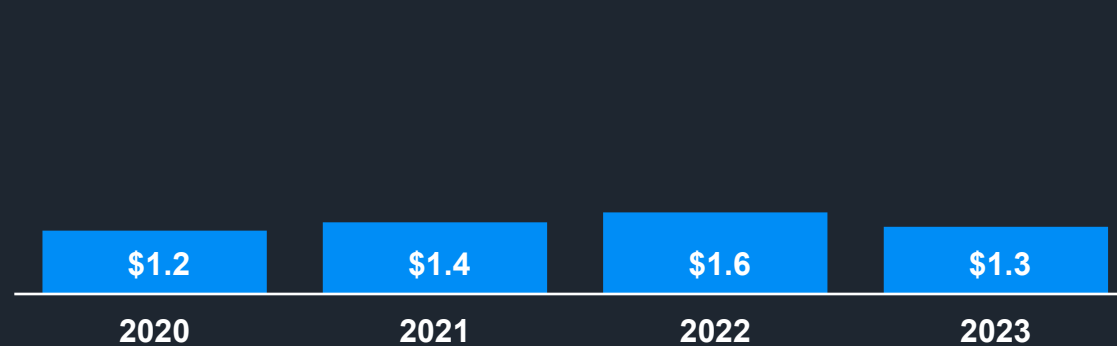
Automotive  
Up 23% 3-yr. CAGR (\$B)



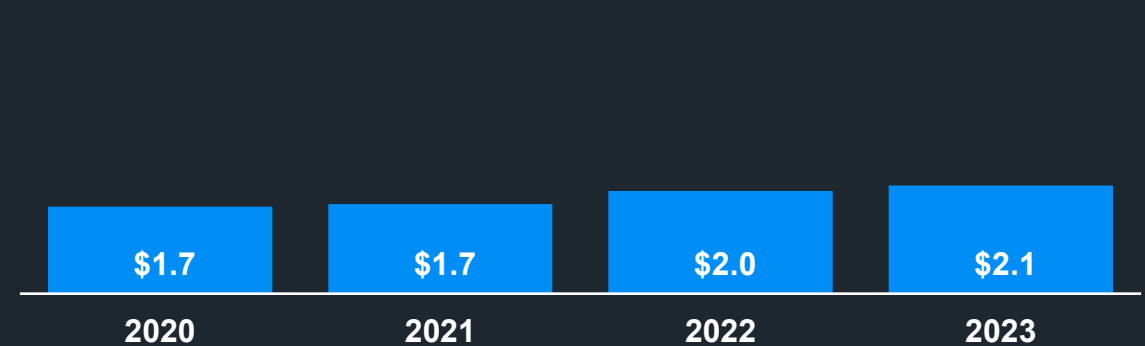
Industrial & IoT  
Up 11% 3-yr. CAGR (\$B)



Mobile  
Up 6% 3-yr. CAGR (\$B)



Communication Infrastructure & Other  
Up 6% 3-yr. CAGR (\$B)

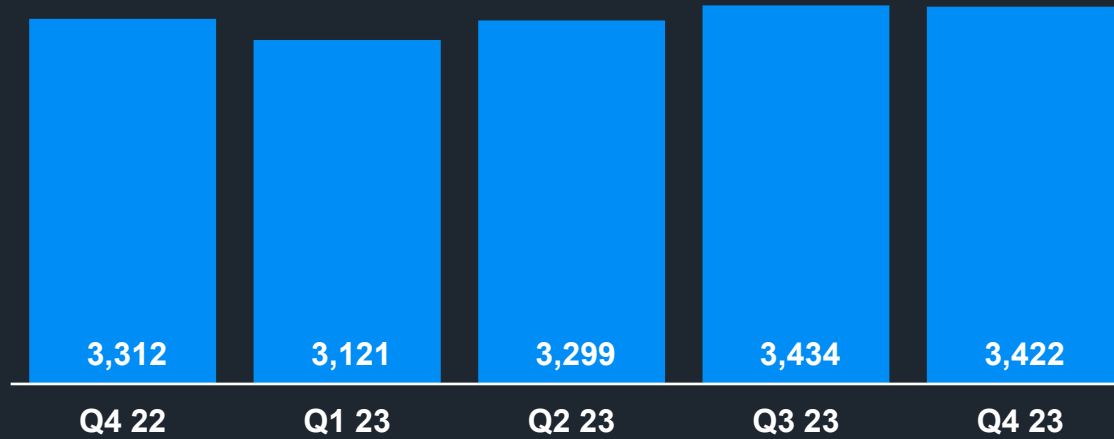


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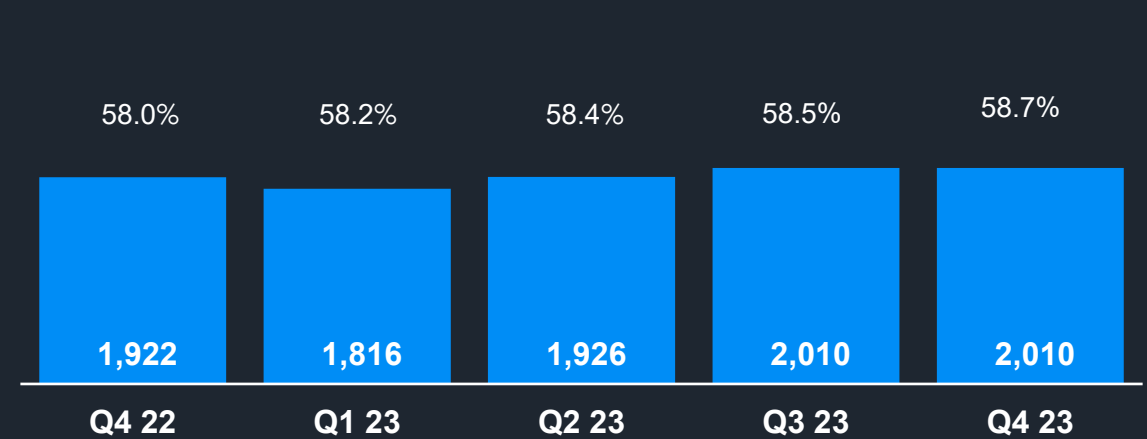


# Recent Quarterly Business Trends <sup>(1,2)</sup>

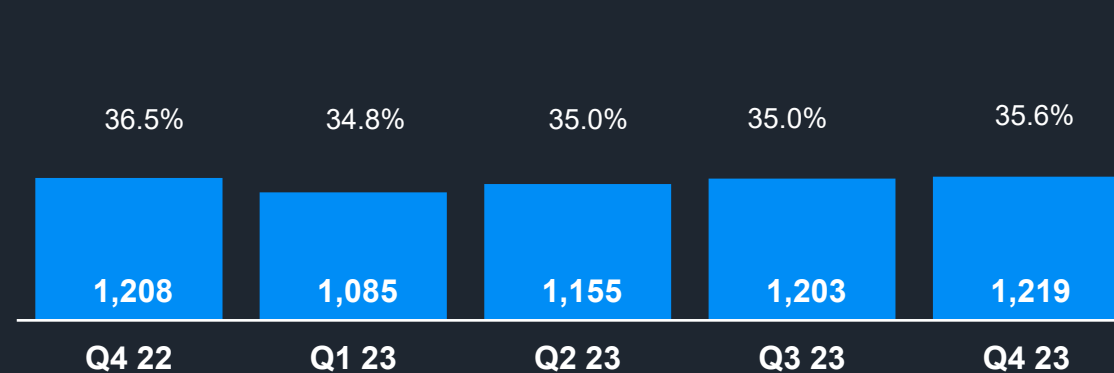
As Reported Revenue (\$M)



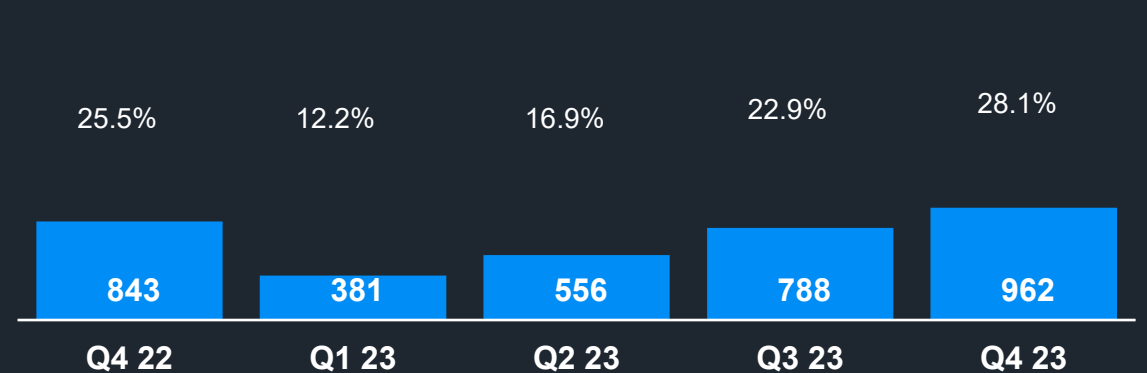
Non-GAAP Gross Profit / Non-GAAP Gross Margin



Non-GAAP Operating Profit / Non-GAAP Operating Margin

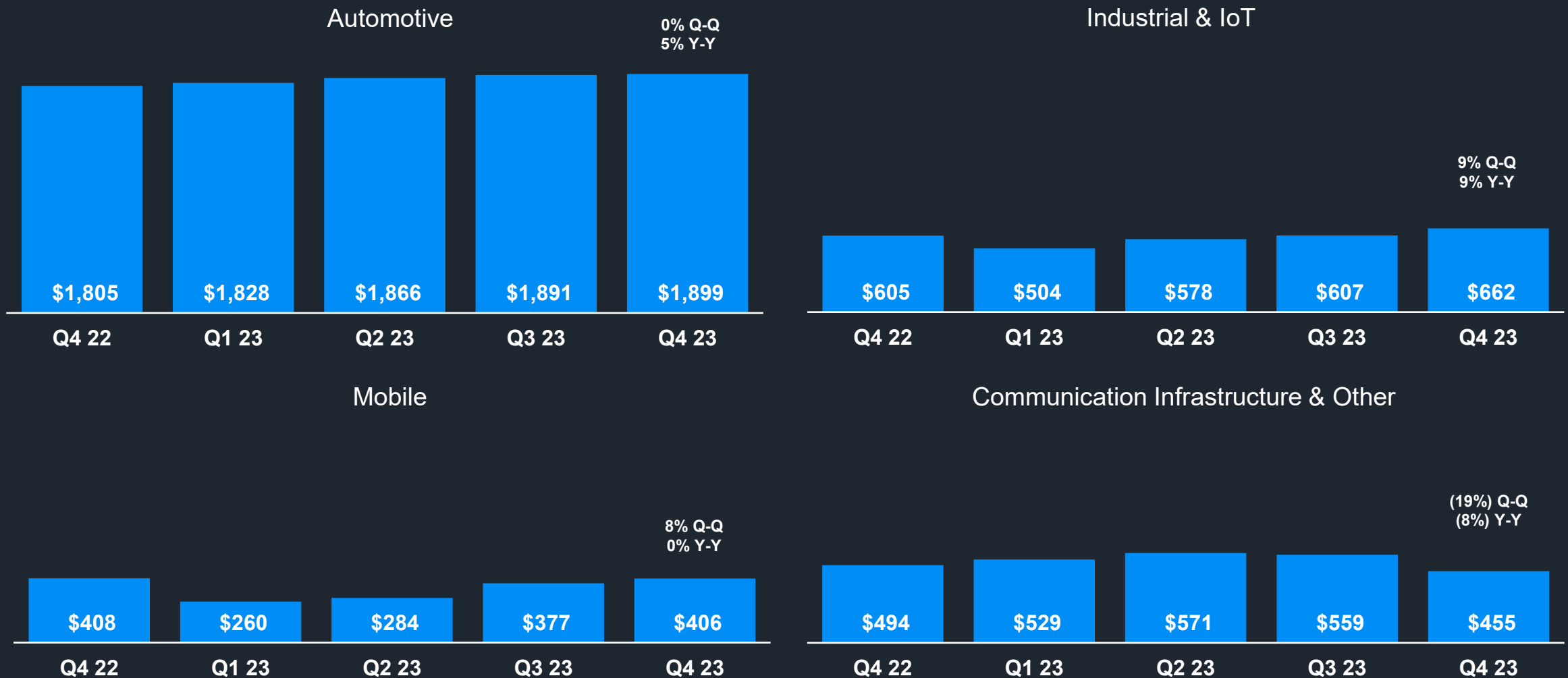


Non-GAAP Free Cash Flow / Non-GAAP Free Cash Flow Margin



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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>

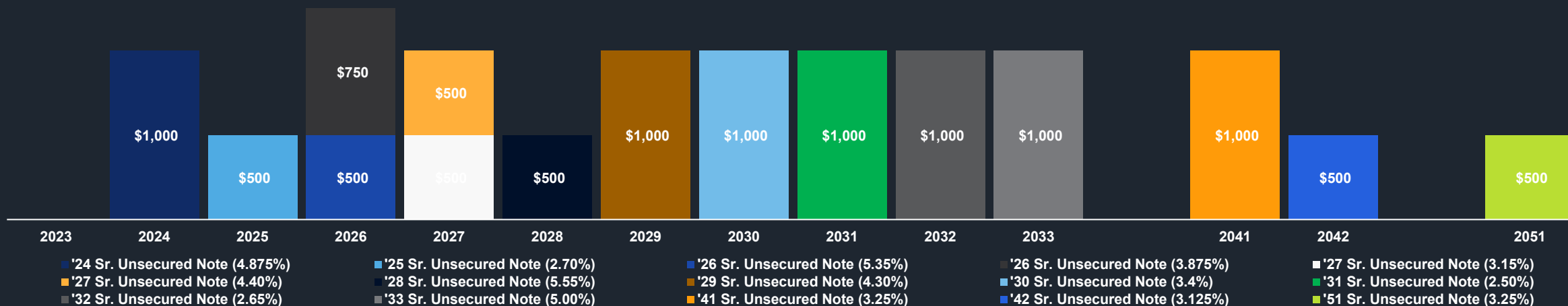


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# Debt Summary at the End of 4Q23<sup>(1,2)</sup>

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)	\$ 1,000	\$ 499	\$ 499	\$ 748	\$ 498	\$ 497	\$ 497	\$ 994	\$ 994	\$ 993	\$ 994	\$ 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 + 110 bps
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	
Long and short Term Debt (\$M)	\$ 11,175
Cash and Equivalents + ST Deposits (\$M)	\$ 4,271
Net Debt (\$M)	\$ 6,904
TTM Adj. EBITDA	\$ 5,410
Cost of Debt	3.79%
Reported Gross Leverage	2.1X
Reported Net Leverage	1.3X
TTM Adj. EBITDA/TTM net Interest	21.6x

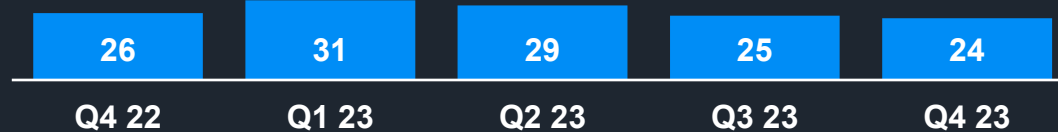


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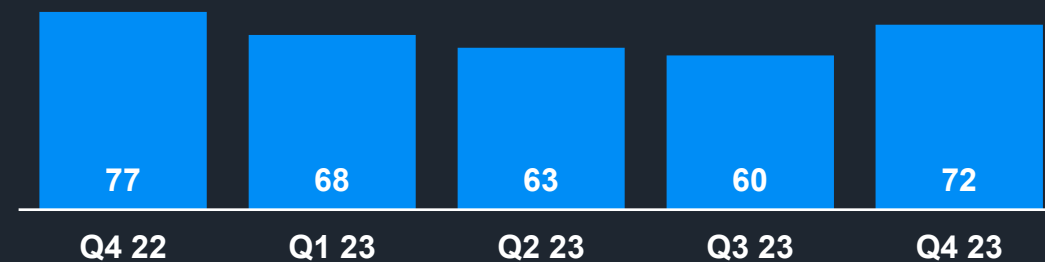
2. For the fourth quarter ended December 31, 2023, interest expense, net of (\$56) million is comprised of interest expense of (\$109) million, less interest income of \$53 million. Interest expense, net is a component of Financial income (expense) of (\$78) million as reported in the NXP Historic Financial Model file found on the Financial Information page.

# Working Capital Ratios <sup>(1,2,3)</sup>

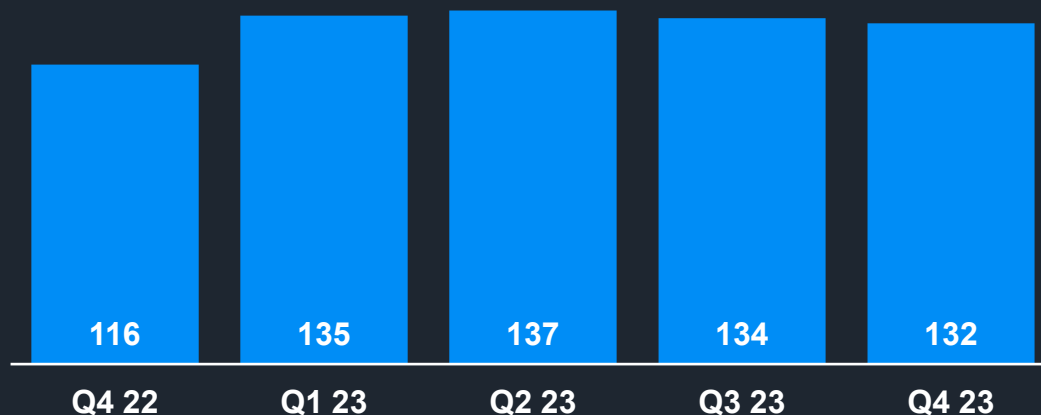
DSO



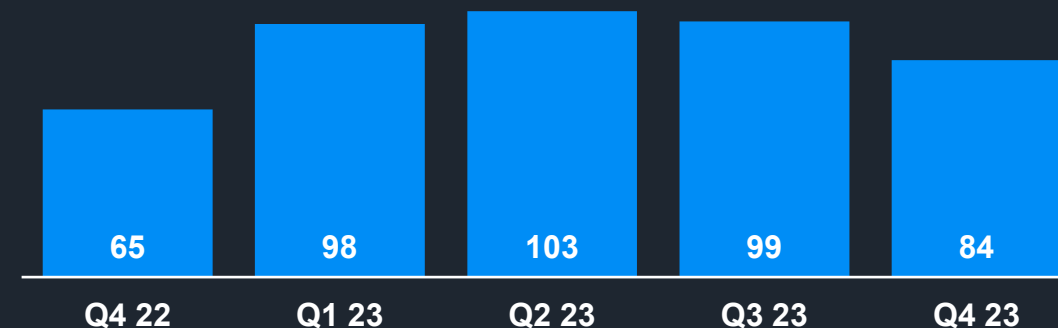
DPO



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. We have reclassified certain amounts related to customer programs previously presented in "Accounts payable" to "Other current liabilities" to conform to current period presentation.  
 2. Working capital ratios exclude the effect of purchase price accounting amortization effects on GAAP COGS.  
 3. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at [www.nxp.com/investor](http://www.nxp.com/investor) for additional information relative to our Non-GAAP Financial Measures and the reclassified Account payable amounts.

# Proven, Resilient and Profitable 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

# 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 2024 <sup>(1,2,3,4,5)</sup>

	<u>GAAP</u>				<u>Reconciliation</u>			<u>Non-GAAP</u>		
	<u>Low</u>	<u>Mid</u>	<u>High</u>		<u>Low</u>	<u>Mid</u>	<u>High</u>			
<b>Total Revenue</b>	<b>3,025</b>	<b>3,125</b>	<b>3,225</b>		<b>3,025</b>	<b>3,125</b>	<b>3,225</b>			
Q-Q	-12%	-9%	-6%		-12%	-9%	-6%			
Y-Y	-3%	0%	3%		-3%	0%	3%			
<b>Gross Profit</b>	<b>1,698</b>	<b>1,772</b>	<b>1,846</b>	(41)	<b>1,739</b>	<b>1,813</b>	<b>1,887</b>			
Gross Margin	56.1%	56.7%	57.2%		57.5%	58.0%	58.5%			
<b>Operating Income (loss)</b>	<b>775</b>	<b>839</b>	<b>903</b>	(219)	<b>994</b>	<b>1,058</b>	<b>1,122</b>			
<b>Operating Margin</b>	<b>25.6%</b>	<b>26.8%</b>	<b>28.0%</b>		<b>32.9%</b>	<b>33.9%</b>	<b>34.8%</b>			
Financial income (expense)	(69)	(69)	(69)	(3)	(66)	(66)	(66)			
Tax rate		17.4%-18.4%				16.4%-17.4%				
NCI & Other	(7)	(7)	(7)	(4)	(3)	(3)	(3)			
Shares	259	259	259		259	259	259			
<b>Earnings per share - diluted</b>	<b>2.21</b>	<b>2.41</b>	<b>2.62</b>		<b>2.97</b>	<b>3.17</b>	<b>3.38</b>			

- 1) GAAP Gross Profit is expected to include Purchase Price Accounting ("PPA") effects, \$(12) million; Share-based Compensation, \$(17) million; Other Incidentals, \$(12) million;  
2) GAAP Operating Income (loss) is expected to include PPA effects, \$(64) million; Share-based Compensation, \$(127) million; Restructuring and Other Incidentals, \$(28) 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 \$(3) million and Other \$(4) million;  
5) GAAP diluted EPS is expected to include the adjustments noted above for PPA effects, Share-based Compensation, Restructuring and Other Incidentals in GAAP Operating Income (loss), the adjustment for Other financial expense, the adjustment for Non-controlling interest & Other and the adjustment on Tax due to the earlier mentioned adjustments.

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



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

(\$ in millions, unless otherwise stated)	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023
<b>Revenue</b>	<b>3,121</b>	<b>3,,299</b>	<b>3,434</b>	<b>3,422</b>	<b>13,276</b>
Cost of Revenue	(1,351)	(1,418)	(1,469)	(1,485)	(5,723)
<b>Gross Profit</b>	<b>1,770</b>	<b>1,881</b>	<b>1,965</b>	<b>1,937</b>	<b>7,553</b>
Research and development	(577)	(589)	(601)	(651)	(2,418)
Selling, general and administrative	(280)	(274)	(294)	(311)	(1,159)
Amortization of acquisition-related intangible assets	(85)	(81)	(71)	(63)	(300)
Total operating expenses	(942)	(944)	(966)	(1,025)	(3,877)
Other income (expense)	(3)	-	(7)	(5)	(15)
<b>Operating income (loss)</b>	<b>825</b>	<b>937</b>	<b>992</b>	<b>907</b>	<b>3,661</b>
Financial income (expense)	(82)	(74)	(75)	(78)	(309)
Income (loss) before taxes	743	863	917	829	3,352
Benefit (provision) for income taxes	(118)	(158)	(123)	(124)	(523)
Results relating to equity-accounted investees	(2)	(1)	(2)	(2)	(7)
Net income (loss)	623	704	792	703	2,822
Less: Net Income (loss) attributable to non-controlling interests	(8)	(6)	(5)	(6)	(25)
Net income (loss) attributable to stockholders	615	698	787	697	2,797
Basic earnings per share	2.37	2.69	3.06	2.71	10.83
Diluted earnings per share	2.35	2.67	3.01	2.68	10.70
Basic - weighted average number of shares	259,576	259,160	257,488	257,285	258,381
Diluted - weighted average number of shares	261,210	261,303	261,095	260,298	261,370

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

(\$ in millions, unless otherwise stated)	2023
GAAP Gross Profit	7,553
Gross profit adjustments	(209)
Non - GAAP Gross Profit	7,762
GAAP Gross Margin	56.9%
Non-GAAP Gross Margin	58.5%
GAAP Operating income (loss)	3,661
Operating income adjustments	1,001
Non - GAAP Operating income (loss)	4,662
GAAP Operating Margin	27.6%
Non-GAAP Operating Margin	35.1%
GAAP Provision for income taxes	(523)
Income tax effect	170
Non-GAAP Provision for income tax	(693)
GAAP Net income (loss) attributable to stockholders	2,797
Non-GAAP Net income (loss) attributable to stockholders	3,661
GAAP Diluted earnings per share	10.70
Non-GAAP Diluted earnings per share	14.01

	2023
GAAP Net income (loss) attributable to stockholders	2,797
PPA Effects	(356)
Restructuring	(98)
Share-based compensation	(411)
Merger related costs	-
Other incidentals	(136)
Other adjustments combined	137
Foreign exchange loss	(15)
Other financial expense	(11)
Gain on extinguishment of long-term debt	-
Income tax effect	170
Results relating to equity accounted investees	(7)
Non-GAAP Net income (loss) attributable to stockholders	3,661

GAAP net income(loss) per common share attributable to shareholders - diluted	10.70
Total GAAP to Non-GAAP adjustments per common share	(3.31)
Non-GAAP net income(loss) per common share attributable to shareholders - diluted	14.01

GAAP Financial income / (expense)	(309)
Financial income / (expense) adjustments	(26)
Non-GAAP Financial income / (expense)	(283)

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

(\$ in millions, unless otherwise stated)	2020	2021	2022	2023
Net cash provided by (used for) operating activities	2,482	3,077	3,895	3,513
Net cash provided by (used for) investing activities	(418)	(934)	(1,249)	(1,508)
Net cash provided by (used for) financing activities	(835)	(1,585)	(1,619)	(1,990)
Effects of changes in exchange rates on cash position	1	(3)	(12)	2
Increase (decrease) in cash and cash equivalents	1,230	555	1,015	17
Cash and cash equivalents at beginning of the period	1,045	2,275	2,830	3,845
Cash and cash equivalents at end of period	2,275	2,830	3,845	3,862
Net cash provided by (used for) operating activities	2,482	3,077	3,895	3,513
Net capital expenditures on property, plant and equipment	(388)	(766)	(1,061)	(826)
Non-GAAP free cash flow	2,094	2,311	2,834	2,687
Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue	24%	21%	21%	20%

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

(\$ in millions, unless otherwise stated)	2020	2021	2022	2023
GAAP Net income (loss)	80	1,906	2,833	2,822
Reconciling items to EBITDA (Non-GAAP)				
Financial (income) expense	417	403	434	309
(Benefit) provision for income taxes	(83)	272	529	523
Depreciation	547	551	605	652
Amortization	1,441	711	645	454
EBITDA (Non-GAAP)	2,402	3,843	5,046	4,760
Reconciling items to Adjusted EBITDA (Non-GAAP)				
Results of equity-accounted investees	4	2	1	7
Purchase accounting effect on inventory	17	-	-	-
Restructuring	78	1	(7)	98
Stock-based compensation	384	353	364	411
Merger-related costs	8	-	-	-
Other incidental items	(101)	33	65	134
Trailing 12-month Adjusted EBITDA (Non-GAAP)	2,792	4,232	5,469	5,410
1) Excluding amortization and depreciation related to other incidental items	8	-	-	2

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

(\$ in millions, unless otherwise stated)	Q1 2023	Q2 2023	Q3 2023	Q4 2023
GAAP Gross Profit	1,770	1,881	1,965	1,937
Gross profit adjustments	(46)	(45)	(45)	(73)
Non - GAAP Gross Profit	1,816	1,926	2,010	2,010
GAAP Gross Margin	56.7%	57.0%	57.2%	56.6%
Non-GAAP Gross Margin	58.2%	58.4%	58.5%	58.7%
GAAP Operating income (loss)	825	937	992	907
Operating income adjustments	(260)	(218)	(211)	(312)
Non - GAAP Operating income (loss)	1,085	1,155	1,203	1,219
GAAP Operating Margin	26.4%	28.4%	28.9%	26.5%
Non-GAAP Operating Margin	34.8%	35.0%	35.0%	35.6%
GAAP Provision for income taxes	(118)	(158)	(123)	(124)
Income tax effect	49	22	45	54
Non-GAAP Provision for income tax	(167)	(180)	(168)	(178)
GAAP Net income (loss) attributable to stockholders	615	698	787	697
Non-GAAP Net income (loss) attributable to stockholders	834	896	965	966
GAAP Diluted earnings per share	2.35	2.67	3.01	2.68
Non-GAAP Diluted earnings per share	3.19	3.43	3.70	3.71

	Q1 2023	Q2 2023	Q3 2023	Q4 2023
GAAP Net income (loss) attributable to stockholders	615	698	787	697
PPA Effects	(99)	(95)	(85)	(77)
Restructuring	(18)	-	4	(84)
Share-based compensation	(99)	(102)	(103)	(107)
Other incidentals	(44)	(21)	(27)	(44)
Other adjustments combined	41	20	33	43
Foreign exchange loss	(3)	(3)	(3)	(6)
Other financial expense	(3)	2	(7)	(3)
Income tax effect	49	22	45	54
Results relating to equity accounted investees	(2)	(1)	(2)	(2)
Non-GAAP Net income (loss) attributable to stockholders	834	896	965	966

	Q1 2023	Q2 2023	Q3 2023	Q4 2023
GAAP net income(loss) per common share attributable to shareholders - diluted	2.35	2.67	3.01	2.68
Total GAAP to Non-GAAP adjustments per common share	(0.84)	(0.76)	(0.69)	(1.03)
Non-GAAP net income(loss) per common share attributable to shareholders - diluted	3.19	3.43	3.70	3.71

	Q1 2023	Q2 2023	Q3 2023	Q4 2023
GAAP Financial income / (expense)	(82)	(74)	(75)	(78)
Financial income / (expense) adjustments	(6)	(1)	(10)	(9)
Non-GAAP Financial income / (expense)	(76)	(73)	(65)	(69)

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

(\$ in millions, unless otherwise stated)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net cash provided by (used for) operating activities	1,076	632	756	988	1,137
Net cash provided by (used for) investing activities	(272)	(351)	(255)	(273)	(629)
Net cash provided by (used for) financing activities	(728)	(198)	(565)	(533)	(694)
Effects of changes in exchange rates on cash position	10	2	(3)	(3)	6
Increase (decrease) in cash and cash equivalents	86	85	(67)	179	(180)
Cash and cash equivalents at beginning of the period	3,759	3,845	3,930	3,863	4,042
Cash and cash equivalents at end of period	3,845	3,930	3,863	4,042	3,862
Net cash provided by (used for) operating activities	1,076	632	756	988	1,137
Net capital expenditures on property, plant and equipment	(233)	(251)	(200)	(200)	(175)
Non-GAAP free cash flow	843	381	556	788	962
Trailing 12-month Non-GAAP free cash flow	2,834	2,638	2,643	2,568	2,687
Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue	21%	20%	20%	20%	20%

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# Quarterly Adjusted EBITDA (\$M)<sup>(1,2)</sup>

(\$ in millions, unless otherwise stated)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net income (loss)	734	623	704	792	703
Reconciling items to adjusted net income					
Financial (income) expense	103	82	74	75	78
(Benefit) provision for income taxes	137	118	158	123	124
Depreciation	158	160	162	163	167
Amortization	144	123	119	110	102
Adjusted net income	1,276	1,106	1,217	1,263	1,174
Reconciling items to adjusted EBITDA					
Results of equity-accounted investees	6	2	1	2	2
Restructuring	(2)	18	-	(4)	84
Stock-based compensation	97	99	102	103	107
Other incidental items	8	42	21	27	44
Adjusted EBITDA	1,385	1,267	1,341	1,391	1,411
Trailing 12-month Adjusted EBITDA	5,469	5,457	5,437	5,384	5,410
1) Excluding amortization and depreciation related to other incidental items	-	2	-	-	-



# Notable Public Press Announcements

- [NXP and Zendar Inc. Accelerate the Development of High-Resolution Radar](#)
- [NXP Expands S32 Platform with Motor Control Solution for Software-Defined Vehicle Edge Nodes](#)
- [NXP Introduces the Next Generation of Automotive Ultra-Wideband ICs Combining Secure Ranging and Short-Range Radar](#)

# 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