

NXP Investor Presentation

Second Quarter 2023

July 2023



SECURE CONNECTIONS FOR A SMARTER WORLD

PUBLIC



FORWARD LOOKING STATEMENTS

This document includes forward-looking statements which include statements regarding NXP's business strategy, financial condition, results of operations, the expected material weakness in our internal control over financial reporting, including the timeline to remediate the expected material weakness, market data, as well as any other statements which are not historical facts. By their nature, forward-looking statements are subject to numerous factors, risks and uncertainties that could cause actual outcomes and results to be materially different from those projected. These factors, risks and uncertainties include the following: market demand and semiconductor industry conditions; our ability to successfully introduce new technologies and products; the demand for the goods into which NXP's products are incorporated; potential impacts of the COVID-19 pandemic; trade disputes between the U.S. and China, potential increase of barriers to international trade and resulting disruptions to NXP's established supply chains; the impact of government actions and regulations, including restrictions on the export of US-regulated products and technology; the ability to generate sufficient cash, raise sufficient capital or refinance corporate debt at or before maturity to meet both NXP's debt service and research and development and capital investment requirements; our ability to accurately estimate demand and match our production capacity accordingly or obtain supplies from third-party producers to meet demand; our access to production capacity from third-party outsourcing partners, and any events that might affect their business or NXP's relationship with them; our ability to secure adequate and timely supply of equipment and materials from suppliers; our ability to avoid operational problems and product defects and, if such issues were to arise, to correct them quickly; our ability to form strategic partnerships and joint ventures and to successfully cooperate with our alliance partners; our ability to win competitive bid selection processes; our ability to develop products for use in customers' equipment and products; the ability to successfully hire and retain key management and senior product engineers; the invasion of Ukraine by Russia and resulting regional instability, sanctions and any other retaliatory measures taken against Russia, which could adversely impact the global supply chain, disrupt our operations or negatively impact the demand for our products in our primary end markets; and, the ability to maintain good relationships with NXP's suppliers. In case tax laws change, this could have an effect on our estimated effective tax rates. In addition, this document contains information concerning the semiconductor industry and NXP's market and 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 and NXP's market and business segments may develop. NXP has based these assumptions on information currently available, if any one or more of these assumptions turn out to be incorrect, actual results may differ from those predicted. While NXP does not know what impact any such differences may have on its business, if there are such differences, its future results of operations and its financial condition could be materially adversely affected. There can be no assurances that a pandemic, epidemic or outbreak of 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. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak to results only as of the date the statements were made. Except for any ongoing obligation to disclose material information as required by the United States federal securities laws, NXP does not have any intention or obligation to publicly update or revise any forward-looking statements after we distribute this document, whether to reflect any future events or circumstances or otherwise. For a discussion of potential risks and uncertainties, please refer to the risk factors listed in our SEC filings. Copies of our SEC filings are available on our Investor Relations website, www.nxp.com/investor or from the SEC website, www.sec.gov.

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

USE OF NON-GAAP FINANCIAL MEASURES

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

NXP Investment Thesis



Market leader with
strong revenue growth

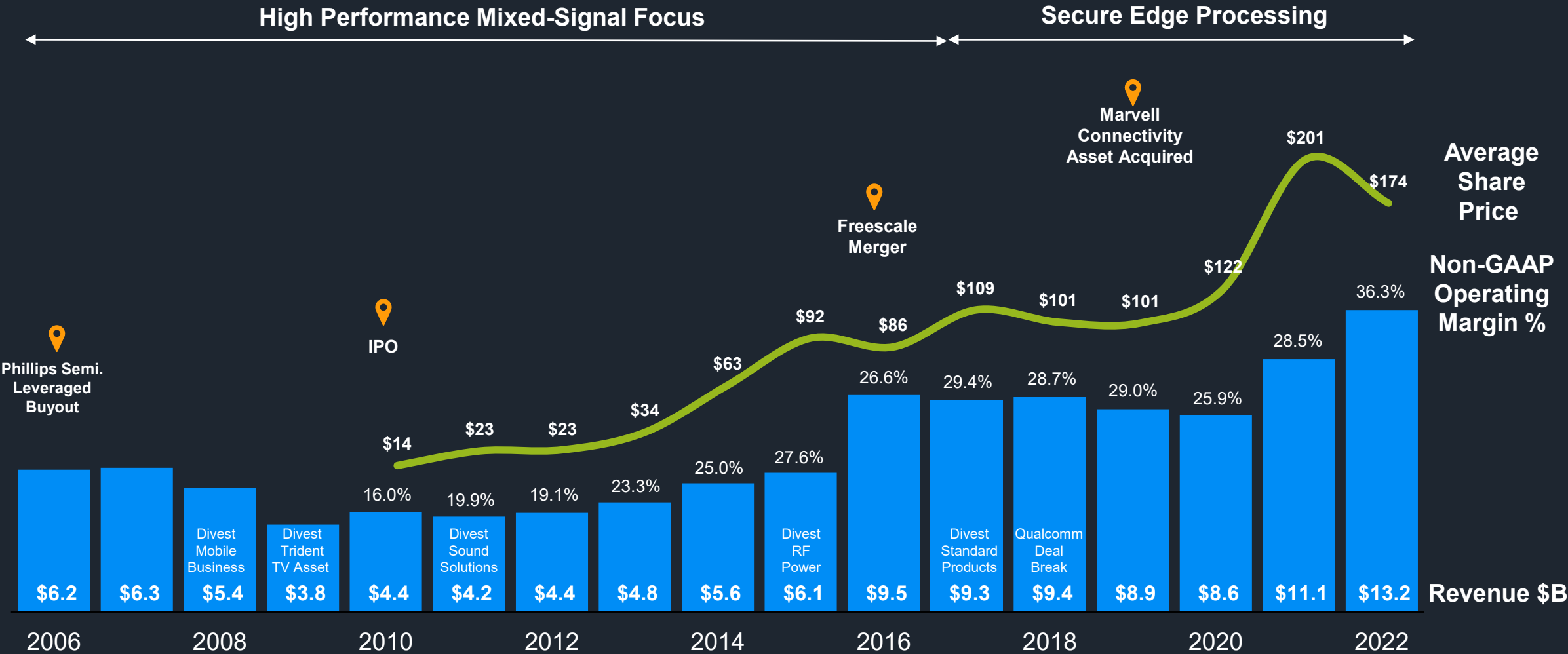


Proven financial model with
resilient profitability



Reliable capital return policy of
robust free cash flow

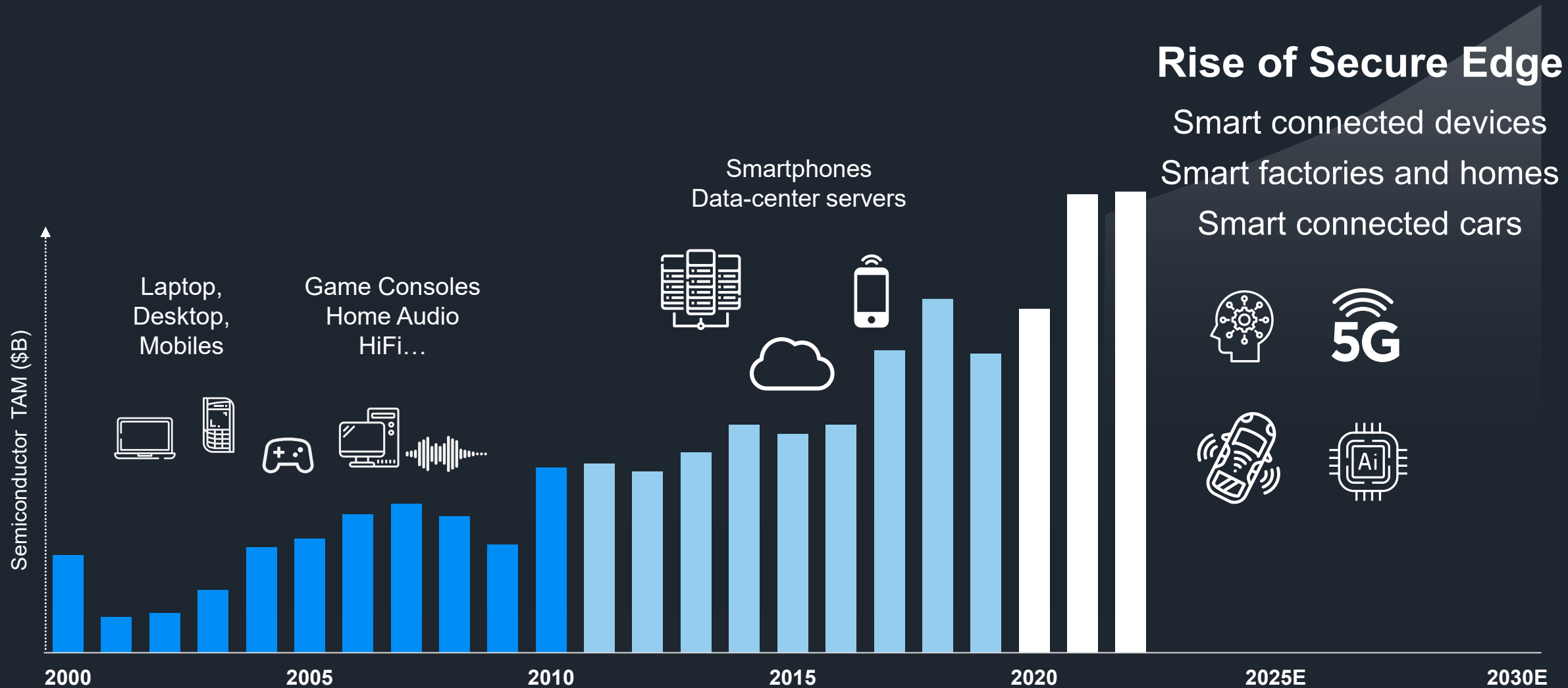
NXP: A Rich History of Innovation



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 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. Ave. Annual Share Price is the average annual share price of NXPI throughout each full or partial year period sourced from FactSet

Macrotrends Driving Waves of Semi Growth⁽¹⁾

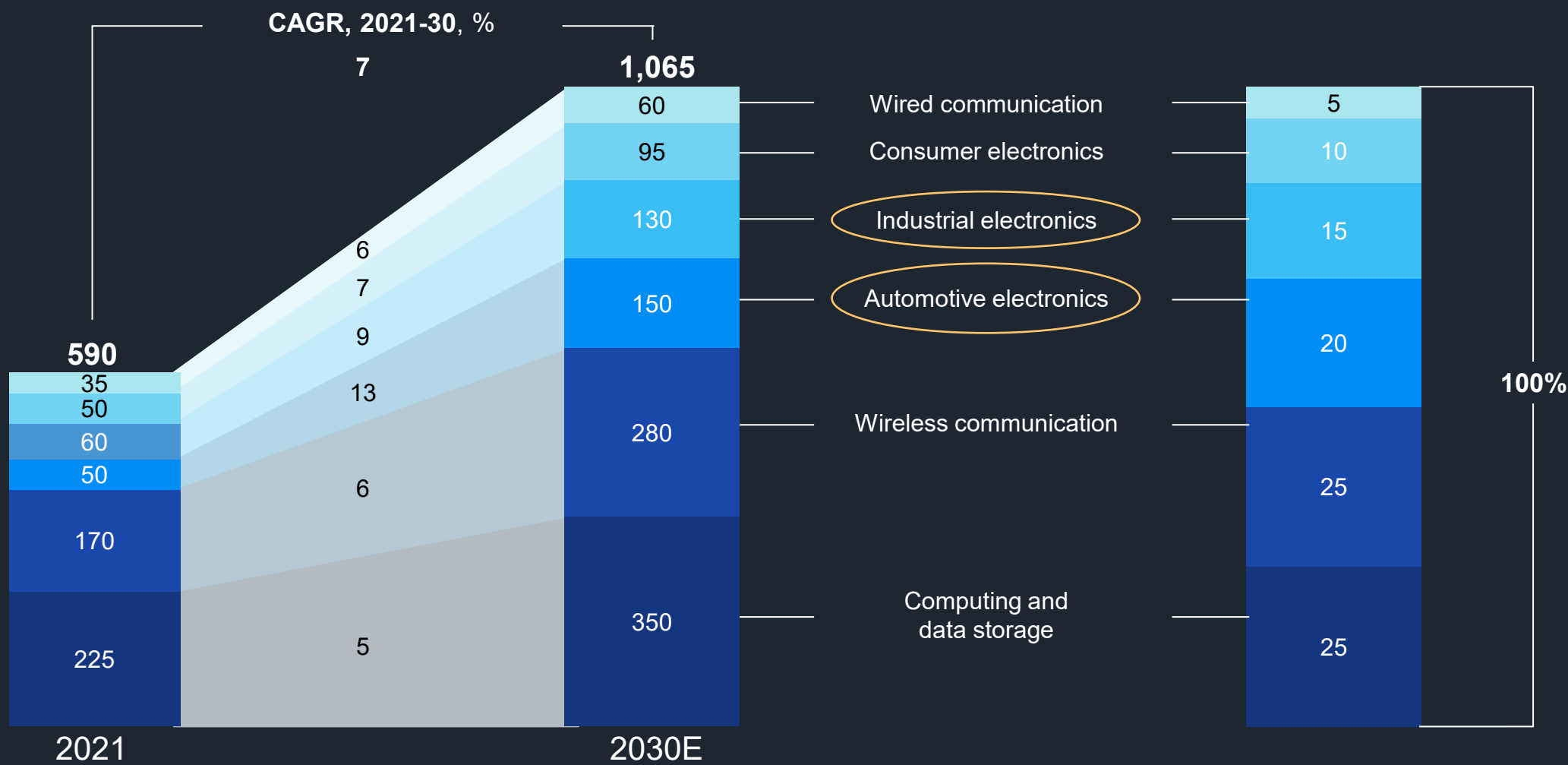


1. Omdia Application Market Forecast Tool March 2023

Semiconductor Industry – a \$1 Trillion Opportunity in 2030

Global Semiconductor market value by vertical, indicative, \$billion

Growth contribution per vertical, 2021-30, %



Source: McKinsey May 2022

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
			
Safety, Electrification & Driver Interaction	Edge Processing, Connectivity & Security	Virtualized Secure Transactions & Access	Capex-driven Wireless Infrastructure Market
System solutions innovation drives revenue growth	Scalable processing and solutions as a differentiator	Growth driven by increased attach rate	Growth as result of new cellular standards

Accelerating Profitable Growth of 8-12% CAGR ^(1,2,3,4)

Automotive	Industrial & IoT	Mobile	Communications Infrastructure
			
50% of Total +9 to 14% 3-yr. CAGR	22% of Total +9 to 14% 3-yr. CAGR	13% of Total +8 to 10% 3-yr. CAGR	16% of Total +2 to 6% 3-yr. CAGR
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

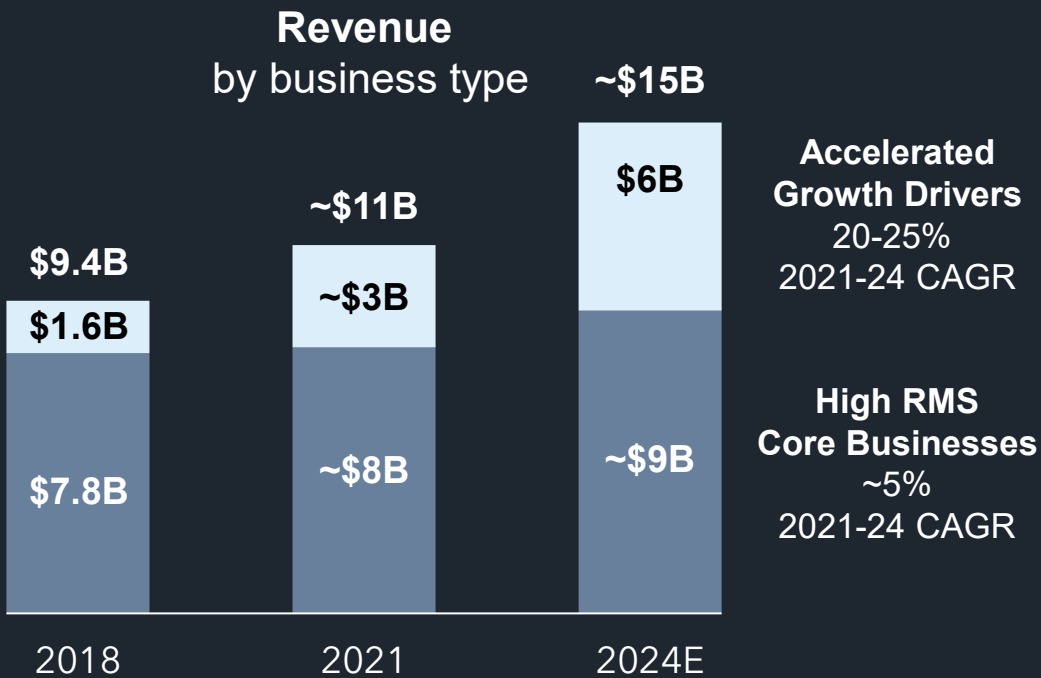
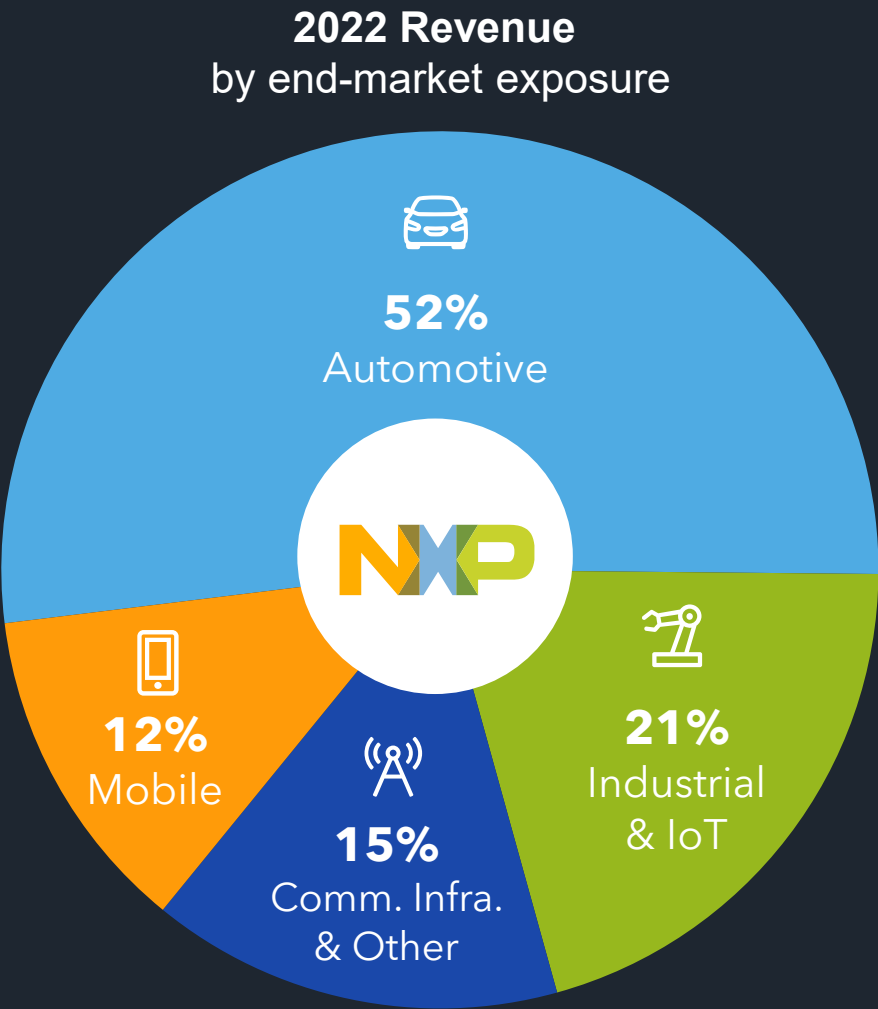
1. NXP Strategy Office

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^(1,2,3,4)



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

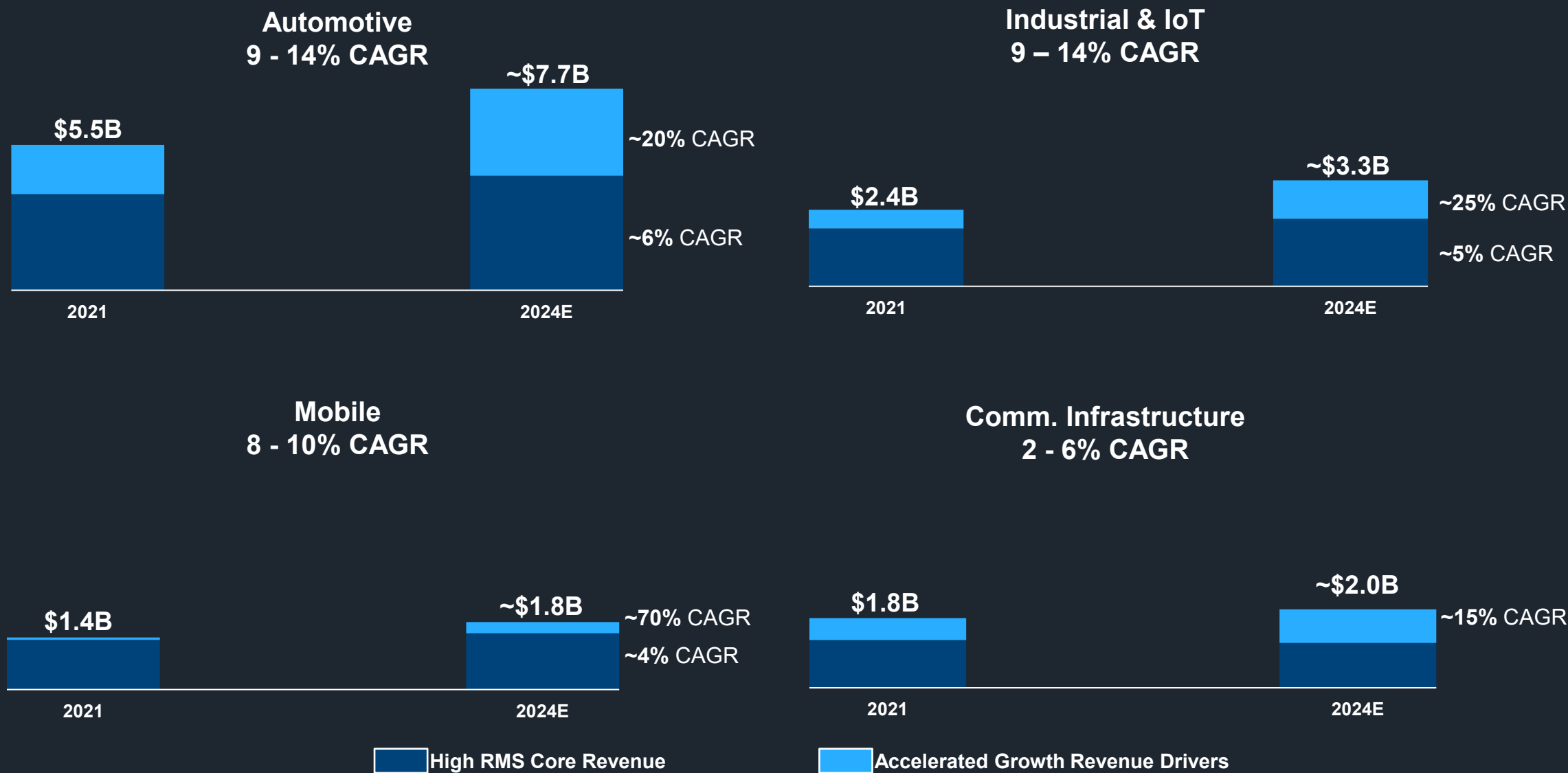
1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at www.nxp.com/investor for additional information relative to our Non-GAAP Financial Measures

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

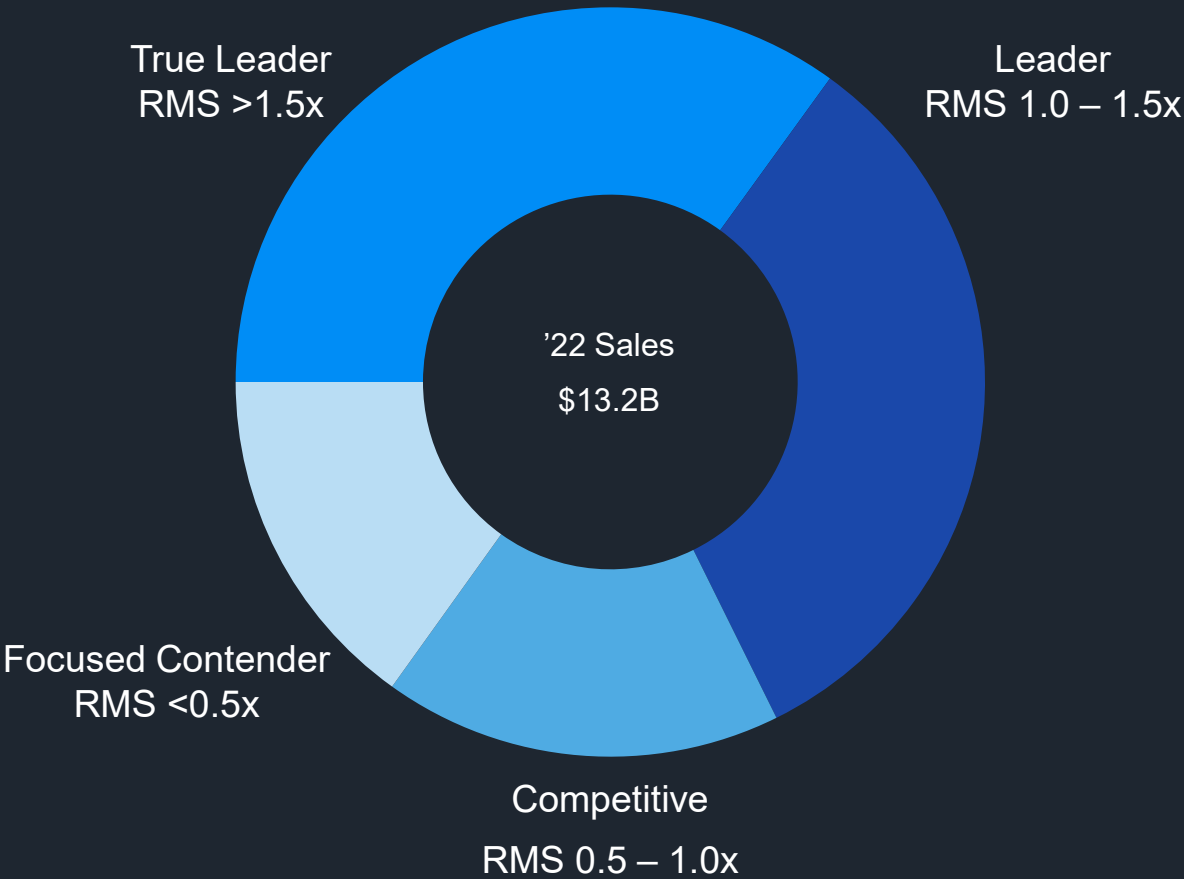
Accelerating Secular Profitable Revenue Growth^{1,2,3,4}



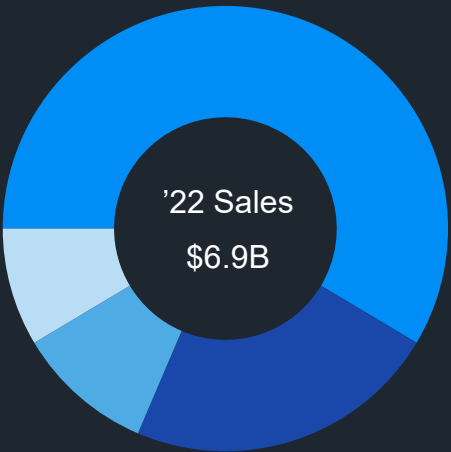
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2. All growth rates are 3-year CAGR based on 2021 actuals through 2024 estimates
3. The sum of the percentages shown may not add to 100% due to rounding
4. NXP Strategy Office

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

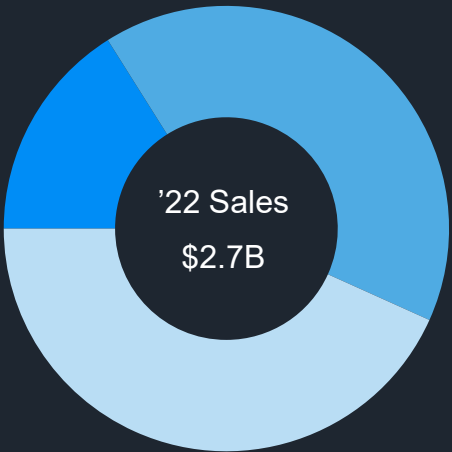
'22 Total NXP Product Revenue



'22 Automotive



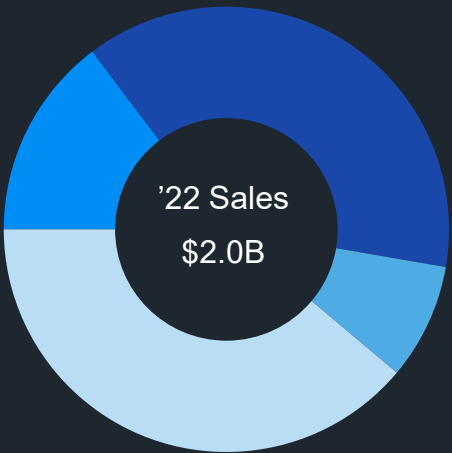
'22 Industrial & IoT



'22 Mobile



'22 Com. Infra. & Others

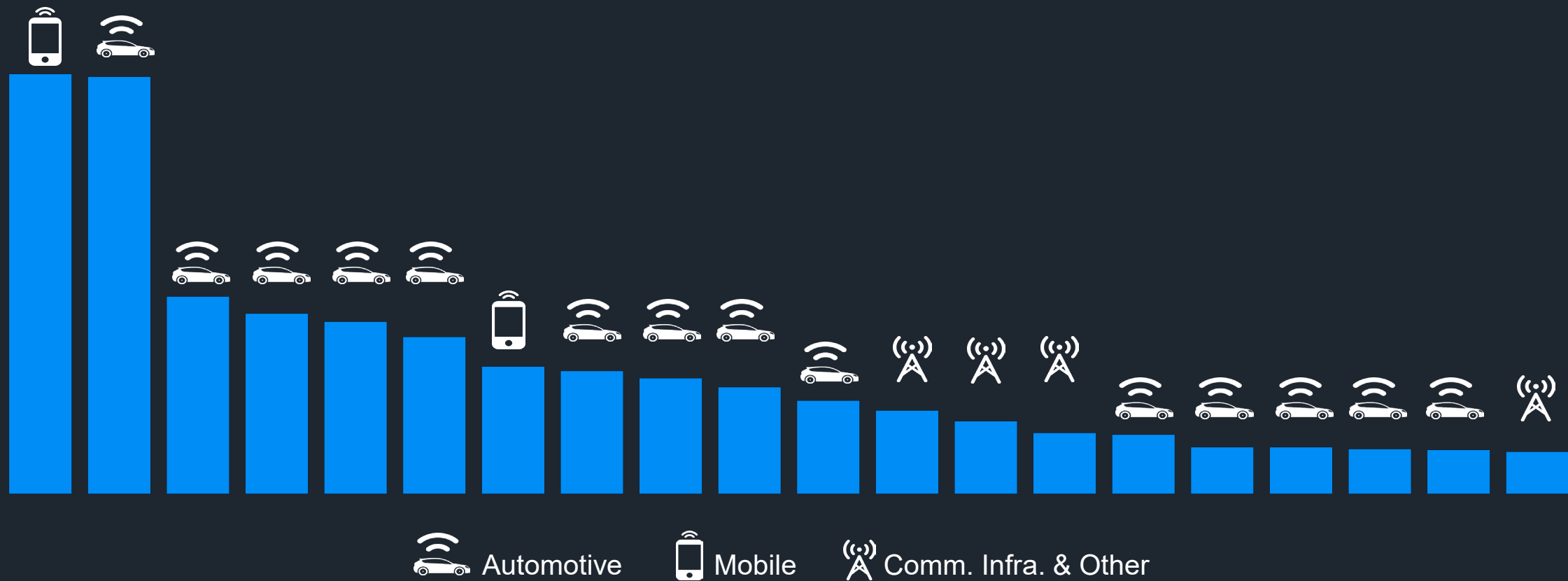


True Leader Leader Competitive Focused Contender

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 ⁽¹⁾

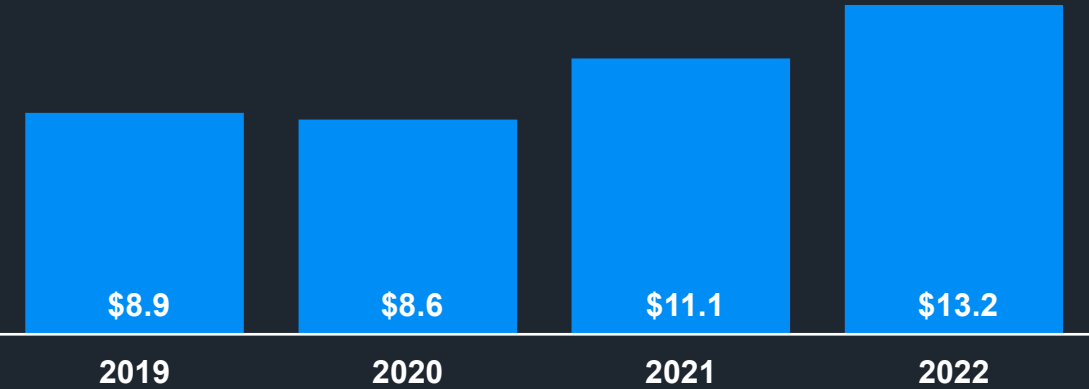
Top 20 End-customers are less than 45% of 2022 Revenue
>25,000 Total Customers
No 10% Customers



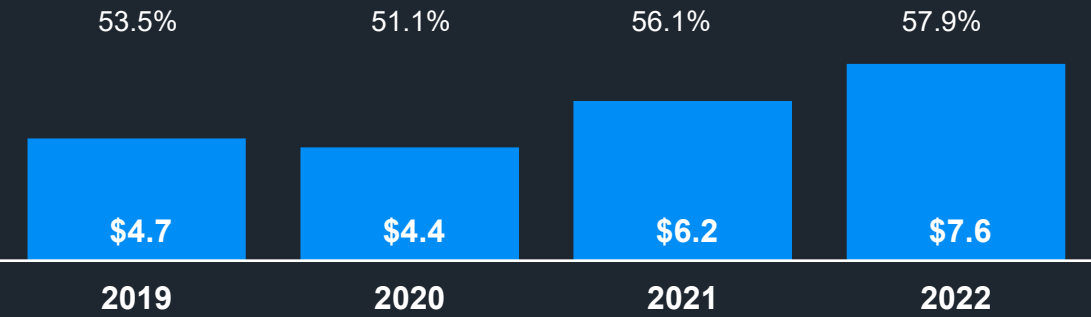
1. Reflects 2022 sales through all channels

Driving Profitable Growth in Excess of Addressable Market ^(1,2,3)

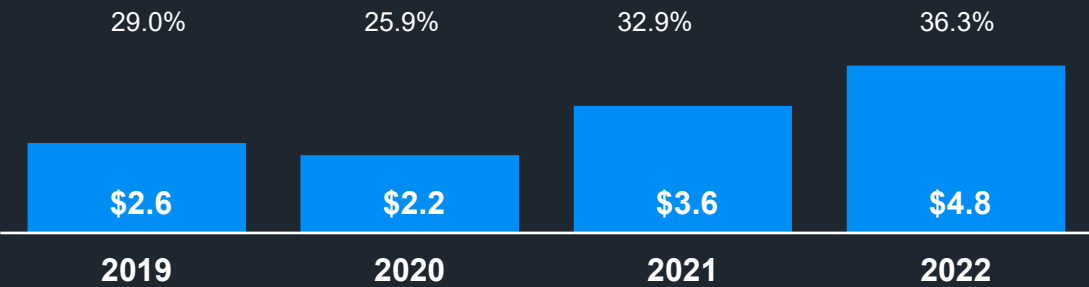
As Reported Revenue
Up 14% 3-yr. CAGR (\$B)



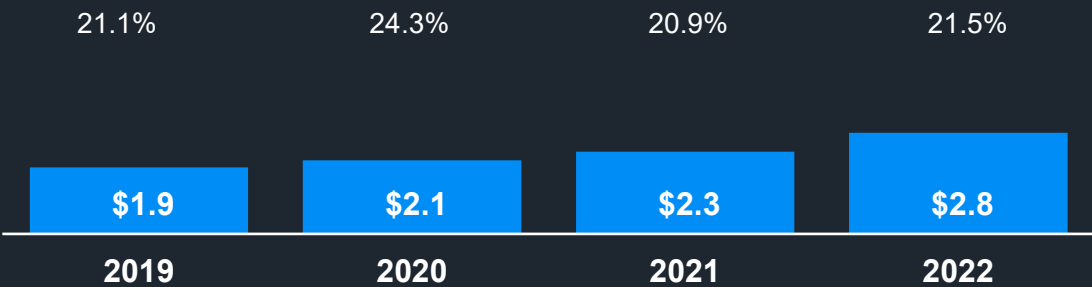
Non-GAAP Gross Profit / Non-GAAP Gross Margin
Up 17% 3-yr. CAGR (\$B)



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



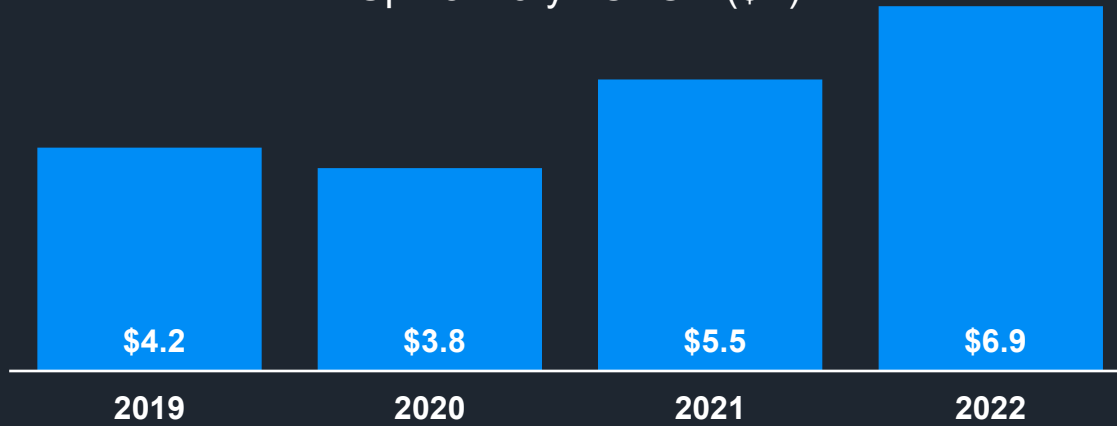
Non-GAAP Free Cash Flow / Non-GAAP Free Cash Flow Margin
Up 15% 3-yr. CAGR (\$B)



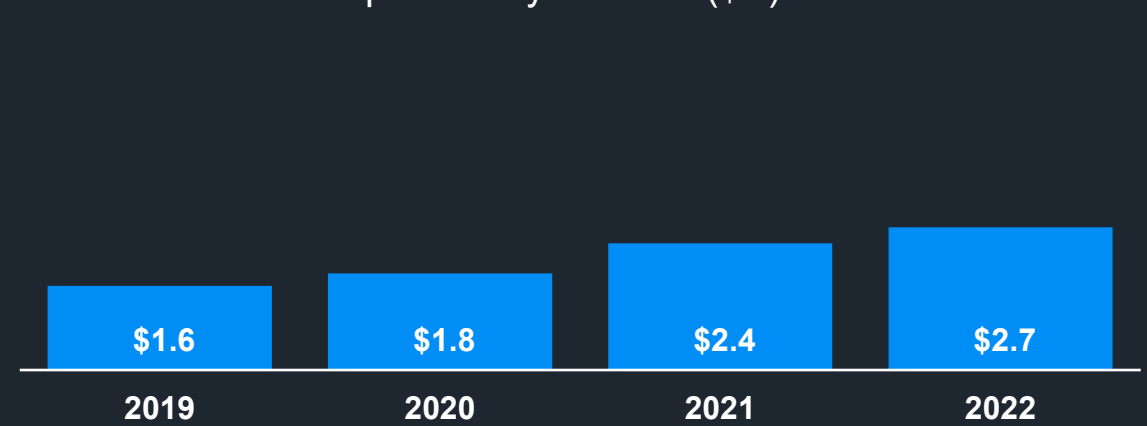
1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at www.nxp.com/investor for additional information relative to our Non-GAAP Financial Measures
2. Gross Profit, Gross Margin, Operating Profit, Operating Margin,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

Annual Revenue by End Market (\$B)⁽¹⁾

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



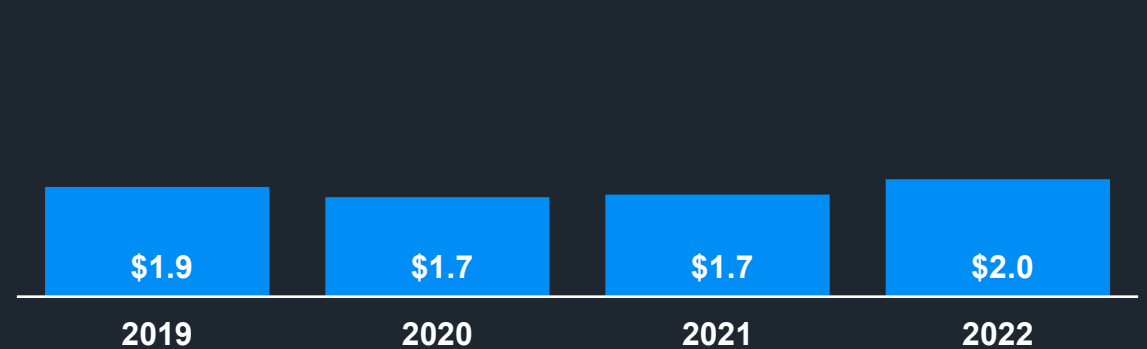
Industrial & IoT
Up 19% 3-yr. CAGR (\$B)



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



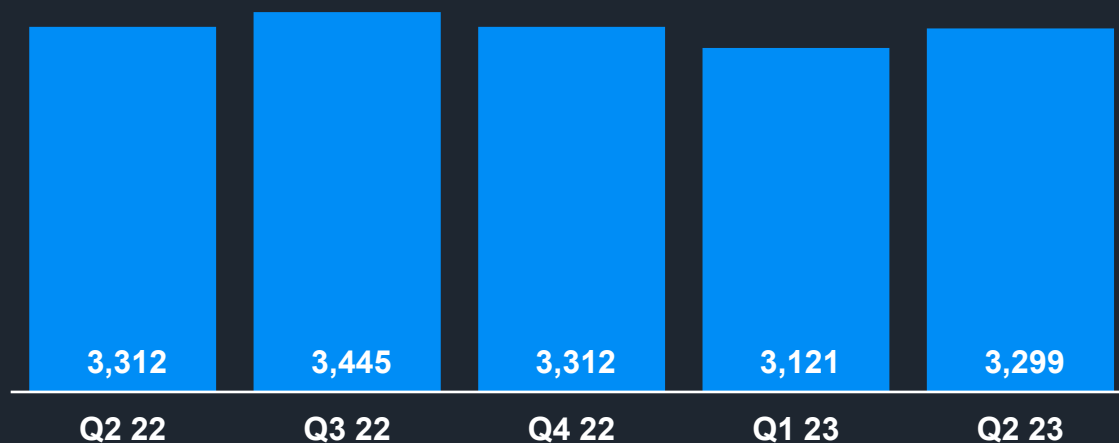
Communication Infrastructure & Other
Up 2% 3-yr. CAGR (\$B)



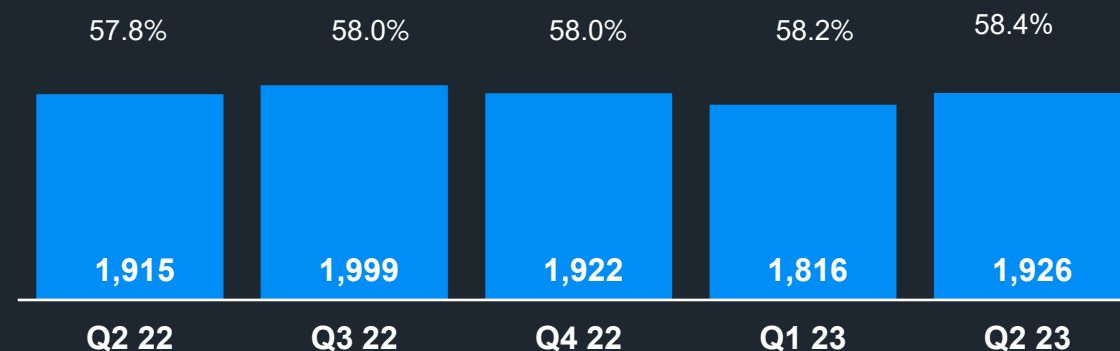
1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at www.nxp.com/investor for additional information relative to our Non-GAAP Financial Measures

Recent Quarterly Business Trends^(1,2)

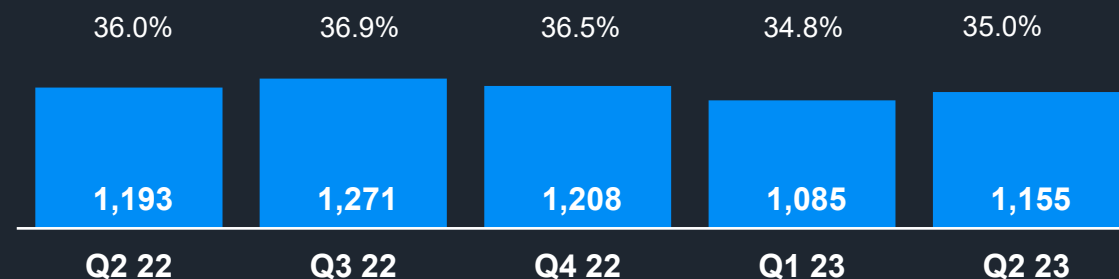
As Reported Revenue (\$M)



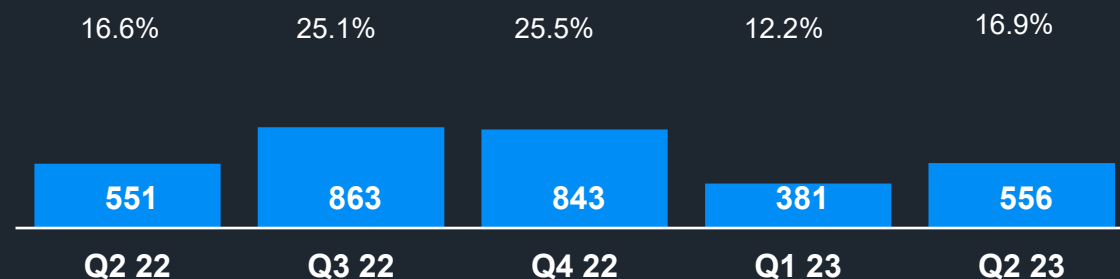
Non-GAAP Gross Profit / Non-GAAP Gross Margin



Non-GAAP Operating Profit / Non-GAAP Operating Margin



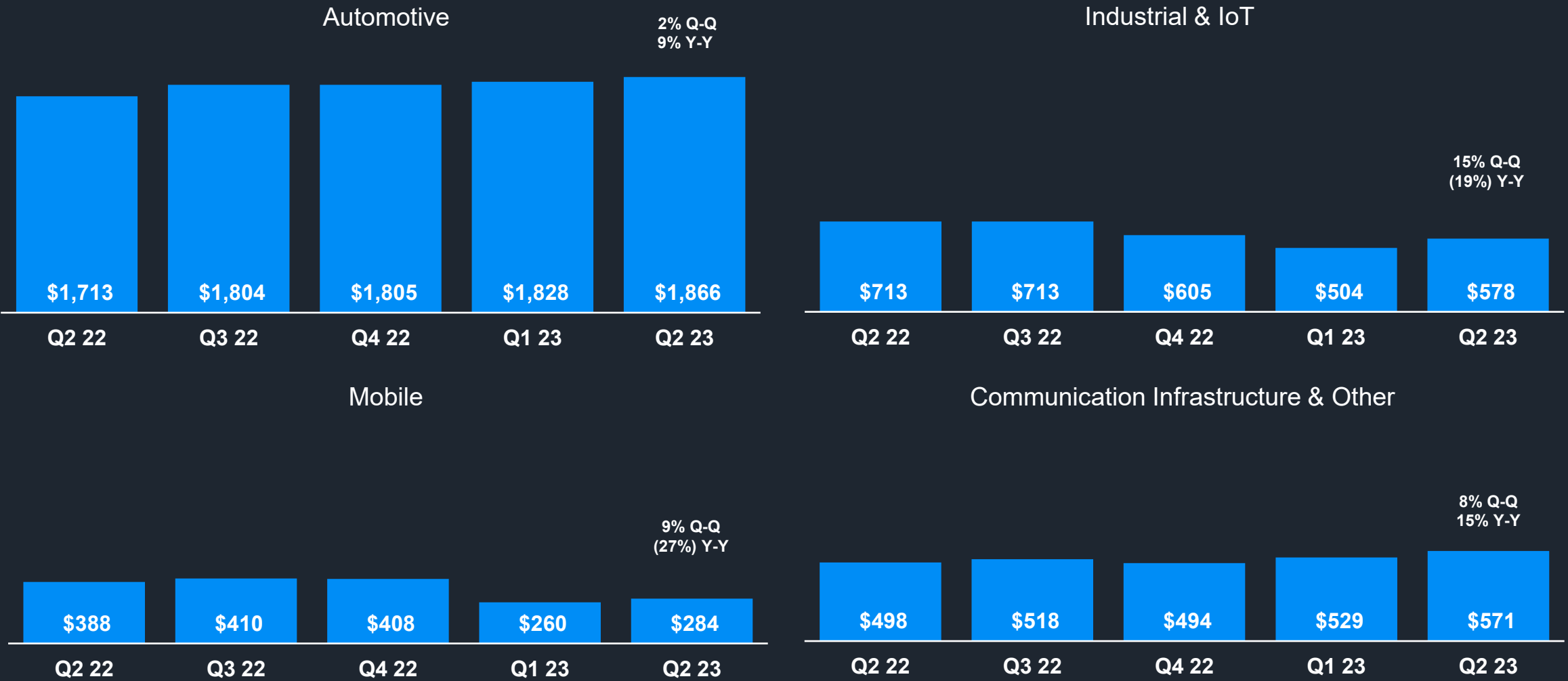
Non-GAAP Free Cash Flow / Non-GAAP Free Cash Flow Margin



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)⁽¹⁾

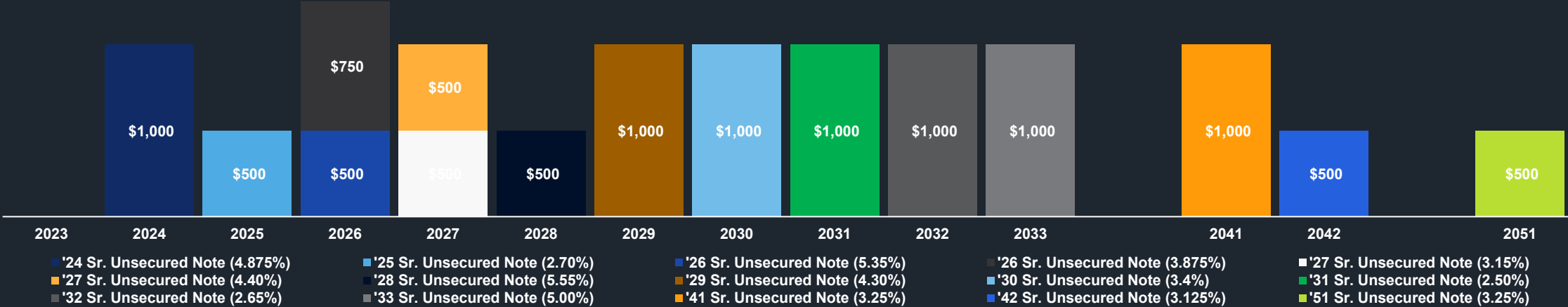


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Debt Summary at the End of 2Q23^(1,2)

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)	\$ 999	\$ 499	\$ 499	\$ 748	\$ 498	\$ 497	\$ 497	\$ 994	\$ 994	\$ 993	\$ 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
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)	\$ 11,170
Total Cash (\$M)	\$ 3,863
Net Debt (\$M)	\$ 7,307
TTM Adj. EBITDA	\$ 5,437
Cost of Debt	3.79%
Reported Gross Leverage	2.1X
Reported Net Leverage	1.3X
TTM Adj. EBITDA/TTM net Interest	18.2x

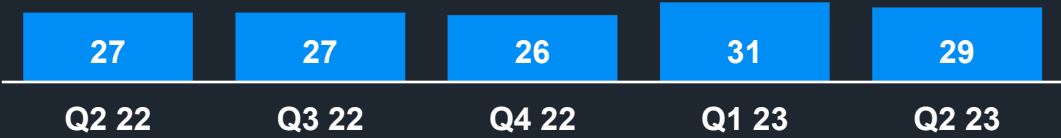


1. Please refer to the NXP Historic Financial Model file found on the Financial Information page of the Investor Relations section of our website at www.nxp.com/investor for additional information relative to our Non-GAAP Financial Measures

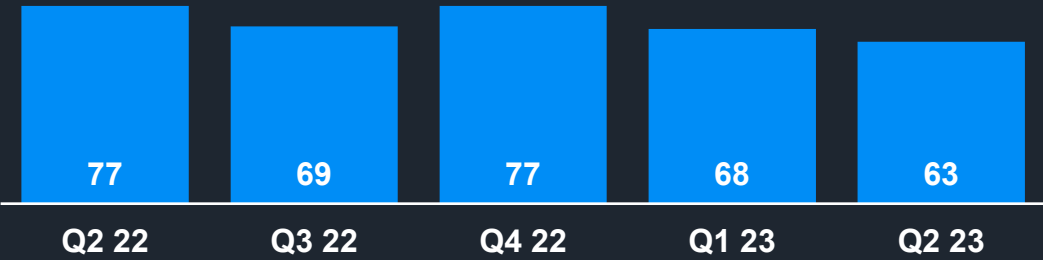
2. For the second quarter ended July 2, 2023, interest expense, net of (\$66) million is comprised of interest expense of (\$109) million, less interest income of \$43 million. Interest expense, net is a component of Financial income (expense) of (\$74) million as reported in the NXP Historic Financial Model file found on the Financial Information page.

Working Capital Ratios^(1,2,3)

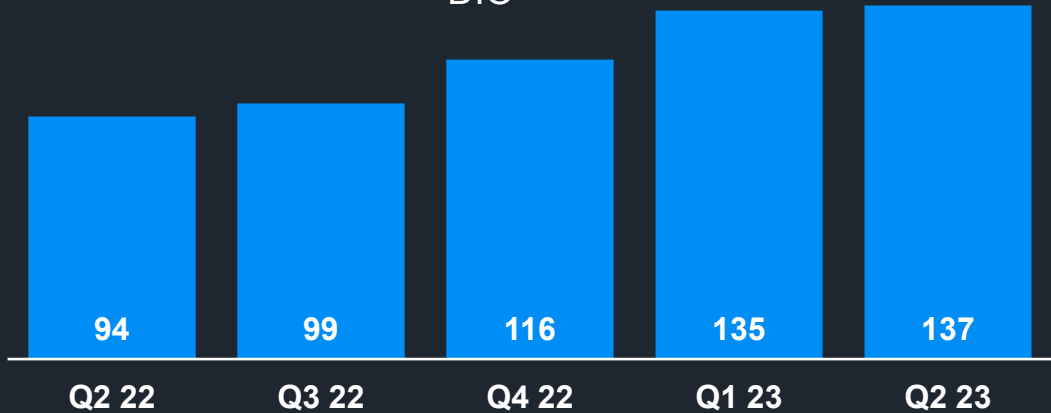
DSO



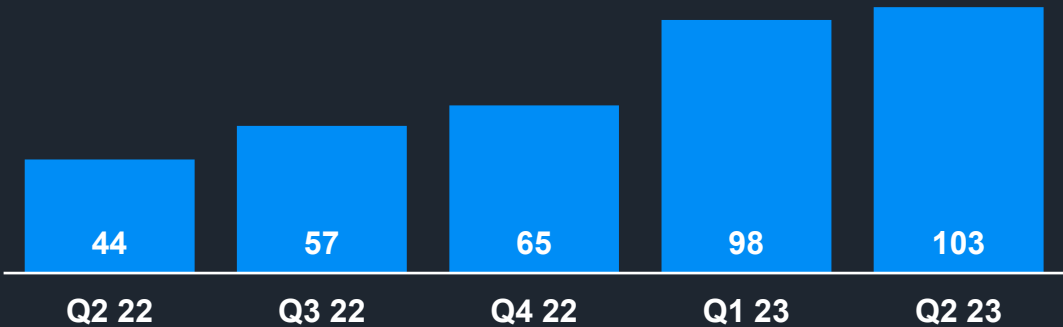
DPO



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

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^(1,2,3)

Analyst Day 2021 2021 – 2024 CAGR

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

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. 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 Third Quarter of 2023 ^(1,2,3,4,5)

	<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>
Total Revenue	3,300	3,400	3,500		3,300	3,400	3,500
Q-Q	0%	3%	6%		0%	3%	6%
Y-Y	-4%	-1%	2%		-4%	-1%	2%
Gross Profit	1,861	1,936	2,013	(49)	1,910	1,985	2,062
Gross Margin	56.4%	56.9%	57.5%		57.9%	58.4%	58.9%
Operating Income (loss)	921	986	1,053	(214)	1,135	1,200	1,267
Operating Margin	27.9%	29.0%	30.1%		34.4%	35.3%	36.2%
Financial income (expense)	(70)	(70)	(70)	(3)	(67)	(67)	(67)
Tax rate		16.5%-17.5%				16.0%-17.0%	
NCI & Other	(5)	(5)	(5)	(1)	(4)	(4)	(4)
Shares	261.3	261.3	261.3		261.3	261.3	261.3
Earnings per share - diluted	2.68	2.89	3.10		3.39	3.60	3.82

1. GAAP Gross Profit is expected to include Purchase Price Accounting ("PPA") effects, \$(13) million; Share-based Compensation, \$(13) million; Other Incidentals, \$(23) million;
2. GAAP Operating Income (loss) is expected to include PPA effects, \$(86) million; Share-based Compensation, \$(102) million; Restructuring and Other Incidentals, \$(26) 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 \$(4) million and Other \$(1) 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.

Annual Financial Reconciliation (GAAP to non-GAAP)⁽¹⁾

(\$ 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 for additional information relative to our Non-GAAP Financial Measures

Annual Cash Flow Overview (\$M)⁽¹⁾

(\$ 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)⁽¹⁾

(\$ 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 and depreciation related to other incidental items	-	8	-	-

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 Financial Reconciliation (GAAP to non-GAAP)⁽¹⁾

(\$ in millions, unless otherwise stated)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Total Revenue	3,312	3,445	3,312	3,121	3,299
GAAP Gross Profit	1,882	1,967	1,891	1,770	1,881
Gross profit adjustments	(33)	(32)	(31)	(46)	(45)
Non - GAAP Gross Profit	1,915	1,999	1,922	1,816	1,926
GAAP Gross Margin	56.8%	57.1%	57.1%	56.7%	57.0%
Non-GAAP Gross Margin	57.8%	58.0%	58.0%	58.2%	58.4%
GAAP Operating income (loss)	943	1,001	980	825	937
Operating income adjustments	(250)	(270)	(228)	(260)	(218)
Non - GAAP Operating income (loss)	1,193	1,271	1,208	1,085	1,155
GAAP Operating Margin	28.5%	29.1%	29.6%	26.4%	28.4%
Non-GAAP Operating Margin	36.0%	36.9%	36.5%	34.8%	35.0%
GAAP Financial income (expense)	(128)	(98)	(103)	(82)	(74)
Financial income adjustments	(31)	(7)	(8)	(6)	(1)
Non - GAAP Financial income (expense)	(97)	(91)	(95)	(76)	(73)
GAAP Provision for income taxes				(118)	(158)
Income tax effect				49	22
Non-GAAP Provision for income tax				(167)	(180)
GAAP Results relating to equity-accounted investees				(2)	(1)
Results relating to equity-accounted investees				(2)	(1)
Non-GAAP Results relating to equity-accounted investees				-	-
GAAP Net income (loss)				623	704
Less: Net income(loss) attributable to non-controlling interests				8	6
GAAP Net income (loss) attributable to stockholders				615	698
Non-GAAP Net income (loss) attributable to stockholders				834	896
GAAP Diluted earnings per share				2.35	2.67
Non-GAAP Diluted earnings per share				3.19	3.43

Adjustments to Q2 2023 “GAAP Net income (loss) attributable to stockholders” of \$698M:

- PPA effects: (\$95M)
- Restructuring: -
- Stock-based compensation: (\$102M)
- Other incidentals: (\$21M)
- Other adjustments: \$20M consisting of
 - Foreign exchange loss: (\$3M)
 - Other financial expense: \$2M
 - Income tax effect: \$22M
 - Results relating to equity accounted investees (\$1M)

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 Cash Flow Overview (\$M)⁽¹⁾

(\$ in millions, unless otherwise stated)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Net cash provided by (used for) operating activities	819	1,144	1,076	632	756
Net cash provided by (used for) investing activities	(288)	(360)	(272)	(351)	(255)
Net cash provided by (used for) financing activities	342	(559)	(728)	(198)	(565)
Effects of changes in exchange rates on cash position	(11)	(11)	10	2	(3)
Increase (decrease) in cash and cash equivalents	862	214	86	85	(67)
Cash and cash equivalents at beginning of the period	2,683	3,545	3,759	3,845	3,930
Cash and cash equivalents at end of period	3,545	3,759	3,845	3,930	3,863
Net cash provided by (used for) operating activities	819	1,144	1,076	632	756
Net capital expenditures on property, plant and equipment	(268)	(281)	(233)	(251)	(200)
Non-GAAP free cash flow	551	863	843	381	556
Trailing 12-month Non-GAAP free cash flow	2,371	2,510	2,834	2,638	2,643
Trailing 12-month Non-GAAP free cash flow as a percentage of Revenue	19%	19%	21%	20%	20%

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)^(1,2)

(\$ in millions, unless otherwise stated)	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
Net income (loss)	683	750	734	623	704
Reconciling items to adjusted net income					
Financial (income) expense	128	98	103	82	74
(Benefit) provision for income taxes	129	149	137	118	158
Depreciation	149	156	158	160	162
Amortization	168	165	144	123	119
Adjusted net income	1,257	1,318	1,276	1,106	1,217
Reconciling items to adjusted EBITDA					
Results of equity-accounted investees	3	4	6	2	1
Restructuring	(4)	-	(2)	18	-
Stock-based compensation	89	89	97	99	102
Other incidental items	16	33	8	42	21
Adjusted EBITDA	1,361	1,444	1,385	1,267	1,341
Trailing 12-month Adjusted EBITDA	4,961	5,299	5,469	5,457	5,437
1) Excluding amortization and depreciation related to other incidental items	-	-	-	2	-

Notable Public Events

- [Rafael Sotomayor, EVP Secure Connected Edge at COMPUTEX Taipei](#)
- [Ron Martino, EVP Global Sales at NXP Connects Keynote](#)

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