

NXP Investor Presentation

Fourth Quarter 2021

February 2022



SECURE CONNECTIONS
FOR A SMARTER WORLD



USE OF NON-GAAP FINANCIAL MEASURES

This presentation or the subsequent discussion period includes forward-looking statements which include statements regarding NXP's business strategy, financial condition, results of operations, market data and expectations, outlooks, projections, estimates, goals and targets, 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: the duration and spread of the COVID-19 outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume; 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; trade disputes between the U.S. and China, potential increase of barriers to international trade and resulting disruptions to NXP's established supply chains; 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 sufficient supplies from third-party producers to meet demand; our access to production from third-party outsourcing partners, and any events that might affect their business or our relationship with them including the outbreak of COVID-19 or requirements to suspend activities with customers or suppliers because of changing import and export regulations; our ability to secure adequate and timely supply of equipment and materials from suppliers, our ability to avoid operational problems and product defects and, if such issues were to arise, to correct them quickly, our ability to form strategic partnerships and joint ventures and 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 hire and retain key management and senior product architects; and, our ability to maintain good relationships with our suppliers. In addition, this presentation or the subsequent discussion period contains information concerning the semiconductor industry and our business which is forward-looking in nature and is based on a variety of assumptions regarding the ways in which the semiconductor industry, our end markets and product areas may develop. NXP has based these assumptions on information currently available to us, if any one or more of these assumptions turn out to be incorrect, actual 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 could be materially adversely affected. There can be no assurances that a pandemic, epidemic or outbreak of a contagious diseases, such as COVID-19, will not have a material and adverse impact on our business, operating results and financial condition in the future. Participants 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. The forward-looking statements in this presentation are based on management's plans, objectives and information available as of the February 1, 2022, date of this presentation. Except for any ongoing obligation to disclose material information as required by the United States federal securities laws, NXP does not have any intention or obligation to publicly update or revise any forward-looking statements, whether to reflect any future events or circumstances or otherwise. Neither future distribution of this material nor the continued availability of this material in archive form on our website should be deemed to constitute an update or re-affirmation of these forward-looking statements as of any future date. 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 website, www.nxp.com/investor or from the SEC website, www.sec.gov.

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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) Adjusted net income, adjusted EBITDA and trailing 12 month adjusted EBITDA 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.

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's Unrivaled Technology Portfolio for the Secure Edge

SENSE



Everything
Aware

THINK



Everything
Smart

CONNECT



Everything
Connected

ACT



Everything
Efficient



Everything **safe and secure**



Easy to implement **scalable system solutions**

NXP Addresses 4 Major End Markets



Automotive

Safety, Electrification and Driver Interaction

System solutions innovation with OEMs

Increased content drives revenue growth



Industrial & IoT

Edge Processing, Connectivity and Security

Processing needs are transforming markets

Scalable solutions as a differentiator



Mobile

Virtualized Secure Transactions and Access

Continued demand for features - innovation

Growth driven by increased attach rate

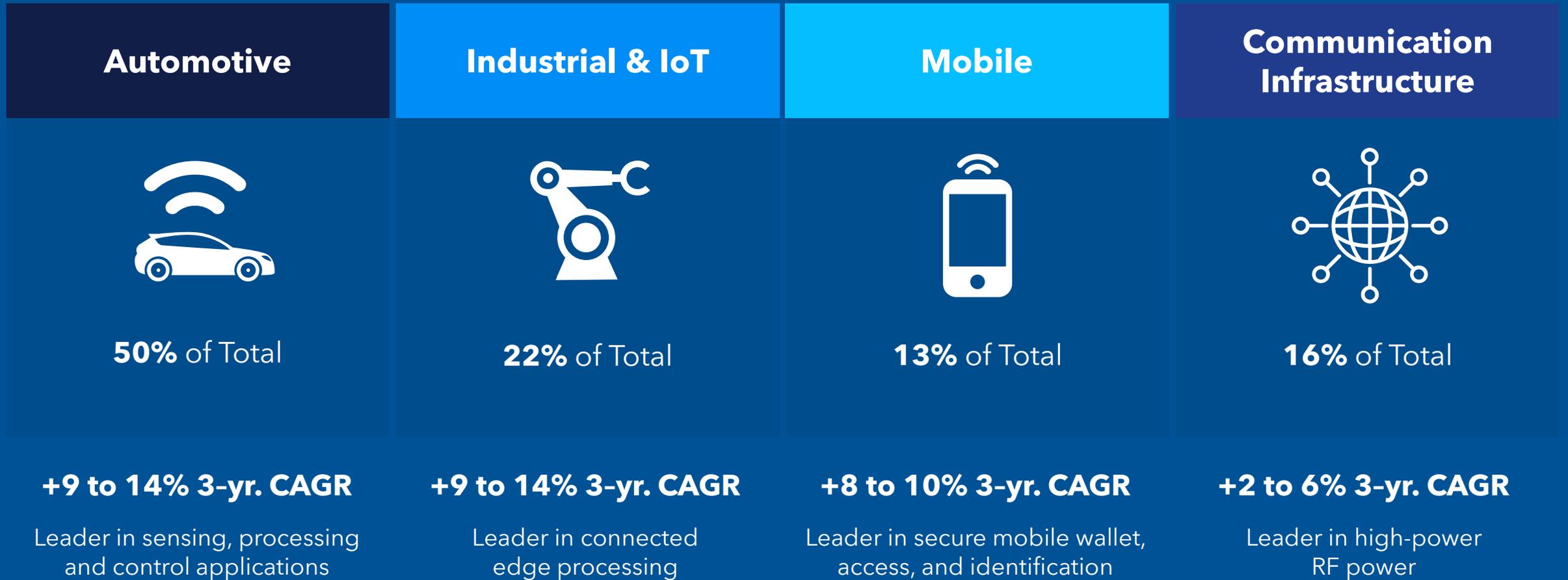


Communication Infrastructure & Other

Capex-driven wireless infrastructure market

Secular growth due to new cellular standard

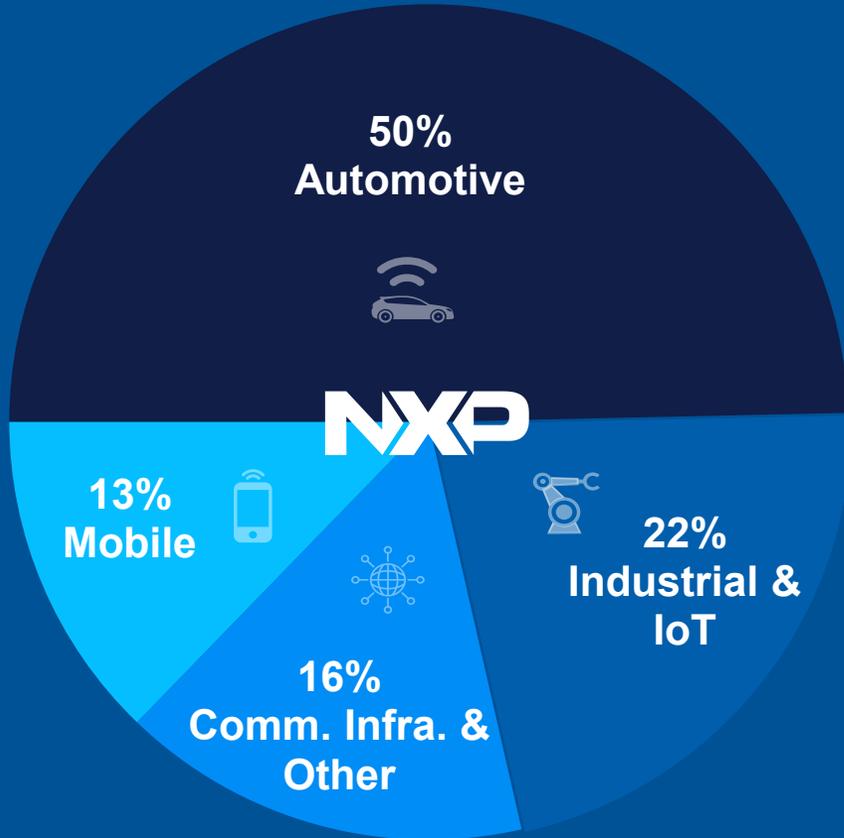
Accelerating Profitable Growth to 8-12% CAGR^{1,2,3,4}



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 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

Secular Growth Drivers Expected to Scale Rapidly^{1,2,3,4}

NXP 2021 Revenue by End-market Exposure



NXP Revenue Growth by Business Type



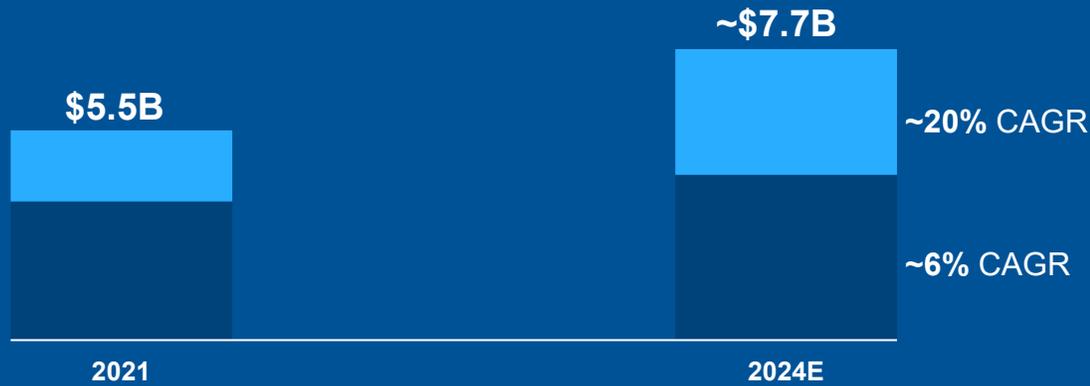
Accelerated Growth Drivers

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

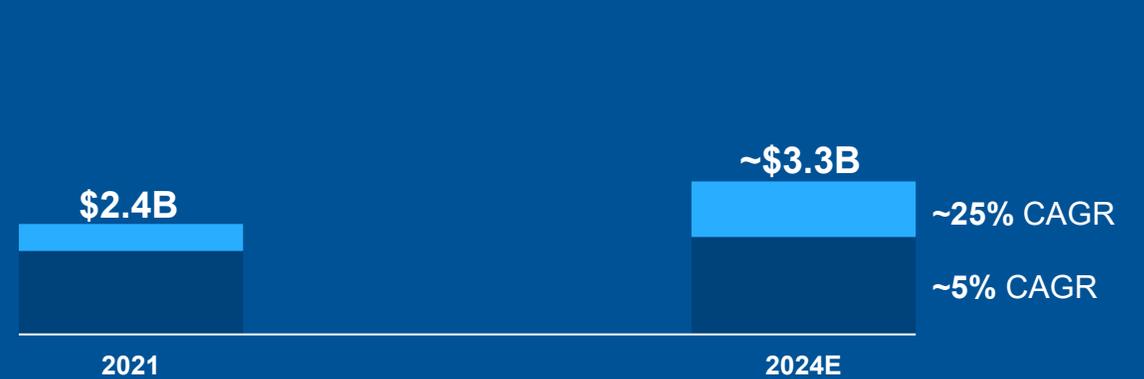
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Accelerating Secular Profitable Revenue Growth ^{1,2,3,4}

Automotive
9 - 14% CAGR



Industrial & IoT
9 - 14% CAGR



Mobile
8 - 10% CAGR



Comm. Infrastructure
2 - 6% CAGR



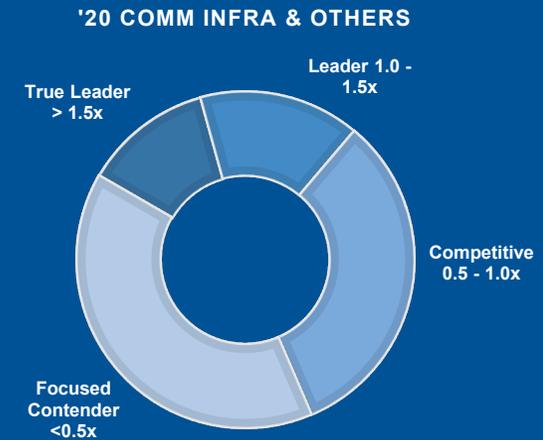
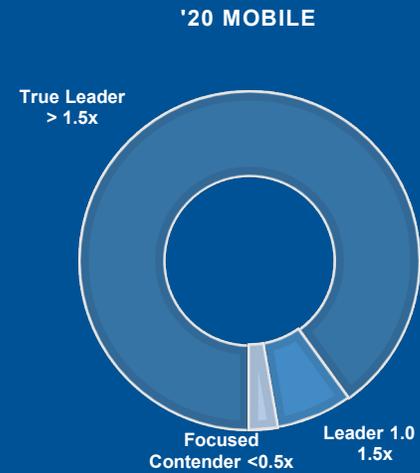
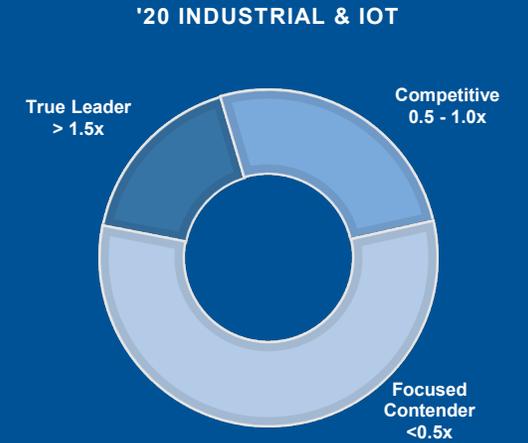
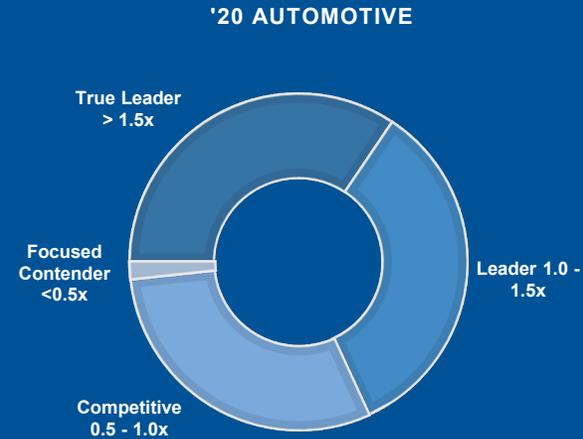
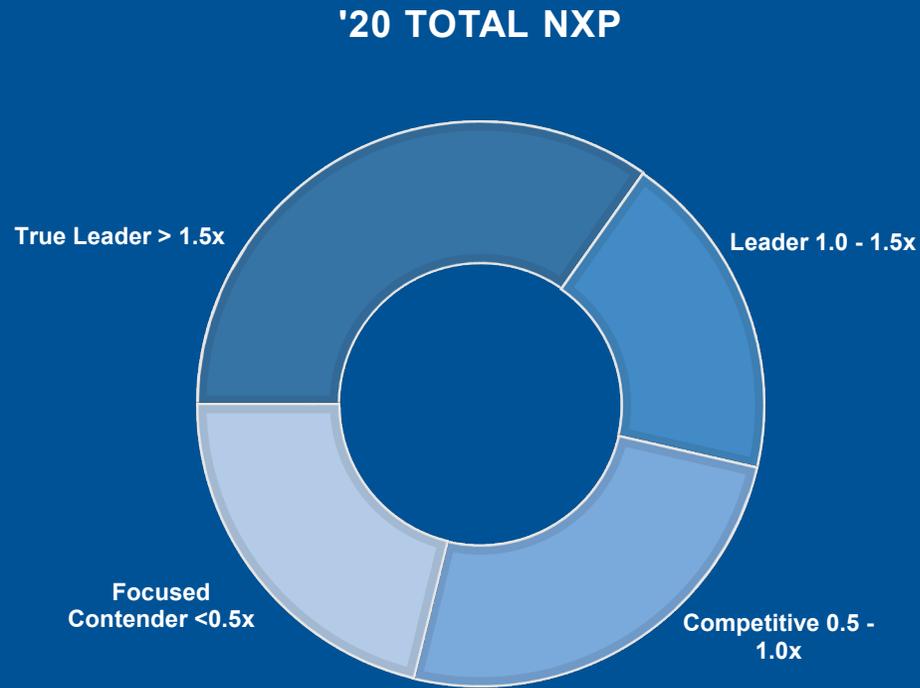
High RMS Core Revenue

Accelerated Growth Revenue Drivers

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NXP End Market Relative Market Share (“RMS”) ^{1,2}

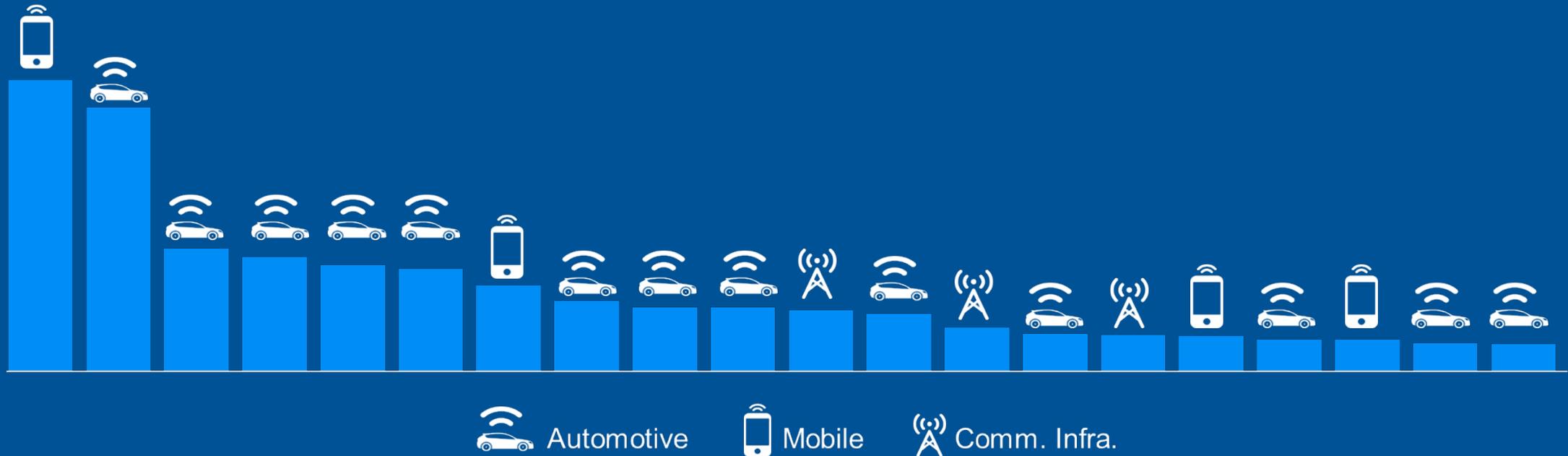


1. Source: NXP Semiconductors CMI Group, based on 2020 reported end market revenue and competitive positions

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^{1,2}

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



1. Reflects 2021 sales through all channels
2. Reflects spin out of Vitesco Technologies from Continental AG

Driving Profitable Growth in Excess of Addressable Market ^{1,2,3}

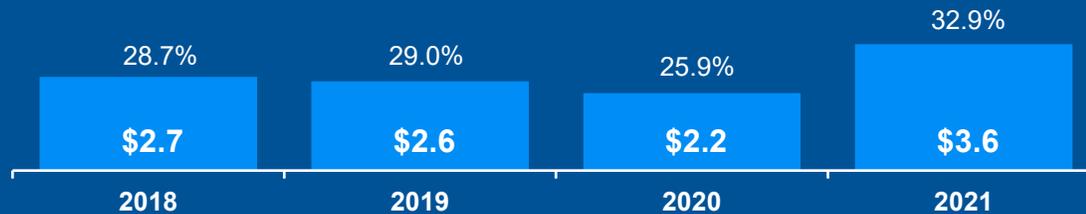
As Reported Revenue
Up 6% 3-yr. CAGR (\$B)



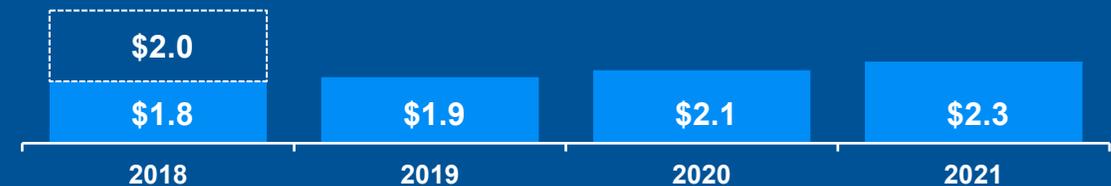
Non-GAAP Gross Profit / Non-GAAP Gross Margin
Up 8% 3-yr. CAGR (\$B)



Non-GAAP Operating Profit / Non-GAAP Operating Margin
Up 10% 3-yr. CAGR (\$B)



Non-GAAP Free Cash Flow
Down 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 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 2017 – 2020
 3. 2018 Non-GAAP Free Cash Flow reflects the receipt of \$2 billion termination fee associated with terminated Qualcomm transaction

Annual Revenue by End Market (\$B)¹

Automotive Up 7% 3-yr. CAGR (\$B)



Industrial & IoT Up 10% 3-yr. CAGR (\$B)



Mobile Up 7% 3-yr. CAGR (\$B)

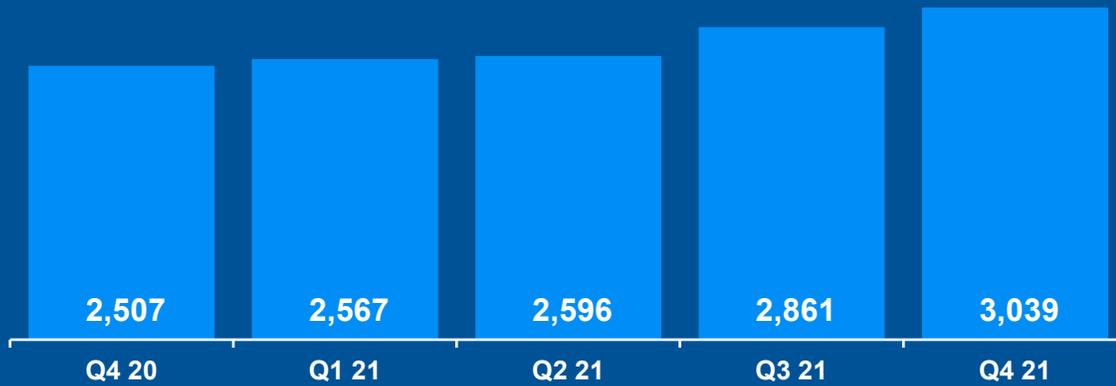


Communication Infrastructure & Other Down 1% 3-yr. CAGR (\$B)



Recent Quarterly Business Trends^{1,2}

As Reported Revenue (\$M)



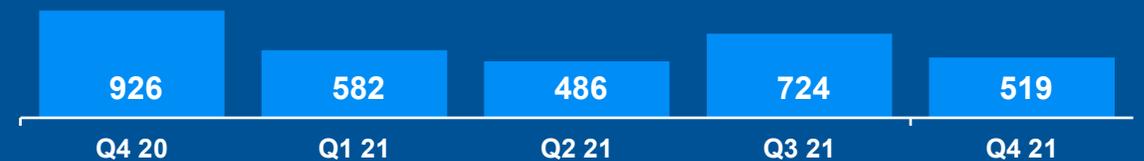
Non-GAAP Gross Profit / Non-GAAP Gross Margin



Non-GAAP Operating Profit / Non-GAAP Operating Margin



Non-GAAP Free Cash Flow



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 for additional information relative to our Non-GAAP Financial Measures
² Gross Profit, Gross Margin, Operating Profit, Operating Margin, Free Cash Flow are all non-GAAP figures.

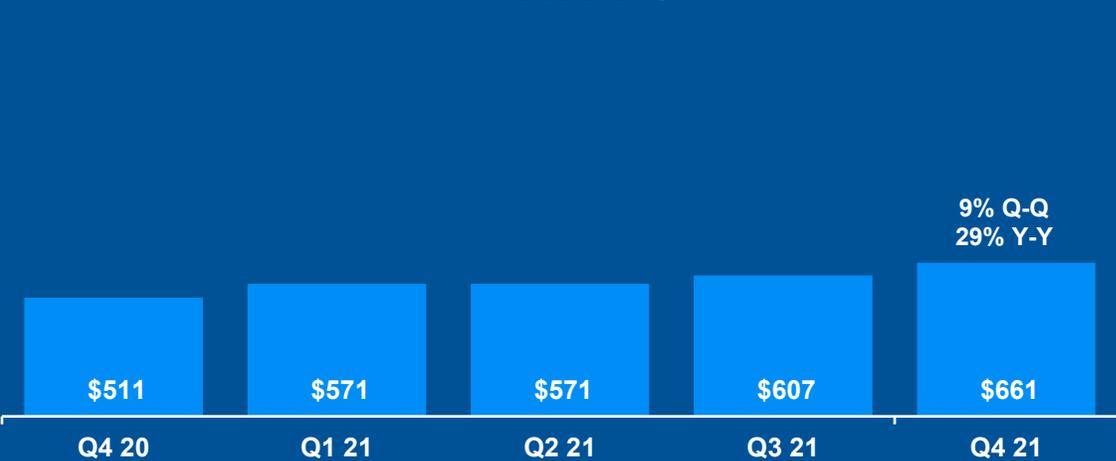


Quarterly Revenue by End Market (\$M)

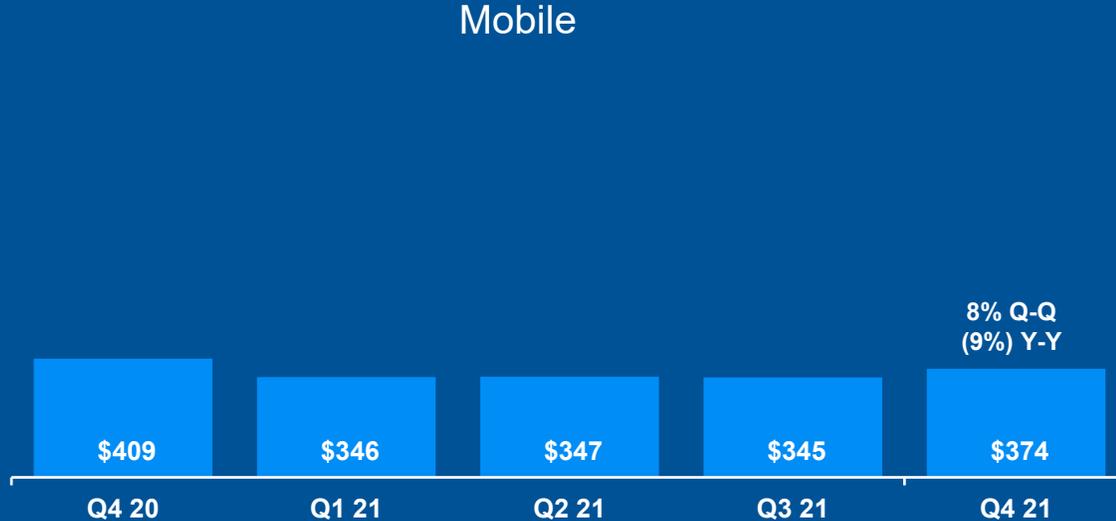
Automotive



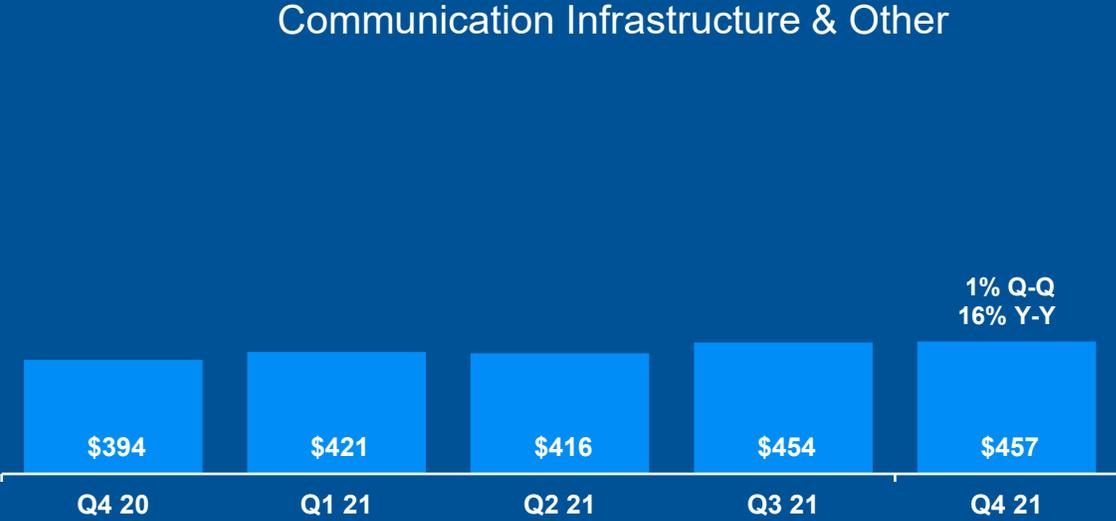
Industrial & IoT



Mobile



Communication Infrastructure & Other

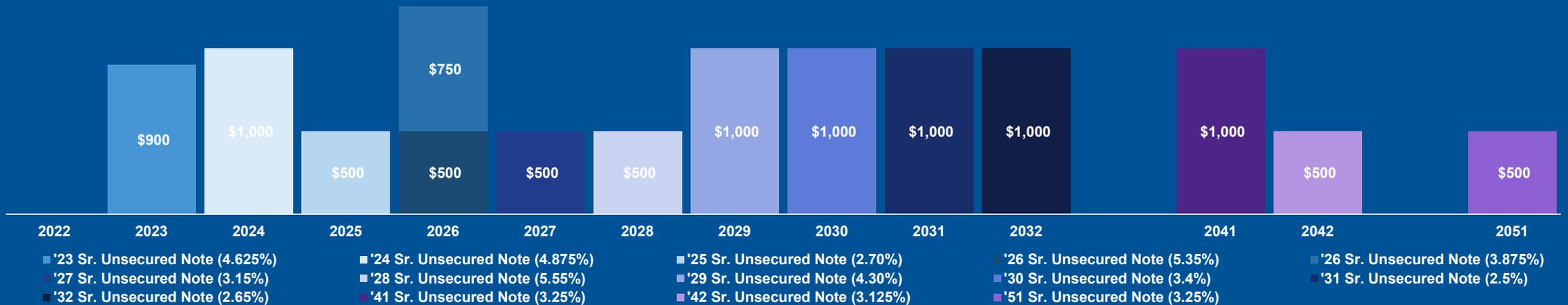


1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at www.nxp.com/investor for additional information relative to our Non-GAAP Financial Measures

Debt Summary End of 4Q21 ^{1,2}

| Debt Instrument | Sr. Unsecured Notes | Revolving Credit Facility |
|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------------|
| Issue Date | May-16 | Dec-18 | Apr-20 | Dec-18 | Jun-19 | Apr-20 | Dec-18 | Jun-19 | Apr-20 | May-21 | Nov-21 | May-21 | Nov-21 | Nov-21 | Jun-19 |
| Maturity Date | Jun-23 | Mar-24 | May-25 | Mar-26 | Jun-26 | May-27 | Dec-28 | Jun-29 | May-30 | May-31 | Feb-32 | May-41 | Feb-32 | Nov-51 | Jun-24 |
| Issued Amount (M) | \$ 900 | \$ 1,000 | \$ 500 | \$ 500 | \$ 750 | \$ 500 | \$ 500 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 500 | \$ 500 | \$ 1,500 |
| Book Value (M) | \$ 898 | \$ 997 | \$ 498 | \$ 498 | \$ 747 | \$ 497 | \$ 497 | \$ 993 | \$ 993 | \$ 992 | \$ 992 | \$ 987 | \$ 492 | \$ 491 | \$ - |
| Coupon | 4.625% | 4.875% | 2.700% | 5.350% | 3.875% | 3.150% | 5.550% | 4.300% | 3.40% | 2.50% | 2.65% | 3.25% | 3.125% | 3.250% | Libor + 125 bps |
| Rating | | | | | | | | | | | | | | | |
| Moody's | Baa3 | NR |
| Standard & Poor's | BBB | NR |
| Fitch | BBB- | NR |

| | |
|----------------------------------|-----------|
| Total Leverage | |
| Total Debt (\$M) | \$ 10,572 |
| Total Cash (\$M) | \$ 2,830 |
| Net Debt (\$M) | \$ 7,742 |
| TTM Adj. EBITDA | \$ 4,232 |
| Cost of Debt | 3.72% |
| Reported Leverage | 1.8X |
| TTM Adj. EBITDA/TTM net Interest | 11.6x |

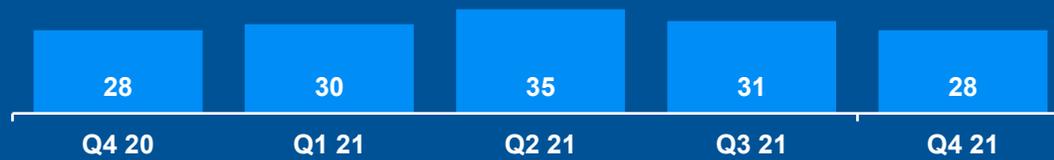


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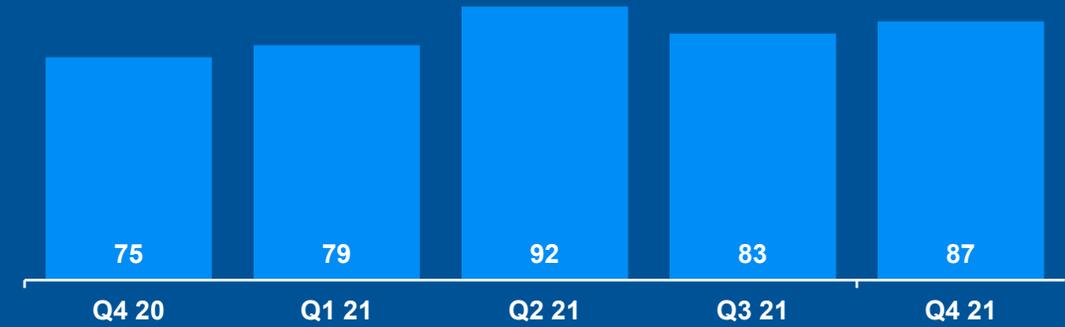
2. For the fourth quarter, ended December 31, 2021, Interest expense, net of \$95 million is comprised of interest expense of \$96 million, less interest income of \$1 million. Interest expense, net is a component of Financial income (expense) of \$123 million as reported in the NXP Historic Financial 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^{1,2}

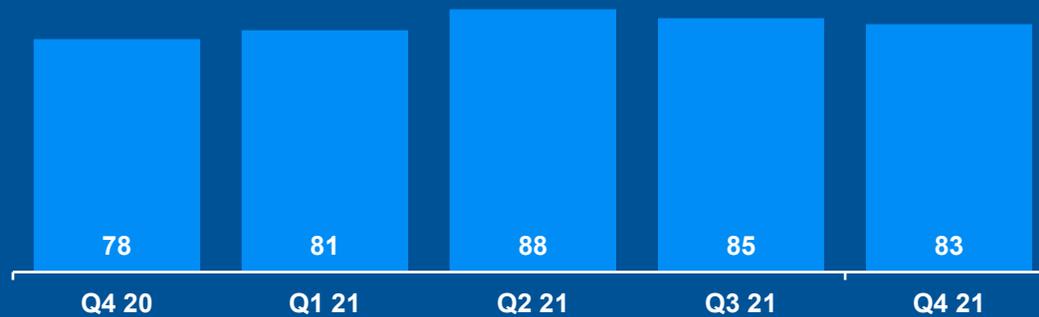
DSO



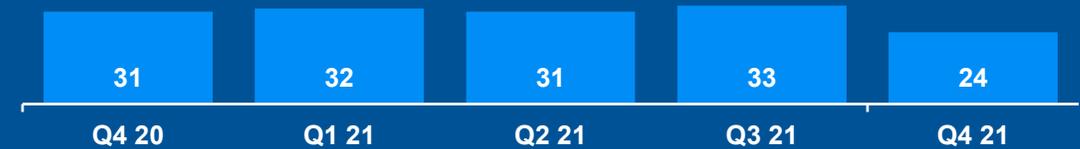
DPO



DIO



Cash Conversion Cycle



$DSO = (91.25 \times AR) / \text{Revenue}$
 $DPO = (91.25 \times AP) / \text{COGS}$

$DIO = (91.25 \times \text{Inventory}) / \text{COGS}$
 $\text{Cash Conversion Cycle} = DIO + DSO - DPO$

^{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 for additional information relative to our Non-GAAP Financial Measures



Guidance for the First Quarter of 2022 ¹⁻⁶

| | <u>GAAP</u> | | | | <u>Non-GAAP</u> | | |
|-----------------------------------|--------------|--------------|--------------|-------|-----------------|--------------|--------------|
| | <u>Low</u> | <u>Mid</u> | <u>High</u> | | <u>Low</u> | <u>Mid</u> | <u>High</u> |
| Total Revenue | 3,025 | 3,100 | 3,175 | | 3,025 | 3,100 | 3,175 |
| Q-Q | 0% | 2% | 4% | | 0% | 2% | 4% |
| Y-Y | 18% | 21% | 24% | | 18% | 21% | 24% |
| Gross Profit | 1,687 | 1,746 | 1,805 | (31) | 1,718 | 1,777 | 1,836 |
| Gross Margin | 55.8% | 56.3% | 56.9% | | 56.8% | 57.3% | 57.8% |
| Operating Income (loss) | 785 | 834 | 883 | (250) | 1,035 | 1,084 | 1,133 |
| Operating Margin | 26.0% | 26.9% | 27.8% | | 34.2% | 35.0% | 35.7% |
| Financial income (expense) | (108) | (108) | (108) | (3) | (105) | (105) | (105) |

1. GAAP Gross Profit is expected to include Purchase Price Accounting ("PPA") effects, \$(14) million; Stock Based Compensation, \$(12) million; Other Incidentals, \$(5) million;
2. GAAP Operating Income (loss) is expected to include PPA effects, \$(151) million; Stock Based Compensation, \$(89) million; Restructuring and Other Incidentals, \$(10) million;
3. GAAP Financial Income (expense) is expected to include Other financial expense \$(3) million;
4. Net cash paid for income taxes related to on-going operations is expected to be approximately \$(125) million;
5. Non-controlling interest is expected to be approximately \$(9) million;
6. Weighted average diluted share count is expected to be approximately 266 million.

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.

Updated Financial Model ^(1,2,3)

| | 2021 – 2024E |
|----------------------------------|---------------------------------------|
| NXP growth | +8 to 12% |
| Non-GAAP gross margin | 55 to 58% |
| <i>Non-GAAP R&D</i> | ~16% |
| <i>Non-GAAP SG&A</i> | ~7% |
| Non-GAAP operating margin | 32 to 36% |
| <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 |
| Non-GAAP free-cash flow | Target 25% of revenue |
| <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

Annual Financial Reconciliation (GAAP to non-GAAP)¹

| (\$ in millions, unless otherwise stated) | 2018 | 2019 | 2020 | 2021 |
|---|-------|---------|---------|---------|
| Total Revenue | 9,407 | 8,877 | 8,612 | 11,063 |
| GAAP Gross Profit | 4,851 | 4,618 | 4,235 | 6,067 |
| Gross profit adjustments | (129) | (131) | (165) | (138) |
| Non - GAAP Gross Profit | 4,980 | 4,749 | 4,400 | 6,205 |
| GAAP Gross Margin | 51.6% | 52.0% | 49.2% | 54.8% |
| Non-GAAP Gross Margin | 52.9% | 53.5% | 51.1% | 56.1% |
| GAAP Operating income (loss) | 2,710 | 641 | 418 | 2,583 |
| Operating income adjustments | 11 | (1,932) | (1,810) | (1,058) |
| Non - GAAP Operating income (loss) | 2,699 | 2,573 | 2,228 | 3,641 |
| GAAP Operating Margin | 28.8% | 7.2% | 4.9% | 23.3% |
| Non-GAAP Operating Margin | 28.7% | 29.0% | 25.9% | 32.9% |
| GAAP Financial income (expense) | (335) | (350) | (417) | (403) |
| Financial income adjustments | (159) | (85) | (60) | (38) |
| Non - GAAP Financial income (expense) | (176) | (265) | (357) | (365) |

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Annual Cash Flow Overview (\$M)¹

| (\$ in millions, unless otherwise stated) | 2018 | 2019 | 2020 | 2021 |
|--|---------|---------|-------|---------|
| Net cash provided by (used for) operating activities | 4,639 | 2,373 | 2,482 | 3,077 |
| Net cash provided by (used for) investing activities | (522) | (2,284) | (418) | (934) |
| Net cash provided by (used for) financing activities | (4,597) | (1,831) | (835) | (1,585) |
| Effects of changes in exchange rates on cash position | (8) | (2) | 1 | (3) |
| Increase (decrease) in cash and cash equivalents | (758) | (1,744) | 1,230 | 555 |
| Cash and cash equivalents at beginning of the period | 3,547 | 2,789 | 1,045 | 2,275 |
| Cash and cash equivalents at end of period | 2,789 | 1,045 | 2,275 | 2,830 |
| | | | | |
| Net cash provided by (used for) operating activities | 4,639 | 2,373 | 2,482 | 3,077 |
| Net capital expenditures on property, plant and equipment | (610) | (503) | (388) | (766) |
| Non-GAAP free cash flow | 3,759 | 1,870 | 2,094 | 2,311 |
| Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue | 40% | 21% | 24% | 21% |

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Annual Adjusted EBITDA (\$M)

| (\$ in millions, unless otherwise stated) | 2018 | 2019 | 2020 | 2021 |
|---|---------|-------|-------|-------|
| Net income (loss) | 2,258 | 272 | 80 | 1,906 |
| Reconciling items to adjusted net income | | | | |
| Financial (income) expense | 335 | 350 | 417 | 403 |
| (Benefit) provision for income taxes | 176 | 20 | (83) | 272 |
| Depreciation | 478 | 518 | 547 | 551 |
| Amortization | 1,509 | 1,529 | 1,441 | 711 |
| Adjusted net income | 4,756 | 2,689 | 2,402 | 3,843 |
| Reconciling items to adjusted EBITDA | | | | |
| Results of equity-accounted investees | (59) | (1) | 4 | 2 |
| Purchase accounting effect on inventory | - | 8 | 17 | - |
| Restructuring | 6 | 28 | 78 | 1 |
| Stock-based compensation | 314 | 346 | 384 | 353 |
| Merger-related costs | (1,848) | 33 | 8 | - |
| Other incidental items | (18) | (3) | (101) | 33 |
| Trailing 12-month Adjusted EBITDA | 3,151 | 3,100 | 2,792 | 4,232 |
| 1) Excluding amortization related to other incidental items | - | - | 8 | - |

Quarterly Financial Reconciliation (GAAP to non-GAAP)

| (\$ in millions, unless otherwise stated) | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
|---|---------|---------|---------|---------|---------|
| Total Revenue | 2,507 | 2,567 | 2,596 | 2,861 | 3,039 |
| GAAP Gross Profit | 1,288 | 1,355 | 1,422 | 1,583 | 1,707 |
| Gross profit adjustments | (38) | (37) | (34) | (34) | (33) |
| Non - GAAP Gross Profit | 1,326 | 1,392 | 1,456 | 1,617 | 1,740 |
| GAAP Gross Margin | 51.4% | 52.8% | 54.8% | 55.3% | 56.2% |
| Non-GAAP Gross Margin | 52.9% | 54.2% | 56.1% | 56.5% | 57.3% |
| GAAP Operating income (loss) | 463 | 492 | 573 | 711 | 807 |
| Operating income adjustments | (301) | (300) | (257) | (248) | (253) |
| Non - GAAP Operating income (loss) | 764 | 792 | 830 | 959 | 1,060 |
| GAAP Operating Margin | 18.5% | 19.2% | 22.1% | 24.9% | 26.6% |
| Non-GAAP Operating Margin | 30.5% | 30.9% | 32.0% | 33.5% | 34.9% |
| GAAP Financial income (expense) | (137) | (87) | (100) | (93) | (123) |
| Financial income adjustments | (47) | - | (9) | 1 | (30) |
| Non - GAAP Financial income (expense) | (90) | (87) | (91) | (94) | (93) |

Other Information for Q4 2021:

- PPA effects: (\$155M)
- Restructuring: -
- Stock-based compensation: (\$88M)
- Other incidentals: (\$10M)
- Foreign exchange loss: (\$1M)
- Loss on extinguishment of debt: (\$22M)
- Other financial expense: (\$7M)

Quarterly Cash Flow Overview (\$M)

| (\$ in millions, unless otherwise stated) | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
|--|------------|------------|------------|------------|------------|
| Net cash provided by (used for) operating activities | 1,029 | 732 | 636 | 924 | 785 |
| Net cash provided by (used for) investing activities | (163) | (181) | (189) | (248) | (316) |
| Net cash provided by (used for) financing activities | (2,165) | (979) | 619 | (1,280) | 55 |
| Effects of changes in exchange rates on cash position | 8 | (5) | 2 | (3) | 3 |
| Increase (decrease) in cash and cash equivalents | (1,291) | (433) | 1,068 | (607) | 527 |
| Cash and cash equivalents at beginning of the period | 3,566 | 2,275 | 1,842 | 2,910 | 2,303 |
| Cash and cash equivalents at end of period | 2,275 | 1,842 | 2,910 | 2,303 | 2,830 |
| Net cash provided by (used for) operating activities | 1,029 | 732 | 636 | 924 | 785 |
| Net capital expenditures on property, plant and equipment | (103) | (150) | (150) | (200) | (266) |
| Non-GAAP free cash flow | 926 | 582 | 486 | 724 | 519 |
| Trailing 12-month Non-GAAP free cash flow | 2,094 | 2,307 | 2,453 | 2,718 | 2,311 |
| Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue | 24% | 25% | 25% | 26% | 21% |

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 for additional information relative to our Non-GAAP Financial Measures

Quarterly Adjusted EBITDA (\$M)¹

| (\$ in millions, unless otherwise stated) | Q4 2020 | Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
|---|------------|------------|------------|------------|------------|
| Net income (loss) | 320 | 364 | 406 | 526 | 610 |
| Reconciling items to adjusted net income | | | | | |
| Financial (income) expense | 137 | 87 | 100 | 93 | 123 |
| (Benefit) provision for income taxes | 5 | 40 | 65 | 95 | 72 |
| Depreciation | 139 | 132 | 135 | 139 | 145 |
| Amortization | 177 | 209 | 170 | 167 | 165 |
| Adjusted net income | 778 | 832 | 876 | 1,020 | 1,115 |
| Reconciling items to adjusted EBITDA | | | | | |
| Results of equity-accounted investees | 1 | 1 | 2 | (3) | 2 |
| Restructuring | 38 | - | 1 | - | - |
| Stock-based compensation | 89 | 91 | 93 | 81 | 88 |
| Other incidental items | 1 | 11 | 4 | 8 | 10 |
| Adjusted EBITDA | 907 | 935 | 976 | 1,106 | 1,215 |
| Trailing 12-month Adjusted EBITDA | 2,792 | 3,087 | 3,546 | 3,924 | 4,232 |
| 1) Excluding amortization related to other incidental items | 2 | - | - | - | - |

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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